

**OGDENSBURG BRIDGE AND PORT AUTHORITY
FINANCE COMMITTEE MEETING
THURSDAY, JANUARY 11, 2024 – 4:15 PM**

I. Business Items

- a. November 2023 Financials
- b. Review of 2022 – 2023 Audits

II. Other Such Matters

OGDENSBURG BRIDGE & PORT AUTHORITY: NOVEMBER 2023 BUDGET TO ACTUAL

	Monthly Budget	Monthly Actual	Over/ (Under)	YTD Budget	YTD Actual	Over/ (Under)
INCOME						
Bridge Revenue	268,821	285,096	16,275	2,316,860	2,460,895	144,035
Airport Revenue	37,862	38,210	348	295,546	320,945	25,399
Airport Revenue - Fuel Sales	76,608	22,289	(54,319)	805,887	437,671	(368,216)
Airport Revenue - AEAS Income	414,856	406,900	(7,956)	3,318,848	3,379,673	60,825
Industrial Park Campus Revenue	81,850	79,165	(2,685)	649,437	641,776	(7,661)
Marine Terminal (Port) Revenue	189,928	107,102	(82,826)	724,100	1,261,589	537,489
Marine Terminal - Interest Income	0	25,943	25,943	0	196,411	196,411
Railroad Revenue	0	0	0	0	7,154	7,154
TOTAL INCOME	1,069,925	964,705	(105,220)	8,110,678	8,706,114	595,436

EXPENSES

BRIDGE EXPENSE						
Salary Expense	111,634	106,508	(5,126)	948,885	938,418	(10,467)
Employee Benefits	45,610	38,285	(7,325)	395,711	355,926	(39,785)
Maintenance Expense	7,091	3,605	(3,486)	54,366	68,222	13,856
Bridge Maintenance Expense	4,350	2,526	(1,824)	82,313	73,234	(9,079)
Utility Expense	7,665	4,369	(3,296)	62,280	52,554	(9,726)
General Expenses	51,665	37,132	(14,533)	423,398	274,106	(149,292)
Legal Expense	9,583	11,011	1,428	76,667	85,651	8,984
TOTAL BRIDGE EXPENSES	237,598	203,436	(34,162)	2,043,620	1,848,111	(195,509)

AIRPORT EXPENSE

Salary Expense	25,691	29,725	4,034	218,374	213,192	(5,182)
Employee Benefits	10,588	9,387	(1,201)	91,811	81,832	(9,979)
Maintenance Expense	5,427	3,437	(1,990)	42,416	98,597	56,181
Fuel Sales Expense	74,530	37,586	(36,944)	708,037	266,496	(441,541)
Utility Expense	13,717	5,295	(8,422)	76,062	51,266	(24,796)
General Expenses	55,576	50,701	(4,875)	444,608	494,667	50,059
Interest Expense	45,340	40,631	(4,709)	362,723	331,073	(31,650)
Legal Expense	0	43,256	43,256	83,333	125,218	41,885
AEAS Expense	414,856	406,900	(7,956)	3,318,848	3,379,673	60,825
TOTAL AIRPORT EXPENSES	645,725	626,918	(18,807)	5,346,212	5,042,014	(304,198)

	Monthly Budget	Monthly Actual	Over/ (Under)	YTD Budget	YTD Actual	Over/ (Under)
<i>INDUSTRIAL PARK EXPENSE</i>						
Salary Expense	3,400	3,367	(33)	28,900	28,622	(278)
Employee Benefits	1,842	333	(1,509)	15,714	5,072	(10,642)
Maintenance Expense	2,021	3,753	1,732	16,167	17,259	1,092
Utility Expense	51,173	(1,929)	(53,102)	193,322	29,073	(164,249)
General Expenses	2,672	4,018	1,346	21,375	38,443	17,068
Interest Expense	0	0	0	667	962	295
TOTAL INDUSTRIAL PARK EXPENSES	61,108	9,542	(51,566)	276,145	119,431	(156,714)

MARINE TERMINAL (PORT) EXPENSE

Salary Expense	57,265	19,045	(38,220)	275,791	164,884	(110,907)
Employee Benefits	12,000	13,967	1,967	102,196	142,296	40,100
Maintenance Expense	11,880	20,329	8,449	88,440	129,185	40,745
Utility Expense	4,628	2,604	(2,024)	42,023	35,260	(6,763)
General Expenses	27,938	25,213	(2,725)	208,369	192,528	(15,841)
Interest Expense	5,200	38	(5,162)	31,200	5,083	(26,117)
Legal Expense	0	0	0	0	49,563	49,563
TOTAL MARINE TERMINAL EXPENSES	118,911	81,196	(37,715)	748,019	718,799	(29,220)

<i>RAILROAD EXPENSES</i>	0	0	0	0	0	0
<i>BORDER STATION EXPENSES</i>	0	11,506	11,506	0	40,872	40,872
TOTAL EXPENSES	1,063,342	932,598	(130,744)	8,413,996	7,769,227	(644,769)
OPERATING INCOME (Net Gain/(Loss))	6,583	32,107		(303,318)	936,887	
Principal Payments on Loans	----	46,094		----	375,498	
OPBA Portion of Projects & Capital	----	98,115		----	1,342,158	
OPERATING INCOME (Net Gain/(Loss))		(112,102)			(780,769)	

OGDENSBURG BRIDGE & PORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
as of November 30, 2023

Current Assets:

Cash - Checking Accounts	\$ 137,466	
Cash - Reserves & Other Restricted Accounts	7,694,710	①
Cash - Security Deposits	185,762	
Accounts Receivable - Regular	199,657	
Accounts Receivable - AEAS	970,053	
Grants Receivable	7,706	
Investments	-	
Inventories	80,316	
Prepaid Expenses	67,369	
Total Current Assets	<u>\$ 9,343,039</u>	

Fixed Assets:

Land & Land Improvements	\$ 46,674,118
Buildings & Building Improvements	108,711,370
Machinery & Equipment	8,813,510
Vehicles	2,018,770
Furniture & Fixtures	142,506
Signage	181,132
Bond Issuance Costs - 2017 Series	178,968
Total Fixed Assets	\$ 166,720,374
Less Accumulated Depreciation	<u>(78,176,693)</u>
Net Fixed Assets	<u>\$ 88,543,681</u>

Other Assets:

1,323,916

Construction in Progress

\$ 6,582,091 ②

TOTAL ASSETS \$ 105,792,727

Current Liabilities:

Accounts Payable - Regular	581,049	③
Accounts Payable - AEAS/Contour	406,900	
Accounts Payable - NYS Retirement	-	
Accounts Payable - All Project A/P	801,792	
Current Portion of Long Term Debt	\$ 875,946	
Accrued Expenses	21,739,331	
Total Current Liabilities	<u>24,405,018</u>	

Other General Liabilities

590,476

Long Term Liabilities

Long Term Portion of Long Term Debt	8,587,916
Total Long Term Liabilities	<u>8,587,916</u>

Capital

72,209,317

TOTAL LIABILITIES 105,792,727

CASH FLOW: NOVEMBER 2023 - APRIL 2024

Anticipated Cash Balance - OCTOBER 113,159

Income	November	December	January	February	March	April	TOTAL
Bridge Toll Income	178,293	111,774	128,540	137,708	147,348	147,348	851,011
Airport Revenue	28,830	18,613	18,613	21,405	25,863	25,863	139,187
Rental Income - BR	106,802	105,324	106,802	106,802	106,802	107,126	639,658
Rental Income - IP	79,161	78,777	80,850	80,850	80,850	80,850	481,339
Rental Income - AP	9,378	9,378	9,378	9,378	9,378	9,602	56,494
Airport Fuels Sales	22,289	47,900	36,839	12,308	36,839	48,258	204,433
Airport AEAS	406,900	406,900	325,520	325,520	325,520	325,520	2,115,880
Port Operating & Rental Fees	107,102	92,631	107,102	138,726	131,790	112,457	689,807
Interest Income	25,948	24,512	24,964	24,964	25,964	25,964	152,317
Other Income	0	15,654	397,483	31,499	424,398	606,868	1,475,902
Regular Income	964,705	911,463	1,236,091	889,160	1,314,752	1,489,856	6,806,027
Expense							
Salaries and Wages	158,645	183,410	158,645	237,968	158,594	183,084	1,080,346
Payroll Taxes & EE Benefits	61,971	275,826	67,535	92,957	61,971	74,582	634,842
Insurance	33,929	35,322	35,322	35,322	35,322	35,322	210,539
Utilities	14,634	13,777	17,221	21,526	17,221	17,221	101,601
General Expenses	30,584	35,540	44,425	44,425	44,425	44,425	243,823
Legal	54,267	36,603	30,416	30,416	30,416	30,416	212,534
Maintenance - BR	3,605	7,825	10,282	10,282	10,282	10,282	52,558
Maintenance - IP	3,753	1,000	2,875	3,753	5,427	5,427	22,235
Maintenance - AP	3,437	5,684	5,684	6,537	7,518	7,518	36,378
Maintenance - MT	20,329	8,120	10,150	10,150	10,150	12,688	71,586
Bridge Maintenance	2,526	0	1,000	1,000	3,475	5,200	13,201
Airport Fuel Purchases	37,586	0	29,471	0	37,586	37,586	142,228
Airport LEO	21,652	21,221	22,401	23,261	22,401	22,401	133,336
Airport Parking	15,645	15,645	17,745	17,745	17,745	17,745	102,269
Airport AEAS	406,900	406,900	325,520	325,520	374,348	406,900	2,246,088
Marine Terminal Management Fees	18,281	8,805	18,955	17,766	17,766	15,101	96,674
OBPA Grant Portion & Capital Expense	98,115	299,368	455,897	606,868	514,226	927,368	2,901,841
All Debt Expense	86,725	86,725	664,826	86,725	86,725	86,725	1,098,451
Regular Expenses	1,072,584	1,441,769	1,918,370	1,572,219	1,455,597	1,939,990	9,400,529

0 CK

0 CK

Prior Month	113,159	5,280	(525,026)	(1,207,305)	(1,890,364)	(2,031,210)	
Current Month Inc - Exp	(107,879)	(530,306)	(682,279)	(683,059)	(140,845)	(450,134)	
Gain/(Loss)	5,280	(525,026)	(1,207,305)	(1,890,364)	(2,031,210)	(2,481,343)	0 CK

①	Restricted Accounts - Top 5 Bank Accounts		
	Consolidated Reserve Fund - CBNA	6,277,530	
	Debt Service Reserve Fund - Wilmington Trust	527,102	
	Tompkins Trust Security Reserve Deposit	405,586	
	M&T Deposit - Bond Payable Reserve Funds	247,495	
	PFC Account	55,051	
		<u>7,512,765</u>	
	8 Additional Restricted Bank Accounts share the balance	181,945	
②	Construction in Progress - Top 4 Projects		
	Airport MASLF	1,948,025	
	Airport EA PH 1 Drainage & Terminal Area	1,929,916	
	Airport Revitalization Project	1,191,423	
	Port - Dock Wall Expansion	596,563	
		<u>5,665,927</u>	
	6 Additional Projects share the balance	916,164	
③	Regular Accounts Payable - Top 5 Vendors		
	Ascent - World Fuels	107,819	PAID \$75,982 05 DEC 23
	Wladis	83,637	PAID \$16,659 14 DEC 23
	Parsons Transportation Group - Bridge Inspection	56,647	
	City of Ogdensburg - 2 LEO & Water/Sewer	51,688	
	Hi-Lite Airfield Service	45,831	PAID IN FULL 14 DEC 23
		<u>345,621</u>	
	80+/- Additional Vendors share the balance	235,428	

OGDENSBURG BRIDGE AND PORT AUTHORITY

Financial Statements and Management's
Discussion and Analysis

March 31, 2023 and 2022

(With Independent Auditors' Report Thereon)

OGDENSBURG BRIDGE AND PORT AUTHORITY

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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, 2023 and 2022, 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, 2023 and 2022, and the changes in its financial position and its 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.

Emphasis of Matter

As discussed in note 2(v) to the financial statements, the Authority adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 87 - "Leases" during the year ended March 31, 2023. Our opinion is not modified with respect to this matter.

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 audits 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 GASB 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 November 10, 2023 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
November 10, 2023

OGDENSBURG BRIDGE AND PORT AUTHORITY

Management's Discussion and Analysis

March 31, 2023 and 2022

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 (OBPA) in 1961 (Article 3, Title 8). Today, the Ogdensburg Bridge and Port Authority manage \$105 million in assets including the following holdings:

- The Ogdensburg-Prescott International Bridge
- The Port of Ogdensburg
- The Ogdensburg International Airport (OGS)
- The Ogdensburg Border Station
- Commerce Park Campus/Heavy Industrial Park (Foreign Trade Zone 110)
- 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 continued to impact 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 the first year of the pandemic, the OBPA experienced 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. Traffic is rebounding as a result of the majority of restrictions being lifted and the major repairs to the bridge completed. Currently, the only restriction left to enter the U.S. from Canada is that non U.S.-citizens must be able to prove that they have been vaccinated. That final restriction was lifted in May 2023. Vehicle traffic has recovered to between 75% to 80% of pre-COVID numbers.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Management's Discussion and Analysis, Continued

The bridge improvements completed the fall of 2021 have been a crucial step forward in the critical capital rehabilitation needed to secure the bridge's 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 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. A very brisk fall and winter unloading, storing, and shipping out of salt for road contracts has kept the Port active. In conjunction with the Port's private partner, Ogdensburg Marketing and Logistics Company, three Wind Turbine Projects were completed during the 2022-2023 fiscal year. Additional projects, including a steel storage and shipping project, have increased Port visibility and revenue in this fiscal year.
- The Ogdensburg International Airport (OGS) experienced the departure of its EAS partner, SkyWest Airlines. SkyWest remained the air carrier for OGS until Contour Airlines, an AEAS (Alternative Essential Air Service) airline began service on July 1, 2022. Contour, a code share partner with American Airlines, flies to Philadelphia International Airport from which passengers can fly to over seventy (70) domestic and international destination.
- American Rescue Plan Act (ARPA) Funds were awarded to OGS to continue to support airport operations. Through the reimbursement plans of both the Coronavirus Aid, Relief and Economic Security (CARES) Act and Coronavirus Response and Relief Supplemental Appropriations (CRRSA) and now ARPA, OGS has been able to maintain its normal operations on the commercial and FBO sides of the airport while maintaining the cleaning/disinfecting regimen required to have a safe environment for passengers and airport staff.
- New York and Ogdensburg Railway shipments remains strong bringing 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. Bridge rehab to two bridges continues bringing their capacity to the 286,000 lbs. standard for rail freight to ensure commercial success into the future.

OUTLOOK

Subsequent to year end, the Authority incurred additional expenses which will cause the Authority to operate at a deficit. The Authority has begun to take steps to defer various projects in order to be able to maintain its primary operations. Additionally, the Authority has scheduled meetings with New York State beginning on September 25, 2023 in order to discuss a possible Operational Stabilization Funding package.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Management's Discussion and Analysis, Continued

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, 2023 and 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$74,171,678 and \$70,567,408, 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, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022*</u>	<u>2021</u>
Current assets	\$ 9,341,370	8,311,936	1,146,622
Capital assets (net of depreciation)	94,776,992	99,277,423	95,332,430
Other noncurrent assets	<u>16,920,867</u>	<u>17,719,370</u>	<u>841,049</u>
Total assets	<u>121,039,229</u>	<u>125,308,729</u>	<u>97,320,101</u>
Deferred outflows of resources	<u>1,323,916</u>	<u>2,039,205</u>	<u>1,492,959</u>
Current liabilities	3,105,932	9,557,816	4,475,528
Noncurrent liabilities	<u>27,648,970</u>	<u>28,514,493</u>	<u>31,330,443</u>
Total liabilities	<u>30,754,902</u>	<u>38,072,309</u>	<u>35,805,971</u>
Deferred inflows of resources	<u>17,436,565</u>	<u>18,708,217</u>	<u>103,105</u>
Net position	\$ <u>74,171,678</u>	<u>70,567,408</u>	<u>62,903,984</u>

* Restated for implementation of GASB Statement No. 87.

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, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022*</u>	<u>2021</u>
Operating revenue	\$ 9,679,088	6,112,071	5,997,734
Operating expenses	<u>16,513,191</u>	<u>9,736,039</u>	<u>11,285,919</u>
Operating loss	(6,834,103)	(3,623,968)	(5,288,185)
Nonoperating income (expense)	<u>10,438,373</u>	<u>9,942,196</u>	<u>15,257,202</u>
Change in net position	3,604,270	6,318,228	9,969,017
Net position at beginning of year, as previously stated	70,567,408	62,903,984	52,934,967
Cumulative effect of change in accounting principle	<u>-</u>	<u>1,345,196</u>	<u>-</u>
Net position at the beginning of year, as restated	<u>70,567,408</u>	<u>64,249,180</u>	<u>52,934,967</u>
Net position at end of year	\$ <u>74,171,678</u>	<u>70,567,408</u>	<u>62,903,984</u>

* Restated for implementation of GASB Statement No. 87.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Management's Discussion and Analysis, Continued

Operating revenue in fiscal year 2022-2023 increased 58%, enhanced by the increase in bridge traffic. Operating revenue in fiscal year 2021 - 2022 increased 2%. Operating expenditures in fiscal year 2022 - 2023 increased 70% primarily attributed to an increase in professional fees and salaries and wages whereas operating expenditures decreased 14% in 2021 - 2022. 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 and cash being received back.

CAPITAL ASSETS

The following table is an analysis of the Authority's capital assets as of March 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022*</u>	<u>2021</u>
Original cost	\$ 166,444,818	165,764,000	145,221,437
Less accumulated depreciation and amortization	<u>(75,469,154)</u>	<u>(70,715,865)</u>	<u>(66,010,509)</u>
	90,975,664	95,048,135	79,210,928
Construction in progress	<u>3,801,328</u>	<u>4,229,288</u>	<u>16,121,502</u>
Total capital assets	\$ <u>94,776,992</u>	<u>99,277,423</u>	<u>95,332,430</u>

* Restated for implementation of GASB Statement No. 87.

LONG-TERM DEBT

The following table is an analysis of long-term debt as of March 31, 2023, 2022 and 2021:

	<u>2023</u>	<u>2022*</u>	<u>2021</u>
Advances due to State of New York	\$ 18,629,974	18,629,974	18,629,974
Bonds payable	5,906,034	5,996,423	6,089,118
Notes payable	2,979,346	3,678,576	3,804,783
Capital lease obligations	71,596	138,190	39,920
Postemployment benefits other than pensions	1,289,684	1,351,912	2,187,156
Net pension liability	-	7,360	1,621,056
Lease and escrow deposits	<u>174,631</u>	<u>137,151</u>	<u>157,587</u>
	29,051,265	29,939,586	32,529,594
Less current portion	<u>(1,402,295)</u>	<u>(1,425,093)</u>	<u>(1,199,151)</u>
Total long-term debt	\$ <u>27,648,970</u>	<u>28,514,493</u>	<u>31,330,443</u>

* Restated for implementation of GASB Statement No. 87.

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, 2023 and 2022

<u>Assets and Deferred Outflows of Resources</u>	<u>2023</u>	<u>2022</u> (As restated)
Current assets:		
Cash and equivalents	\$ 6,809,275	517,881
Accounts receivable	955,715	995,794
Grants receivable	50,709	6,028,642
Lease receivable	1,365,363	668,201
Inventories	80,316	69,827
Prepaid expenses	<u>79,992</u>	<u>31,591</u>
Total current assets	<u>9,341,370</u>	<u>8,311,936</u>
Noncurrent assets:		
Compensating balance	227,973	353,303
Lease receivable	15,276,124	16,645,063
Security deposits	185,233	7,369
Bond payment reserve	220,275	213,819
Debt service reserve	511,027	499,816
Net pension asset - proportionate share	500,235	-
Capital assets, net of accumulated depreciation	<u>94,776,992</u>	<u>99,277,423</u>
Total noncurrent assets	<u>111,697,859</u>	<u>116,996,793</u>
Total assets	<u>121,039,229</u>	<u>125,308,729</u>
Deferred outflows of resources:		
Pension	1,195,643	1,890,950
OPEB	<u>128,273</u>	<u>148,255</u>
Total deferred outflows of resources	<u>1,323,916</u>	<u>2,039,205</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>2023</u>	<u>2022</u> (As restated)
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,280,447	7,076,406
Accrued interest	87,472	99,120
Line of credit	187,483	835,173
Accrued vacation compensation	148,235	122,024
Current portion of due to State of New York	675,000	600,000
Current portion of bonds payable	102,695	97,695
Current portion of notes payable	565,430	660,804
Current portion of capital lease obligation	59,170	66,594
Total current liabilities	<u>3,105,932</u>	<u>9,557,816</u>
Noncurrent liabilities:		
Lease and escrow deposits	174,631	137,151
Postemployment benefits other than pensions	1,289,684	1,351,912
Net pension liability - proportionate share	-	7,360
Due to State of New York, excluding current portion	17,954,974	18,029,974
Bonds payable, excluding current portion	5,803,339	5,898,728
Notes payable, excluding current portion	2,413,916	3,017,772
Capital lease obligation, excluding current portion	12,426	71,596
Total noncurrent liabilities	<u>27,648,970</u>	<u>28,514,493</u>
Total liabilities	<u>30,754,902</u>	<u>38,072,309</u>
Deferred inflows of resources:		
Pension	1,806,980	2,151,874
Lease	14,924,138	15,750,691
OPEB	705,447	805,652
Total deferred inflows of resources	<u>17,436,565</u>	<u>18,708,217</u>
Net Position:		
Net investment in capital assets	67,002,559	69,999,087
Restricted	959,275	1,066,938
Unrestricted (deficit)	6,209,844	(498,617)
Total net position	<u>\$ 74,171,678</u>	<u>70,567,408</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, 2023 and 2022

	<u>2023</u>	<u>2022</u> <u>(As restated)</u>
Operating revenue:		
Bridge tolls	\$ 2,088,739	1,250,629
Rentals	3,024,222	2,937,383
Port operating fees	4,011,638	1,403,464
Parking revenue	64,977	82,733
Airport fees and services	299,698	355,807
Construction projects	18,331	4,629
Miscellaneous	<u>171,483</u>	<u>77,426</u>
Total operating revenue	<u>9,679,088</u>	<u>6,112,071</u>
Operating expenses:		
Salaries and wages	2,234,866	1,819,342
Payroll taxes and benefits	912,361	875,774
Automotive	185,760	113,673
Building and grounds maintenance	330,558	216,020
Equipment repairs and maintenance	566,854	206,536
Fuel and utilities	241,668	245,960
Parking lot operations	216,157	158,902
Security	255,960	237,471
Insurance	390,242	320,648
Telephone and postage	38,885	38,558
Advertising	209,831	224,128
Professional fees	2,033,263	588,436
Depreciation and amortization	4,753,289	4,559,294
Office supplies	26,416	17,669
Subscriptions and dues	1,705	1,774
Travel and meetings	4,977	2,977
Alternative essential air services program expenses	3,091,766	-
Specialized handling equipment rental	901,437	-
Miscellaneous	<u>117,196</u>	<u>108,877</u>
Total operating expenses	<u>16,513,191</u>	<u>9,736,039</u>
Operating loss	<u>(6,834,103)</u>	<u>(3,623,968)</u>

(Continued)

See accompanying notes to financial statements.

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

	<u>2023</u>	<u>2022</u> <u>(As restated)</u>
Nonoperating income (expense):		
Federal and State grants	\$ 3,954,177	14,455,968
CARES Act - airport grants	1,169,647	1,678,500
Grant income - PPP forgiveness	-	365,545
Gain on sale of assets	24,734	115,884
Interest income	139,461	52
Loss on foreign currency exchange	(160,444)	(37,336)
Harbor deepening funds receipt (repayment)	5,851,794	(6,021,000)
Interest expense	<u>(540,996)</u>	<u>(615,417)</u>
Total non-operating income (expense)	<u>10,438,373</u>	<u>9,942,196</u>
Change in net position	<u>3,604,270</u>	<u>6,318,228</u>
Net position at beginning of year, as previously stated	70,567,408	62,903,984
Cumulative effect of change in accounting principle (note 16)	<u>-</u>	<u>1,345,196</u>
Net position at beginning of year, as restated	<u>70,567,408</u>	<u>64,249,180</u>
Net position at end of year	<u>\$ 74,171,678</u>	<u>70,567,408</u>

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Statements of Cash Flows
Years ended March 31, 2023 and 2022

	<u>2023</u>	<u>2022</u> <u>(As restated)</u>
Cash flows from operating activities:		
Receipts from customers	\$ 9,424,007	5,718,549
Payments to employees	(2,508,288)	(1,964,702)
Other payments	<u>(9,528,091)</u>	<u>(4,038,456)</u>
Net cash used in operating activities	<u>(2,612,372)</u>	<u>(284,609)</u>
Cash flows from capital financing activities:		
Principal paid on capital debt	(856,213)	(250,551)
Bond payment reserve	(6,456)	(2,539)
Debt service reserve	(11,211)	(59)
Capital expenditures	(252,858)	(8,374,368)
Federal and State grants	9,932,110	7,943,070
Compensating balance	125,330	(228,722)
Interest paid on capital debt	(552,644)	(615,028)
Line of credit	<u>(647,690)</u>	<u>(143,503)</u>
Net cash provided by (used in) capital financing activities	<u>7,730,368</u>	<u>(1,671,700)</u>
Cash flows from investing activities:		
Interest income	139,461	52
Gain on sale of assets	24,734	115,884
Loss on foreign currency exchange	(160,444)	(37,336)
Proceeds from CARES Act - airport grants	<u>1,169,647</u>	<u>1,678,500</u>
Net cash provided by investing activities	<u>1,173,398</u>	<u>1,757,100</u>
Net change in cash and equivalents	6,291,394	(199,209)
Cash and equivalents at beginning of year	<u>517,881</u>	<u>717,090</u>
Cash and equivalents at end of year	<u>\$ 6,809,275</u>	<u>517,881</u>

(Continued)

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Statements of Cash Flows, Continued

	<u>2023</u>	<u>2022</u> <u>(As restated)</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (6,834,103)	(3,623,968)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	4,753,289	4,559,294
Changes in:		
Accounts receivable	40,079	(153,771)
Lease receivable	671,777	1,080,027
Inventories	(10,489)	(19,317)
Prepaid expenses	(48,401)	(10,336)
Deferred outflows of resources - pension	(140,384)	(22,374)
Accounts payable and accrued expenses	695,307	(564,933)
Security deposits	82,046	(655,995)
Other postemployment benefits	(142,451)	(78,805)
Net pension liability - proportionate share	(507,595)	(1,613,696)
Deferred inflows of resources - pension	(344,894)	2,116,669
Deferred inflows of resources - leases	<u>(826,553)</u>	<u>(1,297,404)</u>
Net cash used in operating activities	<u>\$ (2,612,372)</u>	<u>(284,609)</u>

See accompanying notes to financial statements.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements

March 31, 2023 and 2022

(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.

(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.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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.

(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.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(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
Right-to-use asset	4 - 5 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.

(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 will be paid to the employee.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(n) Compensated Absences, Continued

As of March 31, 2023 and 2022, the liabilities for accrued vacation leave amounted to \$148,235 and \$122,024, 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 current and future retirees with 20 years of active service until age 65. The Authority will not reimburse retirees for the cost of Medicare.

(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 \$209,831 and \$224,128 for the years ended March 31, 2023 and 2022, 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.

(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.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(s) Deferred Outflows and Inflows of Resources, Continued

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 three items that qualifies for reporting in this category. The first 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. The second item is related to 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. The third item is related to long-term lease revenue.

(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. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

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

Statement No. 101 - Compensated Absences. Effective for fiscal years beginning after December 15, 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.

Subsequent to year end, the Authority incurred additional expenses which will cause the Authority to operate at a deficit. The Authority has begun to take steps to defer various projects in order to be able to maintain its primary operations. Additionally, the Authority has scheduled meetings with New York State beginning on September 25, 2023 in order to discuss a possible Operational Stabilization Funding package.

(v) Recent Accounting Standards Adopted

For the year ended March 31, 2023, the Authority adopted GASB Statement No. 87 - "Leases." This Statement provides guidance for identifying certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows or outflows based on payment provisions of the contract. These financial statements and notes reflect the adoption of this new Standard.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(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, 2023 and 2022 were \$7,942,674 and \$1,635,437, respectively. These deposits are categorized as follows:

	<u>1</u>	<u>2</u>	<u>3</u>
2023	\$ <u>938,357</u>	<u>7,004,317</u>	<u> -</u>
2022	\$ <u>500,000</u>	<u>676,748</u>	<u>458,689</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, 2023 and 2022, the Authority had \$89,770 and \$174,951, 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, 2023 and 2022, the Authority had \$29,637 and \$54,037, respectively, in revolving checking and savings accounts for this purpose.

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 \$220,275 and \$213,819 as of March 31, 2023 and 2022, 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 \$511,027 and \$499,816 as of March 31, 2023 and 2022, respectively.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(4) Lease Receivable

The Authority has executed multiple lease agreements for buildings and spaces. The Authority implemented GASB Statement No. 87 for the year ended March 31, 2023 and used the payment schedules for those leases reportable under GASB Statement No. 87 to measure the lease receivable. Calculations pursuant to GASB Statement No. 87 require an interest rate assumption for discounting of future lease payments. The interest rates averaged at 3.94% annually, depending on the commencement date and length of each lease.

The following is the amortization schedule for the lease receivables:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,365,363	608,632	1,973,995
2025	1,364,046	557,550	1,921,596
2026	1,301,157	508,444	1,809,601
2027	1,167,502	460,498	1,628,000
2028	909,220	421,725	1,330,945
2029 - 2033	4,236,619	1,614,150	5,850,769
2034 - 2038	5,142,368	726,691	5,869,059
2039	<u>1,155,212</u>	<u>23,738</u>	<u>1,178,950</u>
Total	\$ <u>16,641,487</u>	<u>4,921,428</u>	<u>21,562,915</u>

The following is the amortization schedule for the deferred inflows of resources:

<u>Year ending</u>	<u>Revenue</u>
2024	\$ 1,446,712
2025	1,361,807
2026	1,286,841
2027	1,150,700
2028	946,355
2029 - 2033	4,029,048
2034 - 2038	3,919,471
2039	<u>783,204</u>
Total	\$ <u>14,924,138</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(5) Capital Assets

Capital assets for the years ended March 31, 2023 and 2022 were as follows:

	Balance at April 1, <u>2022</u>	<u>Increase</u>	<u>Decrease</u>	Balance at March 31, <u>2023</u>
Capital assets, not being depreciated or amortized:				
Land	\$ 4,147,688	-	(537)	4,147,151
Construction in progress	<u>4,229,288</u>	<u>307,827</u>	<u>(735,787)</u>	<u>3,801,328</u>
Total capital assets not being depreciated or amortized	<u>8,376,976</u>	<u>307,827</u>	<u>(736,324)</u>	<u>7,948,479</u>
Capital assets, being depreciated and amortized:				
Land improvements	42,526,965	-	-	42,526,965
Buildings	108,711,471	-	-	108,711,471
Machinery and equipment	10,101,895	681,355	-	10,783,250
Right-to-use asset	<u>275,981</u>	<u>-</u>	<u>-</u>	<u>275,981</u>
Total capital assets being depreciated and amortized	<u>161,616,312</u>	<u>681,355</u>	<u>-</u>	<u>162,297,667</u>
Less accumulated depreciation and amortization for:				
Land improvements	(17,512,038)	(1,717,241)	-	(19,229,279)
Buildings	(45,498,292)	(2,379,906)	-	(47,878,198)
Machinery and equipment	(7,559,473)	(597,819)	-	(8,157,292)
Right-to-use asset	<u>(146,062)</u>	<u>(58,323)</u>	<u>-</u>	<u>(204,385)</u>
Total accumulated depreciation and amortization	<u>(70,715,865)</u>	<u>(4,753,289)</u>	<u>-</u>	<u>(75,469,154)</u>
Total capital assets, being depreciated, net	<u>90,900,447</u>	<u>(4,071,934)</u>	<u>-</u>	<u>86,828,513</u>
Total capital assets, net	<u>\$ 99,277,423</u>	<u>(3,764,107)</u>	<u>(736,324)</u>	<u>94,776,992</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(5) Capital Assets, Continued

	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 or amortized:				
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 or amortized	<u>20,273,305</u>	<u>14,322,153</u>	<u>(26,218,482)</u>	<u>8,376,976</u>
Capital assets, being depreciated and amortized:				
Land improvements	42,526,965	-	-	42,526,965
Buildings	89,277,646	19,458,325	(24,500)	108,711,471
Machinery and equipment	9,265,021	836,874	-	10,101,895
Right-to-use asset	<u>275,981</u>	<u>-</u>	<u>-</u>	<u>275,981</u>
Total capital assets being depreciated and amortized	<u>141,345,613</u>	<u>20,295,199</u>	<u>(24,500)</u>	<u>161,616,312</u>
Less accumulated depreciation and amortization for:				
Land improvements	(15,728,879)	(1,783,159)	-	(17,512,038)
Buildings	(43,222,646)	(2,275,646)	-	(45,498,292)
Machinery and equipment	(7,058,985)	(500,488)	-	(7,559,473)
Right-to-use asset	<u>(89,894)</u>	<u>(56,168)</u>	<u>-</u>	<u>(146,062)</u>
Total accumulated depreciation and amortization	<u>(66,100,404)</u>	<u>(4,615,461)</u>	<u>-</u>	<u>(70,715,865)</u>
Total capital assets, being depreciated and amortization, net	<u>75,245,209</u>	<u>15,679,738</u>	<u>(24,500)</u>	<u>90,900,447</u>
Total capital assets, net	<u>\$ 95,518,514</u>	<u>30,001,891</u>	<u>(26,242,982)</u>	<u>99,277,423</u>

* Restated for implementation of GASB Statement No. 87.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements, Continued

(6) 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.

(7) Construction in Progress

Construction in progress at March 31, 2023 and 2022 consists of the following:

	<u>2023</u>	<u>2022</u>
Marine harbor deepening project	\$ 755,208	1,421,796
Airport lighting system	1,945,195	1,860,034
Airport master plan	216,507	216,507
Airport water project	214,712	214,712
Railroad bridge rehabilitation	100,004	100,004
Revitalization	69,874	-
Airport improvement program	46,100	-
Airport drainage project	<u>453,728</u>	<u>416,235</u>
	<u>\$ 3,801,328</u>	<u>4,229,288</u>

At March 31, 2022, a receivable for \$6,021,000 from the United States Army Corps of Engineers was recorded due to the harbor deepening project being suspended. At March 31, 2023, \$5,833,000 had been received, the remaining portion has been spent by the Army Corps of Engineers, and no further receivable will be collected by the Authority.

(8) 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 for this agreement was \$220,000. The line of credit was fully paid off as of March 31, 2023.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(8) Line of Credit, Continued

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. The line of credit was fully paid off as of March 31, 2023.

Effective August 5, 2022 the Authority entered into a line of credit agreement providing available borrowings of \$400,000 for alternate essential air services. Outstanding borrowings bear interest at 5.0% and are collateralized by the Authority's assets. The total amount outstanding at March 31, 2023 for this agreement was \$187,483.

(9) 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, 2023 and 2022				<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.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to Financial Statements, Continued

(9) Long-Term Debt, Continued

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

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.

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, 2023 and 2022, \$675,000 and \$600,000, respectively, was deferred.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Long-Term Debt, Continued

(b) Total Due to State of New York

	<u>2023</u>	<u>2022</u>
Amount due New York State - First Instance Advances	\$ 18,629,974	18,629,974
Less current portion	<u>(675,000)</u>	<u>(600,000)</u>
Total due to State of New York, excluding current portion	<u>\$ 17,954,974</u>	<u>18,029,974</u>

(c) Bonds Payable

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 \$102,695 net of amortization of the bond discount of \$14,611.

	\$ 6,085,000	6,190,000
Less unamortized discount	<u>(178,966)</u>	<u>(193,577)</u>
Bonds payable including discount	5,906,034	5,996,423
Less current portion, net of amortization of discount	<u>(102,695)</u>	<u>(97,695)</u>
	<u>\$ 5,803,339</u>	<u>5,898,728</u>

(d) Notes Payable

Notes payable at March 31, 2023 and 2022 consist of the following:

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.	\$ 145,675	191,931
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.	105,687	130,070
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

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Long-Term Debt, Continued

(d) Notes Payable, Continued

	<u>2023</u>	<u>2022</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.	\$ 2,381,489	2,757,428
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>346,495</u>	<u>439,147</u>
	2,979,346	3,678,576
Less current portion	<u>(565,430)</u>	<u>(660,804)</u>
Notes payable, excluding current portion	<u>\$ 2,413,916</u>	<u>3,017,772</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 \$250,000 on deposit. The compensating cash balance at March 31, 2022 was \$239,421. The Authority was in compliance with the loan agreement at the year ended March 31, 2022. As of March 31, 2023, the loan was paid in full.

(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 was \$8,271. The entire balance was paid in full in 2023.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Long-Term Debt, Continued

(f) Long-Term Debt Maturities

Long-term debt maturities over the next five years and thereafter as of March 31, 2023 are as follows:

Year ending March 31,	Due to State	Bonds Payable		Notes Payable	
	of New York Principal	Principal	Interest	Principal	Interest
2024	\$ 675,000	110,000	354,030	565,430	106,678
2025	75,000	120,000	347,417	591,201	81,242
2026	75,000	125,000	340,374	618,167	55,422
2027	75,000	135,000	332,899	539,960	28,614
2028	75,000	140,000	324,992	418,375	8,535
2029-2033	375,000	850,000	1,488,399	246,213	5,023
2034-2038	375,000	1,120,000	1,206,649	-	-
2039-2043	375,000	1,495,000	833,618	-	-
2044-2048	375,000	1,990,000	331,872	-	-
Thereafter	<u>16,154,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,629,974</u>	<u>6,085,000</u>	<u>5,560,250</u>	<u>2,979,346</u>	<u>285,514</u>
Unamortized discount		<u>(178,966)</u>			
		<u>\$ 5,906,034</u>			

(g) Capital Lease Obligations

Between 2019 and 2021, the Authority entered into multiple agreements where the Authority assumed responsibility of commercial loans and the assets that the commercial loans were used to acquire. The terms of the commercial loans require the Authority to make annual payments of \$56,556, made in monthly increments totaling \$5,200, from March 2019 through April 2025. The monthly payments will be made directly to First Citizens Bank & Trust Company and USB. At the end of the loan term, ownership of the assets will be transferred fully to the Authority, if the Authority chooses to execute the buy-out option.

Capital lease obligations comprise the following:

Description	Commencement Date	Final Maturity	Interest Rate	Outstanding at March 31, 2023
Minolta copier	8/11/2019	8/11/2023	3.94%	\$ <u>732</u>
Minolta copier	3/30/2021	4/11/2025	3.94%	\$ <u>15,200</u>
Wheel loader	5/10/2019	4/10/2024	3.94%	\$ <u>55,664</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(9) Long-Term Debt, Continued

(g) Capital Lease Obligations, Continued

Lease liabilities are comprised of the following:

Year ending <u>March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,170	1,750	60,920
2025	11,794	199	11,993
2026	<u>632</u>	<u>2</u>	<u>634</u>
	\$ <u>71,596</u>	<u>1,951</u>	<u>73,547</u>

(10) 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 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

(10) Pension Plan, Continued

(a) General Information and Plan Description, 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.

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

At March 31, 2023 and 2022, the Authority reported the following liability (asset) for its proportionate share of the net pension liability for ERS. The net pension liability (asset) was measured as of March 31, 2022 and 2021. The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation. The Authority's proportionate share of the net pension liability (asset) 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	4/1/2021	4/1/2020
Net pension liability (asset)	\$ (500,235)	7,360
Authority's proportion of the Plan's net pension liability (asset)	0.0061194%	0.0073913%
Change in proportion since prior measurement date	0.0012719	0.0012696

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Pension Plan, Continued

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

For the years ended March 31, 2023 and 2022, the Authority recognized pension expense of \$49,134 and \$223,162, respectively, for ERS. At March 31, 2023 and 2022 the Authority's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,883	49,137	89,883	-
Changes in assumptions	834,836	14,087	1,353,232	25,522
Net difference between projected and actual earnings on pension plan investments	-	1,638,059	-	2,114,171
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	114,158	105,697	162,711	12,181
Authority's contributions subsequent to the measurement date	<u>208,766</u>	<u>-</u>	<u>285,124</u>	<u>-</u>
Total	\$ <u>1,195,643</u>	<u>1,806,980</u>	<u>1,890,950</u>	<u>2,151,874</u>

Authority contributions subsequent to the March 31, 2022 measurement date will be recognized as a reduction of the net pension asset in the System 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>Year ending</u>	
2024	\$ (110,210)
2025	(174,265)
2026	(423,410)
2027	<u>(112,218)</u>
Total	\$ <u>(820,103)</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Pension Plan, Continued

(c) Actuarial Assumptions

The total pension liability (asset) 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 (asset) 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, 2022	March 31, 2021
Actuarial valuation date	April 1, 2021	April 1, 2020
Investment rate of return (net of investment expense, including inflation)	5.9%	5.9%
Salary increases	4.4%	4.4%
Inflation	2.7%	2.7%
Cost-of-living	1.4%	1.4%

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, 2020 used the same assumptions to measure total pension liability.

The actuarial assumptions used in the April 1, 2021 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.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Pension Plan, Continued

(c) Actuarial Assumptions, Continued

Measurement date	March 31, 2022	
<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return*</u>
Domestic equity	32.00%	3.30%
International equity	15.00%	5.85%
Private equity	10.00%	6.50%
Real estate	9.00%	5.00%
Opportunistic/ARS	3.00%	4.10%
Credit	4.00%	3.78%
Real assets	3.00%	5.80%
Fixed income	23.00%	0.00%
Cash	<u>1.00%</u>	(1.00%)
	<u>100.00%</u>	

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

(d) Discount Rate

The discount rate used to calculate the total pension liability (asset) was 5.90% for March 31, 2023 and March 31, 2022. 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 (asset).

(e) Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) 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 liability (asset)	\$ <u>1,287,598</u>	<u>(500,235)</u>	<u>(1,995,671)</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(10) Pension Plan, Continued

(f) Pension Plan Fiduciary Net Position

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

	(Dollars in Millions)	
Measurement date	3/31/2022	3/31/2021
Employers' total pension liability	\$ 223,875	220,680
Plan net position	(232,050)	(220,580)
Employers' net pension liability (asset)	\$ <u>(8,175)</u>	<u>100</u>
Ratio of plan net position to the Employers' total pension liability (asset)	103.65%	99.95%

(g) 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, 2023 and 2022 represent the projected employer contribution for the period of April 1, 2022 through March 31, 2023 and April 1, 2021 through March 31, 2022, 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. Retirement contributions paid to the System for the years ended March 31, 2022 were \$208,766 and \$285,124, respectively.

(11) Postemployment Benefits Other Than Pensions

(a) Plan Description and Benefits

Total amount charged to operations for the years ended March 31, 2023 and 2022 amounted to revenue of \$55,601 and expenditures of \$6,980, respectively. At March 31, 2023 and 2022, the liability for active and retired employers amounted to \$1,289,684 and \$1,351,912, respectively.

The number of participants as of April 1, 2022 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 criteria in GASB Statement No. 75, paragraph 4.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(11) Postemployment Benefits Other Than Pensions, Continued

(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	2.73%
Healthcare cost trend rates	6.00% for 2023, decreasing to an ultimate rate of 3.94%

(c) Changes in the Total OPEB Liability

	<u>2023</u>	<u>2022</u>
Total OPEB liability as of beginning of year	\$ <u>1,351,912</u>	<u>2,187,156</u>
Changes for the year:		
Service cost	47,052	84,942
Interest on total OPEB liability	31,732	50,527
Differences between actual and expected experience	-	(679,560)
Changes in assumptions and other inputs	(46,227)	(198,728)
Benefit payments	<u>(85,785)</u>	<u>(92,425)</u>
Total changes	<u>(53,228)</u>	<u>(835,244)</u>
Total OPEB liability as of end of year	\$ <u>1,298,684</u>	<u>1,351,912</u>

(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 (1.73%) or 1-percentage-point higher (3.73%) than the current discount rate:

	1% Decrease (1.73%)	Discount Rate (2.73%)	1% Increase (3.73%)
Total OPEB liability	\$ <u>1,405,027</u>	<u>1,298,684</u>	<u>1,200,130</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2023.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(11) Postemployment Benefits Other Than Pensions, Continued

(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 or 1-percentage point higher than the current health care cost trend rate:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ <u>962,029</u>	<u>1,298,684</u>	<u>1,701,060</u>

This analysis represents sensitivity of the OPEB liability as of March 31, 2023.

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

At March 31, 2023 and 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2023		2022	
	<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	\$ -	522,764	-	633,692
Changes of assumptions	50,423	182,683	62,470	171,960
Contributions subsequent to the measurement date	<u>77,850</u>	<u>-</u>	<u>85,785</u>	<u>-</u>
	<u>\$ 128,273</u>	<u>705,447</u>	<u>148,255</u>	<u>805,652</u>

Contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending March 31, 2024. Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ending</u>	
2024	\$ (134,385)
2025	(134,165)
2026	(133,620)
2027	(125,784)
2028	(116,219)
Thereafter	<u>(10,851)</u>
	\$ <u>(655,024)</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(12) Restricted Net Position

Restricted net position consists of the following at March 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Compensating balance requirement	\$ 227,973	353,303
Bond payment reserve	220,275	213,819
Debt service reserve	<u>511,027</u>	<u>499,816</u>
	\$ <u>959,275</u>	<u>1,066,938</u>

(13) 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.

(14) CARES Act CRRSA- Airport Grants

During the years ended March 31, 2023 and 2022, the Authority received funding from the Federal Aviation Administration (FAA) airport grants amounting to \$1,169,647 and \$1,678,500, 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.

(15) Fiscal Viability

The Authority has a working capital surplus of \$6,235,438 at March 31, 2023 and an operating loss of \$6,834,103 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, 2023, the line of credit was fully paid.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(15) Fiscal Viability, Continued

Management’s plan to address the fiscal liability of the Authority has been severely impacted by the COVID-19 pandemic (see note 2(u)). The Ogdensburg-Prescott International Bridge was closed to all but essential traffic from the end of March 2020 through 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 1st.

- Bridge Traffic: Car and truck traffic on the bridge has recovered to between 75% to 80% of pre-pandemic levels. In 2023, there was an overall increase in traffic of 131%. 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. AEAS was secured with the arrival of contour.

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.

During the year ended Mach 31, 2023, the Authority received an alternative essential air service program grant for \$11,218,457. The program will be in place for a 27 month term for pubic charter operations. Revenue recorded for this program amounted to \$3,091,475 for the year ended March 31, 2023.

- Marine Terminal: The Port of Ogdensburg received a Wind Turbine Project during its 2022-2023 fiscal year with gross revenue of approximately \$3,000,000. In addition to the Wind Turbine Project, the Port of Ogdensburg has seen an increase in grain storage over the fiscal year.

(16) Cumulative Effect of Accounting Principle

For the year ended March 31, 2023, the Authority implemented GASB Statement No. 87 - “Leases.” The implementation of this Statement resulted in reporting certain activities related to the long-term impact of the Authority’s leases. The Authority’s net position at March 31, 2021 has been restated as follows:

Net position at beginning of year, as previously stated	\$ 62,903,984
GASB Statement No. 87 implementation	<u>1,345,196</u>
Net position at beginning of year, as restated	\$ <u>64,249,180</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
Notes to Financial Statements, Continued

(16) Cumulative Effect of Accounting Principle, Continued

The implementation of this Statement also resulted in the restatement of balances for the year ended March 31, 2022. The March 31, 2022 balances were restated as follows:

	2022 as previously <u>stated</u>	<u>Restatement</u>	2022 as <u>restated</u>
Current assets - leases receivable	\$ <u> -</u>	<u> 668,201</u>	<u> 668,201</u>
Noncurrent assets - lease receivable	\$ <u> -</u>	<u> 16,645,063</u>	<u> 16,645,063</u>
Capital assets, net of accumulated depreciation	\$ <u> 99,147,504</u>	<u> 129,919</u>	<u> 99,277,423</u>
Current portion of capital lease obligation	\$ <u> 8,271</u>	<u> 58,323</u>	<u> 66,594</u>
Capital lease obligation, excluding current portion	\$ <u> -</u>	<u> 71,596</u>	<u> 71,596</u>
Deferred inflows of resources - lease rents	\$ <u> -</u>	<u> 15,750,691</u>	<u> 15,750,691</u>
Rentals	\$ <u> 2,720,006</u>	<u> 217,377</u>	<u> 2,937,383</u>

OGDENSBURG BRIDGE AND PORT AUTHORITY
 Required Supplementary Information
 Changes in Authority's Total OPEB Liability and Related Ratios
 Year ended March 31, 2023

Total OPEB liability:	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Service cost	\$ 47,052	84,942	78,382	59,382
Interest on total OPEB liability	31,732	50,527	57,534	82,152
Differences between actual and expected experience	-	(679,560)	-	(89,656)
Changes in assumptions or other inputs	(46,227)	(198,728)	78,650	9,172
Benefit payments	<u>(85,785)</u>	<u>(92,425)</u>	<u>(97,583)</u>	<u>(86,744)</u>
Net change in total OPEB liability	(53,228)	(835,244)	116,983	(25,694)
Total OPEB liability - beginning	<u>1,351,912</u>	<u>2,187,156</u>	<u>2,070,173</u>	<u>2,095,867</u>
Total OPEB liability - ending	<u>\$ 1,298,684</u>	<u>1,351,912</u>	<u>2,187,156</u>	<u>2,070,173</u>
Covered payroll	\$ 1,763,993	2,149,692	2,081,138	2,244,733
Total OPEB liability as a percentage of covered payroll	73.6%	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>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
2.73%	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 (Asset)
 Year ended March 31, 2023

	NYSERS Pension Plan						
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Authority's proportion of the net pension liability (asset)	0.0061194%	0.0073913%	0.0061217%	0.0062324%	0.0060744%	0.0056874%	0.0058747%
Authority's proportionate share of the net pension liability (asset)	\$ (500,235)	7,360	1,621,056	441,587	196,049	534,399	942,900
Authority's covered payroll	\$ 1,781,984	1,904,683	2,081,138	1,973,822	1,797,158	1,793,263	1,577,651
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	28.07%	0.39%	77.89%	22.37%	10.91%	29.80%	59.77%
Plan fiduciary net position as a percentage of the total pension liability (asset)	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

Note to schedule

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, 2023

NYSERS Pension Plan

	<u>2023</u>	<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>
Contractually required contribution	\$ 208,766	285,124	290,190	284,583	263,565	266,194	245,451	265,038	232,880	380,261
Contributions in relation to the contractually required contribution	<u>208,766</u>	<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>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Authority's covered employee payroll	\$ 1,781,984	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
Contributions as a percentage of covered employee payroll	11.72%	14.97%	13.94%	14.42%	14.67%	14.84%	15.56%	17.74%	15.55%	23.42%

**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 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, 2023, and the related notes to financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 10, 2023.

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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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
November 10, 2023

**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, 2023. 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, 2023.

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
November 10, 2023

OGDENSBURG BRIDGE AND PORT AUTHORITY
Schedule of Expenditures of Federal Awards
Year ended March 31, 2023

<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 - Direct Award - Airport Improvement Program	20.106	N/A	\$ 262,843	-
U.S. Department of Transportation - Direct Award - CARES Act/CRRSA - Airport Improvement Program	20.106	N/A	<u>1,169,647</u>	<u>-</u>
			1,432,490	-
U.S. Department of Transportation - Direct Award - Rail Infrastructure and Safety Improvements	20.325	N/A	520,613	-
U.S. Department of Transportation - Direct Award - Payments for Essential Air Services	20.901	N/A	<u>3,091,475</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 5,044,578</u>	<u>-</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, 2023

(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, 2023.

OGDENSBURG BRIDGE AND PORT AUTHORITY
Schedule of Findings and Questioned Costs
Year ended March 31, 2023

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 | _X_ No | |
| 2. Significant deficiency(ies) identified? | ___ Yes | _X_ None | Reported |
| 3. Noncompliance material to financial statements noted? | ___ Yes | _X_ No | |

Federal Awards:

Internal control over major programs:

- | | | | |
|--|---------|----------|----------|
| 4. Material weakness(es) identified? | ___ Yes | _X_ No | |
| 5. Significant deficiency(ies) identified? | ___ Yes | _X_ None | 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 | _X_ No | |
| 7. The Authority's major programs were: | | | |

Name of Federal Program

Assistance Listing
Number

Payments for Essential Air Services	20.901
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? | _X_ Yes ___ No |

Part II - FINANCIAL STATEMENT FINDINGS

No reportable findings or questioned costs.

Part III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No reportable findings or questioned costs.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Status of Prior Year Audit Findings

Year ended March 31, 2023

Finding 2022-001

Condition and Effect - Approximately \$458,000 in Authority funds on deposit were uninsured and uncollateralized at March 31, 2022. Uninsured and uncollateralized funds are at risk of loss and the Authority is not in compliance with General Municipal Law.

Status - This finding is considered resolved as all funds are properly insured and collateralized.

OGDENSBURG BRIDGE AND PORT AUTHORITY
(Ogdensburg International Airport)
Schedule of Passenger Facility Charges
Collected and Expended and Interest Credited
Year ended March 31, 2023

OGDENSBURG BRIDGE AND PORT AUTHORITY

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND INTERNAL
CONTROL OVER THE PASSENGER FACILITY CHARGE PROGRAM REQUIRED BY
THE PASSENGER FACILITY CHARGE AUDIT GUIDE FOR PUBLIC AGENCIES**

The Governing Board
Ogdensburg Bridge and Port Authority:

Report on Compliance for Passenger Facility Charge Program

Opinion on Passenger Facility Charge Program

We have audited the Ogdensburg International Airport's (the Airport) compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration (FAA) (the Guide), for its passenger facility charge program for the year ended March 31, 2023.

In our opinion, the Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its passenger facility charge program for the year ended March 31, 2023.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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 the Guide. Our responsibilities under those standards and the Guide are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Airport 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 the passenger facility charge. Our audit does not provide a legal determination of the Airport'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 Airport'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 Airport'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 generally accepted auditing standards, Government Auditing Standards, and the Guide 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 Airport's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Guide, 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 Airport'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 Airport'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 Guide, but not for the purpose of expressing an opinion on the effectiveness of the Airport'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 Guide. Accordingly, this report is not suitable for any other purpose.

Schedule of Passenger Facility Charges Collected and Expended and Interest Credited

We have audited the financial statements of the Ogdensburg Bridge and Port Authority (the Authority) as of and for the year ended March 31, 2023. We issued our reports thereon dated November 10, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's financial statements. The accompanying schedule of passenger facility charges collected and expended and interest credited is presented for the purposes of additional analysis as required by the Guide, and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 passenger facility charges collected and expended and interest credited is fairly stated, in all material respects, in relation to the financial statements as a whole.

EFPR Group, CPAs, PLLC

Williamsville, New York
December 29, 2023

OGDENSBURG BRIDGE AND PORT AUTHORITY

Schedule of Passenger Facility Charges
Collected and Expended and Interest Credited

Year ended March 31, 2023

Passenger Facility Charges Collected and Interest Credited:	
Passenger facility charges collected	\$ 28,513
Interest credited	<u> 6</u>
Total Passenger Facility Charges Collected and Interest Credited	<u>28,519</u>
Change in unexpended passenger facility charges	28,519
Unexpended passenger facility charges at beginning of year	<u>14,005</u>
Unexpended passenger facility charges at end of year	\$ <u><u>42,524</u></u>

See accompanying notes to the schedule of passenger facility charges collected and expended and interest credited.

OGDENSBURG BRIDGE AND PORT AUTHORITY

Notes to the Schedule of Passenger Facility Charges
Collected and Expended and Interest Credited

Year ended March 31, 2023

(1) Basis of Accounting

The schedule of passenger facility charges (PFC) collected and expended and interest credited is prepared on the basis of cash receipts and disbursements, as prescribed or permitted for filing with the Federal Aviation Administration, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

(2) Interest Credited

Interest credited represents interest income allocated to the PFC program (the Program) based on the ratio of the Program's cash and investments to the total Ogdensburg International Airport's cash and investments.

OGDENSBURG BRIDGE AND PORT AUTHORITY
 Schedule of Findings and Questioned Costs for the Schedule of Passenger
 Facility Charges Collected and Expended and Interest Credited
 Year ended March 31, 2023

- | | |
|---|-----------------------|
| (1) Type of report on PFC compliance | Unmodified |
| (2) PFC revenue, including any interest earned after such revenue is remitted to a public agency, is used only to finance the allowable costs of approved PFC projects at any airport the public agency controls. | <u> X </u> Yes ___ No |
| (3) PFC revenue was used for approved Airport Improvement Program (AIP) eligible projects, including airport development projects, airport planning, terminal development, and noise compatibility planning and measures. | <u> X </u> Yes ___ No |
| (4) PFC funds were used as either the local matching share of the allowable costs for an AIP project, or as supplemental funding for an AIP project. | <u> X </u> Yes ___ No |
| (5) PFC cash balances are maintained in an interest bearing account or other interest bearing instruments used by the public agency's airport capital fund. | <u> X </u> Yes ___ No |
| (6) Separate accounting records are maintained for each approved PFC application. | <u> X </u> Yes ___ No |
| (7) If PFC revenue remitted to the public agency, plus interest, exceeds the allowable costs of a project, excess funds were used for approved projects or retirement of outstanding PFC-financed bonds. | <u> X </u> Yes ___ No |
| (8) Serving carriers were notified of PFC program actions/changes approved by the FAA. | <u> X </u> Yes ___ No |
| (9) Quarterly reports were transmitted to carriers collecting PFC revenues for the public agency, with a copy to the appropriate FAA Airports office. | <u> X </u> Yes ___ No |
| (10) The public agency has in place and utilizes procedures to track air carrier remittances and reporting, and notifies the carriers of their obligations when the remittances and reporting are not in compliance. | <u> X </u> Yes ___ No |
| (11) The Public Agency is in compliance with Assurances 5, 6, 7 and 8. | <u> X </u> Yes ___ No |
| (12) Project administration is carried out in accordance with Assurance 10. | <u> X </u> Yes ___ No |