

ALBANY PORT DISTRICT COMMISSION
NOTES TO FINANCIAL STATEMENTS
December 31, 2014 and 2013

NOTE 5 — PROPERTY AND EQUIPMENT

At December 31, 2014 property and equipment is comprised of the following:

	<u>December 31 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2014</u>
Port marine facilities	\$ 78,874,932	\$ 15,385,507	\$ 157,909	\$ 94,102,530
Transportation, equipment and furniture	967,651	26,901	-	994,552
Construction in process	6,861,081	347,692	6,861,081	347,692
Total	86,703,664	15,760,100	7,018,990	95,444,774
Less accumulated depreciation	51,055,739	1,487,367	-	52,543,106
Net property and equipment	<u>\$ 35,647,925</u>	<u>\$ 14,272,733</u>	<u>\$ 7,018,990</u>	<u>\$ 42,901,668</u>

At December 31, 2013 property and equipment is comprised of the following:

	<u>December 31 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>December 31 2013</u>
Port marine facilities	\$ 78,489,783	\$ 385,149	\$ -	\$ 78,874,932
Transportation, equipment and furniture	810,749	156,902	-	967,651
Construction in process	655,676	6,205,405	-	6,861,081
Total	79,956,208	6,747,456	-	86,703,664
Less accumulated depreciation	49,651,077	1,404,662	-	51,055,739
Net property and equipment	<u>\$ 30,305,131</u>	<u>\$ 5,342,794</u>	<u>\$ -</u>	<u>\$ 35,647,925</u>

Depreciation expense was \$1,487,367 and \$1,404,662 for the years ended December 31, 2014 and 2013, respectively.

NOTE 6 — LONG-TERM DEBT

Long-term debt is comprised of the following:

	<u>December 31 2013</u>	<u>Debt Issued</u>	<u>Debt Payments</u>	<u>December 31 2014</u>
Bank of America lease obligation (A)	\$ -	\$ 3,000,000	\$ 9,414	\$ 2,990,586
NYS First Instance advances (B)	77,709	-	77,709	-
M&T Bank warehouse obligation (C)	923,327	-	923,327	-
	1,001,036	<u>\$ 3,000,000</u>	<u>\$ 1,010,450</u>	2,990,586
Less current maturities	1,001,036			433,844
	<u>\$ -</u>			<u>\$ 2,556,742</u>

(A) *The Commission is obligated under a June 2014 master lease financing agreement with Bank of America in the original amount of \$3,000,000. Funds under the financing agreement were primarily utilized to retire the M&T Bank warehouse obligation (see item C above) and to acquire certain Port related facility equipment. The agreement requires monthly payments beginning in December 2014 of approximately \$41,000, including interest at approximately 2.1%, with final maturity in June 2021. The obligation is collateralized by certain Commission assets.*

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NOTE 6 — LONG-TERM DEBT (Continued)

- (B) *New York State First Instance advances were non-interest bearing advances, authorized by the State pursuant to the provisions of Section 19, Chapter 170 of the Laws of 1967, for construction, reconstruction and rehabilitation of facilities. The terms of the agreement, as approved by the State Division of Budget and the State Legislature, provided for equal annual payments, each in the amount of \$80,000, through 2013, with a final payment of \$77,709 in 2014.*
- (C) *The Commission was obligated under a 2004 mortgage with M&T Bank. The obligation provided for monthly payments of \$8,718, including interest at 4.07% per annum, with 20 year amortization and a balloon payment approximating \$864,000 in November 2014. During 2014, the mortgage was paid in full utilizing proceeds from the Bank of America master lease agreement.*

At December 31, 2014, long-term debt maturities were comprised of the following:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 433,844	\$ 58,922	\$ 492,766
2016	443,087	49,679	492,766
2017	452,527	40,238	492,765
2018	462,168	30,597	492,765
2019	472,015	20,751	492,766
Thereafter	726,945	12,203	739,148
	<u>\$ 2,990,586</u>	<u>\$ 212,390</u>	<u>\$ 3,202,976</u>

Interest expense was \$70,824 and \$38,937 for 2014 and 2013, respectively.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS

Substantially all Albany Port District Commission full-time employees participate in the New York State and Local Employees' Retirement System ("System").

The System is a cost-sharing multiple-employer defined benefit plan administered by the State Comptroller. Plan benefits, including retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. The System issues a financial report that includes financial statements and other information for the System which is available to the public. The financial report may be obtained by writing to the New York State and Local Employees' Retirement System, 110 State Street, Albany, New York 12244.

Employer contributions are actuarially determined by the System. The Commission is required to contribute annually to the System based on a percentage rate of payrolls. The rates, which vary according to the employees' date of hire, include normal, administrative, and supplemental pension contributions and prior service costs. Substantially all Commission payroll is covered by the System. Employees who joined the system after July 27, 1976, and have less than ten years of service or membership are required to contribute 3 percent of their salary. Employee contributions are deducted from their salaries and remitted on a current basis to the System.