ALBANY PORT DISTRICT COMMISSION

SINGLE AUDIT REPORT

December 31, 2021

UHY LLP
Certified Public Accountants

ALBANY PORT DISTRICT COMMISSION

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INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Albany Port District Commission

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Albany Port District Commission (the "Commission") (a component reporting unit of the City of Albany) as of and for the years ended December 31, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Commission'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 Albany Port District Commission, as of December 31, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the 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 audit opinions.

Responsibilities of Management for the Financial Statements

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

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Auditor's 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 auditor's report that includes our opinions. 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 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 generally accepted auditing standards *and Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission'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 Commission'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 audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and other required supplementary information on pages 31 through 33 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming opinions on the financial statements of the Albany Port District Commission's basic financial statements. The Schedules of Payroll and Related Costs and Other Operating Expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) 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 relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the 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 March 23, 2022 on our consideration of the Albany Port District Commission'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Albany Port District Commission's internal control over financial reporting and compliance.

UHY LLP

Albany, New York
March 23, 2022

The following discussion and analysis (MD&A) of the activities and financial performance of the Albany Port District Commission ("APDC" or the "Port") is offered as an introduction and overview of the financial statements of APDC for the fiscal year ended December 31, 2021, with comparative data for the fiscal year ended December 31, 2020. Following this MD&A are the basic financial statements of APDC together with the notes thereto which are essential to a full understanding of the data contained in the financial statements. In addition to the notes, certain supplementary information is presented to assist with the understanding of the APDC's financial operations.

APDC is governed by a five-member Board of Commissioners ("Board"). All Commissioners are appointed by the Governor of New York State based upon recommendations of the Mayors of Albany and Rensselaer. The Board has adopted several policies as required under the Public Authorities Accountability Act ("PAAA") of 2005 and the Public Authorities Reform Act ("PARA") of 2009, enhancing transparency and embracing best governance practices.

The APDC Finance Committee meets on a quarterly basis or more frequently, if necessary, to review project and transactional analysis. As necessary, the Committee makes recommendations for consideration by the Board. On a monthly basis, the Board meets to discuss infrastructure needs, project activity and progress, maritime activity performance and the APDC's financial position and performance. Additionally, the APDC Audit Committee, without management present, independently meets with the external auditors to discuss relevant issues and concerns.

INTRODUCTION

In 1925 the Albany Port District Commission was established through an act of the New York State Legislature ("Enabling Legislation"). The Enabling Legislation granted broad authority to the APDC to develop, construct, and manage a maritime facility. During the succeeding decades, the APDC developed into a year-round, twenty-four-hour operation encompassing nearly 400 acres within three municipalities, directly and indirectly employing hundreds of men and women, and generating hundreds of millions of dollars in regional and state-wide economic output.

Stevedoring services are provided by Federal Marine Terminals, Inc. ("FMT"). Through a Terminal Operating Agreement ("TOA") between APDC and FMT, FMT is authorized to manage a portion of APDC property for general cargo and commodity handling and to conduct various activities related to vessel servicing. Under the TOA, FMT is obligated to make monthly payments to APDC ("Base Payments"). Additionally, upon achieving certain gross revenue thresholds, FMT is also obligated to pay a percentage of gross revenue to APDC ("Revenue Share Payments").

The APDC strives to responsibly and effectively manage the publicly owned maritime Port of Albany-Rensselaer, driving the economy of the Capital Region and beyond, while emphasizing transparency and public stewardship. The APDC's mission consists of three main tenets:

- Effective Management of the Public's Asset.
- Economic Contribution to the Region.
- Integrity, Professionalism and Customer Service.

Through the execution of this mission, APDC has emerged as an award-winning, multi-faceted organization offering world-class facilities and services with a global economic and industry influence.

INFRASTRUCTURE INVESTMENT

The guiding principle for Port infrastructure investment is to create an environment which enhances supply chain performance and promotes the efficient movement of cargo between the Port and customer markets. Significant resources are allocated by the APDC to develop projects, identify funding opportunities, and perform grant administration related to infrastructure investments. These investments will assist in retaining and attracting customers as the Port develops into a regional logistics hub.

As previously reported, the Port has engaged in a multi-year, multi-project initiative to ensure the Port's capacity is aligned with anticipated market demand. Upon completion in 2023, this initiative will have created over $40 million in mission-critical capital improvements. Nearly $18 million of funding for this work is through the Transportation Investment Generating Economic Recovery ("TIGER") program. This program, administered by the United States Department of Transportation ("USDOT"), is providing funding to support strategic maritime terminal improvements. Grants totaling $19 million from New York State have funded new and replacement infrastructure. During 2021 the capital investment related to new/replacement Port infrastructure was approximately $1.3 million. Of this amount, 81% was funded from Federal sources.

Beginning in 2017 and continuing into 2021, projects have been undertaken to grow the Port's maritime storage and transportation capacity for manufactured products. Demonstrating the inter-relationship between maritime activity and upland development, these projects will result in new assets both within the maritime terminal and on underutilized land adjacent to the terminal. The Port has leveraged these projects to establish a competitive advantage to pursue business and cargo capture.

The construction of a 60,000 square foot maritime warehouse at the southern portion of the upland terminal area was completed in the first quarter of 2021. The location of the new building is adjacent to the new roll on roll off ramp ("ro-ro") and wharf area, which was completed in late 2019. This additional warehouse space is a major upgrade for the Port of Albany and increases cargo handling and storage capacity that will be absorbed by other big lift / special cargo handling areas. The intention with the new construction is to increase storage and handling capacity in covered space with a floor capacity of 1,000 pounds per square foot and with modern style column span spacing with the intent to have as much clear span as possible.

Adjacent to this area, the Port created an expanded outdoor maritime laydown and cargo handling area where a former underutilized and deteriorated vacant building was demolished. This area was cleared, improved, and securely fenced in 2020 – enabling a nearly 25% larger FMT maritime operating area adjacent to the newly reconstructed wharf and ro-ro. In 2021 this outdoor space was put into use and was utilized in steel shipments.

In 2021, the final design for the rehabilitation of the full marine terminal was completed by the Port's consulting engineers. This is expected to go out to bid in the second quarter of 2022 for construction. This will result in a fully modernized and safe cargo handling and storage area in the maritime terminal. Also, in 2021 the Port staff pursued additional funding to support additional maritime terminal related infrastructure improvements. The funding is targeted to upgrade existing 60,000 SF Shed 1 which is the Port of Albany's oldest on-dock indoor warehouse. The improvements include ground capacity improvement, roof replacement, electrical upgrades and 700' of rail siding upgrade will complement the ongoing maritime infrastructure plan and will enable the Port to serve additional customers and additional supply chain. In early 2022 the Port team was awarded an additional $4.8 million in NYS DOT funding to support these additional upgrades.

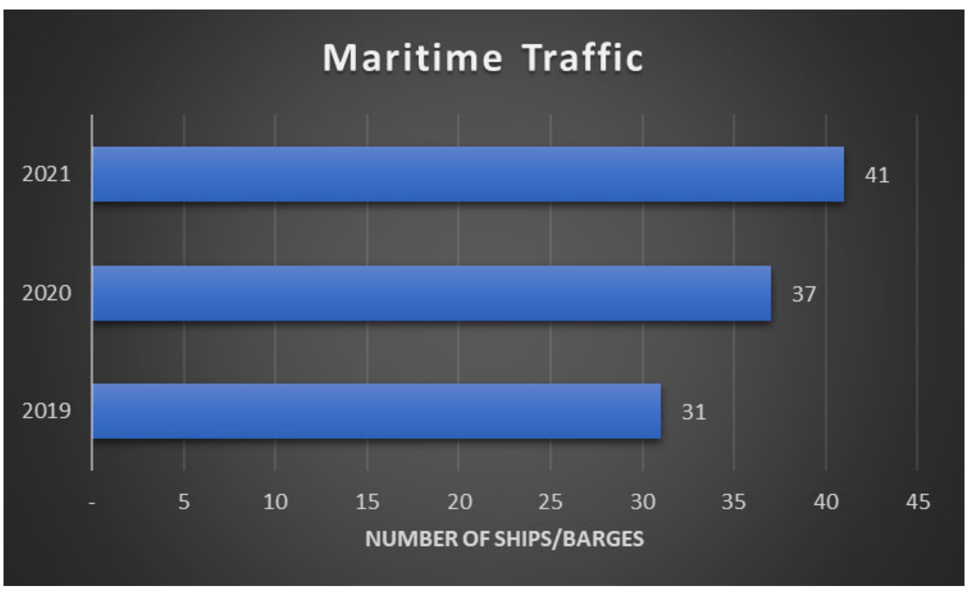
EXPANSION

In 1932, President (then Governor of New York) Franklin Delano Roosevelt presided over the Port's dedication ceremony and highlighted the colossal engineering feat that established the Port. At that time, it could not have been known that nearly 85 years later, the APDC Board of Commissioners would guide the Port through a land acquisition that will result in the first significant physical expansion of the Port.

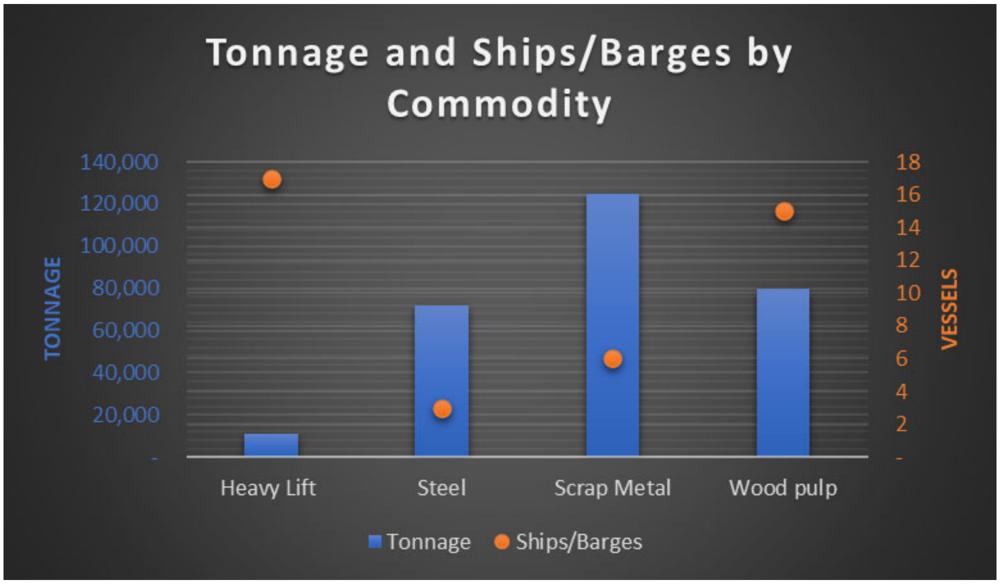
At the end of 2018 APDC closed on the $5.25 million purchase of an 80-acre site adjacent to the Port's southeastern border in the town of Bethlehem. This acquisition has increased the size of the Port by 25% to nearly 400 acres. In 2020, the Port completed the SEQRA and GEIS process with the Town of Bethlehem and received approval in May 2020. In the summer of 2020, the Port joined forces with Offshore Wind Industry developers to compete for the NYSERDA second round procurement and Port Infrastructure Investment Program. In 2021, the Port of Albany was selected, together with Equinor and Marmen/Welcon to develop the first of its kind wind tower manufacturing facility in the United States. Pre-development activities, including design engineering and specific site plan permitting applications got underway in 2021 with plans for major construction activity in 2022 and 2023. Altogether, this project represents approximately 100 acres of improved plans. It will include the Port expansion site, an adjacent 4 acres via National Grid easement and approximately 14.5 acres in the Port's existing maritime district at 700 Smith Blvd. This project will include over 626,000 square feet of production facilities and a high capacity – heavy lift custom designed maritime operation, a new bridge span connecting the site to the current Port district and related infrastructure and roadway improvements. The partnership will utilize the 14-acre site in the Port's existing district for supply activities which is expected to generate rail and maritime activity.

In the first quarter of 2021, the ADPC Board of Commissioners executed contracts for engineering and design for the next level of civil, infrastructure and structural engineering to fulfill the expansion site plans. This work is nearly at 100% construction drawing level and is going to bid for construction professional in 2022. The APDC team's aggressive pursuit of partners has resulted in world class industry partners and the team will continue to pursue related industry economic development opportunities.

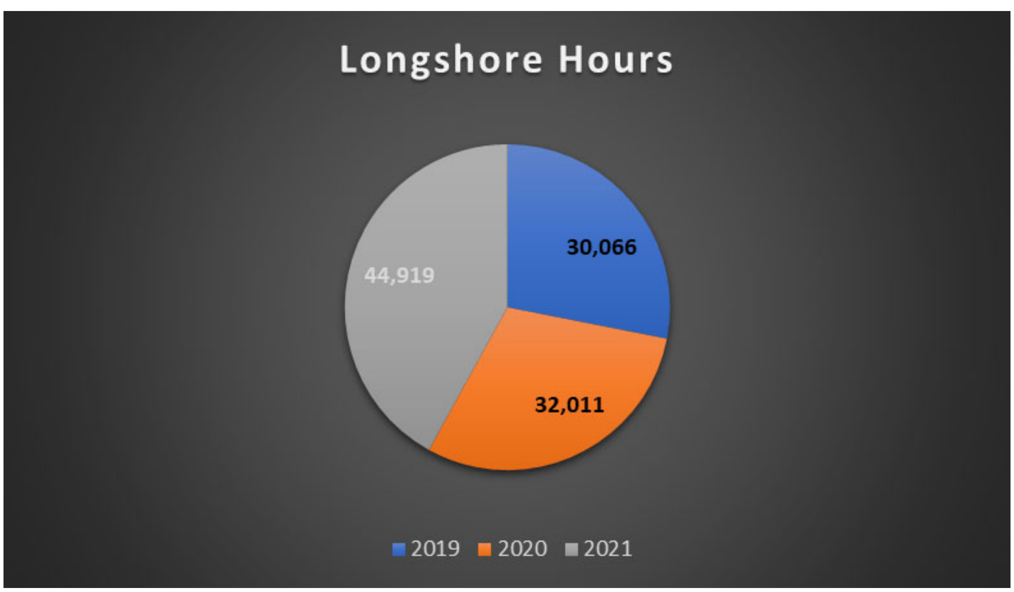
<u>MARITIME-RELATED ACTIVITY</u>



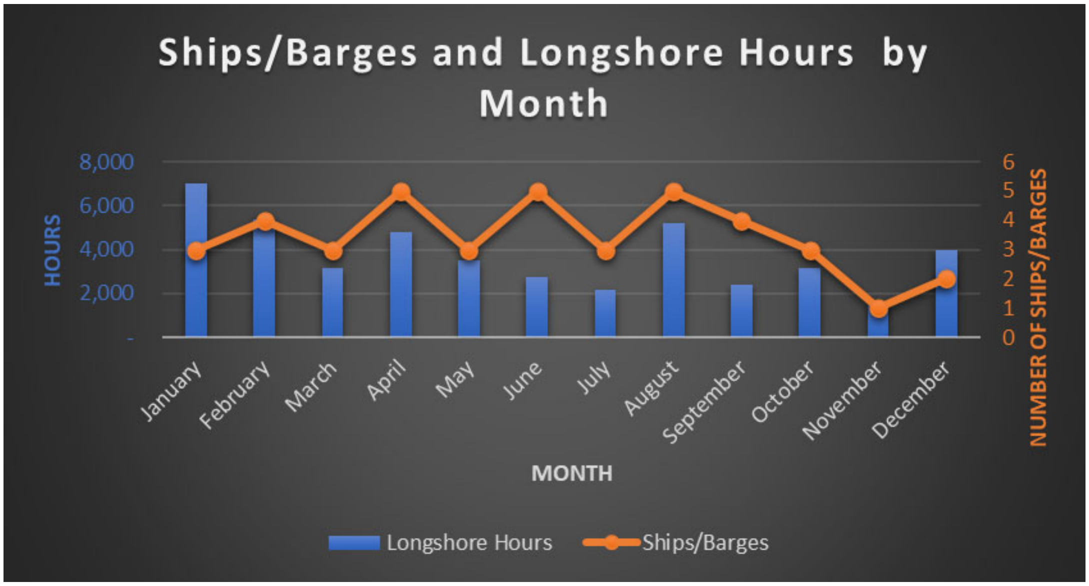
- As compared to 2020, calls to the Port increased by 4 ships/barges overall during 2021. The primary driver of this increase is within the Heavy Lift, Steel and Wood pulp categories, which saw a cumulative 11% increase. The other commodities stayed constant, with a slight decline in barge utilization for heavy lift / project cargo activity.



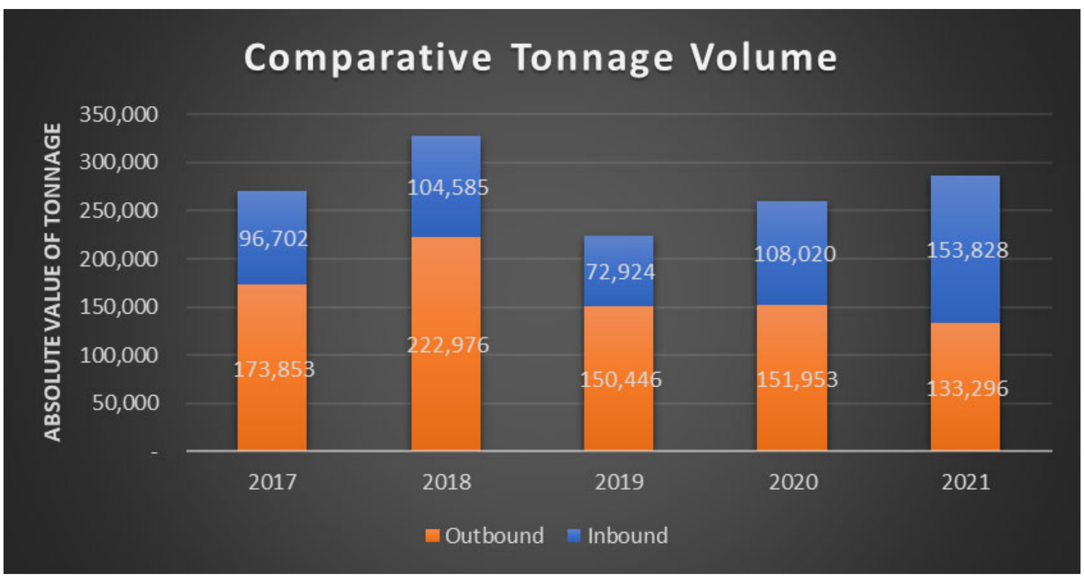
- Scrap metal remains the highest-volume commodity in terms of tonnage by a substantial margin. Scrap metal represents 43% of total tonnage for the year. On a per vessel basis, average tonnage for scrap metal was about 21,000 tons.
- Wood pulp continues to yield the second highest volume of tonnage (28% of total tonnage in 2021).
- Although heavy lift/project cargo represents a relatively modest amount of total 2021 tonnage, 42% of all cargo-carrying ship and barge calls in 2021 fell into this category.



- The number of longshore hours worked is one of the Port's key indicators and is discussed in detail with the Board of Commissioners monthly. This metric is important as it demonstrates the economic value and job opportunities created by the Port's maritime activity. The Port saw an increase of labor hours in 2021 due to its project tracking and efforts to diversify business and customer opportunities in an effort to offset a decline in project cargo.



The longshore hours increased by 40% in 2021, compared to 2020



- Overall tonnage has increased from 2020 by 11%. This increase is consistent with the trends seen in Longshore hours and the number of ships and barges.

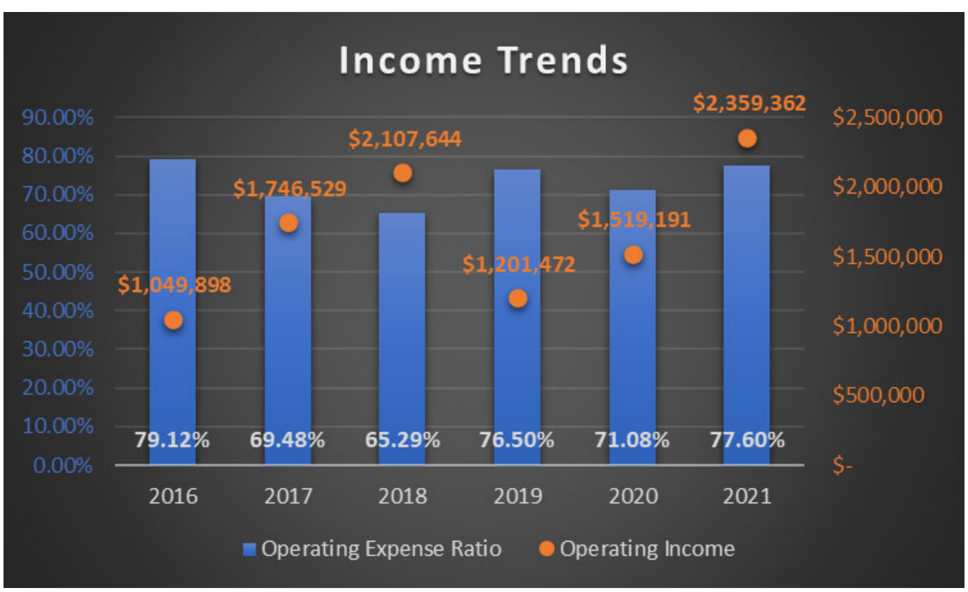
- The year-over-year inbound tonnage increase is 42%. This increase in tonnage occurred in Heavy Lift & Project Cargo, Steel and Container Board.

FINANCIAL OPERATIONS HIGHLIGHTS

A condensed summary of revenues and expenses for the years ended December 31, 2021 and 2020 is shown below.

	2021	2020
OPERATING REVENUES		
Property and equipment rentals	$ 3,883,779	$ 3,670,855
Maritime-related	1,367,286	950,613
Security	427,805	372,218
Offshore Wind project	4,609,068	-
Other operating revenues	244,887	173,278
Total operating revenues	10,532,825	5,166,964
OPERATING EXPENSES		
Payroll and related expenses	2,507,344	2,531,458
Maintenance and material handling	553,687	448,642
Professional services	403,231	445,196
Offshore Wind project	4,383,971	-
Other operating expenses	325,230	222,477
Total operating expenses	8,173,463	3,647,773
OPERATING INCOME	2,359,362	1,519,191
Depreciation and other items	(3,192,764)	(2,188,743)
CHANGE IN NET POSITION BEFORE CAPITAL FUNDING	(833,402)	(669,552)
Capital grant funding	1,046,792	4,339,705
INCREASE IN NET POSITION	213,390	3,670,153
Total net position, beginning of year	67,129,540	63,459,387
Total net position, end of year	$ 67,342,930	$ 67,129,540

Income generated from operations has increased by approximately $840,000 (55%) over 2020. Maritime-related revenue increased significantly, by 44% ($417,000). Non-maritime related revenue increased in all categories from the prior year.



Operating Revenue increased by approximately $5,366,000 or 104% from 2020.

- Improvement from 2020 was primarily in Maritime Revenue of $417,000 or 44%, along with a 6% increase in Property and Equipment ($213,000), 15% in Security Revenue ($56,000) and 41% in other operating revenue ($72,000).
- The majority of this increase, $4.609 million, relates to the Empire Wind Pre-funding agreement and represents the expenditures to date for this funding phase of the project, plus administrative revenue of $225,000 earned by APDC.
- Dockage Fees are charged for vessels that are utilizing berths and are based upon either the length or net registered tonnage ("NRT") of the vessel. Overall, revenue derived from this category increased by $144,000 or 55%.
- Revenue derived from wharfage also increased significantly in 2021; by $108,000 or 29%. The increase is driven by the volume of ship/barge traffic.
- Revenue generated from utilization of the APDC's two Liebherr mobile harbor cranes increased 51% ($92,000) as compared to 2020. The revenue increase reflects hours of use by FMT for maritime terminal operations.

Operating expenses in 2021 saw an increase from 2020 of approximately $4,525,690 or 124%. $4,384,000 of this increase are the expenses for the Empire Wind Project and are reflected in the revenue from the Pre-Funding agreement. The remaining expenses increased by 4% or $142,000.

- Payroll and related expenses have decreased slightly by $24,000 from 2020. Salary expense increased 11% in 2021, which reflects two FTEs added in 2021. This is offset by the annual adjustments made for pension and other post-employment benefit liabilities activity of $195,000.
- Professional services decreased overall by 9% ($42,000) from 2020. This decrease is from a decreased use of outside consultants in 2021.
- Maintenance and material handling increased by 23% or $105,000 from 2020. This increase is due to parts and repairs related to one of the Port's mobile harbor cranes in 2021, which totaled $103,000 compared to 2020 crane repairs of $24,000.
- Non-operating expenses increased by 46% ($1,004,000). This fluctuation is due to the gain on sale of property realized in 2020.

A condensed summary of APDC's net position at December 31, 2019, 2020, and 2021 is shown below.

The net position increase from December 31, 2019 to December 31, 2021 was $3.9 million.

	2019	2020	2021
Assets and Deferred Outflows of Resources			
Current and other assets	$ 5,371,917	$ 4,006,246	$ 7,714,582
Capital assets	70,195,131	75,562,834	75,455,322
Deferred outflows of resources	289,331	896,815	1,069,857
Total assets and deferred outflows of resources	$ 75,856,379	$ 80,465,895	$ 84,239,761
Liabilities			
Current liabilities	$ 2,560,657	$ 3,885,925	$ 6,831,661
Long-term liabilities	8,558,622	8,222,028	8,135,140
Deferred inflows of resources	1,277,713	1,228,402	1,930,030
Total liabilities and deferred inflows of resources	$ 12,396,992	$ 13,336,355	$ 16,896,831
Net Position			
Invested in capital assets, net of related debt	$ 63,989,643	$ 70,710,943	$ 69,432,110
Unrestricted	(530,256)	(3,581,403)	(2,089,180)
Total net position	$ 63,459,387	$ 67,129,540	$ 67,342,930

CURRENT KNOWN FACTS, DECISIONS OR CONDITIONS

- A $3 million sub-lease under the existing master lease with Bank of America was executed during February of 2021. This sub-lease carries a four-year term and a fixed rate of 1.76%. Certain APDC-owned equipment assets serve as collateral under the terms of the sub-lease.

- Pre-development activities, including design engineering and specific site plan permitting applications have continued in 2021 and will be done in 2022 for the Port Expansion for the development of the first of its kind wind tower manufacturing facility together with Equinor and Marmen/Welcon.

During the year ended December 31, 2021, certain phases of the TIGER project were completed including:

- Construction of the new 60,000 square foot warehouse within the existing maritime terminal concluded in the first quarter of 2021.

- In 2021 final design of both the reconstruction of Smith Blvd and the reconstruction of the marine terminal are expected to be complete in preparation of construction bid.

Next phase of TIGER projects will continue:

- Bidding for construction and the construction work on both the reconstruction of Smith Blvd and the reconstruction of the marine terminal are expected to begin in 2022.

- The Port will finalize plans to make repairs and upgrades to the Port's oldest marine terminal building, Shed 1, to accommodate increased timber and paper pulp cargo at the Port. This is based on a feasibility review that was conducted in 2020 to consider repairs versus demolition of the structure.

- Federal and state funding opportunities will continue to be pursued to address not only existing infrastructure needs but also to develop new infrastructure in response to emerging trends within the maritime and transportation logistics industries.

FINANCIAL STATEMENTS

APDC's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Government Accounting Standards Board (GASB). Revenue is recognized when earned, not when received and expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and (except land) are depreciated over their useful lives.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of APDC's financial condition. Questions concerning the information provided in this report may be addressed in writing to:

Albany Port District Commission
106 Smith Boulevard
Albany, NY 12202

ALBANY PORT DISTRICT COMMISSION
STATEMENTS OF NET POSITION
December 31, 2021 and 2020

	2021	2020
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	**$ 6,501,133**	$ 919,559
Investments	**-**	499,970
Accounts receivable	**524,737**	490,396
Grants receivable	**612,730**	2,045,672
Other current assets	**75,982**	50,649
Total current assets	**7,714,582**	4,006,246
NET PROPERTY AND EQUIPMENT	**75,455,322**	75,562,834
Total assets	**83,169,904**	79,569,080
DEFERRED OUTFLOWS OF RESOURCES	**1,069,857**	896,815
	$ 84,239,761	$ 80,465,895
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
CURRENT LIABILITIES		
Current maturities of long-term debt	**$ 1,688,212**	$ 1,144,978
Deferred revenue	**2,959,853**	52,048
Accounts payable	**1,220,379**	830,856
Accrued expenses	**963,217**	1,858,043
Total current liabilities	**6,831,661**	3,885,925
LONG-TERM LIABILITIES		
Long-term debt, net of current maturities	**4,335,000**	3,706,913
Security deposits	**117,299**	108,201
OPEB obligation	**3,679,026**	3,249,549
Net pension liability	**3,815**	1,157,365
Total long-term liabilities	**8,135,140**	8,222,028
Total liabilities	**14,966,801**	12,107,953
DEFERRED INFLOWS OF RESOURCES	**1,930,030**	1,228,402
NET POSITION		
Net investment in capital assets	**69,432,110**	70,710,943
Unrestricted	**(2,089,180)**	(3,581,403)
Total net position	**67,342,930**	67,129,540
	$ 84,239,761	$ 80,465,895

See notes to financial statements.

ALBANY PORT DISTRICT COMMISSION
STATEMENTS OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
Years ended December 31, 2021 and 2020

	2021	2020
OPERATING REVENUES		
Property rentals	**$ 3,612,249**	$ 3,490,535
Dockage fees	**405,176**	260,935
Wharfage fees	**476,808**	368,634
Stevedore fees	**485,302**	321,044
Crane/equipment rentals	**271,530**	180,320
Offshore Wind project	**4,609,068**	-
Security fees	**427,805**	372,218
Storage and other services	**244,887**	173,278
Total operating revenues	**10,532,825**	5,166,964
OPERATING EXPENSES		
Payroll and related benefit costs	**2,507,344**	2,531,458
Maintenance expense	**341,018**	338,892
Material handling	**212,669**	109,750
Insurance	**245,598**	240,155
Professional and consulting fees	**157,633**	205,041
Offshore Wind project	**4,383,971**	-
Other operating expenses	**325,230**	222,477
Total operating expenses	**8,173,463**	3,647,773
OPERATING INCOME, BEFORE DEPRECIATION AND OTHER ITEMS	**2,359,362**	1,519,191
DEPRECIATION AND OTHER ITEMS		
Depreciation	**(2,591,161)**	(2,649,939)
Gain on sale of property and equipment	**(7,791)**	1,035,246
Waterfront development costs	**(250,206)**	(244,114)
Municipal support agreement costs	**(160,263)**	(159,616)
Interest income	**336**	7,378
Interest expense	**(183,679)**	(177,698)
Net depreciation and other items	**(3,192,764)**	(2,188,743)
CHANGE IN NET POSITION BEFORE CAPITAL FUNDING	**(833,402)**	(669,552)
Capital grant funding	**1,046,792**	4,339,705
CHANGE IN NET POSITION	**213,390**	3,670,153
Total net position, beginning of the year	**67,129,540**	63,459,387
Total net position, end of year	**$ 67,342,930**	$ 67,129,540

See notes to financial statements.

ALBANY PORT DISTRICT COMMISSION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2021 and 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from rentals	$ 3,901,052	$ 3,670,956
Cash received for facility usage	1,327,113	821,048
Cash received from Offshore Wind project	7,500,000	-
Cash received from other services	672,692	545,496
Cash payments to employees and professionals	(2,820,562)	(2,529,694)
Cash payments for materials and maintenance	(631,131)	(525,107)
Cash payments for insurance	(240,883)	(89,035)
Cash payments for Offshore Wind project	(3,374,679)	-
Cash payments for other expenses	(310,877)	(220,642)
Net cash provided by operating activities	6,022,725	1,673,022
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash payments for municipal support agreement costs and waterfront development costs	(410,469)	(403,730)
Net cash used in noncapital financing activities	(410,469)	(403,730)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash payments for capital assets	(3,998,364)	(7,009,614)
Cash received from sale of property and equipment	-	1,579,339
Cash received from capital grant funding	2,479,734	3,545,869
Interest expense	(183,679)	(177,698)
Cash received from long-term debt and other obligations	3,000,000	-
Cash payments on long-term debt and other obligations	(1,828,679)	(1,353,597)
Net cash used in capital and related financing activities	(530,988)	(3,415,701)
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash received from interest	336	7,378
Cash paid for purchase of investments	-	(2,013,919)
Cash received from sale of investments	499,970	3,011,189
Net cash provided by investing activities	500,306	1,004,648
Net change in cash	5,581,574	(1,141,761)
Cash, beginning of year	919,559	2,061,320
Cash, end of year	$ 6,501,133	$ 919,559
RECONCILIATION OF OPERATING INCOME, BEFORE DEPRECIATION AND OTHER ITEMS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income, before depreciation and other items	$ 2,359,362	$ 1,519,191
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in:		
Accounts receivable	(34,341)	(125,530)
Other assets	(25,333)	146,006
Accounts payable	379,695	(72,406)
Accrued expenses	631,024	51,071
Deferred revenue	2,907,805	501
OPEB obligation and net pension liability related accounts	(195,487)	154,189
Total adjustments	3,663,363	153,831
Net cash provided by operating activities	$ 6,022,725	$ 1,673,022

See notes to financial statements.

NOTE 1 — ORGANIZATION AND STATUTORY COMMISSION

The Albany Port District Commission (the Commission) was established in 1925 under Chapter 192 of the Laws of the State of New York. The law, as amended, grants the Commission regulatory powers over the development and operations of the facilities of the Albany Port District. The Commission, a Public Corporation with perpetual existence, has the power to construct, develop and operate Port facilities, including a terminal railroad; to fix fees, rates, rentals and other charges for its facilities; to regulate and supervise the construction and operations of the Port facilities by private enterprise; to issue bonds and notes; and to do all other things necessary to make the Port useful and productive. The Commission also has the right of eminent domain.

The Laws of 1925 provide that the municipalities of Albany and Rensselaer be assessed for the Commission's deficit, if any, which might result from operations and financing. A 1932 reapportionment determination established rates for this purpose which approximate 88 percent for Albany and 12 percent for Rensselaer. Although rates are subject to change under the provisions of the law, in recent years there have been no such assessments.

The Commission is a component reporting unit of the City of Albany and, as such, is included in the City's general purpose financial statements.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The Commission follows the provisions of Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" and GASB Statement No. 37 "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus." Statement 34, as amended by Statement 37 and Statement 63, establishes standards for external reporting for all state and local government entities. It also requires the classification of net position into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- *Net Investment in capital assets* – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- *Restricted* – This component of net position, when applicable, consists of restrictions placed on fund equity use through external constraints imposed by creditors (such as through debt covenants), by law or regulation, or through enabling legislation. No component of net position was classified as restricted at either December 31, 2021 or 2020.

- *Unrestricted* – This component of net position consists of fund equity that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Basis of Accounting: The accompanying financial statements have been prepared in conformity with generally accepted accounting principles for governmental entities, as prescribed by GASB. In accordance with the provisions promulgated by GASB, the Commission has elected not to apply Financial Accounting Standards Board (FASB) pronouncements and interpretations issued after November 1989.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued): The operations of the Commission are reported as a proprietary fund and, as such, are accounted for on a flow of economic resources measurement focus under the accrual basis of accounting. Within this measurement focus, all assets and liabilities associated with operations are included on the balance sheet with revenues recorded when earned and expenses recorded at the time liabilities are incurred.

Cash and Cash Equivalents: The Commission considers all liquid investments with an original maturity of three months or less to be cash equivalents. The Commission's financial instruments that are exposed to concentrations of credit risk consist primarily of cash, cash equivalents and investments. The Commission places cash and temporary cash investments with high quality credit institutions.

Investments: New York State statutes and guidelines, and the Commission's own investment policies, limit the investment of funds to obligations of the U.S. Government and its agencies, certificates of deposit, and obligations of the State of New York. This limitation effectively minimizes the Commission's investment related risk and returns. The Commission's investments, which are managed by an independent investment advisor, are stated in the statements of net position at fair value.

Property and Equipment: The Commission's property, equipment, and other facilities are carried at cost and include capital grant funding from federal, state and local Governmental entities utilized to acquire, construct, and improve facilities of the Commission. Such capital funding is recorded for amounts derived from capital project grants and other resources which are restricted to facility acquisition or construction. The Commission recognizes capital funding arising from capital project grants when earned (generally when the related capital expenditure is made). Depreciation is computed on the straight-line method based on estimated useful lives of the related assets, including those financed by capital funding grants. A substantial portion of depreciation is attributable to assets purchased with capital funding under various Federal and State grants.

The estimated useful lives used in the calculation of depreciation are generally as follows:

Port marine facilities	10 to 40 Years
Furniture and equipment	5 to 10 Years
Transportation equipment	5 to 10 Years

Accrued Employee Benefits: It is the Commission's policy to record employee benefits, including accumulated vacation earned, retirement benefits and post-retirement benefits, as a liability. Commission employees are granted vacation leave in varying amounts and may carry-over unused leave, subject to stated policy limitations. In the event of termination, an employee is paid for such time.

Deferred Revenue: Deferred revenue historically consists principally of rents received in advance. In 2021, the Commission also recognized deferred revenue for prefunding related to an Offshore Wind Project (see Note 11).

Retirement Benefits: The Commission provides retirement benefits for its employees through contributions to the New York State Employees' Retirement System ("ERS" or "System"). The System's retirement programs provide various plans and options, some of which require employee contributions. The Commission uses GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB 68) to recognize the net pension liability, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the respective defined benefit pension plans.

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating Revenues: The Commission's operating revenues are principally derived from four sources: property rentals, dockage fees, wharfage fees and security fees. Rental income is earned from tenants leasing buildings and other property owned by the Commission; dockage fees are earned from ships docked at Commission owned facilities; wharfage fees, including stevedore fees, are earned from unloading ships; and security fees are earned by providing certain security related services to tenants and others. Operating revenues also include equipment rentals, storage fees, service charges and other fees.

Operating Expenses: Operating expenses consist principally of payroll and related benefit costs, maintenance costs, material handling costs, insurance costs, professional and consulting fees, promotional expenses and utilities.

Municipal Support Agreement Costs: The Commission is a party to an agreement with the City of Albany which provides payments for municipal support for certain costs and services provided by the municipality (see Note 12).

Capital Funding: Capital funding represents grants, generally from federal and state funding sources, which are designated for capital asset acquisition and/or construction.

Income Taxes: The properties and income of the Commission are exempt from all Federal and State income and franchise taxes.

Estimates and Judgments: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from these estimates.

Subsequent Events: For purposes of preparing the financial statements, the Commission has considered events through March 23, 2022, the date the financial statements were available to be issued.

Reclassifications: Certain 2020 financial statement line items have been reclassified to conform with the current year's presentation.

NOTE 3 — CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following at December 31:

	2021		2020	
	Carrying Value	Bank Balance	Carrying Value	Bank Balance
Deposit accounts	$ 6,501,133	$ 6,658,415	$ 919,559	$ 967,294

At December 31, 2021 and 2020, the Commission's cash and deposits were covered by FDIC insurance or otherwise collaterally secured through its principal financial institution, KeyBank.

NOTE 4 — INVESTMENTS

At December 31, 2020, investments, which are stated on the statements of net position at fair value, are comprised of U.S. Government agency obligations, as follows (none at December 31, 2021):

Investment Rate	Par Amount	Maturity	Fair Value	Adjusted Cost (a)
United States Treasury Bill (zero coupon)	$ 500,000	2/11/2021	$ 499,970	$ 499,818
	$ 500,000		$ 499,970	$ 499,818

(a) *The adjusted cost basis reflects any cumulative original issue discount, premium, or acquisition premium (including any year-to-date amount). The amounts were amortized or accrued from the acquisition date through the disposition date. Premium amortization was calculated using the yield-to-maturity method. Acquisition premium was calculated using the ratable accrual method. Any market discount accretion for this position was calculated using the straight-line method and, if applicable, recognized upon disposition.*

Investments and Fair Value Measurements

Investments are carried at fair value on a recurring basis, based on current market prices. GASB No. 72, *Fair Value Measurement and Application*, establishes the fair value hierarchy, defines the requirements on how fair value should be measured and which assets should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of December 31, 2021 and 2020, all investments measured at fair value were considered Level 1 investments under the fair value hierarchy.

NOTE 5 — PROPERTY AND EQUIPMENT

At December 31, 2021 property and equipment is comprised of the following:

	December 31 2020	Additions	Deletions	December 31 2021
Port marine facilities	$ 128,339,788	$ 114,914	$ 73,810	$ 128,380,892
Transportation, equipment and furniture	1,475,652	53,789	25,324	1,504,117
Construction in process	9,788,902	2,322,737	-	12,111,639
Total	139,604,342	2,491,440	99,134	141,996,648
Less accumulated depreciation	64,041,508	2,591,161	91,343	66,541,326
Net property and equipment	$ 75,562,834	$ (99,721)	$ 7,791	$ 75,455,322

NOTE 5 — PROPERTY AND EQUIPMENT (Continued)

At December 31, 2020 property and equipment is comprised of the following:

	December 31 2019	Additions	Deletions	December 31 2020
Port marine facilities	$ 129,133,029	$ 91,567	$ 884,808	$ 128,339,788
Transportation, equipment and furniture	1,452,115	23,537	-	1,475,652
Construction in process	1,342,269	8,446,633	-	9,788,902
Total	131,927,413	8,561,737	884,808	139,604,342
Less accumulated depreciation	61,732,282	2,649,939	340,713	64,041,508
Net property and equipment	$ 70,195,131	$ 5,911,798	$ 544,095	$ 75,562,834

Depreciation expense was $2,591,161 and $2,649,939 for the years ended December 31, 2021 and 2020, respectively.

NOTE 6 — LONG-TERM DEBT

Long-term debt is comprised of the following:

	December 31 2020	Debt Issued	Debt Payments	December 31 2021
Bank of America master lease obligation	$ 4,851,891	$ 3,000,000	$ 1,828,679	$ 6,023,212
Less current maturities	1,144,978			1,688,212
	$ 3,706,913			$ 4,335,000

The Commission is a party to a master lease agreement with Bank of America. In June 2014, under the first draw of the agreement, the Commission borrowed $3,000,000 to retire another Commission obligation and to acquire certain Port related facility equipment. This agreement requires monthly payments of approximately $41,000, including interest at approximately 2.1%, with final maturity in June 2021.

In November 2017, under the second draw, of the agreement, the Commission borrowed $4,000,000 to fund certain construction projects. This agreement required interest only payments of approximately $9,100 per month through May 2018 and, beginning in June 2018, monthly payments of approximately $52,300, including interest at approximately 2.7%, with final maturity in May 2025.

In November 2018, under the third draw of the agreement, the Commission borrowed $2,500,000 to fund certain current construction projects. This agreement required interest only payments of approximately $8,500 per month through May 2019 and, beginning in June 2019, monthly payments of approximately $34,300, including interest at approximately 4.1%, with final maturity in May 2026.

In January 2021, under the fourth draw of the agreement, the Commission borrowed $3,000,000 to fund certain current construction projects. This agreement requires monthly payments of approximately $66,100, including interest at approximately 1.76%, with final maturity in December 2024.

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

NOTE 6 — LONG-TERM DEBT (Continued)

At December 31, 2021, long-term debt maturities were comprised of the following:

Year Ending	Principal	Interest	Total
2022	$ 1,688,212	$ 144,590	$ 1,832,802
2023	1,732,244	100,559	1,832,803
2024	1,777,561	55,239	1,832,800
2025	655,555	17,529	673,084
2026	169,640	1,739	171,379
	$ 6,023,212	$ 319,656	$ 6,342,868

Interest expense was $183,679 and $177,698 for 2021 and 2020, respectively.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS

Introduction

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

No employee contribution is required for those hired prior to July 1976. The System requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined the System from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership in the System. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Commission to the pension accumulation fund. For 2021, these rates ranged from 9.6% - 19.7% for the Commission’s active employees. Employee contributions are deducted from their salaries and remitted on a current basis to the System.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources

At December 31, 2021, the Commission reported a liability of $3,815 for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of March 31, 2021, and the total pension liability was determined by an actuarial valuation as of April 1, 2020, with updated procedures used to roll forward the total pension liability to March 31, 2021. The Commission's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2021 measurement date, the Commission's proportion was 0.0038313%.

At December 31, 2020, the Commission reported a liability of $1,157,365 for its proportionate share of the ERS net pension liability. The ERS net pension liability was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019, with updated procedures used to roll forward the total pension liability to March 31, 2020. The Commission's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the Commission's proportion was 0.0043706%.

For the year ended December 31, 2021, the Commission recognized net pension expense of $114,598 from ERS and reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 46,591	$ -
Changes in assumptions	701,451	13,230
Net difference between projected and actual earnings on pension plan investments	-	1,095,886
Changes in proportion and differences between Commission contributions and proportionate share of contributions	132,671	48,641
Commission contributions subsequent to measurement date	-	-
	$ 880,713	$ 1,157,757

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Net Pension Liability, Pension Expense, and Deferred Outflows/Inflows of Resources (Continued)

For the year ended December 31, 2020, the Commission recognized net pension expense of $407,354 from ERS and reported deferred outflows of resources and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 68,116	$ -
Changes in assumptions	23,304	20,122
Net difference between projected and actual earnings on pension plan investments	593,322	-
Changes in proportion and differences between Commission contributions and proportionate share of contributions	33,434	1,721
Commission contributions subsequent to measurement date	-	-
	$ 718,176	$ 21,843

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending March 31,	Net Deferred Outflows and Inflows of Resources
2022	$ (39,675)
2023	(1,484)
2024	(40,053)
2025	(195,832)
	$ (277,044)

Actuarial Assumptions

For ERS, the actuarial assumptions used in the April 1, 2020 valuation, with update procedures used to roll forward the total pension liability to March 31, 2021, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.7%

Salary increases – 4.4%

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Based on ERS experience from April 1, 2015 – March 31, 2020 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020

Discount rate – 5.9%

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Actuarial Assumptions (Continued)

The actuarial assumptions used in the April 1, 2019 valuation, with update procedures to roll forward the total pension liability to March 31, 2020, were based on the results of an actuarial experience study for the period April 1, 2010 to March 31, 2015. These assumptions are:

Inflation – 2.5%

Salary increases – 4.2%

Investment rate of return – 6.8% compounded annually, net of investment expense, including inflation

Mortality – Based on ERS experience from April 1, 2010 – March 31, 2015 with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2018

Discount rate – 6.8%

The long-term expected rate of return on the System's pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

The System's best estimate of the arithmetic real rates of return for each major asset class and the System's target asset allocations as of March 31, 2021 are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	32%	4.05%
International equities	15%	6.30%
Private equities	10%	6.75%
Real estate	9%	4.95%
Opportunistic/Absolute return strategies	3%	4.50%
Credit	4%	3.63%
Real assets	3%	5.95%
Fixed Income	23%	0.00%
Cash	1%	0.50%
	100%	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those 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.

NOTE 7 — RETIREMENT PLAN AND RELATED BENEFITS (Continued)

Discount Rate (Continued)

The following table presents the Commission's proportionate share of its net pension liability calculated using the discount rate of 6.8% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	5.9%	1.0% Increase
Commission's proportionate share of the ERS net pension liability (asset)	$ 1,058,890	$ 3,815	$ (969,211)

NOTE 8 — OTHER POST-EMPLOYMENT BENEFITS

The Commission provides certain health care benefits for retired employees and their covered dependents. Employees of the Commission become eligible for those benefits if they reach normal retirement age while working for the Commission. The Commission uses GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75) to recognize the total OPEB liability, deferred outflows and deferred inflows of resources, OPEB expense, and information about and changes in the total OPEB liability.

Plan Description and Funding Policy

The Commission administers its retiree health insurance plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for continuation of medical insurance benefits for qualifying retirees and their covered dependents and can be amended by action of the Commission. The Plan does not currently issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

The Commission pays the full cost of eligible retiree health insurance. The Commission currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis, with the possibility of pre-funding additional benefits if so determined by the Commission.

Employees Covered by Benefit Terms

At January 1, 2020, the actuarial valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	9
Inactive employees or beneficiaries entitled to but not yet receiving benefit payments	-
Active employees	13
	22

NOTE 8 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

Total OPEB Liability

At December 31, 2021 and 2020, the Commission reported a liability of $3,679,026 and $3,249,547, respectively. The total OPEB liability as of December 31, 2021 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2020. The total OPEB liability as of December 31, 2020 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2020.

Actuarial Assumptions and Other Inputs

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

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

Discount rate used in January 1, 2021 measurement – 2.12%

Discount rate used in January 1, 2020 measurement – 2.74%

Healthcare cost trend rates used in January 1, 20201 measurement – 5.50% for 2021 (decreasing to an ultimate rate of 4.5% by 2023)

Healthcare cost trend rates used in January 1, 2020 measurement – 6.50% for 2020 (decreasing to an ultimate rate of 4.5% by 2023)

The discount rate was based on the Bond Buyer General Obligation 20-year municipal bond index.

Mortality rates were based on the Society of Actuaries' RP-2014 mortality tables with adjustments for mortality improvements based on MP-2014 scales.

NOTE 8 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

Changes in the total OPEB liability were as follows:

	Total OPEB Liability
Beginning balance for year end December 31, 2019	$ 3,311,957
Changes for the year:	
Service cost	139,111
Interest	113,649
Changes of benefit terms	-
Differences between expected and actual experience	97,674
Changes of assumptions or other inputs	(257,320)
Benefit payments	(155,522)
Net changes	(62,408)
Ending balance for year end December 31, 2020	$ 3,249,549
Changes for the year:	
Service cost	181,102
Interest	90,781
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other inputs	336,233
Benefit payments	(178,639)
Net changes	429,477
Ending balance for year end December 31, 2021	$ 3,679,026

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1.0% Decrease	Discount Rate	1.0% Increase
Total OPEB Liability	$ 4,326,850	$ 3,679,026	$ 3,180,272

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates

The following presents the total OPEB liability of the Commission, as well as what the Commission's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1.0% Decrease	Discount Rate	1.0% Increase
Total OPEB Liability	$ 3,184,873	$ 3,679,026	$ 4,305,684

NOTE 8 — OTHER POST-EMPLOYMENT BENEFITS (Continued)

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2021 and 2020, the Commission recognized OPEB expense of $173,832 and $117,350, respectively. At December 31, 2021, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 471,935
Changes of assumptions or other inputs	-	300,338
Expected benefit payments subsequent to the measurement date	189,144	-
Total	$ 189,144	$ 772,273

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

At December 31, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 529,166
Changes of assumptions or other inputs	-	677,393
Expected benefit payments subsequent to the measurement date	178,639	-
Total	$ 178,639	$1,206,559

Amounts reported as deferred inflows of resources will be recognized in OPEB expense as follows:

Year ended December 31	Deferred Inflows of Resources
2022	$ (98,051)
2023	(98,051)
2024	(98,051)
2025	(98,051)
2026	(98,051)
Thereafter	(282,018)
	$ (772,273)

NOTE 9 — PROPERTY HELD FOR LEASE

The Commission has entered into various operating leases with tenants for the use of space at Port owned buildings, terminals, offices, and other facilities. The approximate minimum future rentals scheduled to be received on operating leases in effect on December 31, 2021 were as follows:

2022	$ 3,307,000
2023	2,628,000
2024	2,552,000
2025	2,512,000
2026	2,458,000
Thereafter	9,850,000
	$ 23,307,000

NOTE 10 — WATERFRONT DEVELOPMENT COSTS

The Commission is committed to supporting the City of Albany's efforts in developing the Corning Preserve and Hudson River waterfront. In this regard, during 2002, the Albany Industrial Development Agency (AIDA) issued $4,390,000 in Civic Facility Revenue Bonds for the benefit of Capitalize Albany Corporation (CAC), for construction relating to the Corning Preserve/Hudson Riverfront Development Project. The majority of the net proceeds of the Revenue Bonds were utilized to fund various improvements to the project site for recreational and entertainment uses. Concurrent with the issuance of the bonds, CAC and the Commission entered into a shared use and lease agreement, under which CAC leases the project to the Commission for a 30 year lease term. At the end of the lease term, in 2033, the agreement provides that the project improvements are owned by CAC. Accordingly, all current improvements made to the project by the Commission are expensed when incurred by the Commission.

Under the shared use and lease agreement, which is accounted for as an operating lease by the Commission, the Commission is obligated to fully fund CAC's obligations relating to the project, including the funding of installment payments sufficient to cover all related bond debt service and certain other contractual improvement and operating expenses. The AIDA/CAC bonds are 25 year variable rate demand obligations, currently bearing interest at approximately 0.14%, with rates established weekly by a remarketing agent. As such, the Commission's annual lease obligation will likely change on a year-to-year basis and, in an increasing interest rate environment, these changes may be material.

The bonds are secured by a letter of credit issued by Key Bank and guaranteed by the Commission. Under the letter of credit, any grant proceeds received for the project are required to reduce the outstanding bonds. The letter of credit requires future principal debt reduction payments, ranging from $225,000 in 2022 to $255,000 in 2024, thus providing for the full amortization of the bonds by the 2027 maturity date.

Future debt reduction payments are expected as follows:

Year Ending	Amount
2022	$ 220,000
2023	225,000
2024	240,000
2025	255,000
	$ 940,000

NOTE 10 — WATERFRONT DEVELOPMENT COSTS (Continued)

The bonds have no prepayment constraints and, as such, holders have the option to redeem bonds at any time. The letter of credit terms, as disclosed above, may also impact the Commission's annual lease obligation.

During 2021 and 2020, the Commission's total lease cost, project improvement cost, and other operating expenses related to the waterfront development project approximated $250,000 and $244,000, respectively. These costs are included in the Commission's statements of revenues and expenses.

NOTE 11 — OFFSHORE WIND PROJECT

In March 2021, the Commission entered into a predevelopment funding agreement with Empire Offshore Wind LLC. The agreement provides initial funding of $10 million for predevelopment activities of site preparation and development of a manufacturing plant for an Offshore Wind Farm Project. As of December 31, 2021, $7,500,000 of the $10,000,000 initial prefunding commitment was received. During 2021, the Commission recognized expenses under the agreement of approximately $4,384,000 and is included in operating expenses in the statement of revenues and expenses and changes in net position. During 2021, the Commission recognized revenue under the agreement of approximately $4,609,000 and is included in the operating revenues in the statement of revenues and expenses and changes in net position. The remaining approximate $2,891,000 of funding received but not recognized as revenue is included in deferred revenue as a liability at December 31, 2021.

NOTE 12 — COMMITMENTS AND CONTINGENCIES

Claims and Litigation

The Commission is a defendant in various claims, lawsuits and actions arising in the normal course of operations. In the opinion of the Commission's management, the ultimate amount of any liabilities which may be incurred in connection with the settlement of claims and litigation will not materially affect the Commission's financial condition.

Municipal Support Agreement Costs

In 2018, the Commission entered into Memorandums of Understanding (MoU) with the City of Albany under which the Commission is required to fund annualized municipal support to the City through December 31, 2021. The expense associated with the MoU, in the amount of approximately $160,000 for each of the years ending December 31, 2021 and 2020, is included in the statements of revenues and expenses. The expense for the municipal support for the remaining term of this agreement has not been determined, but is based on the assessed value of the Commission owned tax-exempt property as determined by the annual assessment roll of the City of Albany.

Federal and State Grants

The Commission is currently undertaking a series of projects to finalize maritime infrastructure improvements which will enhance the Port's heavy lift and project cargo handling capabilities. The total projects are estimated to cost approximately $45,950,000. As part of the project, the Commission has secured federal grant funding of approximately $17,630,000 and state grant funding of approximately $19,000,000. Federal grant revenue of approximately $1,047,000 was earned in 2021 (approximately $4,276,000 in 2020). No state grant revenue was earned in 2021 or 2020. These grant revenues are included in capital grant funding in the statements of revenues and expenses and changes in net position. The projects are expected to be completed in 2023.

NOTE 12 — COMMITMENTS AND CONTINGENCIES (Continued)

Federal and State Grants (Continued)

The Commission's grants are subject to audit by agencies of the Federal and State governments. Such audits may result in disallowances and a request for a return of funds to the Federal and State governments.

NOTE 13 — RISKS AND UNCERTAINTIES

Global and domestic responses to the coronavirus disease (COVID-19) outbreak continue to rapidly evolve. The initial effect, which centered around global financial markets, has since spread to all businesses. Although there has been no significant impact on the Commission's critical business or tenants in current year, management is closely monitoring the current status of COVID-19. As the situation continues to unfold, management may need to find ways to continue to address the potential disruption of business operations as a result of COVID-19. At this point, the full extent to which COVID-19 will impact our business remains uncertain.

REQUIRED SUPPLEMENTARY INFORMATION

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF THE COMMISSION'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM

As of the measurement date of March 31,	2021	2020	2019	2018	2017	2016	2015
Commission's proportion of the net pension liability	0.0038313%	0.0043706%	0.0040079%	0.0040024%	0.003742%	0.0039534%	0.0037280%
Commission's proportionate share of the net pension liability	$ 3,815	$ 1,157,365	$ 283,973	$ 129,174	$ 351,607	$ 634,538	$ 125,953
Commission's covered-employee payroll	$ 1,161,335	$ 1,134,059	$ 1,015,123	$ 1,024,804	$ 997,333	$ 1,000,106	$ 1,018,736
Commission's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.33%	102.06%	27.97%	12.60%	35.25%	63.45%	12.36%
Plan fiduciary net position as a percentage of the total pension liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

Data prior to 2015 is unavailable.

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF COMMISSION CONTRIBUTIONS
NEW YORK STATE AND LOCAL EMPLOYEES' RETIREMENT SYSTEM

March 31,	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	$ 294,771	$ 171,407	$ 166,548	$ 160,846	$ 157,484	$ 186,364	$ 234,306	$ 180,550	$ 151,392	$ 119,125
Contribution in relation to the contractually required contribution	(294,771)	(171,407)	(166,548)	(160,846)	(157,484)	(186,364)	(234,306)	(180,550)	(151,392)	(119,125)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commission's covered-employee payroll	$ 1,161,335	$ 1,134,059	$ 1,015,123	$ 1,024,804	$ 997,333	$ 1,000,106	$ 1,018,736	$ 861,386	$ 726,234	$ 711,985
Contributions as a percentage of covered-employee payroll	25.38%	15.11%	16.41%	15.70%	15.79%	18.63%	23.00%	20.96%	20.85%	16.73%

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION’S TOTAL OPEB LIABILITY

	2021	2020	2019	2018
Total OPEB liability				
Service cost	$ 181,102	$ 139,111	$ 97,120	$ 92,495
Interest	90,781	113,649	110,729	113,950
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	97,674	-	(820,236)
Change of assumptions or other inputs	336,234	(257,320)	-	(597,433)
Benefit payments	(178,639)	(155,524)	(132,409)	(128,005)
Net change in total OPEB liability	429,478	(62,410)	75,440	(1,339,229)
Total OPEB liability - beginning	3,249,547	3,311,957	3,236,517	4,575,746
Total OPEB liability - ending	$ 3,679,025	$ 3,249,547	$ 3,311,957	$ 3,236,517

Notes to Schedule:

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 8 to the financial statements.

OTHER INFORMATION

ALBANY PORT DISTRICT COMMISSION
SCHEDULES OF PAYROLL AND RELATED COSTS AND OTHER OPERATING EXPENSES
Years ended December 31, 2021 and 2020

	2021	2020
PAYROLL AND RELATED COSTS		
Administrative	**$ 1,010,225**	$ 848,641
Maintenance crews and supervisor	**459,141**	437,591
Security	**342,625**	349,614
Pension and other benefit costs	**384,190**	658,274
OPEB expense	**173,832**	117,350
Payroll taxes	**137,331**	119,988
Total payroll and related costs	**$ 2,507,344**	$ 2,531,458
OTHER OPERATING EXPENSES		
Security	**$ 126,202**	$ 44,357
Utilities	**35,337**	28,791
City water	**5,621**	4,618
Advertising and promotion	**18,328**	17,650
Office supplies and expenses	**65,034**	27,795
Equipment operating expense	**10,796**	6,693
Bad debt	**5,432**	4,435
Other expenses	**58,480**	88,138
Total other operating expenses	**$ 325,230**	$ 222,477

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS, INCLUDING COMPLIANCE WITH INVESTMENT GUIDELINES, BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Commissioners
Albany Port District Commission

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; and Investment Guidelines for Public Authorities issued by the Office of the State Comptroller, State of New York, the financial statements of the Albany Port District Commission (the "Commission") as of and for the year ended December 31, 2021, and have issued our report thereon dated March 23, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission'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 entity'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 Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, including Investment Guidelines for Public Authorities and the Commission's Investment Guidelines, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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.*

UHY LLP Certified Public Accountants

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

UHY LLP

Albany, New York
March 23, 2022

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Commissioners
Albany Port District Commission

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Albany Port District Commission's ("the Commission") compliance with the types of compliance requirements identified as subject to audit n the *OMB Compliance Supplement* that could have a direct and material effect on each of the Commission's major federal programs for the year ended December 31, 2021. The Commission'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 Commission complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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; 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 Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission 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 Commission'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 Commission's federal programs.

Auditor's Responsibility 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 Commission'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 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 Commission's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Commission'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 Commission'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 on the Commission'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 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 Auditor's 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.

UHY LLP

Albany, New York
March 23, 2022

ALBANY PORT DISTRICT COMMISSION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2021

Federal Grantor Program Title	Grant Number	Catalog of Federal Domestic Assistance Number	Program Award Amount	2021 Expenditures	Expenditures to Subrecipients
U.S. Department of Transportation					
Direct Programs:					
National Infrastructure Investments Program	DTMA91G1600008	20.933	$ 17,629,800	$ 1,046,806	$ -
Total Expenditures of Federal Awards				$ 1,046,806	$ -

See notes to Schedule of Federal Awards.

NOTE 1 — BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the Albany Port District Commission, an entity as defined in the basic financial statements. The information in this Schedule is presented in accordance with the 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).

NOTE 2 — BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 — INDIRECT COST RATES

The Albany Port District Commission has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Section I – Summary of Independent Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weaknesses identified? ______ Yes __X__ No
- Significant deficiencies identified? ______ Yes __X__ None Reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified? ______ Yes __X__ None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)? _____ Yes __X__ No

Identification of major federal programs:

CFDA Number	Name of Federal Program or Cluster
20.933	National Infrastructure Investments Program

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes _____ No

Section II – Financial Statement Findings

No findings noted.

Section III – Federal Award Findings and Questioned Costs

No findings noted.

Section IV – Status of Prior Year Findings

None reported.