

SYRACUSE REGIONAL AIRPORT AUTHORITY

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**Syracuse Regional Airport Authority
Regular Meeting Agenda
Friday, March 15, 2019 11:00 a.m. – 12:30 p.m.
Syracuse Hancock International Airport
Board Room**

1. Roll Call (2 Minutes)
2. **Reading and Approval of Minutes from the February 1, 2019 Regular (2 Min)**
3. Executive Session (30 Minutes)
4. New Business (25 Minutes)
 - **Resolution approving the fiscal year end 2018 draft audit of the Syracuse Regional Airport Authority**
 - **Resolution amending Ethics Policy for the Syracuse Regional Airport Authority**
 - **Resolution amending policy for members regarding written and electronic communications concerning the Syracuse Regional Airport Authority**
5. **Management Report (15 Minutes)**
6. Committee Reports and other updates (10 Minutes)
 - **Finance Committee**
 - **Governance Committee**
 - **Audit Committee**
7. Adjournment

***Bolded items** = materials provided in packet

The mission of the Syracuse Regional Airport Authority is to provide safe, secure, efficient and low-cost air transportation service to the 12-county region that Syracuse Hancock International Airport currently serves. The Authority seeks to stimulate air service, economic development, trade and tourism by focusing on the shared goals of its stakeholders: more service to more destinations, lower operating costs and increased non-aeronautical revenue. The Authority recognizes that the Syracuse Hancock International Airport is a gateway to the central New York region and beyond and seeks to optimize customer service and exceed customer expectations with continuous improvements to the terminal building and public-use facilities.

Minutes of the Meeting of the Syracuse Regional Airport Authority

February 1, 2019

Pursuant to notice duly given and posted, the board meeting of the Syracuse Regional Airport Authority was called to order on Friday, February 1, 2019 at 11:06 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Chair, Ms. Jo Anne Gagliano.

Members Present:

Ms. Jo Anne Gagliano – Chair
Mr. Bill Fisher
Dr. Shiu-Kai Chin
Dr. Donna DeSiato (11:07 a.m.)
Mr. John B. Johnson, Jr.
Mr. Michael Lazar
Mr. Robert Simpson
Mr. Damian Ulatowski

Members Absent:

Mr. Kenneth Kinsey
Mr. Michael Quill

Also Present:

Ms. Christina Callahan
Mr. Trent Amond
Mr. John Carni
Ms. Joanne Clancy
Mr. Brian Dorman
Ms. Debi Marshall
Ms. Linda Ryan
Ms. Jennifer Sweetland
Mr. R. John Clark
Mr. John McCann

Roll Call

As noted, all Board members were present, except Mr. Kenneth Kinsey, Mr. Michael Quill and the current, city-appointed, vacant seat on the SRAA board.

Ms. Jo Anne Gagliano, Chair

Chair Gagliano started by welcoming everyone to the scheduled Regular Meeting of the Board at 11:06 a.m.

Reading and Approval of the Minutes

Having no objections or additions to the minutes from the December 7, 2018 Regular Meeting and the January 11, 2019 Special Meeting minutes, a motion was made by Mr. Lazar and seconded by Mr. Fisher and the minutes were unanimously approved.

The motion was approved: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Executive Session

Chair Gagliano made a motion to go into executive session to discuss a variety of matters pertaining to the employment history of particular persons or corporations and/or the employment of particular persons or corporations by the Authority.

The motion was approved by Dr. Chin and seconded by Dr. DeSiato. Board members went into executive session at 11:09 a.m.

The motion was approved: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Executive session ended at 11:25 p.m. No action was taken.

Management Report

Executive Director Callahan briefed the board regarding recent events and updates in each department. She introduced new employee and Marketing and Communications Specialist, Matt Szwejbka. Director Callahan also thanked Elana Essig, Management Assistant for the design work done to update the look of the management report.

Key project updates and various metrics were discussed along with the status of the terminal improvement project remaining punch list items. A discussion ensued regarding promoting an air service development campaign to ensure that the public knows that SYR has experienced double-digit growth each month in the past year and is aware of new non-stop markets and also seasonal markets.

Director Callahan congratulated Linda Ryan for passing the test and receiving her Certified Member status (C.M.) through AAAE. A new shuttle bus has arrived at the SYR Airport for various uses. Aira (service for individuals with visual impairments) launched on February 1st. Reporting on the use of this service in the SYR airport will be presented to the board in the future. A new payroll system is being researched and will be implemented by July 1st. SRAA established a new email address on the website: CivilRights@syraairport.org for use by the public regarding ADA and Title VI Grievance Policy and Procedures. The Airport Accessibility Committee will begin Quarterly meetings in March and include management, airport tenants and local advocacy groups. A food truck luncheon was held for the government services workers impacted by the government shutdown as well other breakfast, lunch items and gift cards donated by members of the board and staff. Executive Director Callahan congratulated Jennifer Sweetland, Director of Marketing, Communications and Air Service Development for all of her

hard work on our new advertising program that has been successfully launched. As of this date, eight contracts have already been signed in 2019.

Recent Personnel/Recruitment

Director of Terminal/Landside Operations - Dennis Mathers promoted
Terminal Crew Leader (2 positions) - Andrew Baker and Brian Higgs hired
Airport Operations Specialist - Aaron Harris hired
Marketing & Communications Specialist - Matt Szwejbka hired
Airport Fleet Manager - Tony Geruso hired to SRAA
Payroll Assistant - Interviews being conducted
Asst. Dir. of Terminal/Landside Operations - Review of candidates in progress
Airport Welcoming Officer – Awaiting civil service approval of position

Executive Director Callahan stated that this will be her last board meeting. She thanked the staff and the board.

New Business

Resolution electing William P. Fisher as Vice-Chair of the Board of the Syracuse Regional Airport Authority

Executive Director Callahan explained the terms of electing the Vice-Chair to the board. There was no further discussion regarding the resolution. Mr. Fisher stated that his intention is to serve as Vice Chair until a succession plan is in place for another person to move up to the ranks of the board and ultimately become Vice Chair and then Chair.

A motion was made by Mr. Lazar and seconded by Dr. DeSiato to approve this resolution.

The resolution was adopted: 6 ayes, 0 nays, 2 abstain (Mr. Simpson awaiting completion of ABO training and Mr. Fisher abstaining)

Resolution amending public access to Records Policy to appoint Chief Financial Officer as the FOIL Appeals Officer

Executive Director Callahan noted the current process for FOIL appeals and the need to move the FOIL Appeals Officer role under the CFO's responsibilities. There was no further discussion regarding the resolution.

A motion was made by Dr. DeSiato and seconded by Dr. Chin to approve this resolution.

The resolution was adopted: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Resolution Designating the Chief Financial Officer as the Secretary of the Board of the Syracuse Regional Airport Authority

Executive Director Callahan noted the current process and need to move the Secretary of the Board role under the CFO's responsibilities. There was no further discussion regarding the resolution.

A motion was made by Dr. Chin and seconded by Mr. Fisher to approve this resolution.

The resolution was adopted: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Resolution authorizing the engagement of search firm to fill Executive Director position

Mr. Lazar explained the selection process by the Search Committee to recommend a search firm to the board. There was no further discussion regarding the resolution.

A motion was made by Mr. Ulatowski and seconded by Dr. Chin to approve this resolution.

The resolution was adopted: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Resolution approving the 2019 slate of members of the standing committees of the Syracuse Regional Airport Authority

The Board Development Committee reviewed the standing SRAA Committee members for 2019. Mr. Fisher noted that when the SRAA began, the Chair had the authority to name the committee members, as things moved forward, the Bylaws were changed to have the board make the decision on who would be on committees. Mr. Fisher also noted that all board members are welcome to contact the chair to show their interest in becoming a committee member on any committee. There was no further discussion regarding the resolution.

A motion was made by Ms. Gagliano and seconded by Mr. Lazar to approve this resolution.

The resolution was adopted: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

Chair Gagliano notified the board that the SRAA will be awarded with the Onondaga Historical Association Medal on May 9, 2019.

Committee Reports

Board Development Committee and Search Committee updates:

Mr. Stephen Baldwin, of Stephen Baldwin Associates, thanked the board and presented a history of their previous similar Executive level recruiting activities with airports and an overview of the plan for the CEO Search and information gathering process to ensure the best cultural fit to the SRAA. The Search Committee will bring the recommendations to the board.

No other committee reports were given.

Adjournment

Having no other topics brought to the board, a motion was made by Mr. Lazar and seconded by Dr. DeSiato to adjourn the meeting.

The resolution was adopted: 7 ayes, 0 nays, 1 abstain (Mr. Simpson awaiting completion of ABO training)

The meeting was adjourned at 12:15 p.m.

Required Communication with Governance

Board Members

Syracuse Regional Airport Authority

We have audited the financial statements of the business-type activities of the Syracuse Regional Airport Authority (the Authority) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Authority, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, requires significant actuarial estimates to calculate the District's postemployment benefits liability.
2. The District's estimate of its compensated absences liability.
3. Estimates involving depreciable lives of the Authority's capital assets and the related depreciation.
4. The Authority, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pensions liabilities, deferred inflows and outflows of resources-pensions, and pension expense.

We evaluated the key factors and assumptions used by management in determining that the accounting estimates were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 9, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board Members and management of the Syracuse Regional Airport Authority, Federal and New York State regulatory agencies, and is not intended to be, and should not be, used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

Required Communication with Governance

Board Members

Syracuse Regional Airport Authority

We have audited the financial statements of the business-type activities of the Syracuse Regional Airport Authority (the Authority) for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 9, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 2 to the financial statements.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

1. Authority, in accordance with GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, requires significant actuarial estimates to calculate the District's postemployment benefits liability.
2. The District's estimate of its compensated absences liability.
3. Estimates involving depreciable lives of the Authority's capital assets and the related depreciation.
4. The Authority, in accordance with GASB No. 68, *Accounting and Financial Reporting for Pensions* (as amended by GASB Statement 71), requires significant actuarial estimates to calculate the net pensions liabilities, deferred inflows and outflows of resources-pensions, and pension expense.

We evaluated the key factors and assumptions used by management in determining that the accounting estimates were reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 9, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the management's discussion and analysis, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Board Members and management of the Syracuse Regional Airport Authority, Federal and New York State regulatory agencies, and is not intended to be, and should not be, used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

Required Communication of Areas in Need of Improvement

Board Members
Syracuse Regional Airport Authority

In planning and performing our audit of the financial statements of the business-type activities of the Syracuse Regional Airport Authority (the Authority) as of and for the year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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. The significant deficiency that was identified during our audit is described below.

This communication is intended solely for the information and use of management, Board Members, and others within the Authority, and is not intended to be and should not be used by anyone other than these specified parties.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018**

A. Material Weakness

None

B. Significant Deficiency

See Status of Prior Year Audit Findings and Recommendations

I. Other Matters

None

**SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018**

A. Material Weakness

None

B. Significant Deficiency

Year End Closing Procedures

Condition: In the prior year we noted that various client journal entries were identified and recorded after our year-end audit procedures commenced. In the current year we noted that the final reconciliation of rates and charges and the reconciliation between the Authority and the City of Syracuse were completed after our audit of substantive fieldwork was performed.

Cause: The timing of the annual audit of the City of Syracuse and the reconciliation of rates and charges were such that it prevented the audit from being completed in a timely manner.

Criteria: An effective and efficient audit requires management to obtain information to reconcile the accounting records on a timely basis.

Effect: Information that is not obtained on a timely basis results in delays in information that may be critical in making management decisions. In addition, requirements to report compliance information is delayed.

Recommendation: We recommend that policies and procedures be implemented to address those factors that prevent the timeliness of information to adjust the final accounting records.

Status: Although management has shown improvement with the timeliness of recording year end journal entries, the Authorities Budget Office requires annual audited financial statements to be submitted no later than 90 days after the Authority's fiscal year end.

I. Other Matters

None

Syracuse
Regional Airport
Authority

Reports Required by The
Uniform Guidance and
Government Auditing
Standards

June 30, 2018

SYRACUSE REGIONAL AIRPORT AUTHORITY

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Syracuse Regional Airport Authority

We have audited, 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, the financial statements of the business type activities of the Syracuse Regional Airport Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Syracuse Regional Airport Authority's basic financial statements, and have issued our report thereon dated March 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Syracuse Regional Airport Authority's internal control over financial reporting (internal control) to determine the 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 Syracuse Regional Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Syracuse Regional Airport Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency [2015-001].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Syracuse Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 Syracuse Regional Airport Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Syracuse Regional Airport Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

**Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance
Required by The Uniform Guidance**

Board Members

Syracuse Regional Airport Authority

Report on Compliance for Each Major Federal Program

We have audited the Syracuse Regional Airport Authority's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major Federal program for the year ended June 30, 2018. The Syracuse Regional Airport Authority's major Federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, contracts, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Syracuse Regional Airport Authority's major Federal program based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Syracuse Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for its major Federal program. However, our audit does not provide a legal determination of the Syracuse Regional Airport Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Syracuse Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major Federal program for the year ended June 30, 2018.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the accompanying financial statements of the business type activities of the Syracuse Regional Airport Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the City of Syracuse, New York, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the basic financial statements. We issued our report thereon date March 9, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare

the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Internal Control Over Compliance

Management of the Syracuse Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Syracuse Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on its major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major Federal program and to test and report on internal control over compliance in accordance the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority's 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 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

**SYRACUSE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Identifying Numbers</u>	<u>Current Year Expenditures</u>
<u>U.S. Department of Transportation-Direct</u>			
Airport Improvement Program:			
Replace Snow Removal Equipment	20.106	143-16	694,931
Reconfigure Exit Taxiways	20.106	144-16	264,055
Install Passenger Boarding Bridge Phase I	20.106	145-16	978,711
SC Bathroom Rehab	20.106	146-17	727,382
Install Passenger Boarding Bridge Phase II	20.106	147-17	971,851
Terminal Canopy Demo	20.106	148-17	2,404,337
Rehab Deicing Lagoons	20.106	149-17	<u>371,373</u>
Total U.S. Department of Transportation and CFDA			<u>6,412,640</u>
Total Federal Financial Assistance			<u>\$ 6,412,640</u>

See Notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2018

1. SIGNIFICANT ACCOUNTING POLICIES

Organization

The accompanying Schedule of Expenditures of Federal Awards represents all Federal awards administered by the Syracuse Regional Airport Authority. The Syracuse Regional Airport Authority's organization is defined in Note 1 to the basic financial statements.

Basis of Accounting

The expenditures in the accompanying schedule are presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

De Minimis Indirect Cost Rate

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

**SYRACUSE REGIONAL AIRPORT AUTHORITY
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL
 COMPLIANCE REQUIREMENTS
 For the Year Ended June 30, 2018**

Summary of Auditor's Results

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	Yes
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major Federal programs?	No
(d)(1)(iv)	Were there any other significant deficiencies reported for major Federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2CFR Section 200,516(a)?	No
(d)(1)(vii)	Major Programs (list):	<u>U.S. Department of Transportation</u> CFDA# 20.106 Airport Improvement Program
	Dollar Threshold: Type A\B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

Findings – Financial Statement Audit

See Status of Prior Year's Findings and Questioned Costs

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
STATUS OF PRIOR YEAR'S FINDINGS AND QUESTIONED COSTS – FEDERAL
COMPLIANCE REQUIREMENTS
For the Year Ended June 30, 2018**

Findings – Financial Statement Audit

Significant Deficiency [2015-001]

2015-001 Year End Closing Procedures

Condition: During our audit we noted that various client journal entries were identified and recorded after our year-end audit procedures commenced. In the current year we noted that the final reconciliation of rates and charges and the reconciliation between the Authority and the City of Syracuse were completed after our audit of substantive fieldwork was performed.

Cause: The timing of the annual audit of the City of Syracuse and the reconciliation of rates and charges were such that it prevented the audit from being completed in a timely manner.

Criteria: An effective and efficient audit requires management to obtain information to reconcile the accounting records on a timely basis.

Effect: Information that is not obtained on a timely basis results in delays in information that may be critical in making management decisions. In addition, requirement to report compliance information is delayed.

Recommendation: We recommend that policies and procedures be implemented to address those factors that prevent the timeliness of information to adjust the final accounting records.

Status: Although management has shown improvement with the timeliness of recording year end journal entries, the Authorities Budget Office requires annual audited financial statements to be submitted no later than 90 days after the Authority's fiscal year end.

Findings and Questioned Costs – Major Federal Award Program Audit

None noted.

**SYRACUSE REGIONAL
AIRPORT AUTHORITY**

**(A DISCRETELY
PRESENTED COMPONENT
UNIT OF THE CITY OF
SYRACUSE, NEW YORK)**

**MANAGEMENT'S
DISCUSSION AND
ANALYSIS AND BASIC
FINANCIAL
STATEMENTS**

**For the Year Ended
June 30, 2018**

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)

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Independent Auditor's Report

Board Members
Syracuse Regional Airport Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the business type activities of the Syracuse Regional Airport Authority (the Authority), a public benefit corporation of the State of New York and a discretely presented component unit of the City of Syracuse, New York, as of and for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Syracuse Regional Airport Authority as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities of the Syracuse Regional Airport Authority, as of June 30, 2018 and 2017, and the respective changes in financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

New Accounting Standard

As discussed in Note 1 to the financial statements, the Authority changed accounting policies related to the financial statement presentation of other postemployment benefits (OPEB) by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in 2018. The new pronouncement provides government guidance for determining a fair value measurement for financial reporting purposes for certain postemployment benefits and disclosures related to all fair value measurements. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 9, 2019, on our consideration of the Syracuse Regional Airport Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Syracuse Regional Airport Authority's internal control over financial reporting and compliance.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Board Members

Syracuse Regional Airport Authority

We have audited, 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, the financial statements of the business-type activities of the Syracuse Regional Airport Authority (the Authority), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Syracuse Regional Airport Authority's basic financial statements, and have issued our report thereon dated March 9, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Syracuse Regional Airport Authority's internal control over financial reporting (internal control) to determine the 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 Syracuse Regional Airport Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Syracuse Regional Airport Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Syracuse Regional Airport Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency [2015-001].

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Syracuse Regional Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

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 Syracuse Regional Airport Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

D'Arcangelo & Co., LLP

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

5000 BRITTONFIELD PARKWAY, BUILDING B SUITE 103, EAST SYRACUSE, NY 13057

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Independent Accountant's Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

Board Members

Syracuse Regional Airport Authority

We have examined Syracuse Regional Airport Authority's (the Authority) compliance with Section 2925(3)(f) of the New York State Public Authorities Law during the year ended June 30, 2018. Management is responsible for the Authority's compliance with those requirements. Our responsibility is to express an opinion on the Authority's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Authority's compliance with specified requirements.

In our opinion, the Authority complied, in all material respects, with the aforementioned requirements during the year ended June 30, 2018.

This report is intended solely for the information and use of management, the Board of Directors, and the Office of the State Comptroller of the State of New York. It is not intended to be and should not be used by anyone other than these parties.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULE OF AUDIT FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018

A. Material Weakness

None

B. Significant Deficiency

See Status of Prior Year Findings and Recommendations.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS
For the Year Ended June 30, 2018

A. Material Weakness

None

B. Significant Deficiency [2015-001]

Year End Closing Procedures

Condition: In the prior year we noted that various client journal entries were identified and recorded after our year-end audit procedures commenced. In the current year we noted that the final reconciliation of rates and charges and the reconciliation between the Authority and the City of Syracuse were completed after our audit of substantive fieldwork was performed.

Cause: The timing of the annual audit of the City of Syracuse and the reconciliation of rates and charges were such that it prevented the audit from being completed in a timely manner.

Criteria: An effective and efficient audit requires management to obtain information to reconcile the accounting records on a timely basis.

Effect: Information that is not obtained on a timely basis results in delays in information that may be critical in making management decisions. In addition, requirements to report compliance information is delayed.

Recommendation: We recommend that policies and procedures be implemented to address those factors that prevent the timeliness of information to adjust the final accounting records.

Status: Although management has shown improvement with the timeliness of recording year end journal entries, the Authorities Budget Office requires annual audited financial statements to be submitted no later than 90 days after the Authority's fiscal year end.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

The following is a discussion and analysis of the Syracuse Regional Airport Authority (the Authority)'s financial performance for the years ended June 30, 2018 and 2017. This section is a summary of the Authority's financial activities based on currently known facts, decisions and conditions. This section is only an introduction and should be read in conjunction with the Authority's financial statements, which immediately follow this section.

1. INTRODUCTION

The Authority, a public benefit corporation, is established to provide the necessary tools and support to Syracuse Hancock International Airport to maintain and operate the facilities in a safe, secure and efficient manner. The Authority is committed to promoting the growth and success of the Syracuse Hancock International Airport (Airport) by overseeing fiscal responsibility, regional marketing, and job creation in the aviation industry, and those industries that support aviation. The Authority was organized under the Public Authorities Law of the State of New York on August 17, 2011.

2. OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as promulgated by the Government Accounting Standards Board (GASB). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs. The Authority meets the criteria set forth in GAAP as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City of Syracuse, New York (City)'s basic financial statements based on the City's responsibility for the appointment of the Authority members. As such, the Authority is included in the City's basic financial statements.

The Statement of Net Position depicts the Authority's financial position at June 30, the end of the Authority's fiscal year. The statements present all the financial assets, liabilities, deferred inflows and deferred outflows of the Authority. Net Position represents the Authority's assets and deferred outflows after liabilities and deferred inflows are deducted.

The Statements of Revenues, Expenses and Change in Net Position report operating revenues and expenses, non-operating revenues and expenses and the change in net position for the years ended June 30, 2018 and 2017. The change in Net Position combined with the previous year's net asset total, reconciles to the net position total for the reporting period.

The Statements of Cash Flows report cash activities for the year resulting from operating activities, investing activities, and capital and related financing activities. The net result of these activities, added to the beginning of the year cash balance, reconciles to the total balance at the end of the year.

3. SUMMARY OF FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal years 2018 and 2017 are as follows:

- The Authority's Net Position increased by \$30,156,549 for the year ended June 30, 2018 and increased by \$4,739,565 for the year ended June 30, 2017.
- The Authority had a net operating gain of \$1,320,593 for the year ended June 30, 2018 and a net operating gain of \$628,800 for the year ended June 30, 2017.
- The Authority adopted Government Accounting Standards Board Statement No. 75 *Accounting and Financial Reporting for Post Employment Benefits Other than Pensions* in 2018. This resulted in the recording of an OPEB liability in the amount of \$2,156,860 for the year ending June 30, 2018. The implementation required a prior period adjustment in the amount of \$1,815,943 for the year ending June 30, 2017.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

4. FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

The Authority's total Net Position increased by \$30,156,549 between fiscal year 2017 and 2018. A summary of the Authority's Statements of Net Position at June 30, 2018 and 2017 is as follows:

	2018	Restated 2017	Increase (Decrease)	Percentage Change
Current and Other Assets	\$ 34,677,688	\$ 26,828,512	\$ 7,849,176	29.3%
Non-Current Assets	37,679,169	22,163,965	15,515,204	70.0%
Capital Assets, Net of Accumulated Depreciation	40,502,474	4,093,647	36,408,827	889.4%
Total Assets	<u>112,859,331</u>	<u>53,086,124</u>	<u>59,773,207</u>	112.6%
Deferred Outflows of Resources	439,132	290,294	148,838	51.3%
Total Assets and Deferred Outflows	<u>\$ 113,298,463</u>	<u>\$ 53,376,418</u>	<u>\$ 59,922,045</u>	112.3%
Current Liabilities and other	\$ 32,695,375	\$ 3,402,507	\$ 29,292,868	860.9%
Non-Current Liabilities	2,274,165	2,108,020	166,145	7.9%
Total Liabilities	<u>34,969,540</u>	<u>5,510,527</u>	<u>29,459,013</u>	534.6%
Deferred Inflows of Resources	398,529	92,046	306,483	333.0%
Total Liabilities and Deferred Inflows	<u>35,368,069</u>	<u>5,602,573</u>	<u>29,765,496</u>	531.3%
Net Position				
Net Investment in Capital Assets	40,502,474	4,093,647	36,408,827	889.4%
Restricted	37,679,169	22,163,965	15,515,204	70.0%
Unrestricted (Deficit)	(251,249)	21,516,233	(21,767,482)	(101.2%)
Total Net Position	<u>77,930,394</u>	<u>47,773,845</u>	<u>30,156,549</u>	63.1%
Total Liabilities, Deferred inflows and Net Position	<u>\$ 113,298,463</u>	<u>\$ 53,376,418</u>	<u>\$ 59,922,045</u>	112.3%

Current and other assets increased by \$23,364,381 or 47.7% from June 30, 2017 to June 30, 2018. This increase was mainly attributable to an increase in the accounts receivable balance related to amounts due from New York State for ongoing construction projects.

Capital assets, net, increased by \$36,408,827 from June 30, 2017 to June 30, 2018. This increase is mainly due to an excess amount of costs for construction in progress relating to various projects compared to construction in progress transferred to the City of Syracuse for completed projects and depreciation during the year ended June 30, 2018.

Deferred outflows of resources increased by \$148,838 or 51.3% from June 30, 2017 to June 30, 2018. The increase is related to an estimate provided by the New York State Employees' Retirement System for post-retirement benefits as well as amounts for OPEB related to GASB 75.

Current and Other Liabilities increased by \$29,292,868 or 860.9% from June 30, 2017 to June 30, 2018. The majority of the increase is due to the construction project payables existing at June 30, 2018 that exceeded the amount recorded at June 30, 2017. The Authority also obtained a line of credit in the amount of \$20,000,000. As of the year ending June 30, 2018, \$11,750,000 was due on the line.

Deferred inflows of resources decreased by \$306,484 or 333.0% from June 30, 2017 to June 30, 2018. The increase is related to an estimate provided by the New York State Employees' Retirement System for post-retirement benefits.

The net investment in capital assets is calculated by subtracting the amount of outstanding debt used for construction from the total cost of all asset acquisitions, net of accumulated depreciation. The total cost of these acquisitions includes expenditures to purchase land, construct and improve buildings, purchase vehicles, equipment and furniture to support the Authority's operations.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

The restricted Net Position at June 30, 2018 and 2017 was \$37,679,169 and \$22,163,965, respectively, which represents the amount of the Authority's restricted cash balances.

The unrestricted Net Position (Deficit) at June 30, 2018 and 2017 was (\$251,249) and \$21,516,233.

Change in Net Position From Operating Activities

The results of this year's operations as a whole are reported in the Statements of Revenues, Expenses, and Change in Net Position in the accompanying financial statements. A summary of this statement for the year ended June 30, 2018 and 2017 is as follows.

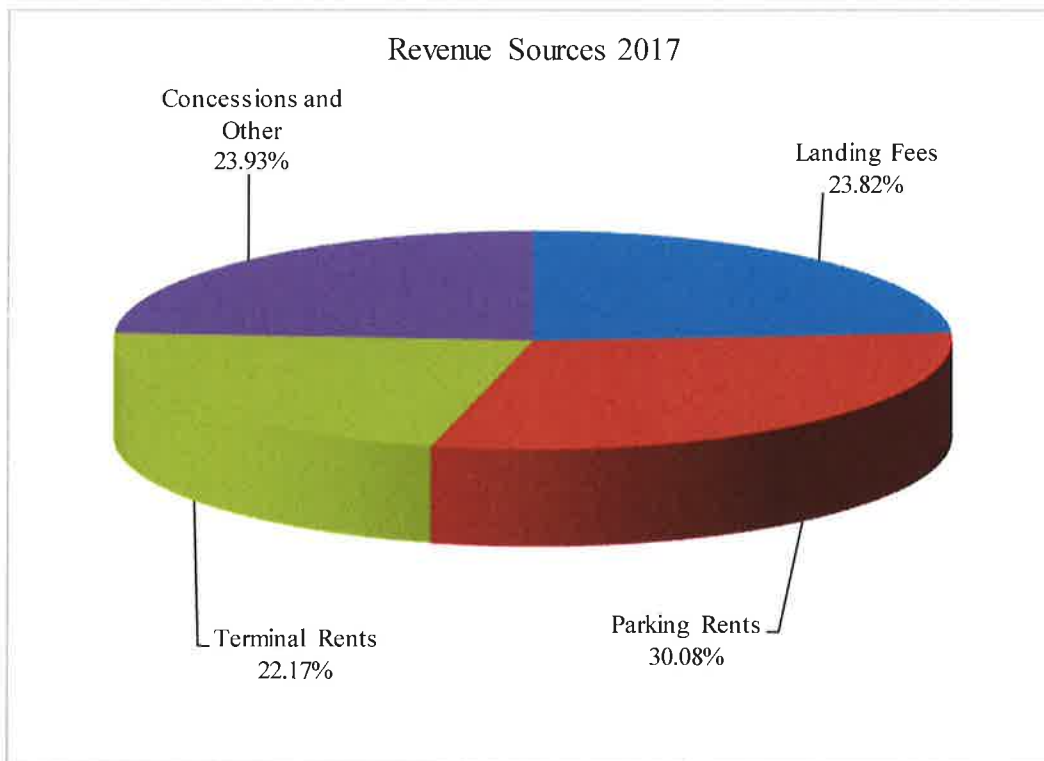
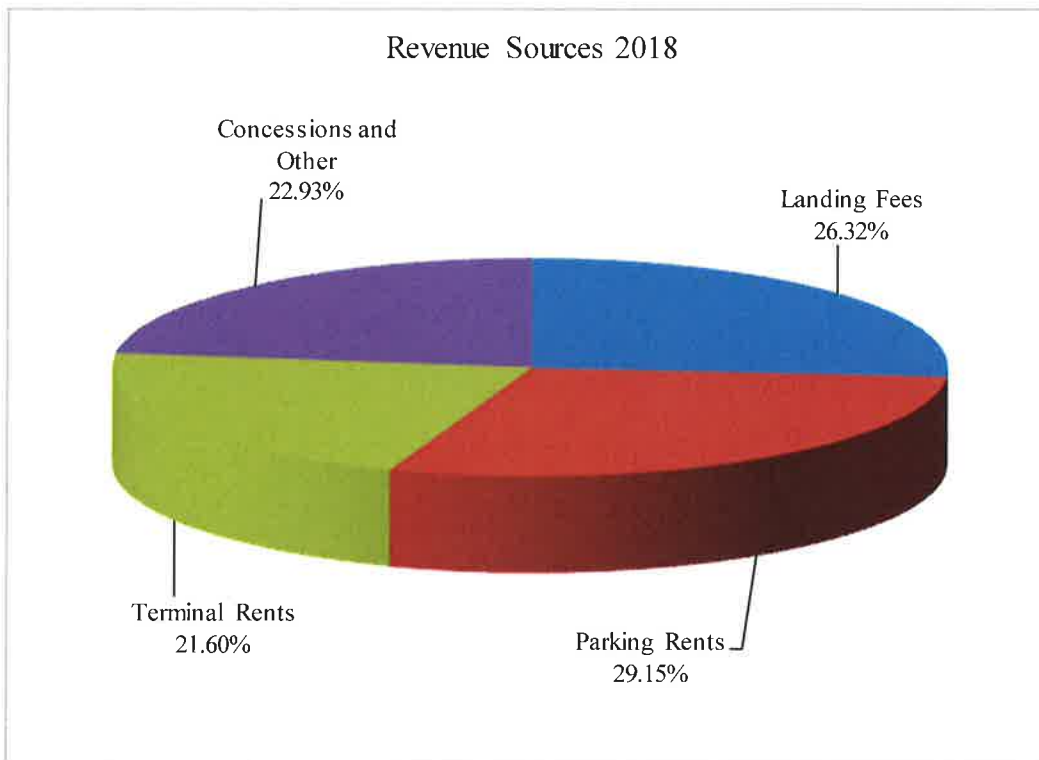
Revenues			Increase	Percentage
Operating Revenues	2018	2017	(Decrease)	Change
Landing Fees	\$ 8,126,349	\$ 6,919,855	\$ 1,206,494	17.4%
Parking Rents	8,997,117	8,737,611	259,506	3.0%
Terminal Rents	6,666,181	6,440,936	225,245	3.5%
Concessions and Other	7,076,275	6,950,021	126,254	1.8%
Total Revenues	<u>\$ 30,865,922</u>	<u>\$ 29,048,423</u>	<u>\$ 1,817,499</u>	<u>6.3%</u>
Expenditures				
Operating Expenditures				
Cost of Service	\$ 6,416,243	\$ 5,151,671	\$ 1,264,572	24.5%
Administration	7,912,039	5,925,667	1,986,372	33.5%
Aviation Fund Lease	3,464,050	5,574,450	(2,110,400)	(37.9%)
Aviation Fund Contractual	11,040,226	11,206,681	(166,455)	(1.5%)
Depreciation	712,771	561,154	151,617	27.0%
Total Expenditures	<u>\$ 29,545,329</u>	<u>\$ 28,419,623</u>	<u>\$ 1,125,706</u>	<u>4.0%</u>
Net Operating Gain	<u>\$ 1,320,593</u>	<u>\$ 628,800</u>	<u>\$ 691,793</u>	

The Authority's operating revenues increased by \$1,817,499 or 6.3% between the years ended June 30, 2017 and June 30, 2018. This increase was the result of an increase in parking rents and Landing fees.

The Authority's operating expenses increased by \$1,125,706 or 4.0% between the years ended June 30, 2017 and June 30, 2018. This was primarily due to increases of \$3,250,944 in administration and cost of service expense due to increased staffing and employee benefits, offset by a decrease of \$2,110,400 in the Aviation Fund Lease expense which is tied to the decreasing lease expense paid to the City of Syracuse.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

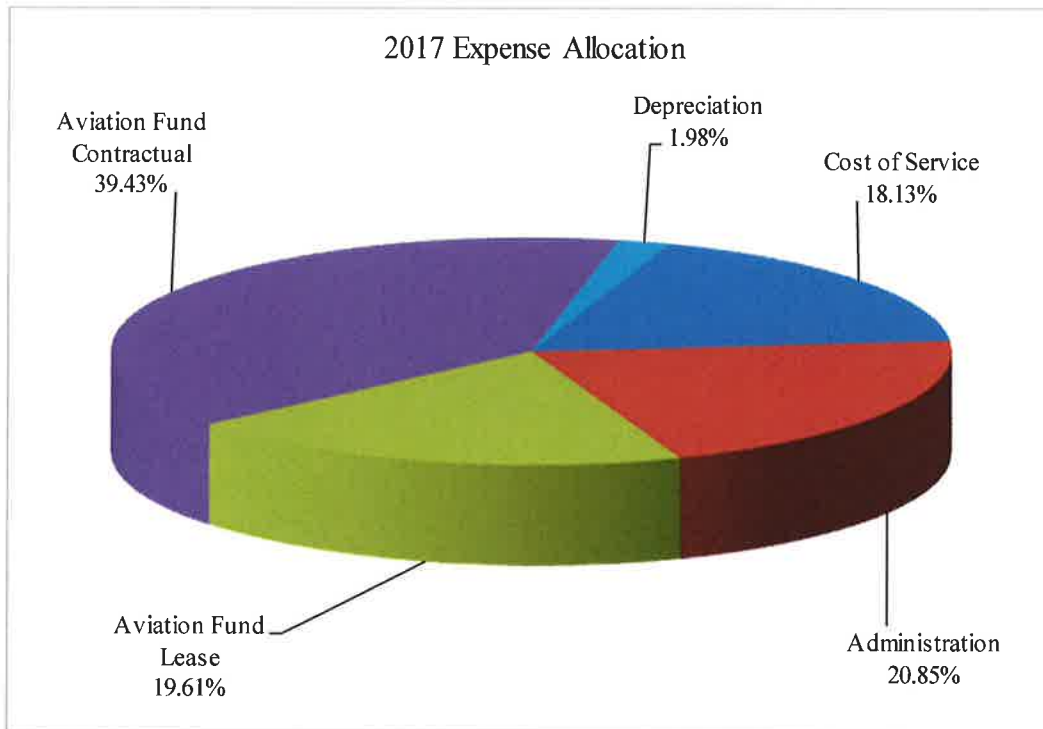
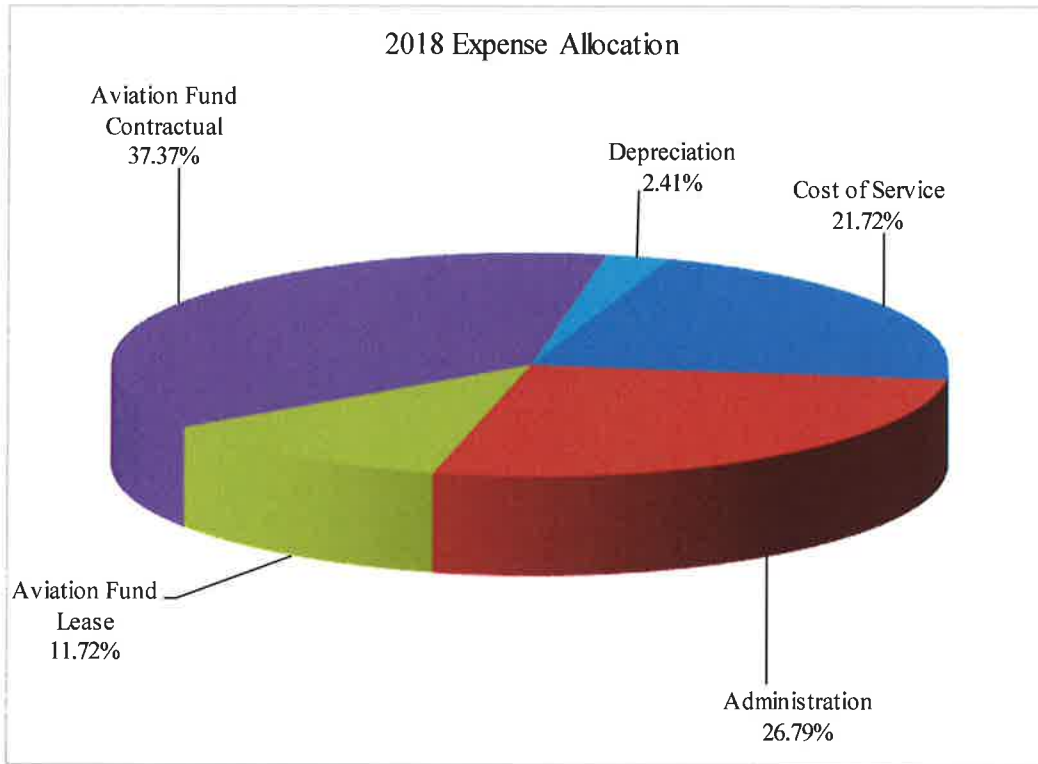
Table A-3 Operating Revenue for the Years Ended June 30, 2018 and 2017



See Independent Auditor's Report

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

Table A-4 Operating Expenditures for the Year Ended June 30, 2018 and 2017



SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
MANAGEMENT'S DISCUSSION & ANALYSIS
For the Year Ended June 30, 2018

5. FACTORS BEARING ON THE AUTHORITY'S FUTURE

- General Economic Climate- Air travel can broadly be divided into business travel and leisure travel. Both of these depend, to varying degrees, on the strength of the economy. In a strong economy, travel tends to increase, which will result in an increase in revenue. In a weak economy, the reverse is true.
- Air Service Development- The Authority actively works to bring new airline service to Syracuse, both through adding new carriers and through existing airlines serving new destinations. To the extent it is successful, traffic through the Airport increases which increases revenue.
- Contract/Agreement Negotiations- The Authority will be negotiating several contracts and agreements over the next several years which will have an effect on the Airport's cost structure.
- Continued Transition from City to Authority- While the operating certificate for the airport has been transferred from the City of Syracuse to the Authority, it still remains the Authority's intent to transfer the bulk of the employees from the City to the Authority.

6. CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Authority's citizens, customers, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Executive Director at 1000 Colonel Eileen Collins Blvd, Syracuse, NY 13212.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENTS OF NET POSITION
June 30, 2018 and 2017

	2018	Restated 2017
Assets		
Current Assets		
Cash	\$ 8,744,063	\$ 23,477,362
Accounts Receivable	25,678,601	3,076,665
Due From City	-	30,750
Prepaid Expenses	255,024	243,735
Total Current Assets	34,677,688	26,828,512
Non-Current Assets		
Restricted Cash	37,679,169	22,163,965
Capital Assets, Net	40,502,474	4,093,647
Total Non-Current Assets	78,181,643	26,257,612
Deferred Outflows of Resources		
OPEB	16,864	-
Pensions	422,268	290,294
Total Deferred Outflows of Resources	439,132	290,294
Total Assets and Deferred Outflows of Resources	\$ 113,298,463	\$ 53,376,418
Liabilities		
Current Liabilities		
Accounts Payable	\$ 20,038,429	\$ 2,629,588
Accrued Liabilities	136,068	170,164
Due to City	770,878	602,755
Note Payable	11,750,000	-
Total Current Liabilities	32,695,375	3,402,507
Non-Current Liabilities		
OPEB Liability	2,156,860	1,815,943
Net Pension Liability - Proportionate Share	117,305	292,077
Total Non-Current Liabilities	2,274,165	2,108,020
Deferred Inflows of Resources		
Unearned Revenue	-	30,750
OPEB	1,422	-
Pensions	397,107	61,296
Total Deferred Inflows of Resources	398,529	92,046
Net Position		
Net Investment in Capital Assets	40,502,474	4,093,647
Restricted	37,679,169	22,163,965
Unrestricted (Deficit)	(251,249)	21,516,233
Total Net Position	77,930,394	47,773,845
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 113,298,463	\$ 53,376,418

The Accompanying Notes are an Integral Part of These Financial Statements.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Operating Revenues		
Landing Fees	\$ 8,126,349	\$ 6,919,855
Parking Rents	8,997,117	8,737,611
Terminal Rents	6,666,181	6,440,936
Concession and Other	7,023,282	6,912,755
City Provided Revenue	72,265	-
Miscellaneous (Losses)	(19,272)	37,266
Total Operating Revenue	<u>30,865,922</u>	<u>29,048,423</u>
Operating Expenses		
Cost of Service	6,416,243	5,151,671
Administration	7,912,039	5,925,667
City's Aviation Fund Lease	3,464,050	5,574,450
City's Aviation Fund Contractual Expenses	11,040,226	11,206,681
Total Operating Expense	<u>28,832,558</u>	<u>27,858,469</u>
Deficiency of Operating Revenues Over Expenses Before Depreciation	<u>2,033,364</u>	<u>1,189,954</u>
Depreciation	<u>712,771</u>	<u>561,154</u>
Gain Before Non-Operating Income and Expenses	<u>1,320,593</u>	<u>628,800</u>
Non-Operating Income (Expense)		
Capital Grants	30,710,589	1,946,166
Capital Contribution Expense to City's Aviation Fund	(6,437,409)	(2,099,902)
Passenger Facility Charges	4,518,308	4,138,681
Other Income	-	32,130
Interest Income	51,031	93,690
Interest Expense	(6,563)	-
Total Non-Operating Income	<u>28,835,956</u>	<u>4,110,765</u>
Increase in Net Position	<u>30,156,549</u>	<u>4,739,565</u>
Net Position, Beginning of Year (Restated)	47,773,845	44,850,223
Cumulative Effect of Change in Accounting Principle	-	(1,815,943)
Net Position, End of Year (Restated)	<u>\$ 77,930,394</u>	<u>\$ 47,773,845</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
STATEMENTS OF CASH FLOWS
For the Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows From (Used By) Operating Activities		
Cash Received From Providing Services	\$ 30,893,902	\$ 29,833,440
Cash Paid to Suppliers	(32,492,393)	(32,309,735)
Cash Paid to Employees	(1,083,962)	(970,004)
Net Cash Flows (Used By) From Operating Activities	<u>(2,682,453)</u>	<u>(3,446,299)</u>
Cash Flows From Investing Activities		
Interest Received	51,031	93,690
Net Cash Flows From Investing Activities	<u>51,031</u>	<u>93,690</u>
Cash Flows From (Used By) Capital and Related Financing Activities		
Purchase of Capital Assets	(22,041,892)	(3,168,395)
Proceeds of Line of Credit	11,750,000	-
Interest Paid	(6,563)	-
Capital Grants	9,666,184	2,077,030
Passenger Facility Charges	4,045,598	4,306,092
Net Cash Flows From Capital and Related Financing Activities	<u>3,413,327</u>	<u>3,214,727</u>
Net (Decrease) Increase in Cash	781,905	(137,882)
Cash, Beginning of Year	<u>45,641,327</u>	<u>45,779,209</u>
Cash, End of Year	<u>\$ 46,423,232</u>	<u>\$ 45,641,327</u>
Reconciliation of Income Before Non-Operating to Net Cash Flows From (Used By) Operating Activities:		
Gain Before Non-Operating Income and Expenses	\$ 1,320,593	\$ 628,800
Adjustments to Reconcile Gain Before Non-Operating Income to Net Cash Flows From (Used By) Operating Activities:		
Depreciation	712,771	561,154
Other		32,130
(Increase) Decrease in Assets:		
Accounts Receivable	(22,601,936)	752,887
Due From City	30,750	60,500
Prepaid Expenses	(11,289)	22,743
Deferred Outflows - Pensions	(131,974)	173,744
Deferred Outflows - OPEB	(16,864)	
Increase (Decrease) in Liabilities:		
Accounts Payable	17,408,841	(3,089,137)
Accrued Liabilities	(34,096)	(2,384,567)
Due To City	168,123	(54,491)
Unearned Revenue	(30,750)	(60,500)
OPEB Liability	340,917	
Pension Liability - Proportionate Share	(174,772)	(103,552)
Deferred Inflows - Pensions	335,811	13,990
Deferred Inflows - OPEB	1,422	
Net Cash Flows (Used By) From Operating Activities	<u>\$ (2,682,453)</u>	<u>\$ (3,446,299)</u>

The Accompanying Notes are an Integral Part of These Financial Statements.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

1. ORGANIZATION

The Syracuse Regional Airport Authority (“the Authority”), a public benefit corporation, was established to provide the necessary tools and support to Syracuse Hancock International Airport (Airport) to maintain and operate the facilities in a safe, secure and efficient manner. The Authority is committed to promoting the growth and success of the Syracuse Hancock International Airport by overseeing fiscal responsibility, regional marketing, job creation in the aviation industry, and those industries that support aviation. The Authority was organized under the Public Authorities Law of the State of New York on August 17, 2011.

The Authority meets the criteria set forth in Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) for inclusion as a component unit within the City of Syracuse, New York (City)’s basic financial statements based on the City’s responsibility for the appointment of the Authority members. As such, the Authority is included in the City’s basic financial statements. The accompanying financial statements present the financial position and the changes in Net Position and cash flows of the Authority only. The Authority is not involved in any joint ventures.

Transfer of Operations

On March 1, 2014, the City transferred responsibility for the operation of the Airport to the Authority, represented by agreements discussed below. The United States Department of Transportation Federal Aviation Administration approved this transfer effective March 1, 2014. The Authority, as operator of the Airport, shall have the sole right and responsibility to establish Airport policies and plans, adopt all Airport budgets, determine levels of operational service, and set fees, rates and charges.

The City signed a non-cancellable lease agreement (lease agreement) with the Authority which was effective March 1, 2014, for an initial period of forty (40) years, and renewals of the lease term are automatic for additional ten year terms. Per the lease agreement, the Authority will lease all premises that comprise the Airport, and will maintain, repair and operate the Airport, at its own cost and expense. All land acquired and improvements made by or on behalf of the Authority to the Airport during the term of the agreement shall be deemed property of the City, and title shall vest in the City upon acquisition or completion of the project in which improvements are made.

The Authority signed an assignment and assumption agreement with the City, effective March 1, 2014, transferring the City’s responsibility of Airport operations to the Authority, including all outstanding grant agreements related to the Airport with the United States Department of Transportation, the Department of Homeland Security Transportation Security Administration and the Federal Aviation Administration Passenger Facility Charge Records of Decision. The City also transferred substantially all of the assets and liabilities of its Aviation Enterprise Fund to the Authority which included cash, receivables, equipment and personal property, and contractual liabilities payable by the City’s Aviation Fund.

The Authority signed a services agreement with the City effective March 1, 2014, which allows the City to continue to perform services that have been rendered by employees of the City’s Department of Aviation, most of whom are represented by a union for the purpose of collective bargaining, for an initial period of ten (10) fiscal years beginning June 30, 2014 and two (2) successive periods of five (5) fiscal years (July 1 to June 30). The services agreement also allows the City to continue to make certain expenditures that are necessary and appropriate for the operation of the Airport. The Authority recorded \$11,040,226 and \$11,206,681 for the years ending June 30, 2018 and 2017, respectively, in operating expenses as “City’s Aviation Fund Contractual Expenses” related to this agreement.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Authority's financial statements are prepared in accordance with GAAP as applied to enterprise funds of governmental units. The (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. All activities of the Authority are accounted for within a single proprietary (Enterprise) fund. Proprietary funds are used to account for operations that are: (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Revenues from landing fees, parking rents, terminal rents, concessions and other similar revenue are reported as operating revenues. All expenses related to operating the Airport are reported as operating expenses. Passenger facility charges, federal and state grants and interest are reported as non-operating revenue. Interest expense is reported as non-operating expense, special and extraordinary items are reported separately after non-operating revenues and non-operating expenses.

Net Position Classifications

In the financial statements there are three classes of Net Position:

Net Investment in Capital Assets – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets.

Restricted Net Position – reports Net Position when constraints placed on the assets are either externally imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – reports the balance of Net Position that does not meet the definition of the above two classifications and are deemed to be available for general use by the Authority.

Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reported period. Actual results could differ from those estimates.

Cash

The Authority's cash consists of demand deposits. New York State Public Authority Law governs the Authority's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities.

Receivables

Receivables are reported at their gross value when earned and are reduced by the estimated portion that is expected to be uncollectible. The allowance for uncollectible amounts is based on collection history, aviation industry trends and current information regarding the credit worthiness of the tenants and others doing business with the Authority. When continued collection activity results in receipt of amounts previously written off, revenue is recognized for the amount collected.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Restricted Assets

Restricted assets consist of monies and other resources which are restricted legally as described below:

Capital Improvement Funds - These assets represent capital debt proceeds and grant funds that are restricted for designated capital projects and cannot be expended for any other item.

Passenger Facility Charges - These assets represent Passenger Facility Charges (PFC) collections based on an approved FAA application to "impose" such charges on enplaned passengers at the Airport. These funds are restricted for designated capital projects and any debt incurred to finance the construction of those projects. The Authority recognizes and reports as non-operating income PFCs earned when all conditions have been met that entitles the Authority to retain the PFCs. PFCs received prior to this time are reported as Restricted Net Position.

Capital Assets

Capital assets include vehicles, equipment and all other tangible assets that are used in operations and have useful lives extending beyond a single reporting period. Capital Assets that were transferred to the Authority on March 1, 2014 from the City's Aviation Fund are carried at historical cost, net of accumulated depreciation. Acquisitions of assets costing \$5,000 or more are recorded at cost.

Maintenance and repairs are expensed as incurred. When depreciable assets are disposed of, the related costs and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is credited or charged to an expense. Capital assets are written off when fully depreciated unless clearly identified as still being in use. Capital assets are written-down due to impairment if circumstances indicate a significant or unexpected decline in an assets service utility has occurred. Impaired capital assets are written down using an approach that best matches the asset's decline in service utility. Disposed of assets and assets held for sale are reported at the lower of carrying value or fair value less disposal costs. Depreciation of capital assets is computed using the straight-line method at various rates considered adequate to allocate costs over the estimated useful lives of such assets. The estimated lives by general classification are as follows:

Machinery and equipment	3-10 years
Vehicles	3-9 years

Deferred Outflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Authority has two items that qualify for reporting in this category. The first one represents the effect of the net change in the Authority's proportion of the collective net pension asset or liability and difference during the measurement period between the Authority's contributions and its proportionate share of total contributions not included in pension expense. The second item is related to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Inflows of Resources

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category. The first item is unearned revenue which represents the principal portion of unrecognized lease payments. The second item is related to pensions reported in the Statement of Revenues, Expenses, and Change in Net Position. This represents the effect of the net change in the Authority's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Authority's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item relates to other postemployment benefits (OPEB) reported on the Statement of Net Position and represents the effect of differences between expected and actual experience and changes in assumptions during the year. These amounts are deferred and will be recognized in OPEB expense over the next several years.

Capital Contributions

Certain expenditures for airport capital assets are significantly funded through the Airport Improvement Program (AIP) of the Federal Aviation Administration (FAA), with certain matching funds provided by the State and the Authority, or from various State allocations or grant programs. Capital funding provided under government grants is considered earned as the related allowable expenditures are incurred.

Grants for capital asset acquisition, facility development and rehabilitation are reported in the statement of revenues, expenses and changes in net position, after non-operating income (expense), as capital contributions.

Revenue Recognition

Landing Fees - Landing fees are principally generated from scheduled airlines, cargo carriers and non-scheduled commercial aviation and are based on the maximum landed weight of the aircraft. The estimated landing fee structure is determined annually pursuant to an agreement between the Authority and the signatory airlines based on the adopted operating budget of the Authority and is adjusted at the fiscal year end for the actual landed weight of all aircraft and actual expenses. Landing fees are recognized as revenue based on number of landings and certain other criteria.

Fixed Based Operations (FBO), Rents, Concessions and Ground Transportation - FBO revenues are generated from commercial and general aviation users, rental cars, advertising and other commercial tenants. Leases are for various terms and generally require rentals based on the volume of business, with specific minimum annual rental payments required. Rental revenue is recognized over the life of the respective lease and concession revenue is recognized based on reported concessionaire revenue.

Other-All other types of revenues are recognized when earned.

Special Items and Extraordinary Items

Special Items- Special items are significant transactions or other events within the control of management that are either unusual in nature or infrequent in occurrence. There were no special items recorded for the years ended June 30, 2018 and 2017.

Extraordinary Items- Extraordinary items are transactions or other events that are both unusual in nature and infrequent in occurrence. There were no extraordinary items recorded for the years ended June 30, 2018 and 2017.

New Accounting Standard

The Authority changed accounting policies related to the financial statement presentation of other postemployment benefits (OPEB) with the adoption of Statement of Governmental Accounting Standards (GASB Statement) No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The new pronouncement provides governments guidance for determining a fair value measurement for financial reporting purposes for certain postemployment benefits and disclosures related to all fair value measurements.

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Changes in Accounting Standards

- GASB Statement No. 84 – Fiduciary Activities Effective for the year ended June 30, 2020
- GASB Statement No. 87 – Leases Effective for the year ended June 30, 2021

The Authority will evaluate the impact these pronouncements may have on its financial statements and will implement it as applicable and when material.

3. RECEIVABLES

Accounts receivable is recorded net of allowances for probable uncollectable accounts.

	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Enterprise	\$ 3,406,916	\$ 2,322,095
Grants	21,472,452	428,047
Passenger Facility Charges	<u>799,233</u>	<u>326,523</u>
Total	<u>\$ 25,678,601</u>	<u>\$ 3,076,665</u>

4. CAPITAL ASSETS

Per the agreement between the Authority and the City of Syracuse, certain land, buildings and improvements with a cost of approximately \$389,000,000, with accumulated depreciation of approximately \$246,000,000 are included in the City of Syracuse's Aviation Fund. The Authority's Airport Lease Agreement with the City of Syracuse provides that all land acquired and improvements made to the Syracuse Hancock International Airport, on behalf of the Authority, shall be deemed property of the City of Syracuse. As a result, the Authority's policy is to remove Construction in Progress by recording an operating expense as "Capital Contribution Expense to City's Aviation Fund," when the project is substantially complete. Capital asset balances and activity for the year ended June 30, 2018 was as follows:

	<u>Beginning</u>		<u>Ending</u>
	<u>Balance</u>	<u>Additions</u>	<u>Deletions</u>
		<u>Deletions</u>	<u>Balance</u>
Capital Assets Not Being Depreciated			
Construction in Progress	\$ 1,303,618	\$ 38,337,766	\$ 33,203,975
Capital Assets Being Depreciated			
Machinery and Equipment	10,094,355	4,496,645	14,591,000
Vehicles	<u>9,654,118</u>	<u>724,596</u>	<u>10,378,714</u>
Total	<u>19,748,473</u>	<u>5,221,241</u>	<u>24,969,714</u>
Accumulated Depreciation			
Machinery and Equipment	7,360,574	556,966	7,917,540
Vehicles	<u>9,597,870</u>	<u>155,805</u>	<u>9,753,675</u>
Total	<u>16,958,444</u>	<u>712,771</u>	<u>17,671,215</u>
Net Capital Assets	<u>\$ 4,093,647</u>	<u>\$ 42,846,236</u>	<u>\$ 40,502,474</u>

Depreciation expense for the year ended June 30, 2018 and 2017 was \$712,771 and \$561,154, respectively.

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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

5. OPERATING LEASE COMMITMENTS AND LEASED ASSETS

The authority entered into a lease agreement with the City, commencing on March 1, 2014 which is effective for an initial term of forty (40) years. See Note 1 related to transfer of operations of the Airport.

The lease agreement gives the Authority the exclusive right to operate, maintain and improve the Airport subject to certain restrictions and conditions. The renewals of the lease term are automatic for additional ten year terms. The City retains physical ownership of the current and future land, buildings and improvements of the Airport made by or on behalf of the Authority.

The Authority is required to make rental payments to the City equal to the principal and interest due on Airport related debt issued by the City. These payments are funded by the passenger facility charges referred to in Note 1. These rental payments totaled \$3,464,050 and \$5,574,450 for the years ended June 30, 2018 and 2017, respectively. Future minimum lease payments due to the City as of June 30, 2018 under this operating lease are as follows:

2019	\$	3,336,250
2020		3,327,850
2021		3,320,650
2022		3,314,919
2023-2027		15,491,675
2028-2032		15,240,069
2033-2037		<u>15,243,750</u>
Total	\$	<u>59,275,163</u>

6. PENSION PLANS

A. New York State and Local Employees' Retirement System (ERS)

(a) *Plan Description*

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer public employee retirement system. The system provides retirement benefits as well as death and disability benefits.

The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Authority also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

(b) *Contributions*

The System is noncontributory for employees who joined prior to July 28, 1976. For employees who joined after July 27, 1976, and prior to January 1, 2010, employees contribute 3% of their salary for the first ten years of membership. Employees who joined on or after January 1, 2010 but before April 1, 2012 are required to contribute 3% of their annual salary for their entire working career. Those who joined on or after April 1, 2012 contribute at a rate ranging from 3% to 6% based on their total annualized salary. Under the authority of the RSSL, the Comptroller certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31. All required contributions for the NYSERS fiscal year ended March 31, 2018, were paid.

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For the Year Ended June 30, 2018

6. PENSION PLANS (Continued)

The required contributions for the current year and two preceding years were:

	<u>Amount</u>
2016	\$ 92,914
2017	\$ 99,797
2018	\$ 126,573

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

At June 30, 2018 and 2017, the Authority reported a liability of \$117,305 and \$292,077, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At June 30, 2018 and 2017 the Authority's proportion was and .0036346% and .0031085%, respectively.

For the year ended June 30, 2018 and 2017, the Authority recognized pension expense of \$169,228 and \$192,280, respectively. At June 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 41,839	\$ 34,574
Changes of Assumptions	77,783	
Net difference between projected and actual earnings on Pensions plan investments	170,376	336,304
Changes in proportion and differences between contributions and proportionate share of contributions	87,038	26,229
Contributions subsequent to the measurement date	45,232	
Total	\$ 422,268	\$ 397,107

At June 30, 2018, \$31,643 was reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date, and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	<u>Amount</u>
2019	\$ 52,524
2020	\$ 46,347
2021	\$ (81,865)
2022	\$ (37,077)
2023	\$ 0
Thereafter	\$ 0

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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

6. PENSION PLANS (Continued)

(d) Actuarial Assumptions

The total pension liability at March 31, 2018 was determined by using an actuarial valuation as of April 1, 2017, with update procedures used to roll forward the total pension liability to March 31, 2018. The actuarial valuation used the following actuarial assumptions.

Significant actuarial assumptions used in the April 1, 2017 valuation were as follows:

Investment rate of return	
(net of investment expense,	
including inflation)	7.00%
Salary scale	3.80%
Decrement tables	April 1, 2010 - March 31, 2015
	System's Experience
Inflation rate	2.50%

Annuitant mortality rates are based on April 1, 2010 - March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2018 are summarized below.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.00%	4.55%
International equity	14.00%	6.35%
Private equity	10.00%	7.50%
Real estate	10.00%	5.55%
Absolute return strategies	2.00%	3.75%
Opportunistic portfolio	3.00%	5.68%
Real assets	3.00%	5.29%
Bonds and mortgages	17.00%	1.31%
Cash	1.00%	(0.25%)
Inflation-indexed bonds	4.00%	1.25%
	100.00%	

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

6. PENSION PLANS (Continued)

(e) Discount Rate

The discount rate used to calculate the total pension asset/liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset/liability.

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

The following presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease	Current Assumption	1% Increase
	<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
Proportionate share of the net pension liability (assets)	\$ 887,558	\$ 117,305	\$ (534,299)

(g) Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary Net Position is available in the separately issued ERS financial report.

(h) Payables to the Pension Plan

The Authority recorded an amount due to ERS in amount of \$31,643 and \$25,485 at June 30, 2018 and 2017, respectively. These amounts represent the three months of the Authority's fiscal year that will be covered in the ERS 2017-2018 billing cycle and has been recorded on the Authority's Statement of Net Position.

7. OTHER POSTEMPLOYMENT BENEFITS

(a) Plan Description

The Authority administers its retiree group health benefits program as a single-employer defined benefit Other Post-Employment Benefit plan. The program provides for continuation of Retiree Group Health Benefits for certain retirees and their spouses.

(b) Funding Policy

The obligations of the Plan members, employers, and other entities are established by action of the Authority pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members vary depending on the applicable agreement.

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

(c) Employees Covered by Benefit Terms

	Total
Inactive employees currently receiving benefit payments	0
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	15
Total	15

(d) Total OPEB Liability

The Authority's total OPEB liability of \$2,156,860 was measured as of June 30, 2018, and was determined by an actuarial valuation as of July 1, 2017.

(e) Changes in the Total OPEB Liability

Changes in the Authority's total OPEB liability were as follows:

	Total OPEB Liability
Balances, June 30, 2017	\$ 1,815,943
Changes recognized for the year:	
Service cost	250,479
Interest on Total OPEB Liability	73,565
Differences between expected and actual experience	(1,554)
Change of Assumptions or other inputs	18,427
Net changes	340,917
Balances, June 30, 2018	\$ 2,156,860

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

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.62 percent) or 1 percentage point higher (4.62 percent) than the current discount rate:

	1% Decrease <u>(2.62%)</u>	Current Assumption <u>(3.62%)</u>	1% Increase <u>(4.62%)</u>
Total OPEB liability	\$ 2,639,729	\$ 2,156,860	\$ 1,780,181

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

(g) *Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

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

	<u>1% Decrease (6.25%)</u>	<u>Current Assumption (7.25%)</u>	<u>1% Increase (8.25%)</u>
Total OPEB liability	\$ 1,562,631	\$ 2,156,860	\$ 2,951,735

Sensitivity analysis for healthcare cost inflation (trend) rate is illustrated as of end of year.

(h) *OPEB Expense and Deferred Outflows of Resources Related to OPEB*

For the year ended June 30, 2018, the Authority recognized OPEB expense of \$325,475. At June 30, 2018, the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$	\$ 1,422
Changes of assumptions or other inputs	16,864	
Contributions subsequent to the measurement date		
Total	<u>\$ 16,864</u>	<u>\$ 1,422</u>

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

Year ended June 30:	<u>Amount</u>
2019	1,431
2020	1,431
2021	1,431
2022	1,431
2023	1,431
Thereafter	8,287

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

7. OTHER POSTEMPLOYMENT BENEFITS (Continued)

(i) *Actuarial Methods and Assumptions*

The total OPEB liability was determined by an actuarial valuation as of July 1, 2017 rolled forward to June 30, 2018, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Inflation rate	2.25%
Healthcare Cost Trend Rates	7.25% for 2018 decreasing to an ultimate rate of 3.886% by 2075
Discount Rate	3.62%

The selected discount rate of 3.62% was based on the Fidelity General Obligation 20-year AA Municipal Bond Index as of June 30, 2018.

Mortality rates were based on the sex-distinct White Collar RPH-2014 Mortality Tables for employees and healthy annuitants, adjusted backward to 2006 with Scale MP-2014, and then adjusted for mortality improvements with Scale MP-2017 mortality improvement scale on a fully generational basis.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial study for the period of April 1, 2010-March 31, 2015.

8. CUSTODIAL CREDIT RISK

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. While the Authority does not have a specific policy for custodial credit risk, New York State statutes govern the Authority's investment policies, as discussed previously in these notes.

As of June 30, 2018 and 2017, the Authority's bank balances of \$46,077,733 and \$41,787,090, respectively, were fully collateralized by federal depository insurance and securities held by an agent of the pledging financial institution in the Authority's name.

9. RISK MANAGEMENT

Potential Grantor Liability

The Authority is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters and other risks. These risks are covered by commercial insurance purchased from independent third parties.

Self-Insured Health and Dental Insurance

The Authority participates in the health and dental insurance consortium managed by Onondaga County Employees Benefit Association (OCEBA). This is a self-insured plan whereby the insurance risk is retained by the Authority although such risk is spread among the participants in the Plan. The Authority has not recorded an estimate of incurred but not reported claims as of June 30, 2018 and 2017 as it is deemed immaterial to the financial statements. In addition, as a participant in the Plan, the Authority had a positive balance of \$7,242 as of June 30, 2018 and a deficit balance of \$76,743 as of June 30, 2017. This represents the difference between premiums collected and claims paid.

SYRACUSE REGIONAL AIRPORT AUTHORITY
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NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2018

10. PRIOR PERIOD ADJUSTMENT – CUMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE

Other Postemployment Benefits Other Than Pensions

A prior period adjustment of \$1,815,943 has been reflected in the financial statements to increase beginning net OPEB liability to implement GASB 75 which more accurately reflects the liability at June 30, 2017.

11. SUBSEQUENT EVENTS

The Authority has evaluated subsequent events occurring after the Statement of Net Position through the date of March 9, 2019 which is the date the financial statements were available to be issued.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULES OF AUTHORITY'S CONTRIBUTIONS
For the Four Year's Ended June 30,

ERS Pension Plan

	2018	2017	2016	2015
Contractually Required Contribution	\$ 126,573	\$ 99,797	\$ 92,914	\$ 19,934
Contributions in Relation to the Contractually Required Contribution	126,573	99,797	92,914	19,934
Contribution Deficiency (Excess)	\$	\$	\$	\$
Authority's Covered-ERS Employee Payroll	\$ 922,538	\$ 752,001	\$ 599,249	\$ 123,520
Contributions as a Percentage of Covered-Employee Payroll	13.72%	13.27%	15.51%	16.14%

See Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT OF THE CITY OF SYRACUSE, NEW YORK)
SCHEDULES OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Four Years Ending June 30,

ERS Pension Plan

	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.0036346%	0.0031085%	0.0024646%	0.0008180%
Authority's proportionate share of the net pension liability	\$ 117,305	\$ 292,077	\$ 395,629	\$ 27,633
Authority's covered-employee payroll	\$ 922,538	\$ 752,001	\$ 599,249	\$ 123,520
Authority's proportionate share of the net pension liability as a percentage of its covered-employee payroll	12.72%	38.84%	66.02%	22.37%
Plan fiduciary net position as a percentage of total pension liability	98.2%	94.7%	90.7%	97.9%

See Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF FUNDING PROGRESS OF OTHER POST-EMPLOYMENT BENEFITS
For the Year Ended June 30, 2018

	2018 *
Measurement Date	6/30/2018
Total OPEB Liability	
Service cost	\$ 250,479
Interest on Total OPEB Liability	73,565
Change in assumptions and other inputs	
Differences between expected and actual experience in the measurement of the total OPEB liability	18,427
Differences between Expected and Actual Experience	(1,554)
Benefit payments	-
Net change in total OPEB Liability	340,917
Total OPEB Liability - Beginning	1,815,943
Total OPEB Liability - Ending	\$ 2,156,860
Covered payroll	\$ 1,098,757
Total OPEB Liability as a percentage of covered payroll	196.30%

* 10 years of historical information will not be available upon implementation. An additional year of historical information will be added each year subsequent to the year of implementation until 10 years of historical data is available.

Notes to Required Supplementary Information:

Actuarial Assumptions

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 7 to the financial statements.

Syracuse
Regional Airport
Authority

Reports Required by the
Passenger Facilities Guide
for Public Agencies

June 30, 2018

SYRACUSE REGIONAL AIRPORT AUTHORITY

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Independent Auditor's Report on Compliance for the Passenger Facility Charge Program and on Internal Control Over Compliance and the Schedule of Expenditures of Passenger Facility Charges Required by the Passenger Facility Charge Audit Guide for Public Agencies

Board Members

Syracuse Regional Airport Authority

Report on Compliance for the Passenger Facility Charge Program

We have audited the Syracuse Regional Airport Authority (The Authority)'s compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of laws and regulations applicable to its passenger facility charge program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Authority's passenger facility charge program based on our audit. 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 Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guide. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

Opinion on The Passenger Facility Charge Program

In our opinion, the Syracuse Regional Airport Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended June 30, 2018.

Report on Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on the passenger facility charge program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's 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 the passenger facility charge program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the passenger facility charge program will not be prevented or detected and corrected on a timely basis.

Report on Schedule of Expenditures of Passenger Facility Charges

We have audited the financial statements of the business-type activities of the Authority, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which comprise the Authority's basic financial statements. We issued our report thereon dated March 9, 2019 which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration, and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of passenger facility charges is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

SYRACUSE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
For the Year Ended June 30, 2018

Projects	Application Number	Charge Effective Date	Approval Of Use Date	Year Ended June 30, 2018	Cumulative Ended June 30, 2018	Amount Approved For Impose and Use
Passenger Terminal Security Access and Improvements	09-08-4-00-SYR	3/1/07	7/1/09	\$ 10,295,558	\$ 70,125,719	\$ 96,700,685

See Notes to Schedule of Expenditures of Passenger Facility Charges and Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
NOTES TO SCHEDULE OF EXPENDITURES OF PASSENGER FACILITY CHARGES
For the Year Ended June 30, 2018

1. GENERAL

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of local Passenger Facility Charges (PFC) and use of resulting PFC revenues for Federal Aviation Administration (FAA) approved projects. In August 1993, the FAA approved a \$3.00 Passenger Facility Charge collection at the Syracuse Hancock International Airport beginning November 1, 1993. Effective September 1, 2002, the FAA increased the PFC level to \$4.50.

2. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Passenger Facility Charges presents the activity of passenger facility charge projects administered by the Authority located at the Syracuse Hancock International Airport.

3. EXPENDITURES OF PASSENGER FACILITY CHARGES

The amounts reported as expenditures are those of passenger facility charge projects obtained from the PFC Quarterly Reports and the accounting records utilized to record activity for the applicable projects and period. The expenditures of passenger facility charges are recorded on the cash basis.

Syracuse
Regional Airport
Authority

New York State
Department of
Transportation
Single Audit
Report

June 30, 2018

SYRACUSE REGIONAL AIRPORT AUTHORITY

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**Independent Auditor's Report on Compliance and on Internal Controls over State
Transportation Assistance Expended based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

Board Members
Syracuse Regional Airport Authority

Report on Compliance

We have audited the Syracuse Regional Airport Authority's compliance with the types of compliance requirements described in the preliminary Draft Part 43 of the New York State Codification of Rules and Regulations (NYSCRR) that could have a direct and material effect on the state transportation assistance programs tested for the year ended June 30, 2018. The programs tested are identified in the summary of audit results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

The Syracuse Regional Airport Authority's management is responsible for compliance with requirements of laws, regulations, contracts, and grants applicable to each program tested.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Syracuse Regional Airport Authority's state transportation assistance programs based on our audit of the types of compliance requirements referred to above. 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 Draft Part 43 of NYSCRR. Those standards and Draft Part 43 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above, that could have a direct and material effect on the state transportation assistance programs tested, has occurred. An audit includes examining, on a test basis, evidence about the Syracuse Regional Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state transportation assistance program. However, our audit does not provide a legal determination on the Syracuse Regional Airport Authority's compliance.

Opinion on Each Transportation Assistance Program

In our opinion, the Syracuse Regional Airport Authority 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 state transportation assistance programs tested for the year ended June 30, 2018.

Report on Internal Control Over Compliance

Management of the Syracuse Regional Airport Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above.

In planning and performing our audit of compliance, we considered the Syracuse Regional Airport Authority's internal control over compliance with the types of requirements that could have a direct and material effect on state transportation assistance programs tested to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for state transportation assistance programs and to test and report on internal control over compliance in accordance with Preliminary Draft Part 43 of the NYSCRR, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Syracuse Regional Airport Authority's 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 state transportation assistance 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 state 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 state 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 first paragraph of this section and was not designed to identify all deficiencies in the internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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 Draft Part 43 of the NYSCRR. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of State Transportation Assistance Expended Required by Draft Part 43

We have audited the financial statements of the business-type activities of the Syracuse Regional Airport Authority as of and for the year ended June 30, 2018 which comprise the Syracuse Regional Airport Authority's basic financial statements, and have issued our report thereon dated March 9, 2019 which contained an unmodified opinion on those financial statements that comprise the Syracuse Regional Airport Authority's basic financial statements. The Schedule of State Transportation Assistance Expended is presented for purposes of additional analysis as required by Draft Part 43 of NYSCRR, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements as a whole.

D'Arcangelo + Co., LLP

March 9, 2019

Syracuse, New York

SYRACUSE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
For the Year Ended June 30, 2018

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>NYSDOT Reference Number</u>	<u>Expenditures</u>
Matching Grants for the FAA Airport Improvement Program (030):		
Master Agreement	Various	\$ 343,759
Terminal Improvement Project (3A10.90)	K007289	<u>19,488,539</u>
Total State Transportation Assistance Expended		<u>\$ 19,832,298</u>

See Notes to Schedule of State Transportation Assistance Expended and Independent Auditor's Report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
NOTES TO SCHEDULE OF STATE TRANSPORTATION ASSISTANCE EXPENDED
For the Year Ended June 30, 2018

1. GENERAL

The accompanying Schedule of State Transportation Assistance Expended presents the activity of all financial assistance programs provided by the New York State Department of Transportation and administered by the Syracuse Regional Airport Authority for year ended June 30, 2018.

2. BASIS OF ACCOUNTING

The accompanying Schedule of State Transportation Assistance Expended is presented using the accrual basis of accounting. The amounts reported as expenditures of State Assistance were obtained from the accounting records utilized to record activity for the applicable programs and periods.

3. MATCHING COSTS

Matching costs (the Syracuse Regional Airport Authority's share of certain program costs) are not included in the reported expenditures.

**SYRACUSE REGIONAL AIRPORT AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR STATE TRANSPORTATION ASSISTANCE
EXPENDED
For the Year Ended June 30, 2018**

Summary of Audit Results:

Internal control over state transportation assistance expended:

Material weaknesses identified None Reported

Reportable condition (s) identified that are not
Considered to be material weaknesses None Reported

**Type of auditor's report issued on compliance for
programs tested:** Unmodified

Identification of State Transportation Assistance Programs Tested:

Matching Grants for the FAA Airport Improvement Program (030)

Terminal Improvement Project (3A10.90)

Compliance Findings and Questioned Costs:

No matters were reported

Resolution No.

2019

**RESOLUTION APPROVING THE FISCAL YEAR END 2018
DRAFT AUDIT OF THE SYRACUSE REGIONAL AIRPORT
AUTHORITY**

WHEREAS, the Syracuse Regional Airport Authority (the "Authority") is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York, 2011 and Article 8, Title 34 of the New York Public Authorities Law, as amended (collectively the "Enabling Act"); and

WHEREAS, Section 2799-vvv of the Enabling Act requires that the accounts of the Authority be subject to the supervision of the State Controller and that an annual audit be performed by an independent certified public accountant; and

WHEREAS, in compliance with said provision of the Enabling Act, the Authority engaged the independent certified public accounting firm of D'Arcangelo & Co. to audit the Authority's accounts and prepare a draft audit for the fiscal year ending June 30, 2018; and

WHEREAS, D'Arcangelo & Co. performed such audit and prepared a draft audit for Fiscal Year End 2018; and

WHEREAS, in connection with its meeting on February 28, 2018, the Audit Committee reviewed the draft audit and conferred with said auditors, and has recommended that the Authority Board approve the draft audit for Fiscal Year End 2018.

WHEREAS, D'Arcangelo & Co. further presented the draft audit for Fiscal Year End 2018 to the Board at its March 15, 2019 meeting of the Board and responded to questions posed by Board members.

NOW, THEREFORE, after due deliberation having been had thereon,

IT IS HEREBY RESOLVED, that the Board of the Syracuse Regional Airport Authority hereby approves and adopts the draft audit for the Authority's Fiscal Year End 2018 prepared by D'Arcangelo & Co.; and

BE IT FURTHER RESOLVED, that this Resolution shall take effect immediately.

Resolution Adopted Date: March __, 2019.

Vote: Ayes: ____ Nays: ____ Abstentions: ____.

Signed: _____.
Secretary

RESOLUTION AMENDING ETHICS POLICY FOR THE SYRACUSE REGIONAL AIRPORT AUTHORITY

WHEREAS, the Syracuse Regional Airport Authority (the “Authority”) is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York 2011 (the “Enabling Act”) and Article 8, Title 34 of the New York public Authorities Law, as amended; and

WHEREAS, the Authority has duly adopted a Code of Ethics applicable to each officer, member and employee of the Authority pursuant to Section 2824(1) of the New York Public Authorities Law, as amended; and

WHEREAS, the Authority last amended its Code of Ethics by Resolution No. 37 of 2018 at its November 9, 2018 meeting and since that time the Authority’s Governance Committee at its February 21, 2019 meeting discussed with Authority management representatives certain proposed additional changes to the Authority’s Code of Ethics; and

WHEREAS, the Governance Committee has recommended that the Code of Ethics be further amended as shown on the draft amended Code of Ethics annexed hereto.

NOW, THEREFORE, after due deliberation having been had thereon, it is hereby

RESOLVED, by the Board of the Syracuse Regional Airport Authority that the Authority’s Code of Ethics be further amended to include the changes as shown on the draft amended Code of Ethics annexed to this Resolution.

Resolution Adopted Date: March __, 2019

Vote: Ayes _____ Nays: _____ Abstentions: _____

**Signed: _____
Secretary**



**SYRACUSE REGIONAL AIRPORT AUTHORITY
CODE OF ETHICS**

ARTICLE I PURPOSE AND CONSTRUCTION

Section 1.1 This Code of Ethics is applicable to officers, members, staff and employees of the Syracuse Regional Airport Authority, is adopted as a supplement to the provisions of Article 18 of the New York General Municipal Law and the City of Syracuse Code of Ethics and shall be construed to give effect to that law and local law and its purposes.

ARTICLE II DEFINITIONS

Section 2.1 For purposes of this Code of Ethics, the following terms are defined as follows:

1. *Authority* shall mean the Syracuse Regional Airport Authority.
2. *City* shall mean the City of Syracuse.
3. *Officer, member, staff or employee* shall mean any officer, member, staff or employee of the Authority, paid or unpaid.
4. *Agency* shall include any board, commissioner, authority, office, committee, department, branch, bureau of other administrative subdivision of the Syracuse Regional Airport Authority.
5. *Relative* shall mean a spouse, child, parent, or sibling of the officer, member, staff or employee of the Authority, or a person claimed as a dependent on the officer's or employee's latest individual income tax return.
6. *Vendor* shall mean any individual, organization, or entity that has a contract to provide or perform services of any kind with the Syracuse Regional Airport Authority.

ARTICLE III CODE OF ETHICS

Section 3.1 There is hereby established and adopted a Code of Ethics containing standards of conduct for officers, members, staff and employees of the Syracuse Regional Airport Authority.

Section 3.2 All officers, members, staff or employees of the Authority shall adhere to the following standards:

1. *General prohibition.* Authority officers, members, staff or employees shall not use their official position or office, or take or fail to take any action, in a manner which they know or have reason to know may result in a personal financial benefit for any of the following persons:

a. The Authority officer, member, staff or employee;

b. The outside employer or business of an Authority officer, member, staff or employee if the officer, member, staff or employee's outside employment compensation or business income would be affected by the action;

c. A relative, where the action would affect them to a greater degree than the general public or a class of individuals similarly situated, including in the process of employment, recruitment, hiring, promotion, and discipline.

2. *Secondary Employment.* No Authority employee may be employed by a Vendor engaged to perform services as a contractor or subcontractor for a Vendor while employed by the Authority, with the exception of rideshare, transportation network companies, and ground transportation contractors as long as not working at the airport.

3. *Disclosure and recusal.* Authority officers, members, staff or employees

a. To the extent they know or should know thereof, publicly disclose to the appropriate Authority officer or agency, the nature of any potential conflict of interest between their official duties with the Authority and any outside interest; and

b. Promptly recuse themselves from any debate, discussion, decisions or action of any matter before the Authority or agency when acting on the matter, or failing to act on the matter, could reasonably be expected to be more beneficial financially to any of the persons listed in Section 3.2(1) above, than it would be to any member of the general public.

4. *Revolving door.* Persons who have served as officers, members, staff or employees of the Authority shall neither, after the termination of such service or employment, appear before the Authority or any agency of the Authority, nor render

services on behalf of any person, firm, corporation or association, in relation to any case, proceeding or application with respect to which the officer, member, staff or employee was directly concerned or in which they personally participated during the period of their service or employment of which was under their active consideration, until the case, proceeding or application have been finally disposed of or for a period of two (2) years from the date of separation from Authority service or employment, whichever is earlier; nor shall the officer, member, staff or employee receive or agree to receive any compensation with respect to such matter.

5. *Gifts.*

a. No Authority officer, member, staff or employee shall directly or indirectly solicit any gift, or accept or receive any gift, having a value of seventy- five dollars (\$75.00) or more, whether the gift is in the form of money, property, service, loan, travel, entertainment, hospitality, thing or promise, or in any other form under circumstances in which it could reasonably be inferred that the gift was intended to influence them, or could reasonably be expected to influence them, in the performance of their official duties or was intended as a financial reward for any official action on their part.

b. This subsection shall not apply to the acceptance of free invitations to charitable fund raising events, recognition dinners, or similar community events.

6. *Confidential information.* Authority officers, members, staff or employees shall not disclose confidential information acquired by them in the course of their official duties unless having first obtained proper authorization for use in official business purposes. Additionally, ~~or confidential information shall not be~~ used ~~such information~~ to further their personal interests or those of the persons listed in Section 3.2(1), or used in a way that intentionally harms the financial interests of the Authority or its vendors. Confidential and proprietary information may include but is not limited to such things as pricing and financial data, customer names/addresses, private employee personnel data, including demographic and medical information, labor negotiations, information about current or prospective vendors, prospective air service development and marketing initiatives and other information not already made public.

7. *Representation.* Authority officers, members, staff or employees shall not:

a. Receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matters before any Authority agency of which they are an officer, member, staff or employee, or of any Authority agency over which they have jurisdiction, or to which they have the power to appoint any officer, member, staff or employee; or

b. Receive or enter into any agreement, express or implied, for compensation for services to be rendered in relation to any matter before any agency of the Authority, whereby their compensation is to be dependent or

contingent upon any action by the agency with respect to such matter. This subsection shall not prohibit the representation by an Authority officer, member, staff or employee before such other unaffiliated Authority agencies for fees based solely upon the reasonable value of the services.

ARTICLE IV CIVIL SERVICES EMPLOYEES

Section 4.1 This Code of Ethics shall not be deemed in any way to conflict with or modify any act of the Legislature of the State of New York relating to the civil service rights, privileges or status of any employees of the Authority and shall not apply wherever and to the extent that to do so would be to repeal or modify any such act or portion thereof.

ARTICLE V SEVERABILITY CLAUSE

Section 5.1 If any clause, sentence, paragraph, section or part of this Code of Ethics shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, section or part thereof directly involved in the controversy in which such judgment shall have been rendered.

Adopted: November 18, 2011, Resolution No.: 2011-32

Revised: November 9, 2018, Resolution No.: 2018-37

Revised: March 15, 2019, Resolution No.: 2019-xx

**RESOLUTION AMENDING POLICY FOR MEMBERS REGARDING
WRITTEN AND ELECTRONIC COMMUNICATIONS CONCERNING
THE SYRACUSE REGIONAL AIRPORT AUTHORITY**

WHEREAS, the Syracuse Regional Airport Authority (the “Authority”) is a public benefit corporation, formed and operating pursuant to Chapter 463 of the Laws of New York 2011 (the “Enabling Act”) and Article 8, Title 34 of the New York Public Authorities Law, as amended; and

WHEREAS, the Authority is a local public authority as defined in Section 2(2) of the New York Public Authorities Law; and

WHEREAS, pursuant to Section 2799-ddd of the Enabling Act the Authority has 11 voting members and 8 non-voting members appointed by various municipalities and/or municipal bodies located within the Central New York region; and

WHEREAS, in order for the Authority to efficiently and effectively carry out its purposes under the Enabling Act it is critical that communications between various Board members and Authority management be conducted in a reliable, efficient and consistent manner; and

WHEREAS, in connection therewith the Authority adopted a formal communication policy (the “Communication Policy”) by Resolution No. 1 of 2016; and

WHEREAS, the Boards Governance Committee, in conjunction with Authority management, has developed certain amendments to the Communication Policy to better serve the Authority and its Board members; and

WHEREAS, the Governance Committee has provided to the Board a draft amended Communication Policy in the form as annexed to this Resolution and has recommended to the Board that it adopt the amended Communication Policy annexed hereto in order to foster

reliable, efficient and consistent communications between Board Members and Authority management.

NOW THEREFORE, AFTER DUE DELIBERATION HAVING BEEN HAD THEREON, it is hereby,

RESOLVED, that the Board of the Syracuse Regional Airport Authority hereby amends the Communications Policy in the form which is annexed hereto at Schedule "A"; and be it further

RESOLVED, that this resolution shall take effect immediately.

Resolution Adopted Date: March __, 2019

Vote: Ayes ____ Nays: ____ Abstentions: ____.

Signed: _____.
Secretary



Syracuse Regional Airport Authority
Authority Board Member Communications Policy

Overview

In order to comply with its record retention policy, it is the policy of the Syracuse Regional Airport Authority (the “Authority”) that Authority Board (Board) members engaging in Authority business should do so through either electronic (preferred) or written communication official channels. The Authority has established the following guidelines to follow when communicating regarding Authority business.

Electronic Communication (Preferred)

Board members will be issued an official e-mail address to be used during their term of service. All official electronic communications shall be sent to this e-mail address. This includes communication from Authority staff and from other Board members. All communications related to Authority business which are originated by Board members should be sent from their official e-mail address.

All e-mail sent or received in furtherance of Authority business using an Authority e-mail address (i.e., syraairport.org or syraauthority.org), and any information or attachment within such an e-mail, shall be a record for purposes of records retention and compliance with any applicable federal or state laws, including freedom of information requests. Board members shall have no reasonable expectation of privacy regarding any e-mail or attached materials sent or received via their Authority e-mail address.

Written Communication

Each Board member will designate to the Executive Director’s office a physical mailing address to be used for official Authority correspondence. Any materials required to be transmitted to a Board member in written form shall be sent to this address. Board members shall also be responsible to advise the Authority in writing of any change to such member’s physical mailing address.

Adopted: January 15, 2016

Resolution No.: 01-2016

Revised: March 15, 2019

Resolution No.: xx-2019



**Finance Committee Meeting Minutes
February 1, 2019**

These minutes reflect the activities of the Syracuse Regional Airport Authority Finance Committee during the meeting held at Syracuse Hancock International Airport in the SRAA Board Room on Friday, February 1, 2019.

The Meeting was called to order by Dr. Chin at 10:02am.

I. Roll Call:

In attendance: Dr. Shiu-Kai Chin, Ms. Jo Anne Gagliano, Mr. William P. Fisher, Mr. Mike Lazar, Ms. Christina Callahan, Mr. Trent Amond, Ms. Maureen Fogarty, Mr. Bill Ryan and Ms. Linda Ryan.

II. Executive Session:

Dr. Chin noted Invite a motion to go into Executive Session to discuss "matters pertaining to : (1) proposed, pending or current litigation; (2) the financial, credit and employment history of particular persons or corporations; and (3) a proposed lease of real property by the Authority. Mr. Fisher made the motion and Mr. Lazar seconded that motion. The Committee came out of Executive Session without having taken any action.

III. Old Business:

A. Terminal Improvement Project Funding Update:

Mr. Amond gave an update on the Terminal Improvement Project funding sources, 17 million is scheduled to be financed by using our future FAA Entitlements. We have been temporarily financing about that same amount through our Key Bank line of credit. We need to have a longer term solution in place by the end of this fiscal year (end of June), to recognize that the 17 million is going to come in over the next 7 years from our FAA entitlements. We have asked Landrum and Brown to identify some options to finance this 17 million for the next few years. We are bringing this to the Committee today to get concurrence to use Landrum and Brown to research what our best options are for financing this 17 million. Mr. Amond went over the hand outs in the Finance Committee Packet. The 1st report was the expense tracking of the projects. The bottom line is the projected budget is \$66 million, to date we have spent about \$60 million, so we have about \$6 million in outstanding invoices. The 2nd report in the packet shows the total budget of 60.4 million. We have the state grant of \$35.8, the FFA entitlement and NY share of those projects is \$17 million, we are still carrying a \$1 million from Onondaga County reimbursement, and left to come from the Authority funds is about \$6.3 million.

Ms. Callahan mentioned that when we prepared our application to NYS for the TIP Project we incorporated a commitment made by the County to provide 1 million dollars for the paving portion of the TIP Project which would be a reimbursable item once the paving was complete. At this time, we have not received any money from the County. Ms. Callahan met with Brian Donnelly to go over their commitment. Mr. Donnelly mentioned that the money had not been approved at the legislature level and so they are now trying to develop a plan. He wondered if we could come up with a more creative way to reimburse the Airport Authority such as waiving our deicing fee for the fugitive glycol that is treated by the County. They want to honor their commitment, they would like to work with us further on how to make this happen. Mr. Fisher mentioned that in general the government has two parts, the Executive and the Legislature. The appropriations are made by the Legislature and that we may want to reach out to Dave Knapp the Chair, to discuss this matter as well.

Mr. Amond mentioned that Landrum and Brown has given us preliminary ideas on how to finance the \$17 million. Given the time frame, Landrum and Brown thinks that the Line of Credit is the best way to go. They are subcontracting with Frasca and they are looking at loans and rates and would like to have something in place by June. We would like to get more information from them before moving forward. Mr. Fisher mentioned that we couldn't do a bond anticipation note because we did not have a credit history and we need to think about having a history for when we enter the market to do the garage. Mr. Amond said it was a great point and the reason we are working with Landrum and Brown now is because whatever we put in place for this needs to either tie in to or not preclude us from what we do with the garage.

IV. New Business:

Mr. Amond gave an overview of the two RFP's we are working on. The IT – Information Management RFP is under development and we hope to get it out this spring. The Snow Removal RFP is scheduled to be issued Monday of next week. We have an ad-hoc committee that consists of John Carni, Ron Bowles, Antimo Pascarella, Mike Lazar, Trent Amond, Linda Ryan, and possibly Damion Ulatowski (we are waiting to hear back from him). The tentative timeline is awarding the Snow Removal contract mid-May and then we should have a signed contract by the end of June. The Ad Hoc Committee will present their recommendation to the Board for approval.

Mr. Ryan wanted to let the committee know that we are proceeding with the sale to SRC. John Clark has been involved and we have met with the FAA. They are also interested in the addition 15.99 acres to the East. It is a wooded area and we are getting the appraisal for this next week. It should come back to this Committee next Month for a sale. He is also working a lease with Byrne Dairy for a 4.46 acre parcel on Taft Road where they would like to put in one of their stores. This will come back to the Committee as well.

V. Adjournment:

Mr. Lazar made a motion to adjourn, Ms. Gagliano seconded that motion. The meeting ended at 10:47.

**Minutes of the Governance Committee Meeting
of the Syracuse Regional Airport Authority
February 21, 2019**

Pursuant to notice duly given and posted, the Governance Committee meeting of the Syracuse Regional Airport Authority was called to order on Thursday, February 21, 2019 at 12:06 p.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Governance Committee Chair, Mr. William Fisher.

Members Present:

Mr. Bill Fisher (Chair)
Ms. Jo Anne Gagliano (Ex-Officio)
Mr. Michael Lazar
Mr. Damian Ulatowski

Members Absent:

Mr. Kenneth Kinsey
Mr. Michael Quill

Also Present:

Mr. Trent Amond
Mr. John Carni
Ms. Joanne Clancy
Mr. R. John Clark

Roll Call

As noted, all Governance Committee members were present, except Mr. Kenneth Kinsey and Mr. Michael Quill.

Mr. Bill Fisher, Chair

Governance Chair Fisher started by welcoming everyone to the scheduled Governance Committee Meeting at 12:06 p.m.

Reading and Approval of the Minutes

Having no objections or additions to the minutes from the October 18, 2018 Governance Committee meeting, a motion was made by Mr. Fisher and seconded by Ms. Gagliano and the minutes were unanimously approved.

The motion was approved: 4 ayes, 0 nays, 0 abstain

New Business

A. Facility Rental Policy

Chair Fisher turned this topic over to Mr. Trent Amond. Mr. Amond explained a few concerns regarding outside events held in the airport conference rooms. The management of these types of events require a considerable amount of staff time and the true expenses to the Authority that are incurred are not being reimbursed by those using the facility. Additionally, there is additional time spent by trade staff, electricians, airside escorting, direct administrative staff time, etc. for the use of these spaces. The current policy states that if an event is going to be open to the public, that the SRAA requires the user to utilize the in-house Creative Food Group for any catering needs. However, if it is a “private” function, another caterer can be used for both food, beverages and alcohol. Mr. Amond requested that the board consider altering the policy for alcohol/bar service, to be with Creative Food Groups only due to the liquor license, insurance requirements and other aspects and would like the board to discuss both of these topics regarding current policy and facility use request form updates.

Mr. Fisher stated his appreciation that this policy has been brought back to the committee for discussion and that the SRAA is not looking to make a profit on event space. Mr. Fisher felt it wise to encourage folks to use our facility, but ensure that it not have a detrimental effect on the authority and staff and that our direct costs should be covered. He noted that there should be less cost to Veterans groups or to other groups. Mr. Lazar inquired about space availability and Mr. Amond noted that we have three main spaces – The large CR1114 conference room, the open space outside of the board room and the Veronica Room conference room.

A discussion ensued regarding catering, insurance and other aspects of facility rental space and the current policy and it was determined that an updated policy will be brought to the board which will require the use of Create Food Groups unless the Executive Director deems that a certain event should be an exception so that there will be some flexibility. Interim Executive Director Carni shared his concerns as well regarding other security factors. Chair Gagliano agreed that with this being an airport, there are security rules and compliance factors that need to be considered.

B. Onondaga Historical Association (OHA) Tours of the Aviation Museum

Mr. Amond notified the board that the SRAA was surprised to find out in November, 2018 that the OHA would be giving paid tours of the new regional aviation museum here at the SYR airport. Unknown to the SRAA, one tour was booked and scheduled, but the OHA did not show up on that date to conduct the tour, so there were approximately 20 people in the SRAA reception area that were upset and looking for refunds on both the tour price paid and their airport parking. The OHA does not have a concession agreement with the SRAA to conduct

business at the airport. Mr. Amond requested that the committee consider moving forward to draft a concession agreement with OHA. Mr. Lazar stated that in that document, educational tours with schools should never be charged for any school group tours.

C. ADA Self-Evaluation Process

Ms. Debi Marshall, Human Resources Manager explained to the committee that in May, 2018, the SRAA had a mini-site review with the FAA regarding regulations and that one of the items that came out of that review was that it is a requirement to create a procedure to do is a procedure for self-evaluations of ADA requirements. Ms. Marshall explained the regulations, process, procedure and recommended checklist for this process take place every 3 years along with the records retention of that process.

Mr. Fisher stated the high priority that the board has in making things easier for anyone with a disability to have a first class experience at the SYR airport and that the board supports anything that furthers that mission.

Ms. Marshall stated that an Airport Accessibility Committee is being established that includes not only staff and tenants, but also community groups on a quarterly basis beginning in March, 2019. This committee's goal will be to take look at processes, policies and procedures which are in line with our mission, compliance requirements and then develop best practices.

D. Code of Ethics Proposed Changes

Mr. Fisher and Mr. Amond explained the Code of Ethics Policy proposed changes and a discussion ensued with the committee.

Having no further discussion regarding these proposed changes to the Code of Ethics Policy, a motion was made by Mr. Lazar and seconded by Mr. Ulatowski to approve this recommendation to the board at the next Regular Board Meeting to adopt these changes to the Code of Ethics policy.

The motion was approved: 4 ayes, 0 nays, 0 abstain

E. SRAA Official Communications

Mr. Amond advised that the board approved in January, 2016 a communications policy that the SRAA is requesting a discussion for possible updates. A discussion ensued regarding the use of official Syracuse Regional Authority email addresses, personal email addresses and administrative assistant's being copied on authority business on non-authority email addresses. Mr. Fisher discussed the Freedom of Information law and the purposes behind establishing and the use of official authority email addresses for the board members to comply with the use

of authority emails and the use of authority iPads. Mr. Fisher cautioned the members regarding FOIL requests and how that could affect personal email accounts. Mr. Fisher recommended the continued use of the official email address but with the option to also copy private emails as needed to assist in communication efforts. Mr. Fisher's understanding is that the original record is the one responsible for retention, not one that a member would forward for convenience in order to print or copy on a personal address or device. Mr. Fisher recommended that members work with the SRAA IT staff for support in these efforts. Mr. Lazar discussed best practices that he has used with the IT department that have worked well for him. Mr. Amond requested that this item be put on the next Regular Board meeting for discussion and explanation of the policy. Mr. Lazar and Ms. Gagliano both suggested this topic and others be discussed for agenda topics for new board orientation along with tours of the airport. Mr. Fisher suggested electronic communication be listed first as the preferred method instead of written communication in the policy and suggested a policy update should be brought to the next Regular Board meeting.

F. SRAA Committee Meeting agenda content

Mr. Amond shared a copy of the 2019 SRAA Committee Meeting Schedule with the group, which specifically shows basic topics that are generally discussed each year on a rolling calendar basis. This will help the board and committee members be more aware of which topics will generally be on future agendas throughout the year for discussion during the calendar/fiscal years.

Adjournment

Having no other topics brought to the board, a motion was made by Mr. Ulatowski and seconded by Ms. Gagliano to adjourn the meeting.

The meeting was adjourned at 12:55 p.m.

**Minutes of the Audit Committee Meeting
of the Syracuse Regional Airport Authority
February 28, 2019**

Pursuant to notice duly given and posted, the Governance Committee meeting of the Syracuse Regional Airport Authority was called to order on Thursday, February 28, 2019 at 11:12 a.m. in the Syracuse Regional Airport Authority Board Room located in the Syracuse Hancock International Airport by Governance Committee Chair, Dr. Donna DeSiato.

Members Present:

Dr. Donna DeSiato (Chair)
Ms. Jo Anne Gagliano (Ex-Officio)
Mr. Michael Lazar

Members Absent:

Mr. Kenneth Kinsey
Mr. Robert Simpson

Also Present:

Mr. Trent Amond
Mr. John Carni
Ms. Joanne Clancy
Mr. Chip Clark – D’Arcangelo & Co., LLP

Roll Call

As noted, all Audit Committee members were present, except Mr. Kenneth Kinsey and Mr. Robert Simpson.

Dr. DeSiato, Chair

Audit Committee Chair DeSiato started by welcoming everyone to the scheduled Audit Committee Meeting at 11:12 a.m.

Reading and Approval of the Minutes

Having no objections or additions to the minutes from the February 15, 2018 Audit Committee meeting, a motion was made by Mr. Lazar and seconded by Dr. DeSiato and the minutes were unanimously approved.

New Business

1. Review of Audit for Fiscal Year Ending June 30, 2018

Chair DeSiato turned the meeting over to Mr. Chip Clark from D’Arcangelo & Co., LLP, the authority’s independent auditor. Mr. Clark gave a background of the relationship with D’Arcangelo and the authority and presented the committee with a draft packet of financial and compliance reports. Mr. Clark informed the committee that the Executive Summary Report is what will be presented to the SRAA Board. The required letters were reviewed and described as clean with one issue regarding the timeliness of the closing and filing with the ABO 90 day requirement to report after fiscal year closing. This is considered a significant deficiency. However, Mr. Clark indicated that the ABO 90 day requirement is historically difficult to meet because of how things are structured with the City of Syracuse owning the assets. Mr. Clark explained that they are required to put this in the letter since it is a compliance issue with the ABO. Mr. Clark stated there has been substantial improvement relative to the timing of getting the information, although he and others do not know how much further this timeframe could be reduced because the City of Syracuse owns the property, therefore, the authority is a component of the City of Syracuse. As there are construction projects, etc. there has to be a reconciliation between the city and the SRAA, where the SRAA is transferring things from the Authority’s accounts to the City’s books. A discussion ensued regarding past practice of submitting unaudited reports in an effort to comply with the time limit, but those were not accepted. It was determined that future changes in the timing of the 90 day requirement to be extended were highly unlikely and that the SRAA would continue to work towards that goal. Mr. Clark reviewed all of the financial packets and statements with the committee. The SRAA is in compliance with all the GASB’s. Of note was a new GASB compliance requirement, number 75, the post-employment benefit accrual. Mr. Lazar led a discussion regarding potential funding of GASB 75 liability obligations and whether a reserve should be created, but there is no legal mechanism to create such an account.

Mr. Clark stated that the internal controls were tested, the audit went well and the SRAA received the highest level of opinion possible in an audit.

Dr. DeSiato thanked Mr. Clark for a great overview of the Draft Audit and would like to recognize Ms. Maureen Fogarty, Mr. Amond and all of the accounting staff for their exemplary job once again this past year which shows that there are good systems in place to be above and beyond in compliance requirements. Dr. DeSiato recommended that the draft audit be brought to the next Regular Board Meeting for approval.

The motion was to recommend to the board the approval of the audit was made by Mr. Lazar and seconded by Ms. Gagliano.

Mr. Amond notified the board that moving forward, a best practice is to go out for an RFP of Audit services and suggested that be put on the next regular board meeting agenda for consideration. If D’Arcangelo is selected after that process, Mr. Clark, per ABO requirements, would not be the partner that we would move forward with as there is a requirement to replace the partner every 5 years.

Executive Session

Chair DeSiato made a motion to go into executive session to discuss a variety of matters pertaining to the employment history of particular persons or corporations.

The motion was approved by Mr. Lazar and seconded by Ms. Gagliano. Audit committee members went into executive session at 12:03 p.m.

Executive session ended at 12:16 p.m. No action was taken.

Chair DeSiato recommended that the RFP process be undertaken. Mr. Amond will prepare the information for the RFP.

Adjournment

Having no other topics brought to the committee, a motion was made by Mr. Lazar and seconded by Ms. Gagliano to adjourn the meeting.

The meeting was adjourned at 12:24 p.m.