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

Financial Statements and
Required Supplementary Information

June 30, 2021 and 2020

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

June 30, 2021 and 2020

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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 year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements of the 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.

(Continued)

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Report on the Financial Statements, Continued

Opinion

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, 2021, and the respective changes in financial position and cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As more fully described in note 3 to the financial statements, the Authority has been and may further be impacted by the outbreak of a novel coronavirus (COVID-19), which was declared a global pandemic by the World Health Organization in March 2020. Our opinion is not modified with respect to this matter.

Prior Period Financial Statements

The financial statements of Syracuse Regional Airport Authority (a discretely presented component unit of the City of Syracuse, New York) as of June 30, 2020, were audited by other auditors whose report dated September 18, 2020 expressed an unmodified opinion on those statements.

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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2021, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Syracuse Regional Airport Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Syracuse Regional Airport Authority's internal control over financial reporting and compliance.

Fust Charles Chambers LLP

September 27, 2021

**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, 2021. 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, 2021.

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.

Fust Charles Chambers LLP

September 27, 2021

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The following is a discussion and analysis of the Syracuse Regional Airport Authority (the Authority)'s financial performance for the years ended June 30, 2021 and 2020. 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 (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 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 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 Statements 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, 2021 and 2020. 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 each year resulting from operating activities, noncapital financing activities, capital and related financing activities and investing 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.

(Continued)

3. SUMMARY OF FINANCIAL HIGHLIGHTS

Key financial highlights for fiscal years 2021 and 2020 are as follows:

- The Authority's Net Position increased by $8,611,318 for the year ended June 30, 2021 and decreased by $704,156 for the year ended June 30, 2020. The current year increase was primarily due to coronavirus relief assistance recognized during the year. The prior year decrease was mainly due to the decrease in construction in progress transferred to the City of Syracuse for substantially completed capital projects.
- The Authority had a net operating loss for the year ended June 30, 2021 and June 30, 2020 in the amount of $12,546,334 and $13,419,602 respectively. The primary factor for the loss in 2021 was the decline in revenues brought on by the COVID-19 pandemic. The primary factor for the loss in 2020 was the increase in other postemployment benefits expense as well as pension expense.
- The Authority had nonoperating income, net for the year ended June 30, 2021 and June 30, 2020 in the amount of $21,157,652 and $12,715,446, respectively. The increase is primarily due to coronavirus relief assistance revenue recognized by the Authority of $11,631,288 from grants awarded to the Authority as part of the CARES Act.

4. FINANCIAL ANALYSIS OF THE AUTHORITY

Net Position

The Authority's total Net Position increased by $8,611,318 between fiscal year 2020 and 2021. A summary of the Authority's Statements of Net Position at June 30, 2021 and 2020 is as follows:

Table A-1 Condensed Statement of Net Position

	2021	2020	Increase (decrease)	Percentage change
Current and other assets	$ 29,900,086	27,920,825	1,979,261	7.1%
Non-current assets	24,650,711	25,147,385	(496,674)	(2.0%)
Capital assets, net of accumulated depreciation	27,013,582	17,161,461	9,852,121	57.4%
Total assets	81,564,379	70,229,671	11,334,708	16.1%
Deferred outflows of resources	7,472,744	5,267,022	2,205,722	41.9%
Total assets and deferred outflows	$ 89,037,123	75,496,693	13,540,430	17.9%

(Continued)

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

Net Position, Continued

Table A-1 Condensed Statement of Net Position, Continued

	2021	2020	Increase (decrease)	Percentage change
Current liabilities	$ 11,241,791	5,592,130	5,649,661	101.0%
Noncurrent liabilities	22,009,757	29,907,320	(7,897,563)	(26.4%)
Total liabilities	33,251,548	35,499,450	(2,247,902)	(6.3%)
Deferred inflows of resources	10,275,925	3,098,911	7,177,014	231.6%
Total liabilities and deferred inflows	43,527,473	38,598,361	4,929,112	12.8%
Net position:				
Net investment in capital assets	14,212,582	1,404,461	12,808,121	912.0%
Restricted	24,650,711	25,147,385	(496,674)	(2.0%)
Unrestricted	6,646,357	10,346,486	(3,700,129)	(35.8%)
Total net position	45,509,650	36,898,332	8,611,318	23.3%
Total liabilities, deferred inflows and net position	$ 89,037,123	75,496,693	13,540,430	17.9%

Current and other assets increased by $1,979,261 or 7.1% from June 30, 2020 to June 30, 2021 primarily due to accounts receivable of $1,723,784 with the Air Force as part of a joint use agreement.

Capital assets, net, increased by $9,852,121 from June 30, 2020 to June 30, 2021. This increase is mainly due to current year costs for construction in progress projects relating to the reconfiguration and rehabilitation of the Airport during the year ended June 30, 2021.

(Continued)

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

Net Position, Continued

Deferred outflows of resources increased by $2,205,722 or 41.9% from June 30, 2020 to June 30, 2021 primarily due to assumption and other changes for the New York State Employees' Retirement System and for the OPEB Plan.

Current liabilities increased by $5,649,661 or 101.0% from June 30, 2020 to June 30, 2021 due to an increase in the estimated amounts to be paid for the New York State Employees' Retirement System and an increase in grant anticipation note payable.

Noncurrent liabilities decreased $7,897,563 or 26.4% from June 30, 2020 to June 30, 2021. This decrease is primarily attributed to a decrease in the Other Post-Employment Benefits liability amount of $1,094,733, a decrease in the pension liability in the amount of $2,581,830 and a decrease in grant anticipation note payable of $4,221,000.

Deferred inflows of resources increased by $7,177,014 or 231.6% from June 30, 2020 to June 30, 2021 primarily due to the net difference between projected and actual earnings for the New York State Employees' Retirement System and for the net differences between expected and actual experience for the OPEB Plan.

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.

The restricted Net Position at June 30, 2021 and 2020 was $24,650,711 and $25,147,385, respectively, which represents the amount of the Authority's restricted cash balances.

The unrestricted Net Position at June 30, 2021 and 2020 was $6,646,357 and $10,346,486, respectively.

4. FINANCIAL ANALYSIS OF THE AUTHORITY, Continued

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 years ended June 30, 2021 and 2020 is as follows.

Table A-2 Condensed Changes in Net Position from Operating Results

	2021	2020	Increase (decrease)	Percentage change
Revenues:				
Operating revenues:				
Landing fees	$ 5,852,823	8,089,843	(2,237,020)	(27.7%)
Parking rents	5,137,048	9,064,483	(3,927,435)	(43.3%)
Terminal rents	4,223,978	6,239,753	(2,015,775)	(32.3%)
Concessions and miscellaneous	6,926,600	7,051,102	(124,502)	(1.8%)
Total revenues	22,140,449	30,445,181	(8,304,732)	(27.3%)
Expenditures:				
Operating expenditures:				
Cost of service	19,900,485	20,144,902	(244,417)	(1.2%)
Administration	10,235,292	19,199,258	(8,963,966)	(46.7%)
Aviation fund lease	3,320,650	3,327,850	(7,200)	(0.2%)
Depreciation	1,230,356	1,192,773	37,583	3.2%
Total expenditures	34,686,783	43,864,783	(9,178,000)	(20.9%)
Net operating loss	$ (12,546,334)	(13,419,602)	873,268	6.5%

The Authority's operating revenues decreased by $8,304,732 or 27.3% between the years ended June 30, 2020 and June 30, 2021. This decrease was mainly due to a decline in revenues attributed to the COVID-19 shutdown and limiting of air travel.

The Authority's operating expenses decreased by $9,178,000 or 20.9% between the years ended June 30, 2020 and June 30, 2021. This was primarily due to a decrease of $6,628,453 in the Other Post-Employment Benefits expense and other administrative costs.

 (Continued)

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.
- The outbreak of COVID-19 in 2020 and the continuing impacts of the pandemic in 2021 and related restrictions and measures adopted to contain the spread of the virus have had a severe negative impact on both international and domestic travel and travel-related industries, including airlines serving the Airport and its concessionaires, and have caused high unemployment and a contraction of global and national economies. Airlines reported a drastic and unprecedented decrease in traffic, causing the cancellation of numerous flights, as well as expectations for continued reduced levels of traffic. Likewise, retail concessionaires at the Airport either temporarily closed certain locations or reported drastic declines in sales. These concession arrangements include gross sales payment mechanisms and, accordingly, such reductions in sales can be expected to reduce Airport revenues from these concessionaires. In addition to the impact on concessionaires, the reduction in air travel has had an adverse effect on parking, ground transportation and rental car revenues at the Airport. The Authority has undertaken certain measures to alleviate the effects of the reduction in travel, including deferrals of certain payments by the airlines and concessionaires, temporary closure of facilities, and certain targeted reductions in operating expenses.

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
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Statements of Net Position

June 30, 2021 and 2020

Assets and Deferred Outflows of Resources	2021	2020
Assets:		
Current assets:		
Cash and cash equivalents	$ 24,410,636	25,740,062
Accounts receivable, net of allowance	4,927,754	1,961,742
Prepaid expenses	561,696	219,021
Total current assets	29,900,086	27,920,825
Noncurrent assets:		
Restricted cash and cash equivalents	24,650,711	25,147,385
Capital assets, net	27,013,582	17,161,461
Total noncurrent assets	51,664,293	42,308,846
Deferent outflows of resources:		
Other post-employment benefits	4,074,928	3,351,312
Pensions	3,397,816	1,915,710
Total deferred outflows of resources	7,472,744	5,267,022
Total assets and deferred outflows of resources	$ 89,037,123	75,496,693

Liabilities, Deferred Inflows of Resources and Net Position		2021	2020
Current liabilities:			
Accounts payable	$	3,731,724	2,545,874
Accrued liabilities		2,392,531	294,181
Compensated absences		271,722	247,349
Retainage payable		46,482	505,646
Due to City		578,332	1,999,080
Grant anticipation note payable		4,221,000	-
Total current liabilities		11,241,791	5,592,130
Grant anticipation note payable		8,580,000	12,801,000
Other post-employment benefits liability		13,415,978	14,510,711
Net pension liability - proportionate share		13,779	2,595,609
Total liabilities		33,251,548	35,499,450
Deferred inflows of resources:			
Other post-employment benefits		6,185,191	2,994,353
Pension		4,090,734	104,558
Total deferred inflows of resources		10,275,925	3,098,911
Net position:			
Net investment in capital assets		14,212,582	1,404,461
Restricted		24,650,711	25,147,385
Unrestricted		6,646,357	10,346,486
Total net position		45,509,650	36,898,332
Commitments and uncertainties (notes 3 and 7)			
Total liabilities, deferred inflows of resources and net position	$	89,037,123	75,496,693

See accompanying notes to 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

Years ended June 30, 2021 and 2020

		2021	2020
Operating revenues:			
Landing fees	$	5,852,823	8,089,843
Parking rents		5,137,048	9,064,483
Terminal rents		4,223,978	6,239,753
Concession and other		6,815,327	6,881,002
Miscellaneous		111,273	170,100
Total operating revenues		22,140,449	30,445,181
Operating expenses:			
Cost of service		19,900,485	20,144,902
Administrative		10,235,292	19,199,258
City's aviation fund lease		3,320,650	3,327,850
Total operating expenses		33,456,427	42,672,010
Deficiency of operating revenues over expenses before depreciation		(11,315,978)	(12,226,829)
Depreciation		1,230,356	1,192,773
Loss before nonoperating income and expenses		(12,546,334)	(13,419,602)
Nonoperating income (expense):			
Coronavirus relief assistance		11,631,288	-
Capital grants		7,587,799	7,635,947
Capital contribution expense to City's aviation fund		(1,655,410)	(446,915)
Passenger facility charges		2,182,938	3,861,707
Consumer facility charges		1,681,870	1,921,505
Other income		-	29
Interest income		41,895	63,138
Interest expense		(312,728)	(319,965)
Total nonoperating income, net		21,157,652	12,715,446
Increase (decrease) in net position		8,611,318	(704,156)
Net position, beginning of year		36,898,332	37,602,488
Net position, end of year	$	45,509,650	36,898,332

See accompanying notes to financial statements.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
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Statements of Cash Flows

Years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Cash received from providing services	$ 19,500,651	30,744,487
Cash paid to suppliers	(25,723,248)	(22,419,094)
Cash paid to employees	(6,658,478)	(4,314,906)
Net cash flows provided by (used in) operating activities	(12,881,075)	4,010,487
Cash flows provided by noncapital financing activities - coronavirus relief assistance	11,631,288	-
Cash flows from capital and related financing activities:		
Purchase of capital assets	(11,082,477)	(6,442,074)
Payment of debt	-	(2,956,000)
Interest paid	(312,728)	(319,965)
Capital grants	7,587,799	8,347,204
Consumer facility charges	1,591,070	1,763,192
Passenger facility charges	1,598,128	4,660,070
Net cash flows provided by (used in) capital and related financing activities	(618,208)	5,052,427
Cash flows provided by investing activities - interest income	41,895	63,138
Net increase (decrease) in cash	(1,826,100)	9,126,052
Cash, beginning of year	50,887,447	41,761,395
Cash, end of year	$ 49,061,347	50,887,447
Loss before nonoperating income and expenses	(12,546,334)	(13,419,602)
Adjustment to reconcile loss before nonoperating income, net to net cash flows provided by (used in) operating activities:		
Depreciation	1,230,356	1,192,773
Changes in operating assets and liabilities:		
Accounts receivable	(3,945,812)	5,537,536
Prepaid expenses	(342,675)	56,401
Deferred outflows - pensions	(1,482,106)	(1,559,707)
Deferred outflows - OPEB	(723,616)	(988,200)
Accounts payable	1,185,850	1,383,432
Accrued liabilities	2,098,350	179,474
Retainage payable	(459,164)	(1,122,549)
Due to city	(1,420,748)	1,440,482
Compensated absences	24,373	149,537
OPEB liability	(1,094,733)	6,176,746
Pension liability - proportionate share	(2,581,830)	2,203,330
Deferred inflows - pensions	3,986,176	(68,545)
Deferred inflows - OPEB	3,190,838	2,849,379
Net cash flows provided by (used in) operating activities	$ (12,881,075)	4,010,487

See accompanying notes to financial statements.

(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 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 discretely presented component unit within the basic financial statements of the City of Syracuse, New York (City) 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 (FAA) 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.

(1) Organization, Continued

Transfer of Operations, Continued

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.

(2) Summary of Significant Accounting Policies

(a) 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 and Consumer facility charges, federal and state grants and interest are reported as non-operating revenues. Capital contribution expense to the City's Aviation fund and interest expense are reported as non-operating expenses, special and extraordinary items are reported separately after non-operating revenues and non-operating expenses.

(2) Summary of Significant Accounting Policies, Continued

(b) 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 - 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 - 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.

(c) 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.

(d) 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 New York State (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.

(Continued)

(2) Summary of Significant Accounting Policies, Continued

(e) Accounts Receivable

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.

(f) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents are restricted legally as described below:

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

Passenger Facility Charges - Funds representing 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 nonoperating income PFCs earned when all conditions have been met that entitles the Authority to retain the PFCs.

Consumer Facility Charges - Funds representing Consumer Facility Charges (CFC) collections based on a State approved application to "impose" such charges on rental car passengers at the Airport. These funds are restricted and to be used to fund capital costs, debt service, reserve funds and all other costs and expenses associated with the improvement of the existing consolidated airport facilities or the construction of new consolidated airport facilities. The Authority recognizes and reports as nonoperating income CFCs earned when all conditions have been met that entitles the Authority to retain the CFCs.

(2) Summary of Significant Accounting Policies, Continued

(g) 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 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

(h) Deferred Outflows of Resources

In addition to assets, the statements of net position reports 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 proportionate share 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 statements 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.

(2) Summary of Significant Accounting Policies, Continued

(i) Deferred Inflows of Resources

In addition to liabilities, the statements of net position reports 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 two items that qualify for reporting in this category. The first item is related to pensions reported in the statements of net position. This represents the effect of the net change in the Authority's proportionate share of the collective net pension asset or liability 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 second item relates to other postemployment benefits (OPEB) reported on the statements 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.

(j) Capital Contributions

Certain expenditures for airport capital assets are significantly funded through the Airport Improvement Program (AIP) of the 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 statements of revenues, expenses and changes in net position, as nonoperating income (expense), as capital contributions.

(2) Summary of Significant Accounting Policies, Continued

(k) 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 car users, advertising and commercial tenants primarily through lease agreements. The lease agreements 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.

(3) Coronavirus Pandemic

Pandemic

In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic and the United States federal government declared COVID-19 a national emergency. The COVID-19 pandemic and the responsive measures taken in connection therewith, at international and U.S. federal, state and local levels, have depressed and continue to depress demand for domestic and international travel and travel-related industries. Airports in the United States have been acutely impacted by the broad-based economic shutdown resulting from efforts to stop the spread of COVID-19, including reductions in flights and declines in passenger volumes. Airlines are reporting unprecedented downturns in passenger volumes and have experienced reduced levels of passenger volumes which, in turn, has resulted in a significant reduction in scheduled service.

Due to the continually evolving nature of the COVID-19 pandemic, including variants of COVID-19 and the effectiveness of the COVID-19 vaccines, the full impact of the COVID-19 pandemic on the Authority cannot be fully quantified at this time. Any resulting decreases in cash flows and operating performance may have an impact on significant accounting estimates.

(3) Coronavirus Pandemic, Continued

Coronavirus Relief Assistance

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted. The CARES Act is an approximate $2 trillion emergency economic stimulus package passed in response to the COVID-19 pandemic, which includes $10 billion in funds to be awarded as economic relief to eligible U.S. airports affected by the prevention of, preparation for, and response to the COVID-19 pandemic. Funding received under the CARES Act is intended to help offset declines in revenues arising from diminished airport operations and activities as a result of the COVID-19 pandemic. Subsequent to the CARES Act, the Coronavirus Response and Relief Supplemental Appropriation Act (CRRSAA) was signed into law on December 27, 2020, which includes nearly $2 billion in funds to be awarded as economic relief to eligible U.S. airports. Funding under CRRSAA is intended to provide funding for costs related to operations, personnel, cleaning, sanitization, janitorial services, combating the spread of pathogens at the airport, and debt service payments.

During 2021, the Authority was awarded funding under the CARES Act of approximately $12,900,000 and approximately $4,900,000 under CRRSAA. As of June 30, 2021, the Authority has recognized approximately $11,600,000 as nonoperating revenue in the statement of revenues, expenses and changes in net position as a result of satisfying the requirements of the grant agreements.

(4) Accounts Receivable

Accounts receivable is recorded net of allowances for probable uncollectible accounts. A summary of accounts receivable at June 30 is as follows:

	2021	2020
Enterprise	$ 2,286,727	1,481,986
Other – AJUA	1,723,784	-
Grants	-	835,649
Consumer facility charges	249,110	158,313
Passenger facility charges	689,685	104,875
Less allowance for doubtful accounts	(21,552)	(619,081)
	$ 4,927,754	1,961,742

(5) Capital Assets

Per the agreement between the Authority and the City, certain land, buildings, and improvements with a cost of approximately $435,000,000; with accumulated depreciation of approximately $261,000,000 are included in the City's Aviation Fund. The Authority's Airport Lease Agreement with the City provides that all land acquired and improvements made to the Airport, on behalf of the Authority, shall be deemed property of the City. As a result, the Authority's policy is to remove Construction in Progress by recording a non-operating expense as "Capital Contribution Expense to City's Aviation Fund," when the project is substantially complete. The Authority expects certain capital projects of approximately $17,800,000 to be completed during fiscal year 2022, which will then be recorded as "Capital Contribution Expense to City's Aviation Fund." Capital asset balances and activity for the years ended June 30, 2021 and June 30, 2020 were as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets not being depreciated:				
Construction in progress	$ 11,316,456	8,463,800	1,655,410	18,124,846
Capital assets being depreciated:				
Machinery and equipment	15,247,898	4,274,087	-	19,521,985
Vehicles	10,644,938	-	769,950	9,874,988
Total	25,892,836	4,274,087	769,950	29,396,973
Accumulated depreciation:				
Machinery and equipment	9,698,349	1,015,141	-	10,713,490
Vehicles	10,349,482	215,215	769,950	9,794,747
Total	20,047,831	1,230,356	769,950	20,508,237
Capital assets, net	$ 17,161,461	11,507,531	1,655,410	27,013,582

(5) Capital Assets, Continued

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Capital assets not being depreciated:				
Construction in progress	$ 5,260,274	6,338,183	282,001	11,316,456
Capital assets being depreciated:				
Machinery and equipment	15,007,673	240,225	-	15,247,898
Vehicles	10,534,278	110,660	-	10,644,938
Total	25,541,951	350,885	-	25,892,836
Accumulated depreciation:				
Machinery and equipment	8,815,508	882,841	-	9,698,349
Vehicles	10,039,550	309,932	-	10,349,482
Total	18,855,058	1,192,773	-	20,047,831
Capital assets, net	$ 11,947,167	5,496,295	282,001	17,161,461

Depreciation expense for the years ended June 30, 2021 and 2020 was $1,230,356 and $1,192,773, respectively.

(6) Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents consists of amounts which are restricted legally as described in note 2(f). A summary of the restricted cash balances at June 30, 2021 and 2020 are as follows:

	2021	2020
Cash – PFC	$ 21,585,621	5,306,619
Investments – PFC	-	17,978,780
Cash – CFC	2,966,900	964,617
Investments – CFC	-	799,182
DEC escrow	77,258	77,251
Air cargo road	20,932	20,936
	$ 24,650,711	25,147,385

(Continued)

(7) 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 2. These rental payments totalled $3,320,650 and $3,327,850 for the years ended June 30, 2021 and 2020, respectively. Future minimum lease payments due to the City as of June 30, 2021 under this operating lease are as follows:

2022	$ 3,314,919
2023	3,303,388
2024	3,047,588
2025	3,045,638
2026	3,048,694
2027-2031	15,236,839
2032-2036	15,243,975
2037	3,049,375
	$ 49,290,416

(8) Benefit Plans

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

General Information about the ERS

The Authority participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement plan. The ERS provides retirement benefits as well as death and disability benefits. The New York State Comptroller's office administers the ERS along with the New York State and Local Police and Fire Retirement System, which are collectively referred to as the New York State and Local Retirement System (NYSLRS). The net position of the NYSLRS is held in the New York State Common Retirement Fund (Fund), which was established to hold all assets and record changes in fiduciary net position allocated to the NYSLRS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the NYSLRS. NYSLRS 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 NYSLRS, 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 NYSLRS 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/about_us/financial_statements_index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244-0001.

The ERS is noncontributory except for employees who joined on or after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, employees who joined on or after January 1, 2010 who contribute 3 percent of their salary for their entire length of service, and employees who joined on or after April 1, 2012 who contribute between 3 and 6 percent of their salary for their entire length of service based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the ERS fiscal year ending March 31st.

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

General Information about the ERS, Continued

The Authority's share of the required contributions, based on covered payroll paid for the current and two preceding years were:

		Amount
2020-2021	$	503,729
2019-2020		349,375
2018-2019		180,927

For ERS, employer contributions are paid annually based on the ERS' fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions were $125,932 and $89,337 as of June 30, 2021 and 2020, respectively.

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

At June 30, 2021 and 2020, the Authority reported the following liability for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021 and 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of March 31 2021. The Authority's proportionate share of the net pension liability was based on a projection of the Authority's long-term share of contributions to the ERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by ERS in reports provided to the Authority.

		March 31, 2021	March 31, 2020
Net pension liability	$	13,779	2,595,609
Authority's proportion of the ERS' net pension liability		0.0138381%	0.0098019%

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

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

For the years ended June 30, 2021 and 2020, the Authority recognized pension expense (income) of ($77,760) and $575,078, respectively. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as of June 30:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 168,281	-
Changes of assumptions	2,533,541	47,783
Net difference between projected and actual earnings on pension plan investments	-	3,958,182
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	570,062	84,769
Authority's contributions subsequent to the March 31, 2021 measurement date	125,932	-
Total	$ 3,397,816	4,090,734

	2020	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 152,762	-
Changes of assumptions	52,263	45,128
Net difference between projected and actual earnings on pension plan investments	1,330,635	-
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	290,713	59,430
Authority's contributions subsequent to the March 31, 2020 measurement date	89,337	-
Total	$ 1,915,710	104,558

(Continued)

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

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

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

Year ending	ERS
2022	$ (94,931)
2023	52,956
2024	(92,302)
2025	(684,575)

Actuarial Assumptions

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with update procedures used to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

Investment rate of return	5.9%
Salary scale	4.4%
Inflation rate	2.7%
Cost-of-living adjustments	1.4%

Annuitant mortality rates are based on April 1, 2015 - March 31, 2020 NYSLRS experience (April 1, 2010 - March 31, 2015 in 2020) with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2020 (MP-2018 in 2020).

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 - March 31, 2020 (April 1, 2010 - March 31, 2015 in 2020).

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

Actuarial Assumptions, Continued

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 return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2021 are summarized below:

Asset class:	Target Allocations in %	Long-Term expected real rate of return in %
Domestic equity	32.0%	4.05%
International equity	15.0%	6.30%
Private equity	10.0%	6.75%
Real estate	9.0%	4.95%
Opportunistic/ARS portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real assets	3.0%	5.95%
Fixed income	23.0%	0.00%
Cash	1.0%	0.50%

The real rates of return are net of a long-term inflation assumption of 2.00 percent.

Discount Rate

The discount rate used to calculate the total pension liability was 5.9% and 6.8% in 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the NYSLRS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(8) Benefit Plans, Continued

(a) New York State and Local Employees' Retirement System (ERS), Continued

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 5.9%, as well as what the Authority's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate:

	1% Decrease (4.9%)	Current assumption (5.9%)	1% Increase (6.9%)
Authority's proportionate share of the net pension liability (asset)	$ 3,824,558	13,779	(3,500,651)

ERS Fiduciary Net Position

Detailed information about the ERS' fiduciary net position is available in the separately issued NYSLRS financial report. Refer to note 9(a) - *General Information about the ERS* for information on how to obtain the report.

(b) Postretirement Healthcare Benefits

General Information about the Plan

Plan Description

The Authority provides postretirement healthcare coverage to eligible retirees and their spouses under a single-employer defined benefit healthcare plan administered by the Authority. 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. The plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

General Information about the Plan, Continued

Employees Covered By Benefit Terms

At June 30, the following employee classifications were covered by the benefit terms:

	2021	2020
Active employees	92	93
Inactive employees or beneficiaries currently receiving benefit payments	2	-
Total	94	93

Postretirement Healthcare Benefit Liability

At June 30, 2021, the Authority's postretirement healthcare benefit liability of $13,415,978 was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020.

At June 30, 2020, the Authority's postretirement healthcare benefit liability of $14,510,711 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

Actuarial Assumptions and Other Inputs

The Authority's postretirement healthcare benefit liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Rate of compensation increase:	3.00%
Discount rate:	1.92%
Inflation rate:	2.25%
Assumed pre-65 healthcare cost trend rate assumed for next fiscal year:	6.75%
Assumed post-65 healthcare cost trend rate assumed for next fiscal year:	4.40%
Ultimate healthcare cost trend rate:	3.78%

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

Postretirement Healthcare Benefit Liability, Continued

Actuarial Assumptions and Other Inputs, Continued

The discount rate was based on the Fidelity General Obligation 20-Year AA Municipal Bond Index.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables for employees, health retirees, and contingent survivors, adjusted for mortality improvements with Scale MP-2020 mortality improvement scale on a generational basis. (MP-2019 mortality improvement scale in 2020).

Changes in the Postretirement Healthcare Benefit Liability

A schedule of the changes in the Authority's postretirement healthcare benefit liability at June 30:

	2021	2020
Balance at July 1	$ 14,510,711	8,333,965
Changes for the year:		
Service cost	1,057,827	678,667
Interest cost	287,478	283,556
Change in benefit terms	243,108	7,031,143
Differences between expected and actual experience	(3,809,578)	(3,144,725)
Changes in assumptions and other inputs	1,176,746	1,341,406
Benefit payments	(50,314)	(13,301)
Net changes	(1,094,733)	6,176,746
Balance at June 30	$ 13,415,978	14,510,711

Changes in assumptions and other inputs reflect a change in the discount rate from 2.45% in 2020 to 1.92% in 2021.

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

Changes in the Postretirement Healthcare Benefit Liability, Continued

Sensitivity of the Postretirement Healthcare Benefit Liability to Changes in the Discount Rate

The following presents the postretirement healthcare benefit liability of the Authority, as well as what the Authority's postretirement healthcare benefit liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.92%) or 1-percentage-point higher (2.92%) than the current discount rate as of June 30, 2021:

	1% Decrease (0.92%)	Current assumption (1.92%)	1% Increase (2.92%)
Postretirement healthcare benefit liability	$ 16,015,810	13,415,978	11,331,143

Sensitivity of the Postretirement Healthcare Benefit Liability to Changes in the Healthcare Cost Trend Rates

The following presents the postretirement healthcare benefit liability of the Authority, as well as what the Authority's postretirement healthcare benefit liability would be if it were calculated using ultimate healthcare cost trend rates that are 1-percentage-point lower (trend decreasing to 2.78%) or 1-percentage-point higher (trend increasing to 4.78%) than the current ultimate healthcare cost trend rates at June 30, 2021:

	1% Decrease (trend decreasing to 2.78%)	Current assumption (trend rate at 3.78%)	1% Increase (trend increasing to 4.78%)
Postretirement healthcare benefit liability	$ 10,672,348	13,415,978	17,071,683

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Postretirement Healthcare Benefits

For the years ended June 30, 2021 and 2020, the Authority recognized postretirement healthcare benefit expense of $1,372,459 and $8,037,925, respectively. At June 30, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to postretirement healthcare benefits from the following sources:

	2021	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 1,884,275	6,069,875
Changes of assumptions or other inputs	2,190,653	115,316
Total	$ 4,074,928	6,185,191

	2020	
	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	$ 2,116,043	2,864,853
Changes of assumptions or other inputs	1,235,269	129,500
Total	$ 3,351,312	2,994,353

(8) Benefit Plans, Continued

(b) Postretirement Healthcare Benefits, Continued

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Postretirement Healthcare Benefits, Continued

Amounts reported as deferred outflows of resources and deferred inflows of resources related to postretirement healthcare benefits will be recognized in postretirement healthcare benefit expense as follows:

Year ending December		Postretirement healthcare benefits expense
2022	$	(165,640)
2023		(165,640)
2024		(165,640)
2025		(165,640)
2026		(165,640)
Thereafter		(1,282,033)

(9) 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, 2021 and 2020, the Authority's bank balances were fully collateralized by federal depository insurance and securities held by an agent of the pledging financial institution in the Authority's name.

(10) 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, 2021 and 2020 as it is deemed immaterial to the financial statements.

(11) Noncurrent Liabilities

Noncurrent liability balance and activity for the year ended June 30, are as follows:

Description	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Amounts due within one year
Grant anticipation note payable	$ 12,801,000	-	-	12,801,000	4,221,000
Net pension liability	2,595,609	-	(2,581,830)	13,779	-
OPEB liability	14,510,711	2,765,159	(3,859,892)	13,415,978	-
Total noncurrent liabilities	$ 29,907,320	2,765,159	(6,441,722)	26,230,757	4,221,000

Description	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Amounts due within one year
Grant anticipation note payable	$ 15,757,000	-	2,956,000	12,801,000	-
Net pension liability	392,279	2,203,330	-	2,595,609	-
OPEB liability	8,333,965	9,334,772	3,158,026	14,510,711	-
Total noncurrent liabilities	$ 24,483,244	11,538,102	6,114,026	29,907,320	-

(11) Noncurrent Liabilities, Continued

During 2019, the Authority entered into a note purchase agreement (Series 2019 Notes) with a bank to finance a project consisting of (a) refinancing of certain revolving indebtedness with the bank incurred to finance (i) the construction of certain capital improvements in and around the terminal of the airport complex (ii) the equipping of the terminal with certain items of equipment, machinery, fixtures, and other items of tangible personal property; (b) paying certain costs and expenses incidental to the issuance of the Series 2019 Notes; and (c) funding any debt service reserve or similar fund, if any. The Series 2019 Notes are subject to optional redemption by the Authority at a redemption price of 101% of the principal amount, plus accrued interest through June 2023. The Series 2019 Notes require the Authority to meet certain covenants annually. The Authority was in compliance with required covenants as of June 30, 2021.

Details relating to the Series 2019 Notes outstanding at June 30, 2021 are summarized as follows:

Payable from/ description	Date of original issue	Original amount	Date of final maturity	Interest rate (%)	Outstanding amount
Series 2019 Notes	06/19	$ 15,757,000	12/26	2.44%	$ 12,801,000

Principal and interest payments due on general obligation debt are as follows:

For the year ending June 30,	Series 2019 Notes Principal	Interest	Total
2022	$ 4,221,000	261,169	4,482,169
2023	3,694,000	164,487	3,858,487
2024	-	119,365	119,365
2025	1,583,000	100,028	1,683,028
2026	1,583,000	61,356	1,644,356
2027	1,720,000	21,010	1,741,010
Total	$ 12,801,000	727,415	13,528,415

(12) Subsequent Events

As of the date of these financial statements, the Authority is in the process of issuing approximately $45,000,000 of its Senior Airport Revenue Refunding Bonds Series 2021 (Series 2021 Bonds). The proceeds of the sale of the Series 2021 Bonds will be used to provide funds to (i) currently refund the City's Series 2011A Bonds (see note 7 to the financial statements); (ii) currently refund the Authority's Series 2019 Notes; (iii) fund the reserve requirement for the Series 2021 Bonds; and (iv) pay certain costs of issuance of the Series 2021 Bonds. The sale of the Series 2021 Bonds is expected to occur in November 2021.

The Authority has evaluated subsequent events occurring after the statement of net position through the date of September 27, 2021, 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 Pension Contributions

ERS Pension Plan

(Unaudited)

	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 503,729	349,375	180,927	126,573	99,797	92,914	19,934
Contributions in relation to the contractually required contribution	503,729	349,375	180,927	126,573	99,797	92,914	19,934
Contribution deficiency (excess)	$ -	-	-	-	-	-	-
Authority's covered-ERS employee payroll	5,994,566	2,429,109	1,271,982	922,538	752,001	599,249	123,520
Contributions as a percentage of covered-employee payroll	8.40%	14.38%	14.22%	13.72%	13.27%	15.51%	16.14%

See accompanying independent auditor's report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
(A DISCRETELY PRESENTED COMPONENT UNIT
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Schedules of Authority's Proportionate Share of the Net Pension Liability

ERS Pension Plan

(Unaudited)

		2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability		0.0138381%	0.0098019%	0.0055365%	0.0036346%	0.0031085%	0.0024646%	0.0008180%
Authority's proportionate share of the net pension liability	$	13,779	2,595,609	392,279	117,305	292,077	395,629	27,633
Authority's covered-employee payroll	$	5,994,566	2,429,109	1,271,982	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		0.23%	106.85%	30.84%	12.72%	38.84%	66.02%	22.37%
Plan fiduciary net position as a percentage of total pension liability		99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

See accompanying independent auditor's report.

SYRACUSE REGIONAL AIRPORT AUTHORITY
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Schedule of Changes in the Authority's Net Postretirement Healthcare Benefit Liability and Related Ratios

(Unaudited)

	2021*	2020*	2019*	2018*
Measurement date	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability:				
Service cost	$ 1,057,827	678,667	425,727	250,479
Interest on total OPEB liability	287,478	283,556	176,888	73,565
Change in benefit terms	243,108	7,031,143	3,152,779	-
Change in assumptions and other inputs	1,176,746	1,341,406	(157,868)	18,427
Difference between expected and actual experience	(3,809,578)	(3,144,725)	2,579,579	(1,554)
Benefit payments	(50,314)	(13,301)	-	-
Net change in total OPEB liability	(1,094,733)	6,176,746	6,177,105	340,917
Total OPEB liability - beginning	14,510,711	8,333,965	2,156,860	1,815,943
Total OPEB liability - ending	$ 13,415,978	14,510,711	8,333,965	2,156,860
Covered payroll	5,357,448	3,989,919	2,681,711	1,098,757
Total OPEB liability as a percentage of covered payroll	250.42%	363.68%	310.77%	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 8 to the financial statements.

See accompanying independent auditor's report.

SYRACUSE REGIONAL AIRPORT AUTHORITY

Schedule of Expenditures of Federal Awards

Year ended June 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA number	Identifying numbers	Current year expenditures
U.S. Department of Transportation - Direct			
Airport improvement program:			
COVID-19 CARES Act Airport Grant	20.106	156-20	$ 11,358,886
Taxiway hotspots design and rehabilitation	20.106	153-19	7,488,345
Rehab deicing lagoons	20.106	150-18	505,890
COVID-19 Airport Coronavirus Response Grant	20.106	159-21	272,402
Rehab runway 10/28	20.106	155-20	253,014
Reconfigure runway 10/28	20.106	151-18	59,721
Taxiway hotspots design	20.106	144-16	25,813
Total U.S. Department of Transportation			19,964,071
Total expenditures of federal awards			$ 19,964,071

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

June 30, 2021

(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.

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, 2021, 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 September 27, 2021. Our report includes an emphasis of matter paragraph relating to the outbreak of a novel coronavirus (COVD-19), which was declared a global pandemic by the World Health Organization in March 2020.

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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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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.

Fust Charles Chambers LLP

September 27, 2021

Fust Charles Chambers LLP
CERTIFIED PUBLIC ACCOUNTANTS

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, 2021. 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.

(Continued)

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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, 2021.

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.

(Continued)

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Report on Internal Control Over Compliance, Continued

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.

Fust Charles Chambers LLP

September 27, 2021

SYRACUSE REGIONAL AIRPORT AUTHORITY

Schedule of Audit Findings and Questioned Costs

Summary of Auditor's Results

Type of Financial Statement Opinion	Unmodified
Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
Were there any other significant deficiencies reported at the financial statement level (GAGAS)?	None reported
Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
Were there any material internal control weakness conditions reported for major federal programs?	No
Were there any other significant deficiencies reported for major federal programs?	None reported
Type of Major Programs' Compliance Opinion	Unmodified
Are there any reportable findings under 2CFR Section 200.516(a)?	Yes
Major Programs (list):	U.S. Department of Transportation CFDA #20.106 Airport Improvement Program
Dollar Threshold: Type A\B Programs	Type A: >$750,000 Type B: all others
Low Risk Auditee?	Yes

SYRACUSE REGIONAL AIRPORT AUTHORITY
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Schedule of Audit Findings and Questioned Costs

Year ended June 30, 2021

Section II - Financial Statement Findings

None

Section III - Federal Award Findings and Questioned Costs

None

SYRACUSE REGIONAL AIRPORT AUTHORITY
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Status of Prior Year Audit Findings and Recommendations

Year ended June 30, 2021

A. Material Weakness

None

B. Significant Deficiency

2020-001 Federal Uniform Guidance Policies and Procedures

Condition: The Authority currently has effective procedural controls in place over the management of Federal awards as concluded through the testing of grant expenditures. However, key changes under the Uniform Guidance expanded the rules regarding the documentation of internal controls over Federal Awards to require that they be documented in writing in the Authority's policies and that management should evaluate and document the results of ongoing monitoring to identify internal control issues. The written internal controls should specifically address each of the applicable twelve (12) compliance requirements of the Federal award programs.

Criteria: On December 26, 2014 the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, more commonly referred to as the "Uniform Guidance," became effective for all Federal awards, whether the funds are provided directly from a Federal agency or passed-through another state or local agency.

Cause: Unknown.

Effect or Potential Effect: The Authority is more at risk of noncompliance with Federal Grant regulations related to Uniform Administrative Requirements by not having a fully effective procedural controls in place. On May 17, 2017, the Office of Management and Budget extended the implementation date for the procurement standards for nonfederal entities and is now effective for the grant year ended December 31, 2018.

Recommendation: The Authority should document policies and procedures in accordance with the new Uniform Guidance. This should include monitoring procedures to ensure that internal controls over compliance are working effectively. Response: The Authority is in agreement with this recommendation and will implement new policies and procedures to comply with the new Uniform Guidance requirements.

Status: The Authority has implemented the policies in accordance with the Uniform Guidance.