NIAGARA FRONTIER
TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

SINGLE AUDIT REPORTING PACKAGE

MARCH 31, 2024

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

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INDEPENDENT AUDITORS' REPORT

The Board of Commissioners
Niagara Frontier Transportation Authority

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of and for the years ended March 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2024 and 2023, and the 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 (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB), who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Additional Information

Our audit was conducted for the purpose of forming an opinion on the Authority's financial statements as a whole. The accompanying additional information as listed in the table of contents, including the schedule of expenditures of federal awards, required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Lemmen & McCormick, LLP

June 26, 2024

Niagara Frontier Transportation Authority
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MANAGEMENT'S CERTIFICATION OF THE FINANCIAL STATEMENTS

Management certifies that, based on our knowledge, the information provided herein is accurate, correct and does not contain any untrue statement of material fact; does not omit any material fact, which, if omitted, would cause the financial statements to be misleading in light of the circumstances under which such statements are made; and fairly presents, in all material respects, the financial position, changes in financial position, and cash flows of the Authority as of, and for, the period presented in the financial statements.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY

Kimberley A. Minkel
Executive Director

John T. Cox
Chief Financial Officer

Christopher S. Ruminski
Director of Internal Audit and
Corporate Compliance

June 26, 2024

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MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Niagara Frontier Transportation Authority's (the Authority) internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenses of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting. Management assessed the effectiveness of the Authority's internal control over financial reporting as of March 31, 2024, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework*. Based on that assessment, management concluded that, as of March 31, 2024, the Authority's internal control over financial reporting is effective based on the criteria established in *Internal Control – Integrated Framework*.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY

Kimberley A. Minkel
Executive Director

John T. Cox
Chief Financial Officer

Christopher S. Ruminski
Director of Internal Audit and
Corporate Compliance

June 26, 2024

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Management's Discussion and Analysis

For the Years Ended March 31, 2024, 2023 and 2022
(Unaudited)

This management's discussion and analysis (MD&A) of the Niagara Frontier Transportation Authority (the Authority) provides an introduction and overview to the Authority's financial activities as of and for the years ended March 31, 2024, 2023, and 2022, which should be read in conjunction with the Authority's financial statements and notes to the financial statements.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's financial statements. It begins by presenting and explaining the financial statements. These statements have been prepared according to accounting principles generally accepted in the United States of America (GAAP). Revenues and expenses are recorded using the accrual basis of accounting, meaning that they are recorded by the Authority as earned/incurred, regardless of when cash is received or paid.

The financial statements of the Authority encompass the activity of the NFTA, which includes aviation operations and property management, and Niagara Frontier Transit Metro System, Inc. (Metro), which primarily provides surface transportation.

Effective April 1, 2022, the Authority adopted GASB Statement No. 87, *Leases* (GASB 87). The statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.

The *Balance Sheets* present information on the Authority's assets and deferred outflows of resources less liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the Authority's financial position is strengthening or weakening.

The *Statements of Revenues, Expenses and Changes in Net Position* show the results of the Authority's operations during the year and reflect both operating and non-operating activities. Changes in net position reflect the operational impact of the current year's activities on the financial position of the Authority.

The *Statements of Cash Flows* provide an analysis of the sources and uses of cash. The cash flows statements show net cash provided or used in operating, non-capital financing, capital and related financing, and investing activities.

The notes to the financial statements include additional information which provides a further understanding of the financial statements.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Management's Discussion and Analysis

For the Years Ended March 31, 2024, 2023 and 2022
(Unaudited)

FINANCIAL HIGHLIGHTS

Summarized Balance Sheets

(in thousands)	March 31,		
	2024	2023	2022
Current assets	$ 289,967	$ 279,247	$ 260,548
Restricted assets	116,148	102,466	88,080
Other assets	25,774	39,070	-
Capital assets, net	707,404	645,470	633,526
Deferred outflows of resources related to pensions and OPEB	91,611	110,625	126,015
Total assets and deferred outflows of resources	$ 1,230,904	$ 1,176,878	$ 1,108,169
Current liabilities	$ 93,022	$ 91,169	$ 76,446
Noncurrent liabilities	627,515	658,723	775,951
Deferred inflows of resources related to leases, pensions, and OPEB	237,649	260,082	129,347
Total liabilities and deferred inflows of resources	958,186	1,009,974	981,744
Net position:			
Net investment in capital assets	600,606	522,119	493,798
Restricted	116,148	102,466	88,080
Unrestricted	(444,036)	(457,681)	(455,453)
Total net position	272,718	166,904	126,425
Total liabilities, deferred inflows of resources, and net position	$ 1,230,904	$ 1,176,878	$ 1,108,169

The changes in total net position over time serve as a useful indicator of the Authority's financial position. Net investment in capital assets represents the Authority's net capital assets, offset by any payables or debt outstanding used to finance the capital asset purchases. Restricted net assets consist primarily of cash and investments restricted in accordance with bonding requirements or assets whose use is limited to specific purposes in accordance with various agreements. Unrestricted net position deficits of $444.0 million, $457.7 million, and $455.5 million at March 31, 2024, 2023, and 2022 result primarily from the accrual of other postemployment benefits. As a result of the Authority's activities, March 31, 2024 net position increased $105.8 million from March 31, 2023, and March 31, 2023 net position increased $40.5 million from March 31, 2022.

Current assets increased $10.7 million from March 31, 2023 to March 31, 2024, primarily due to an increase in unrestricted cash. Restricted assets increased $13.7 million from March 31, 2023 to March 31, 2024, due to the continued strategic increase of reserves in the Metro 88c special assistance fund and the Buffalo Niagara International Airport (BNIA) and Niagara Falls International Airport (NFIA) passenger facility charges fund. Other assets decreased $13.3 million primarily due to a $7.9 million decrease in net pension assets. Deferred outflows of resources decreased $19.0 million due to changes in assumptions related to the Authority's other postemployment benefits (OPEB) plan.

Current assets increased $18.7 million from March 31, 2022 to March 31, 2023 primarily due to an increase in unrestricted cash and current portion of leases receivable recognized for the first time resulting from the adoption of GASB 87 in 2023. Restricted assets increased $14.4 million from March 31, 2022 to March 31, 2023 due to the strategic building up of reserves in the Metro 88c special assistance fund and the BNIA and NFIA passenger facility charges fund. Other assets increased $39.1 million primarily due to $31.2 million in noncurrent leases receivable recognized for the first time resulting from the adoption of GASB 87 in 2023.

Deferred outflows of resources decreased $15.4 million due to changes in assumptions and differences between the projected and actual investment earnings related to certain pension and OPEB plans as well as amounts recognized for payments made subsequent to the respective plans' measurement dates.

Current liabilities increased $1.9 million from March 31, 2023 to March 31, 2024 and $14.7 million from March 31, 2022 to March 31, 2023 resulting from normal operations and timing of payments.

Principal payments on debt along with decreases in self-insured claims of $3.1 million and other postemployment benefits of $43.2 million were partially offset by an increase in net pension liabilities of $32.4 million for overall decrease in noncurrent liabilities of $31.2 million at March 31, 2024 compared to March 31, 2023. Deferred inflows of resources decreased $22.4 million primarily as a result of differences between projected and actual earnings on investments related to the Authority's pension plans.

Principal payments on debt and decreases in self-insured claims of $4.6 million, net pension liabilities of $5.0 million, and other postemployment benefits of $91.8 million resulted in an overall decrease in noncurrent liabilities of $117.2 million at March 31, 2023 compared to March 31, 2022. Deferred inflows of resources increased $130.7 million primarily as a result of changes in assumptions related to the Authority's OPEB plans and will be amortized against expenses over the next six years.

Refer to the Capital Assets and Debt Administration sections of this MD&A for further details.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
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Management's Discussion and Analysis

For the Years Ended March 31, 2024, 2023 and 2022
(Unaudited)

Summarized Statements of Revenues, Expenses and Changes in Net Position

(in thousands)	Years ended March 31,		
	2024	2023	2022
Operating revenues:			
Fares	$ 27,693	$ 25,640	$ 23,435
Concessions and commissions	34,605	31,242	22,819
Rental income	20,468	19,798	19,319
Airport fees and services	20,727	20,470	20,528
Other operating revenues	5,926	6,315	5,391
Total operating revenues	109,419	103,465	91,492
Operating expenses:			
Salaries and employee benefits	145,028	125,586	121,622
Other postemployment benefits	9,065	26,634	41,253
Depreciation and amortization	55,874	53,929	53,669
Maintenance and repairs	24,272	22,973	21,153
Transit fuel and power	3,903	4,961	3,412
Utilities	4,653	5,657	5,890
Insurance and injuries	7,885	5,700	5,301
Other operating expenses	26,772	21,683	18,723
Total operating expenses	277,452	267,123	271,023
Operating loss	(168,033)	(163,658)	(179,531)
Non-operating revenues, net	160,847	146,166	218,781
Change in net position before capital contributions	(7,186)	(17,492)	39,250
Capital contributions	113,000	57,231	27,917
Change in net position	105,814	39,739	67,167
Net position – beginning of year	166,904	126,425	59,258
Cumulative effect of a change in accounting principle	-	740	-
Net position – end of year	$ 272,718	$ 166,904	$ 126,425

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
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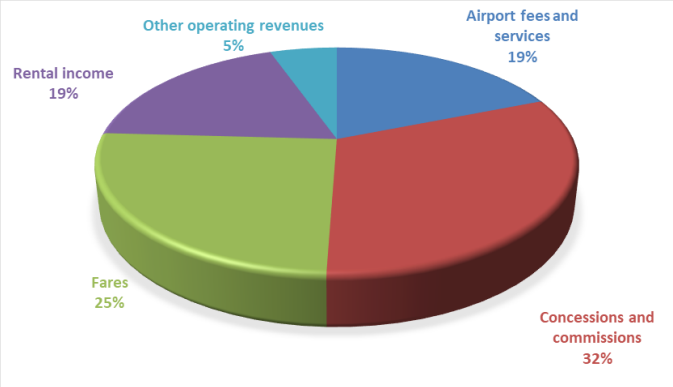
Management's Discussion and Analysis

For the Years Ended March 31, 2024, 2023 and 2022
(Unaudited)

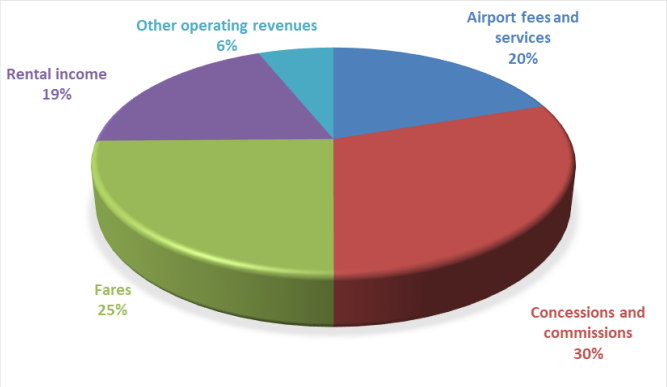
Summary of Revenues, Expenses and Changes in Net Position

The charts below summarize operating revenues by source.

2024



2023



Operating revenues increased $6.0 million, or 5.8%, from 2023 to 2024. Fare revenue increased $2.1 million due to increased ridership as the region continues to recover from the COVID-19 pandemic. Concessions and commissions in 2024 were $3.4 million higher than 2023, due to an increase in parking, auto rental, food, and retail revenues at the airports as enplanements increased approximately 10.7% from 2023 at BNIA, as air travel continues to rebound from the impact of the COVID-19 pandemic.

Operating revenues increased $12.0 million, or 13.1%, from 2022 to 2023. Fare revenue increased $2.2 million due to increased ridership as the region continues to recover from the COVID-19 pandemic. Concessions and commissions in 2023 were $8.4 million higher than 2022, due to an increase in parking, auto rental, food, and retail revenues at the airports as enplanements increased approximately 26% from 2022 at BNIA and 17% at NFIA, as air travel continues to rebound from the impact of the COVID-19 pandemic. Additionally, hourly parking rates at BNIA were increased approximately 27% in September 2022. This was the first parking rate increase at BNIA in nine years.

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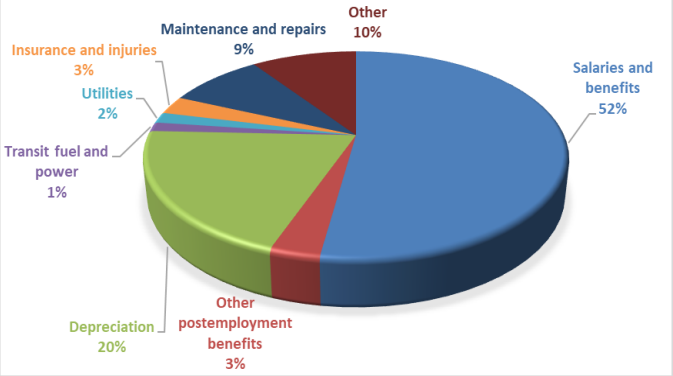
Management's Discussion and Analysis

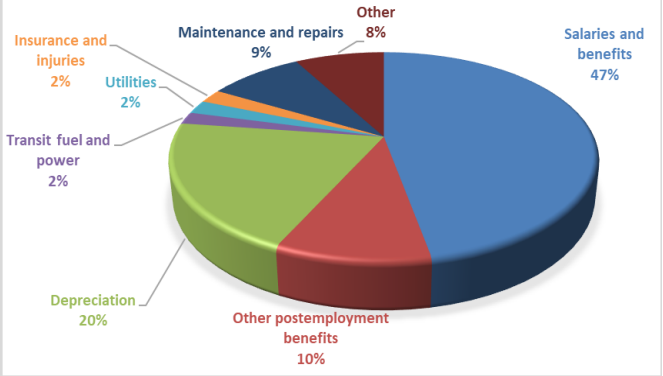
For the Years Ended March 31, 2024, 2023 and 2022
(Unaudited)

The charts below summarize operating expenses by category.

2024



2023



Operating expenses for 2024 of $277.5 million were $10.4 million higher than 2023. Salaries and employee benefits increased $19.4 million, or 15.5%, primarily due to increased pension expense, contractual wage increases, and fewer vacant positions. Other postemployment benefits decreased $17.6 million from 2023 relating to the actuarially calculated postemployment health insurance costs. Depreciation and amortization expense, which varies from year to year based on the timing of asset purchases and estimated useful lives, increased by $1.9 million from 2023 to 2024. Transit fuel and power costs decreased $1.1 million due to lower diesel and compressed natural gas fuel prices in 2024. Other operating expenses increased $5.1 million primarily due to higher professional service contracts, security costs, and parking management costs related to higher BNIA parking revenue.

Operating expenses for 2023 of $267.1 million were $3.9 million lower than 2022. Salaries and employee benefits increased $4.0 million, or 3.3%, primarily due to contractual wage increases and fewer vacant positions. Other postemployment benefits decreased $14.6 million from 2022 relating to the actuarially calculated postemployment health insurance costs. Depreciation and amortization expense, which varies from year to year based on the timing of asset purchases and estimated useful lives, increased by $0.3 million from 2022 to 2023. Transit fuel and power costs increased $1.5 million due to higher diesel and compressed natural gas fuel prices in 2023. Other operating expenses increased $3.0 million primarily due to higher parking management costs related to higher BNIA parking revenue.

Net non-operating revenues for 2024 increased $14.7 million compared to 2023, from $146.2 million to $160.9 million, due to a $7.4 million increase in New York State Transit Operating Assistance and a $6.4 million increase in interest income due to higher rates.

Net non-operating revenues for 2023 decreased $72.6 million compared to 2022, from $218.8 million to $146.2 million, due to a $75.7 million decrease in government assistance, mostly due to no further federal funds appropriated by Congress to the Authority to address the impact of the COVID-19 pandemic.

Capital contributions fluctuate depending on the timing of capital projects and vehicle and equipment purchases.

CAPITAL ASSETS

Net capital assets totaled $707.4 million at March 31, 2024, representing a 9.6% increase from March 31, 2023, as investment in capital exceeded depreciation and dispositions by $61.9 million in 2024. Capital asset additions totaling $124.9 million include $34.0 million for BNIA Runway 05-23 rehabilitation and construction, $35.4 million for diesel and electric buses and charging infrastructure, and $1.5 million for paratransit vehicles.

Net capital assets totaled $645.5 million at March 31, 2023, representing a 1.7% increase from March 31, 2022, as investment in capital exceeded depreciation and dispositions by $10.5 million in 2023 and the impact of GASB 87 created an additional $1.5 million in net right-to-use lease assets as of the beginning of the year. Capital asset additions totaling $64.4 million include $36.6 million for rail extension and station construction in the former DL&W train shed, $7.2 million for bus purchases, and $5.0 million for the rehabilitation and reconstruction of NFIA taxiway "D."

DEBT ADMINISTRATION

Long-term debt at March 31, 2024 totaled $106.8 million, which is a decrease of $16.6 million from 2023 and results from debt service payments net of premium amortization.

Long-term debt at March 31, 2023 totaled $123.4 million, which is a decrease of $17.9 million from 2022 and results from debt service payments net of premium amortization.

FACTORS IMPACTING THE AUTHORITY'S FUTURE

Surface Transportation

Historically, approximately 25% of Metro's revenues are derived from fare collection and advertising, while 75% are from outside government assistance. New York State is the Authority's largest investor, usually providing almost 50% of total assistance while approximately 30% comes from local sources and 20% from the federal government. Any changes in these funding sources can have a significant impact on Authority operations.

The impact of efforts to minimize the spread of COVID-19 resulted in an approximately 50% erosion in ridership during 2021. There has been a long-term impact from the pandemic on ridership and it will take years to return to pre-COVID-19 ridership levels. Metro has been awarded and spent COVID relief funds from the federal government to support operations with the drop in business activity.

As part of the Authority's 2023-2033 Roadmap, Metro concentrated on revenue generation, cost control, increasing organizational liquidity, technological improvements, operational changes such as implementation of a new fare box collection system, providing more flexible fare structures, and continuing to engage with the public regularly through social media, the Citizens Advisory Committee, Accessibility Advisory Committee, workforce development, and many other means.

Metro-owned property along the Metro Rail corridor and property adjacent to Metro Rail has seen significant development in the recent years, including the Metro Rail Allen-Medical Campus Station which is located on the Buffalo Niagara Medical Campus (BNMC). The Allen-Medical Campus Metro Rail Station will continue to play a prominent role in meeting the mobility needs of BNMC employees, patients, visitors, and neighborhood residents well into the future. In June 2024 the City of Buffalo, in partnership with the NFTA, issued a Request for Proposals from development teams for an equitable transit-oriented development at and around the NFTA-Metro Rail Lasalle station. Responses are due in September 2024. The NFTA and the City of Buffalo own adjoining parcels at the site.

In February 2018, the Authority started the environmental review process for extending Metro Rail from its current terminus at the University Station along the preferred Niagara Falls Boulevard route alternative through the University at Buffalo North Campus in the Town of Amherst as approved by the Authority Board of Commissioners and recommended by our Alternatives Analysis Study. The Amherst-Buffalo Metro Rail Corridor contains 20% of all regional jobs and more than 10% of all regional residents. The proposed project would more than double ridership, link all three University at Buffalo Campuses with a one-seat Metro Rail ride, provide a seamless connection between the region's largest concentration of housing to significant employment, health care, education, and recreation destinations, and generate billions in direct, indirect, and induced economic impact throughout the Corridor. The Authority has $31 million under contract with New York State Department of Transportation to complete the environmental process for the project, project development, and some preliminary engineering. The order of magnitude estimate of project construction is approximately $1.5 billion, with up to 50% of project costs planned to come from the Federal Capital Investment Grant (CIG) Program and the remainder from a mix of state, local, and/or private sector sources.

In 2019, the Authority started construction on an extension of NFTA-Metro Rail revenue service into the former DL&W train shed which is owned by the Authority. The project, which is scheduled to be completed in 2024, involves construction of a new Metro Rail Station on the first floor of the facility and will open up development opportunities on the first and second floor. In July 2020, the Authority executed a pre-development agreement with Savarino Companies, a private sector developer, for development of the first and second floor space. In April 2022, New York State announced an appropriation of $30 million to rehabilitate the core and shell of the train shed in order to facilitate private sector development and the NFTA will complete design of development improvements in 2024.

Aviation

Together, BNIA and NFIA historically have served approximately 5 million passengers per year as the only commercial service airports serving Erie and Niagara counties. Additionally, the airports have been a convenient and less costly option for nearby Canadian travelers. As approximately 30% of BNIA and 88% of NFIA passenger traffic originates from Canada, any closure of the United States and Canada border, such as the COVID-19 closure in 2021 and 2022, has a significant negative impact on enplanements. Also, fluctuations in the exchange rate of the Canadian dollar have an impact on enplanements. During 2024, approximately 4.8 million passengers were served by the two airports.

In 2015, an overall aviation strategic plan identified critical issues relating to the two airports and established goals to enhance air cargo development, enhance and maintain air service to Canadian travelers, maintain the quality of overall customer service, and improve the financial sustainability of BNIA and NFIA. The NFTA is in the process of updating that plan.

A two-year, $72.2 million passenger terminal and baggage claim expansion and renovation project at BNIA began in 2019 and was completed in 2022. The project improves overall airport security, expands and modernizes the baggage claim area, improves passenger flow to and from all boarding areas, including international boarding areas, expands the terminal for additional concessions and amenities, and adds new curb space at both ends of the BNIA terminal.

In 2023, the NFTA began construction related to the rehabilitation of the main runway at BNIA. The project, currently broken into two phases, is budgeted to cost approximately $92.2 million. Construction of the first phase of the project is primarily funded by the Federal Aviation Administration.

CONTACT FOR THE AUTHORITY'S FINANCIAL MANAGEMENT

This report is designed to provide a general overview of the finances of the Authority for interested parties. Questions concerning any information within this report or requests for additional information should be addressed to John T. Cox, Chief Financial Officer, 181 Ellicott Street, Buffalo, New York 14203.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Balance Sheets (In thousands)

March 31,	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	**$ 144,885**	$ 131,480
Investments	**79,375**	75,941
Accounts and other receivables	**12,891**	17,335
Grants receivable	**35,381**	37,866
Leases receivable	**9,493**	9,261
Materials and supplies inventory	**6,166**	5,616
Prepaid expenses and other	**1,776**	1,748
	289,967	279,247
Restricted assets:		
Cash and cash equivalents	**77,106**	64,278
Investments	**39,042**	38,188
	116,148	102,466
Leases receivable	**25,774**	31,202
Net pension assets	**-**	7,868
Capital assets, net (Note 4)	**707,404**	645,470
	733,178	684,540
Total assets	**1,139,293**	1,066,253
Deferred outflows of resources:		
Deferred outflows of resources related to pensions	**29,171**	29,769
Deferred outflows of resources related to OPEB	**62,440**	80,856
Total deferred outflows of resources	**91,611**	110,625
Total assets and deferred outflows of resources	**$ 1,230,904**	$ 1,176,878
Liabilities		
Current liabilities:		
Current portion of long-term debt	**$ 14,904**	$ 15,568
Accounts payable and accrued expenses	**41,299**	40,234
Other current liabilities	**36,819**	35,367
	93,022	91,169
Noncurrent liabilities:		
Long-term debt	**91,894**	107,783
Self-insured claims	**32,494**	35,580
Net pension liabilities	**44,071**	11,689
Total OPEB liability	**458,809**	502,015
Other noncurrent liabilities	**247**	1,656
	627,515	658,723
Total liabilities	**720,537**	749,892
Deferred inflows of resources:		
Deferred inflows of resources related to leases	**34,019**	39,396
Deferred inflows of resources related to pensions	**2,944**	38,860
Deferred inflows of resources related to OPEB	**200,686**	181,826
Total deferred inflows of resources	**237,649**	260,082
Net position:		
Net investment in capital assets	**600,606**	522,119
Restricted	**116,148**	102,466
Unrestricted (deficit)	**(444,036)**	(457,681)
Total net position	**272,718**	166,904
Total liabilities, deferred inflows of resources, and net position	**$ 1,230,904**	$ 1,176,878

See accompanying notes.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Statements of Revenues, Expenses and Changes in Net Position (In thousands)

For the years ended March 31,	2024	2023
Operating revenues:		
Fares	**$ 27,693**	$ 25,640
Concessions and commissions	**34,605**	31,242
Rental income	**20,468**	19,798
Airport fees and services	**20,727**	20,470
Other operating revenues	**5,926**	6,315
Total operating revenues	**109,419**	103,465
Operating expenses:		
Salaries and employee benefits	**145,028**	125,586
Other postemployment benefits	**9,065**	26,634
Depreciation and amortization	**55,874**	53,929
Maintenance and repairs	**24,272**	22,973
Transit fuel and power	**3,903**	4,961
Utilities	**4,653**	5,657
Insurance and injuries	**7,885**	5,700
Other	**26,772**	21,683
Total operating expenses	**277,452**	267,123
Operating loss	**(168,033)**	(163,658)
Non-operating revenues (expenses):		
Government assistance	**143,158**	135,751
Passenger facility charges	**9,561**	8,714
Interest income, net	**7,250**	394
Other non-operating revenues, net	**878**	1,307
Total non-operating net revenues	**160,847**	146,166
Change in net position before capital contributions	**(7,186)**	(17,492)
Capital contributions	**113,000**	57,231
Change in net position	**105,814**	39,739
Net position - beginning of year	**166,904**	127,165
Net position - end of year	**$ 272,718**	$ 166,904

See accompanying notes.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Statements of Cash Flows (In thousands)

For the years ended March 31,	2024	2023
Operating activities:		
Cash collected from customers	**$ 101,891**	$ 92,859
Cash paid for employee wages and benefits	**(155,967)**	(149,299)
Cash paid to vendors and suppliers	**(60,936)**	(46,966)
Cash paid for insurance and injuries	**(10,971)**	(10,260)
Net operating activities	**(125,983)**	(113,666)
Non-capital financing activities:		
Government assistance	**143,158**	135,751
Capital and related financing activities:		
Repayments of long-term debt	**(16,553)**	(17,962)
Proceeds from long-term debt	**-**	94
Lease principal received	**10,405**	9,625
Other liabilities	**83**	9
Interest received on leases	**1,423**	1,606
Interest paid	**(3,585)**	(4,077)
Mortgage recording tax	**2,565**	7,298
Capital grants and contributions	**115,483**	126,888
Additions to capital assets, net	**(116,120)**	(67,097)
Passenger facility charges	**9,561**	8,714
Other	**671**	1,343
Net capital and related financing activities	**3,933**	66,441
Investing activities:		
Proceeds from (purchases of) investments, net	**(4,288)**	(79,027)
Interest income	**9,413**	2,865
Net investing activities	**5,125**	(76,162)
Net change in cash and cash equivalents	**26,233**	12,364
Cash and cash equivalents, beginning of year	**195,758**	183,394
Cash and cash equivalents, end of year	**$ 221,991**	$ 195,758
Reconciliation to Balance Sheet		
Cash and cash equivalents:		
Unrestricted	**$ 144,885**	$ 131,480
Restricted	**77,106**	64,278
Total cash and cash equivalents	**$ 221,991**	$ 195,758
Reconciliation of operating loss to net operating activities:		
Operating loss	**$ (168,033)**	$ (163,658)
Adjustments to reconcile operating loss to net operating activities:		
Depreciation and amortization	**55,874**	53,929
Net pension activity	**4,932**	(6,622)
Other postemployment benefits, net	**(5,930)**	8,712
Changes in assets and liabilities:		
Accounts and other receivables	**4,444**	(2,122)
Leases receivable, net	**(10,588)**	(10,078)
Materials and supplies inventory	**(550)**	(48)
Prepaid expenses and other	**(28)**	247
Accounts payable and accrued expenses	**(411)**	8,905
Other current liabilities	**(1,198)**	1,596
Self-insured claims	**(3,086)**	(4,560)
Other noncurrent liabilities	**(1,409)**	33
Net operating activities	**$ (125,983)**	$ (113,666)

See accompanying notes.

(1) Financial Reporting Entity

The Niagara Frontier Transportation Authority (the Authority) was created by an Act of the New York State Legislature in 1967 to promote the development and improvement of transportation and related services within the Niagara Frontier transportation district. As a multi-modal transportation authority, the Authority operates a number of transportation related business centers including aviation, surface transportation, and property management. The Authority is included in the financial statements of the State of New York (the State) as an enterprise fund.

The Niagara Frontier Transit Metro System, Inc. (Metro) was created in 1974 to provide mass transportation services to the Niagara Frontier. Although Metro is a separate legal entity, the Authority maintains financial and governance responsibility over its operations.

The Board of Commissioners (the Board) of the Authority, including Metro, consists of 12 members appointed by the Governor of the State. All appointments are made with the consent of the New York State Senate. The Board governs and sets policy for the Authority. The Executive Director is responsible for day-to-day management of the Authority.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation and Measurement Focus

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The Authority reports as a special purpose government engaged in business-type activities, using the economic resources measurement focus and the accrual basis of accounting. All assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenues recorded when earned and expenses recorded at the time liabilities are incurred. Grants and similar items are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied.

The Authority's policy for defining operating activities in the statements of revenues, expenses and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase goods and services. Certain other transactions, including government grants, passenger facilities charges, and interest, are reported as non-operating activities.

Authority Operations

The Authority operates three strategic business centers within NFTA and Metro:

NFTA Operations

Aviation

The Authority operates the Buffalo Niagara International Airport (BNIA) and the Niagara Falls International Airport (NFIA). BNIA is Western New York's primary passenger and cargo airport, while NFIA is a commercial, primary small-hub airport and serves as a joint-use military facility with the Niagara Falls Air Reserve Station.

Property Management

The property management department manages real estate owned by the Authority, including certain rail rights of way and non-public transportation assets, such as industrial distribution warehouses and associated office space for lease.

Metro Operations

Surface Transportation

Metro operates the surface transportation business unit responsible for all ground-based transportation services provided by the Authority. Such services include public fixed-route bus and rail routes, paratransit and other non-traditional transit services, and intracity bus terminals in Buffalo and Niagara Falls.

Metro also provides a 6.4 mile light rail rapid transit (LRRT) system in the City of Buffalo between downtown Buffalo and the State University of New York at Buffalo's South Campus.

The Metropolitan Transportation Center, located in downtown Buffalo, serves intercity and NFTA-Metro passengers and contains the offices of the Authority. The Niagara Falls Transit Center and the Portage Road Transit Center in Niagara Falls serve NFTA-Metro customers in Niagara County.

The majority of Metro operations employees are members of the Amalgamated Transit Union Local 1342 (ATU). Five other labor unions represent a small percentage of remaining employees. The current ATU contract expires July 31, 2025.

(b) Cash and Cash Equivalents

Cash and cash equivalents principally include cash on hand, money market funds, and certificates of deposit with original maturities of three months or less.

(c) Receivables

Accounts receivable are stated at the amount management expects to collect on outstanding balances and consist primarily of amounts due from services related to the Authority's operations and advertising. Management provides for probable uncollectible amounts based on collection history and aging of accounts. Balances outstanding after reasonable collection efforts are written off through a charge to an allowance for bad debts and a credit to accounts receivable.

Grants receivable are stated at the amount management expects to collect on outstanding balances and consists primarily of amounts due from Federal, State, and local governments related to grant expenses incurred.

Leases receivable are stated at the present value of lease payments expected to be received during the lease term. Corresponding deferred inflows of resources are also reported and revenue is recognized over the lease term.

(d) Materials and Supplies Inventory

Materials and supplies inventory is valued based on the weighted average cost method or net realizable value.

(e) Restricted Assets

Certain cash deposits and investments are classified as restricted assets in accordance with bonding requirements or because their use is legally limited to specific purposes such as airport capital expansion and operations or the LRRT system. The Authority's policy is to use restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

(f) Investments

The Authority's investment policies comply with the New York State Comptroller's guidelines for Public Authorities. Investments consist primarily of certificates of deposits with original maturities greater than three months and obligations of the U.S. Government reported at fair value.

(g) Capital Assets

The Authority's policy is to capitalize assets that cost at least $5,000 and have estimated useful lives of two years or more. Capital assets are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization is computed on the straight-line method over the estimated useful lives of the assets. Maintenance and repairs are charged to operations as incurred; significant improvements are capitalized.

The estimated useful lives on principal classes of capital assets are as follows:

	Estimated Useful Life (Years)
Improvements	10 - 25
LRRT system	10 - 45
Buildings	10 - 45
Metropolitan transportation centers	25
Motor buses	12
Equipment and other	2 - 10

(h) Other Current Liabilities

Advances

The Authority administers the funding of regional transportation improvement projects on behalf of the Federal Highway Administration (FHWA) for the Niagara International Transportation Technology Coalition (NITTEC). At March 31, 2024 and 2023, net advance payments provided by the FHWA for regional construction projects authorized by NITTEC and the FHWA are held by the Authority and included in restricted cash and other current liabilities on the accompanying balance sheet and totaled $5,288,000 and $5,205,000.

Mortgage Recording Tax Revenue

As required by New York State legislation, the Authority receives a percentage of mortgage recording taxes collected by Erie County and Niagara County. Receipts are recorded as other current liabilities until all eligibility requirements are met.

(i) Bond Issuance Costs and Premiums

Bond issuance costs, with the exception of prepaid insurance, are expensed as incurred. Premiums received upon the issuance of debt are included with the debt liability and amortized against interest expense over the life of the related obligation.

(j) Self-Insured Claims

The Authority is self-insured for property damage, environmental claims, personal injury liability, and workers' compensation claims. An estimate of the liability is made by the Authority based primarily on information available from third-party administrator claims, actuarial studies, and in-house and outside legal counsel.

(k) Pensions

The Authority has elected to participate in the New York State and Local Retirement System, including the Employees' Retirement System (ERS) and the Police and Fire Retirement System (PFRS). The Authority provides retirement benefits to substantially all employees through various defined benefit retirement plans or other agreements (Note 8). For ERS and PFRS, the Authority recognizes its proportionate share of the net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by ERS and PFRS. ERS and PFRS recognize benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value.

(l) Other Postemployment Benefits (OPEB)

In addition to providing pension benefits, the Authority provides OPEB in the form of health insurance coverage to retired employees (Note 9). Substantially all employees become eligible for these benefits when they reach normal retirement age with a minimum of ten years of service.

(m) Other Noncurrent Liabilities

Other noncurrent liabilities consist primarily of amounts due to the New York State and Local Retirement System pursuant to the New York State Pension Contribution Stabilization Program (Note 8).

(n) Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of net capital assets reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or by the terms of the Authority's bonds.
- *Unrestricted* – net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the above restrictions and are available for general use of the Authority.

(o) Revenue Recognition

The Authority's principal sources of operating revenues are fares, airport fees and services, rental income, and concessions and commissions. Operating revenues from fares represent surface transportation services and are generated from cash and various fare media including tickets and passes which are recognized as income as they are used. On November 1, 2023, the Authority introduced MetGo smart cards, an account-based system that eliminates the need for cash. Operating revenues from airport fees and services include landing and terminal ramp fees. Rental income includes building and ground space rented to airlines and air cargo carriers, among others. Operating revenues from concessions and commissions include parking fees and rental of retail space. These sources of operating revenues are recognized upon provision of services. Commissions from auto rental companies are recognized based upon a monthly percentage of revenues earned during the contractual year with an annual adjustment for any minimum annual guaranteed fees.

In April and July 2020, the Authority was awarded funding of $61,909,000 from the Federal Transit Administration (FTA) and $23,538,000 from the Federal Aviation Administration (FAA) under the Coronavirus Aid, Relief, and Economic Security (CARES) Act to support costs to operate, maintain, and manage the Authority's services. The grants provide funding for eligible costs beginning January 20, 2020.

In April and May 2021, the Authority was awarded funding of $43,183,000 from the FTA and $7,900,000 from the FAA under the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA) to support costs to prevent, prepare for, and respond to coronavirus, including operating expenses. The CRRSA grant also provides funding for eligible costs beginning January 20, 2020. Amounts totaling $1,000,000 and $5,500,000 are recognized as capital contributions in the accompanying statements of revenues, expenses and changes in net position for the years ended March 31, 2024 and 2023, respectively

In March 2021 the American Rescue Plan Act (ARPA) was passed by the United States Congress and signed into law by President Biden. Through ARPA, the FTA allocated $79,413,000 through the Section 5307 program to NFTA-Metro and $20,053,000 was allocated from the FAA. Amounts totaling $9,323,000 and $7,965,000 are recognized as capital contributions in the accompany statements of revenue, expenses and changes in net position for the years ended March 31, 2024 and 2023, respectively.

The Authority also receives operating assistance and capital contributions pursuant to various federal, state, and local government contracts and grant agreements. Operating assistance and capital contributions are recorded as revenue based on annual appropriations or when expenditures have been incurred in compliance with grant requirements. Government assistance and capital contributions represent 67% and 63% of total revenue for the years ended March 31, 2024 and 2023, respectively. A significant decrease in this funding may negatively impact future operations of the Authority.

(p) Taxes

As a public benefit entity, the Authority is exempt from federal and state income tax, as well as state and local property and sales taxes, with the exception of certain agreements for payments made in lieu of taxes.

(q) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

(r) Administrative Services

In accordance with agreements between the Authority and the New York State Department of Transportation, the Authority functions as the "host agency" for the Greater Buffalo Niagara Regional Transportation Council (GBNRTC), the designated Metropolitan Planning Organization (MPO) for the metro region including Erie and Niagara counties, and NITTEC, a regional traffic operations center. As the host agency for both organizations, the Authority provides certain administrative responsibilities relating to grants management and accounting functions; however, the Authority has no budgetary oversight and no responsibility for operations, deficits, or debts. Consequently, the Authority's financial statements do not include the assets, liabilities, revenues, or expenses of GBNRTC or NITTEC. The Authority administered reimbursement grants totaling $10,667,000 and $7,501,000 for GBNRTC and NITTEC combined for the years ended March 31, 2024 and 2023, respectively.

(3) Cash Deposits and Investments

The Authority has a written investment policy which is in compliance with the Authority's enabling legislation under Sections 1299-E and 2925(3)(f) of the New York State Public Authorities Law. Further, pursuant to collateralizing its investments, the Authority is subject to General Municipal Law Section 10, *Deposit of Public Money,* whereby all cash, cash equivalents, and investments are fully insured by the Federal Deposit Insurance Corporation (FDIC) and/or are fully collateralized with U.S. government obligations held in the name of the Authority. Investments consist of certificates of deposit and U.S. Treasury notes purchased directly by the Authority.

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. At March 31, 2024 and 2023, the Authority's bank deposits were fully insured by FDIC or collateralized in accordance with the above requirements.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In order to limit its exposure, the Authority limits the maturity dates of its investments.

(4) Capital Assets (in thousands)

	April 1, 2023	Additions	Reclassifications and Disposals	March 31, 2024
Non-depreciable and non-amortizable capital assets:				
Land	$ 64,538	$ -	$ -	$ 64,538
Construction in progress	68,566	117,298	(107,286)	78,578
Total non-depreciable and non-amortizable assets	133,104	117,298	(107,286)	143,116
Depreciable capital assets:				
Land improvements	350,183	3,906	33,453	387,542
LRRT system	707,905	453	11,969	720,327
Airport buildings	360,645	2,500	(2,240)	360,905
Metropolitan transportation centers	23,324	29	91	23,444
Motor buses	170,578	27	17,284	187,889
Equipment, buildings, and other	172,791	-	16,233	189,024
Total depreciable capital assets	1,785,426	6,915	76,790	1,869,131
Accumulated depreciation:				
Land improvements	(280,659)	(10,716)	2,740	(288,635)
LRRT system	(532,174)	(16,998)	152	(549,020)
Airport buildings	(186,440)	(10,417)	859	(195,998)
Metropolitan transportation centers	(17,785)	(409)	75	(18,119)
Motor buses	(123,490)	(9,034)	12,893	(119,631)
Equipment, buildings, and other	(133,752)	(7,857)	6,711	(134,898)
Total accumulated depreciation	(1,274,300)	(55,431)	23,430	(1,306,301)
Total depreciable capital assets, net	511,126	(48,516)	100,220	562,830
Right-to-use assets:				
Buildings	1,686	-	-	1,686
Subscriptions	-	661	-	661
Accumulated amortization	(446)	(443)	-	(889)
Total right-to-use assets, net	1,240	218	-	1,458
Total capital assets, net	$ 645,470	$ 69,000	$ (7,066)	$ 707,404

	April 1, 2022	Additions	Reclassifications and Disposals	March 31, 2023
Non-depreciable and non-amortizable capital assets:				
Land	$ 64,538	$ -	$ -	$ 64,538
Construction in progress	67,634	62,942	(62,010)	68,566
Total non-depreciable and non-amortizable assets	132,172	62,942	(62,010)	133,104
Depreciable capital assets:				
Land improvements	342,609	810	6,764	350,183
LRRT system	665,965	198	41,742	707,905
Airport buildings	359,419	231	995	360,645
Metropolitan transportation centers	23,126	198	-	23,324
Motor buses	172,334	-	(1,756)	170,578
Equipment, buildings, and other	171,054	37	1,700	172,791
Total depreciable capital assets	1,734,507	1,474	49,445	1,785,426
Accumulated depreciation:				
Land improvements	(270,388)	(10,320)	49	(280,659)
LRRT system	(517,784)	(14,716)	326	(532,174)
Airport buildings	(175,345)	(11,095)	-	(186,440)
Metropolitan transportation centers	(17,373)	(412)	-	(17,785)
Motor buses	(123,752)	(9,857)	10,119	(123,490)
Equipment, buildings, and other	(128,511)	(7,306)	2,065	(133,752)
Total accumulated depreciation	(1,233,153)	(53,706)	12,559	(1,274,300)
Total depreciable capital assets, net	501,354	(52,232)	62,004	511,126
Right-to-use assets:				
Buildings	1,686	-	-	1,686
Accumulated amortization	(223)	(223)	-	(446)
Total right-to-use assets, net	1,463	(223)	-	1,240
Total capital assets, net	$ 634,989	$ 10,487	$ (6)	$ 645,470

The Authority, as lessor, has entered into non-cancelable leases for various buildings and airport concessions with options to extend through 2052. Corresponding rental income recognized during fiscal year 2024 and 2023 totaled $10,734,000 and $10,716,000 and interest on the leases receivable totaled $1,215,000 and $1,530,000 at rates of 4.6% and 3.6%, respectively.

Rental income is derived primarily from airport operations. At March 31, 2024 and 2023, net airport capital assets totaled $279,200,000 and $261,100,000, of which approximately 25% is leased to third parties (based on square footage).

(5) Long-Term Debt (in thousands)

	2024	2023
(a) Airport Revenue Bonds 2019:		
Series A, maturing April 1, 2039 with variable annual principal payments commencing April 1, 2020, bearing interest at 5.0% (including unamortized premium of $3,660 and $4,620 at March 31, 2024 and 2023)	$ 59,980	$ 67,815
(b) Airport Revenue Bonds 2014:		
Series A, maturing April 1, 2029 with variable annual principal payments commencing April 1, 2015, bearing interest at 3.0% to 5.0% (including unamortized premium of $1,039 and $1,495 at March 31, 2024 and 2023)	37,464	43,415
(c) New York State, non-interest bearing	3,380	3,380
(d) Financed motor bus purchases, monthly payments with fixed interest rates ranging from 1.5% to 7.8%, maturing through 2032, secured by related equipment	4,447	7,439
(e) Buildings and concessions leases and software subscription, monthly payments with fixed interest rates at 3.6% to 4.55%, maturing through 2038	1,527	1,302
	106,798	123,351
Less current portion	14,904	15,568
	$ 91,894	$ 107,783

(a) On February 26, 2019, the Authority issued $81,920,000 Series 2019A Airport Revenue Bonds at a premium of $10,111,000. These bonds were issued to provide financing for certain capital improvements at BNIA and to refund outstanding Series 2004A and 2004C bonds in the amounts of $24,350,000 and $3,825,000, respectively.

(b) On September 3, 2014, the Authority issued $65,340,000 Series 2014A and $12,430,000 Series 2014B Airport Revenue Bonds at a premium of $9,336,000. These bonds were issued to refund outstanding Series 1999A, 1999B, and 1998 bonds in the amounts of $61,525,000, $13,775,000, and $13,485,000, respectively.

(c) The State Legislature passed a law in 1994 that granted the Authority immediate relief from the repayment covenant for a non-interest-bearing loan totaling $3,380,000. The law provides in pertinent part that repayment of the loan would be deferred for a two-year period, which expired on May 12, 1996. The Director of the Budget has been granted the discretion to either enter into an agreement with the Authority setting forth a schedule for reimbursement without interest or waive the requirement for reimbursement in whole or in part. No decision has been made to date. Maturities for this loan have been included in the category of loans and capital leases for long-term debt maturities for 2032 due to the uncertainty of repayment.

The Airport Revenue Bonds from 2019 and 2014 are payable from and secured by a lien against net revenues derived from the operations of the BNIA. Payment of scheduled bond principal and interest payments are also guaranteed by municipal bond insurance policies maintained by the Authority. The bonds are special limited obligations of the Authority. They are neither general obligations of the Authority nor a debt of the State or any political subdivision.

Changes in long-term debt for the year ended March 31, 2024 and 2023 were as follows (in thousands):

	2024	2023
Balance, beginning of year	$ 123,351	$ 141,219
Less repayment of long-term debt including premium amortization	16,553	17,868
Balance, end of year	106,798	123,351
Less current portion	14,904	15,568
Noncurrent portion	$ 91,894	$ 107,783

Required principal and interest payments for long-term debt, including unamortized premiums, are as follows (in thousands):

	Loans		Serial Bonds			Leases/ Subscriptions	
	Principal	Interest	Principal	Unamortized Premium	Interest	Principal	Interest
Years ending March 31,							
2025	$ 1,583	$ 226	$ 12,950	$ 1,162	$ 4,457	$ 371	$ 57
2026	685	183	8,235	1,046	3,933	381	40
2027	257	160	8,450	937	3,518	52	25
2028	278	139	8,870	832	3,093	42	23
2029	300	117	9,315	722	2,646	45	22
2030-2034	4,724	207	20,920	-	8,268	278	80
2035-2039	-	-	19,500	-	3,659	358	23
2040	-	-	4,505	-	113	-	-
	$ 7,827	$ 1,032	$ 92,745	$ 4,699	$ 29,687	$ 1,527	$ 270

At March 31, 2024 and 2023, the Authority was in compliance with all loan and bond covenants.

(6) Passenger Facility Charges

In 1992, the FAA approved the Authority's application to impose collection of Passenger Facility Charges (PFC) at the BNIA, and in 2018, the FAA approved collection of such charges at NFIA. PFCs, which are restricted for certain FAA-approved projects at the BNIA and NFIA, are included in non-operating revenues and totaled $9,561,000 and $8,714,000 for the years ended March 31, 2024 and 2023, respectively.

(7) Government Assistance

Operations are subsidized by payments from the FTA under Sections 5307 and 5311 of the Urban Mass Transportation Administration (UMTA) Act; the State and Erie and Niagara Counties (pursuant to State transportation laws); and the Buffalo & Fort Erie Public Bridge Authority. Assistance recognized as revenue for the year ended March 31, 2024 and 2023 was as follows (in thousands):

	2024	2023
Metro:		
FTA:		
Sections 5307 and 5311 assistance	$ 19,470	$ 19,088
CRSSA and ARP Acts	-	596
Total Federal	19,470	19,684
State:		
Statewide transit operating assistance program	74,000	64,066
Section 18b assistance	4,100	4,100
Section 5307 capital maintenance match	2,424	2,376
Total State	80,524	70,542
Erie County:		
Mortgage recording tax (section 88a)	9,244	11,810
Section 18b matching funds	3,657	3,657
Sales tax receipts	27,000	26,840
Total Erie County	39,901	42,307
Niagara County:		
Mortgage recording tax	2,047	2,016
Section 18b matching funds	443	443
Total Niagara County	2,490	2,459
Buffalo and Fort Erie Public Bridge Authority	200	200
	142,585	135,192
NFTA:		
Other	573	559
	$ 143,158	$ 135,751

(8) Pensions

(a) New York State Retirement System

The Authority participates in ERS and PFRS (the Systems), which are cost-sharing, multiple-employer, public employee retirement systems that provide retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law (NYSRSSL) governs obligations of employers and employees to contribute and provide benefits to employees. The benefits to employees are guaranteed under the State constitution. The Authority's election to participate in the State plans is irrevocable.

As set forth in NYSRSSL, the Comptroller of the State (the Comptroller) serves as sole trustee and administrative head of the Systems. The Comptroller adopts and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of its funds. The Systems issue publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: The Systems provide retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution requirements: No employee contributions are required for those whose service began prior to July 27, 1976. The Systems require employee contributions of 3% of salary for the first 10 years of service for those employees who joined the Systems on or after July 27, 1976 through December 31, 2009. Participants whose service began on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of their salary for the entire length of service. Employees who joined on or after April 1, 2012 contribute based on annual wages at a rate of 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Authority to the pension accumulation fund. For payments made in fiscal year 2024, rates ranged from 9.5% - 19.9% for ERS (8.2% - 17.5% for 2023) and 9.9% - 31.4% for PFRS (9.6% - 29.9% for 2023).

The Authority participates in the New York State Pension Contribution Stabilization Program (the Program), an optional program which establishes a graded contribution rate system that enables the Authority to pay a portion of its annual contributions over time and more accurately predict pension costs. At March 31, 2024 and 2023, $247,000 and $1,656,000 is due to the Systems pursuant to the Authority's participation in the Program which is included in other noncurrent liabilities in the accompanying balance sheets.

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

At March 31, 2024, the Authority reported liabilities of $18,064,000 and $17,679,000 for its proportionate shares of the ERS and PFRS net pension positions, respectively. At March 31, 2023, the Authority reported an asset of $6,558,000 and a liability of $1,698,000 for its proportionate shares of the ERS and PFRS net pension positions, respectively.

The total pension liability at the March 31, 2023 measurement date was determined by an actuarial valuation as of April 1, 2022, with update procedures applied to roll forward the total pension liability to March 31, 2023 (measurement date of March 31, 2022 with an actuarial valuation as of April 1, 2021 for the March 31, 2023 net pension position). The Authority's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's and PFRS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2023 measurement date, the Authority's proportion was 0.0842365% for ERS and 0.3208288% for PFRS, increases of 0.0040144 and 0.0219894 from their respective proportions measured as of March 31, 2022.

For the years ended March 31, 2024 and 2023, the Authority recognized related pension expense of $11,695,409 and $1,766,000, respectively, and reported deferred outflows and deferred inflows of resources as follows (in thousands):

	2024			
	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,924	$ (507)	$ 1,728	$ -
Changes of assumptions	8,773	(97)	8,615	-
Net difference between projected and actual earnings on pension plan investments	-	(106)	31	-
Changes in proportion and differences between Authority contributions and proportionate share of contributions	1,067	(339)	566	(1,895)
Authority contributions subsequent to the measurement date	3,662	-	2,805	-
	$ 15,426	$ (1,049)	$ 13,745	$ (1,895)

	2023			
	ERS		PFRS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 497	$ (644)	$ 915	$ -
Changes of assumptions	10,945	(185)	10,160	-
Net difference between projected and actual earnings on pension plan investments	-	(21,474)	-	(14,264)
Changes in proportion and differences between Authority contributions and proportionate share of contributions	901	(499)	448	(1,794)
Authority contributions subsequent to the measurement date	3,174	-	2,729	-
	$ 15,517	$ (22,802)	$ 14,252	$ (16,058)

Authority contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Years Ending March 31,	ERS	PFRS
2025	$ 2,588	$ 1,570
2026	(773)	(728)
2027	3,862	4,993
2028	5,038	3,001
2029	-	209
	$ 10,715	$ 9,045

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2022 valuation, with update procedures used to roll forward the total pension liability to March 31, 2023, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation - 2.9% (2.7% for 2023)
Salary increases - 4.4% (ERS), 6.2% (PFRS)
Cost of living adjustments - 1.5% annually (1.4% for 2023)
Investment rate of return - 5.9% compounded annually, net of investment expense, including inflation
Mortality - Society of Actuaries' Scale MP-2021 (Scale MP-2020 for 2023)
Discount rate - 5.9%

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.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and the Systems' target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	32%	4.3%
International equities	15%	6.9%
Private equities	10%	7.5%
Real estate equities	9%	4.6%
Domestic fixed income securities	23%	1.5%
Short-term	1%	-
Other	10%	5.4%-5.8%
	100%	

Discount Rate

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

The following presents the Authority's proportionate share of its net pension asset (liability) for ERS and PFRS as of March 31, 2024 calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% lower and 1% higher (in thousands):

	1.0% Lower Discount Rate (4.9%)	Current Discount Rate (5.9%)	1.0% Higher Discount Rate (6.9%)
Authority's proportionate share of the ERS net pension asset (liability)	$ (43,652)	$ (18,064)	$ 3,318
Authority's proportionate share of the PFRS net pension asset (liability)	$ (36,853)	$ (17,679)	$ (1,802)

(b) Niagara Frontier Transit Metro System, Inc. Retirement Plan

The Metro Plan is a single employer defined benefit pension plan covering certain full-time non-union employees previously employed by Metro. Participation in the Metro Plan was frozen effective January 1, 1998.

Benefits: The Metro Plan provides for retirement and death benefits for eligible members. In general, retirement benefits are determined based on an employee's individual circumstances based on age, years of credited service, and compensation.

Employees Covered by Benefit Terms: At the March 31, 2023 measurement date, the following employees were covered by the Metro Plan:

Retirees	40
Beneficiaries	10
Terminated vested	14
	64

Contribution requirements: The Authority pays the full cost of all benefits provided under the Metro Plan. The Authority's policy is to fund the minimum recommended contribution as actuarially determined annually. No contributions were required for 2024 and 2023.

Net Pension Asset (Liability)

The net pension asset as of March 31, 2024 was measured as of March 31, 2023 (measured as of March 31, 2022 for March 31, 2023) based on an actuarial valuation as of the same date. Actuarial assumptions applied to all periods included in the measurement are as follows:

Actuarial Cost Method - Entry Age Normal
Mortality - Generational PUB-2010 Mortality Table for General Employees (Amount Weighted Version) projected using Scale MP-2021
Rate of Return on Plan Assets - 6.5%
Discount Rate - The Plan's fiduciary net position is projected to be available to meet all projected future benefit payments resulting in a single discount rate of 6.5%
Assumed Retirement Age - Age first eligible for unreduced benefits

Changes in the Net Pension Asset (Liability) (in thousands)

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)
Balances at March 31, 2022	$ (3,241)	$ 4,203	$ 962
Changes for the year:			
Interest	(198)	-	(198)
Differences between expected and actual experience	44	-	44
Changes of assumptions	(8)	-	(8)
Employer contributions	-	-	-
Net investment income	-	517	517
Benefit payments	379	(379)	-
Administrative expense	-	(7)	(7)
Net changes	217	131	348
Balances at March 31, 2023	$ (3,024)	$ 4,334	$ 1,310
Changes for the year:			
Interest	(185)	-	(185)
Differences between expected and actual experience	31	-	31
Changes of assumptions	-	-	-
Employer contributions	-	-	-
Net investment loss	-	(344)	(344)
Benefit payments	348	(348)	-
Administrative expense	-	(7)	(7)
Net changes	194	(699)	(505)
Balances at March 31, 2024	$ (2,830)	$ 3,635	$ 805

The following presents the Authority's Metro Plan net pension asset (liability) as of March 31, 2024, calculated using the discount rate of 6.5% and the impact of using a discount rate that is 1% lower and 1% higher (in thousands):

	1.0% Lower Discount Rate (5.5%)	Current Discount Rate (6.5%)	1.0% Higher Discount Rate (7.5%)
Authority's Metro Plan net pension asset (liability)	$ 629	$ 805	$ 962

(c) Amalgamated Transit Union Division 1342 Niagara Frontier Transport System Pension Fund

All full-time Metro employees who are ATU members are covered by the Amalgamated Transit Union Division 1342 Niagara Frontier Transit System Pension Fund (the ATU Plan), a defined benefit pension plan established in accordance with an Agreement and Declaration of Trust between the ATU and Metro (the Agreement). Pursuant to the ATU Union Contract, a portion of part-time employee compensation is also contributed by Metro to the ATU Plan, although part-time employees do not participate in or benefit from the ATU Plan.

The ATU Plan is managed by four trustees: two union representatives and two management representatives. These trustees are responsible for management of investments and payments to retirees. The ATU Plan issues a publicly available financial report that includes financial statements and notes. That report may be obtained by writing to Amalgamated Transit Union Local 1342, 196 Orchard Park Road, West Seneca, New York 14224.

Funding Requirement

On a weekly basis, each eligible employee is required to contribute the greater of sixteen dollars or 5% of payroll. Metro's contribution is 11% of eligible employee wages and is determined pursuant to the collective bargaining agreement (CBA) between Metro and the ATU. Metro's contributions to the Plan recorded on the statement of revenues, expenses and changes in net position, pursuant to the CBA, totaled $6,445,000 and $6,279,000 for 2024 and 2023. The Agreement provides that Metro is not obligated to make any other payment to fund the benefits or to meet any expenses of administration and, in the event of termination, Metro will have no obligation for further contributions to the ATU Plan. Therefore, net pension assets and liabilities of the ATU plan are not recorded by the Authority.

(d) Postretirement Medical Premium Stipend Plan

The Authority's Metro retirees are provided with a monthly stipend (Stipend Plan) representing the insurance premium amount of single medical coverage if they retired prior to January 1, 2004. If they retired subsequent to January 1, 2004, Metro retirees are provided with continuation of full medical coverage as described in Note 9.

As of March 31, 2024, there are 89 retirees within Metro who retired prior to January 1, 2004. Monthly, each retiree is provided with a cash stipend equivalent to the single medical premium cost or, if enrolled in Medicare, the retiree is provided with an amount equal to the Medicare Part B premium and an additional amount ranging from $932 to $1,102. The retiree has the option of any combination of cash stipend and/or health insurance continuation.

The Authority's annual pension cost and net pension obligation as of March 31, 2024 and 2023 related to the Stipend Plan was (in thousands):

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2022	$ (12,108)	$ -	$ (12,108)
Changes for the year:			
Interest	(325)	-	(325)
Differences between expected and actual experience	528	-	528
Changes of assumptions	657	-	657
Benefit payments	1,257	-	1,257
Net changes	2,117	-	2,117
Balances at March 31, 2023	$ (9,991)	$ -	$ (9,991)
Changes for the year:			
Interest	(357)	-	(357)
Differences between expected and actual experience	-	-	-
Changes of assumptions	109	-	109
Benefit payments	1,106	-	1,106
Net changes	858	-	858
Balances at March 31, 2024	$ (9,133)	$ -	$ (9,133)

The net pension liability was measured as of March 31, 2024 based on an actuarial valuation as of the same date (measurement date of March 31, 2023 for the March 31, 2023 net pension liability). Actuarial methods and assumptions applied to all periods included in the measurement are as follows:

Healthcare Cost Trend – 5.6% (5.8% for 2023), ultimately declining to 3.94% in 2075
Actuarial Cost Method – Projected Unit Credit
Discount Rate – 3.96% (3.78% for 2023)
Mortality – Generational PUB-2010 Mortality Table for General Employees projected using Scale MP-2021
Inflation Rate – 2.5%

The following presents the Authority's Stipend Plan net pension liability as of March 31, 2024 calculated using the discount rate of 3.96% and the impact of using a discount rate that is 1% lower and 1% higher (in thousands):

	1.0% Lower Discount Rate (2.96%)	Current Discount Rate (3.96%)	1.0% Higher Discount Rate (4.96%)
Authority's Stipend Plan net pension liability	$ (9,776)	$ (9,133)	$ (8,566)

(9) OPEB

The Authority provides a defined benefit postemployment health care plan (the Plan) for essentially all full-time employees with a minimum of ten years of service upon retirement. Upon retirement, most Authority employees are provided a portion of medical coverage while certain employees hired prior to February 2004 are provided with continuation of full medical coverage.

At the actuarial valuation date of March 31, 2022, employees covered by the Plan include:

Active employees	1,418
Inactive employees or beneficiaries currently receiving benefits	1,167
Inactive employees entitled to but not yet receiving benefits	-
	2,585

Total OPEB Liability

The total OPEB liability of $458,809,000 and $502,015,000 was measured as of March 31, 2023 and March 31, 2022, respectively, determined by an actuarial valuation as of March 31, 2022. The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Healthcare cost trend rates – based on the Society of Actuaries Long-Term Healthcare Cost Trend Model, initially 7.5%, then decreasing slowly to an ultimate rate of 3.94% after 2075
Salary increases – 0.8%-12.4%
Mortality - Generational PUB-2010 Mortality Table for General Employees projected using Scale MP-2021
Discount rate – 3.78% based on the General Obligation 20-Year Bond rate (2.83% for 2023)
Inflation rate – 2.5%

Changes in the Total OPEB Liability (in thousands)

	Total OPEB Liability
Balance at March 31, 2022	$ (593,828)
Changes for the year:	
Service cost	(32,248)
Interest	(13,294)
Differences between expected and actual experience	73,302
Changes of assumptions or other inputs	47,742
Benefit payments	16,311
Net changes	91,813
Balance at March 31, 2023	$ (502,015)
Changes for the year:	
Service cost	(23,165)
Interest	(13,978)
Differences between expected and actual experience	-
Changes of assumptions or other inputs	64,178
Benefit payments	16,171
Net changes	43,206
Balance at March 31, 2024	$ (458,809)

The following presents the sensitivity of the Authority's total OPEB liability to changes in the discount rate, including what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1% higher or lower than the current discount rate (in thousands):

	1.0% Lower Discount Rate (2.78%)	Current Discount Rate (3.78%)	1.0% Higher Discount Rate (4.78%)
Total OPEB liability	$ (526,723)	$ (458,809)	$ (403,152)

The following presents the sensitivity of the Authority's total OPEB liability to changes in the healthcare cost trend rates, including what the Authority's total OPEB liability would be if it were calculated using trend rates that are 1% higher or lower than the current healthcare cost trend rates (in thousands):

	1.0% Lower (6.5%-2.94%)	Current Rate (7.5%-3.94%)	1.0% Higher (8.5%-4.94%)
Total OPEB liability	$ (392,386)	$ (458,809)	$ (542,563)

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

For the years ended March 31, 2024 and 2023, the Authority recognized OPEB expense of $9,065,000 and $26,634,000, respectively, and reported deferred outflows and deferred inflows of resources as follows (in thousands):

	2024		2023	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (100,262)	$ -	$ (126,701)
Changes of assumptions	40,966	(89,111)	55,317	(40,922)
Change in proportion	11,313	(11,313)	14,203	(14,203)
Benefits paid subsequent to the measurement date	10,161	-	11,336	-
	$ 62,440	$ (200,686)	$ 80,856	$ (181,826)

Benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

Years Ending March 31,	
2025	$ (28,078)
2026	(30,285)
2027	(30,635)
2028	(23,780)
2029	(26,460)
2030	(9,169)
	$ (148,407)

(10) Commitments and Contingencies

(a) Litigation and Claims

In the normal course of business, it is not uncommon for the Authority to incur litigation surrounding certain events. There are outstanding lawsuits involving substantial amounts that have been filed against the Authority. Based on the facts presently known, management and in-house legal counsel do not expect these matters to have a material adverse effect on the Authority's financial condition or results of operations.

(b) Self-Insured Claims

The Authority assumes the liability for most risks including, but not limited to, workers' compensation, health, property damage, environmental claims, and personal injury claims. The Authority has excess insurance from commercial carriers to cover claims in excess of $1,250,000 per occurrence for workers compensation claims and limits ranging from $50,000 to $5,000,000 depending on the type of claim for other self-insured claims. Estimated liabilities for claims not covered by insurance have been reflected in the financial statements when it is probable that a loss has occurred and the amount can be reasonably estimated. Workers' compensation liabilities are estimated based on an actuarial valuation dated April 11, 2024. Other self-insured liabilities are estimated by the Authority based on available information. Management believes the estimated liabilities are reasonable based upon historical experience and the opinions of internal risk management administrators and legal counsel.

Changes in the reported liability claims for the year ended March 31, 2024 and 2023 are as follows (in thousands):

	2024	2023
Liability, beginning of year	$ 35,580	$ 40,140
Current year claims and change in estimates	4,041	3,616
Claim payments	(7,127)	(8,176)
Liability, end of year	$ 32,494	$ 35,580

(c) Project Commitments

As of March 31, 2024, the Authority has commenced several projects including:

- BNIA runways 5/23 Reconstruction-Design/Construction estimated at $92,242,000 of which $36,308,000 was expended to date
- BNIA Passenger Boarding Bridge Replacement estimated at $19,521,000 of which $1,044,000 was expended to date
- BNIA Terminal HVAC Replacement estimated at $74,204,000 of which $867,000 was expended to date
- NFIA airfield illuminated signage estimated at $5,330,000 of which $205,000 was expended to date
- Track bed replacement Mohawk-Eagle Design and Construction estimated at $29,195,000 of which $9,239,000 was expended to date
- Metro DL&W Terminal Design/Construction estimated at $60,253,000 of which $48,231,000 was expended to date
- Metro Electric Bus Infrastructure estimated at $18,995,000 of which $11,331,000 was expended to date

- Metro (Bus and Rail) fare collection upgrade estimated at $27,448,000 of which $24,073,000 was expended to date
- Metro Bailey Corridor Bus Rapid Transit (BRT) estimated at $105,743,000 of which $0 was expended to date
- Metro Amherst/Buffalo LRRT Extension estimated at $31,000,000 of which $8,782,000 was expended to date

Funding for these projects is provided by federal and state grant awards, Passenger Facility Charges, and other local/Authority revenue sources.

(11) Segment Information – Buffalo Niagara International Airport

BNIA is Western New York's primary passenger and cargo airport. In fiscal year 1991, the Authority began the Airport Improvement Program to build a new terminal building and provide improved facilities for BNIA passengers. The Authority issued Airport Revenue Bonds (Note 5) pursuant to a Master Resolution approved by the Board of Commissioners for the construction of BNIA. The Master Resolution contains certain compliance covenants including a requirement that net airport revenues be a minimum percentage of net debt service. The bonds are payable from and are secured by a lien on net revenues derived from the operations of BNIA. The bonds are special limited obligations of the Authority. They are neither general obligations of the Authority nor a debt of the State or any political subdivision.

(a) BNIA Condensed Balance Sheet (in thousands)

	2024	2023
Assets:		
Current and other	$ 152,400	$ 145,797
Capital assets, net	279,246	261,062
Total assets	431,646	406,859
Deferred outflows of resources	12,554	13,302
Total assets and deferred outflows of resources	$ 444,200	$ 420,161
Liabilities:		
Current liabilities	$ 19,875	$ 24,476
Long-term liabilities	119,569	122,276
Total liabilities	139,444	146,752
Deferred inflows of resources	16,744	35,414
Net position:		
Net investment in capital assets	178,378	146,388
Restricted	76,039	66,572
Unrestricted	33,595	25,035
Total net position	288,012	237,995
Total liabilities, deferred inflows of resources, and net position	$ 444,200	$ 420,161

(b) BNIA Condensed Statement of Revenues, Expenses and Changes in Net Position (in thousands)

	2024	2023
Operating revenues:		
Concessions and commissions	$ 33,378	$ 30,039
Rental income	13,261	12,635
Airport fees and services	20,639	20,380
Other operating revenues	4,713	4,924
Total operating revenues	71,991	67,978
Operating expenses	53,068	48,365
Depreciation and amortization expense	18,381	19,006
Operating income	542	607
Non-operating revenues (expenses):		
Passenger facility charges	9,300	7,647
Interest income (expense), net	96	(1,895)
Other non-operating revenues (expenses), net	84	(1,391)
Operating transfers	(2,921)	-
Total non-operating net revenues (expenses)	6,559	4,361
Change in net position before capital contributions	7,101	4,968
Capital contributions	42,916	16,409
Change in net position	50,017	21,377
Net position – beginning of year	237,995	216,618
Net position – end of year	$ 288,012	$ 237,995

(c) BNIA Condensed Statement of Cash Flows (in thousands)

	2024	2023
Net operating activities	$ 22,560	$ 25,821
Net investing activities	2,259	(14,001)
Net capital and related financing activities	(5,456)	(1,228)
Net change in cash	19,363	10,592
Cash, beginning of year	64,767	54,175
Cash, end of year	$ 84,130	$ 64,767

(d) Master Resolution Covenant

As required by the Master Resolution authorizing the issuance of airport revenue bonds, the Authority charges rates, rentals, and fees at the BNIA which are sufficient to pay debt service, operating expenses, and any and all other claims and charges relating to the BNIA. In addition, net airport revenues must at all times be at least 125% of the maximum net debt service on all bonds outstanding. The Authority has the ability to bill the airlines to meet the bond covenant pursuant to the Airline Use and Lease Agreement. In lieu of billing the airlines to meet the covenant, BNIA utilized CRRSA and ARP Acts funding to make 2024 and 2023 principal and interest payments.

Airport revenues are defined in the Master Resolution as the total of all revenue from all sources collected by the Authority at the BNIA, which specifically excludes passenger facility charges and includes interest income. Passenger facility charges are not pledged as security for the Airport Revenue Bonds. Operating expenses are defined as all costs to operate and maintain the BNIA including general, administrative, and professional fee expenses allocated by the Authority. Debt service is defined as the total amount required to pay the maximum current or future year principal and interest, net of amounts available for the payment of interest as defined by the Master Resolution (in thousands).

	2024	2023
Airport revenues:		
Operating revenues	$ 71,991	$ 67,978
Interest income	3,321	1,701
Gross airport revenues	75,312	69,679
Operating expenses, excluding depreciation and amortization	(53,068)	(48,365)
Net airport revenues	22,244	21,314
Net debt service:		
Principal payments	12,370	11,980
Interest payments	5,118	5,692
Passenger facility charges	-	-
CRRSA and ARP Acts grant funds	(9,057)	(7,369)
Net debt service	$ 8,431	$ 10,303
Debt service coverage percentage	263.84%	206.87%
Minimum percentage requirement	125.00%	125.00%

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Position
New York State and Local Retirement System (In thousands)

As of the measurement date of March 31,	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS									
Authority's proportion of the net pension position	0.0842365%	0.0802221%	0.0828520%	0.0863638%	0.0888401%	0.0867945%	0.0853631%	0.0878622%	0.0881407%
Authority's proportionate share of the net pension asset (liability)	$ (18,064)	$ 6,558	$ (82)	$ (22,870)	$ (6,295)	$ (2,801)	$ (8,021)	$ (14,102)	$ (2,978)
Authority's covered payroll	$ 28,970	$ 26,998	$ 27,580	$ 26,974	$ 26,427	$ 25,420	$ 24,628	$ 24,187	$ 24,546
Authority's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(62.35%)	24.29%	(0.30%)	(84.79%)	(23.82%)	(11.02%)	(32.57%)	(58.30%)	(12.13%)
Plan fiduciary net position as a percentage of the total pension liability	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%
PFRS									
Authority's proportion of the net pension position	0.3208288%	0.2988394%	0.3121219%	0.2849842%	0.2973909%	0.2872086%	0.2760008%	0.2766259%	0.2697875%
Authority's proportionate share of the net pension asset (liability)	$ (17,679)	$ (1,698)	$ (5,419)	$ (15,232)	$ (4,987)	$ (2,903)	$ (5,720)	$ (8,190)	$ (742)
Authority's covered payroll	$ 10,684	$ 9,689	$ 10,089	$ 9,600	$ 9,723	$ 9,311	$ 9,078	$ 9,675	$ 9,124
Authority's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(165.47%)	(17.53%)	(53.71%)	(158.67%)	(51.29%)	(31.18%)	(63.01%)	(84.65%)	(8.13%)
Plan fiduciary net position as a percentage of the total pension liability	87.43%	98.66%	95.79%	84.86%	95.09%	96.93%	93.50%	90.20%	99.00%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases - ERS	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Salary increases - PFRS	6.2%	6.2%	6.2%	5.0%	5.0%	4.5%	4.5%	4.5%	6.0%
Cost of living adjustments	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

Data prior to 2015 is unavailable.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Required Supplementary Information (Unaudited)
Schedule of Authority Contributions
New York State and Local Retirement System (In thousands)

For the years ended March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
ERS										
Contractually required contribution	$ 3,662	$ 3,174	$ 4,144	$ 3,833	$ 3,718	$ 3,739	$ 3,729	$ 3,787	$ 4,291	$ 4,855
Contribution in relation to the contractually required contribution	(3,662)	(3,174)	(4,144)	(3,833)	(3,718)	(3,739)	(3,729)	(3,787)	(4,291)	(4,855)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 29,905	$ 28,970	$ 26,998	$ 27,580	$ 26,974	$ 26,427	$ 25,420	$ 24,628	$ 24,187	$ 24,546
Contributions as a percentage of covered payroll	12.25%	10.96%	15.35%	13.90%	13.78%	14.15%	14.67%	15.38%	17.74%	19.78%
PFRS										
Contractually required contribution	$ 2,805	$ 2,729	$ 2,551	$ 2,268	$ 2,095	$ 2,123	$ 2,137	$ 2,115	$ 1,962	$ 2,394
Contribution in relation to the contractually required contribution	(2,805)	(2,729)	(2,551)	(2,268)	(2,095)	(2,123)	(2,137)	(2,115)	(1,962)	(2,394)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	$ 10,656	$ 10,684	$ 9,689	$ 10,089	$ 9,600	$ 9,723	$ 9,311	$ 9,078	$ 9,675	$ 9,124
Contributions as a percentage of covered payroll	26.32%	25.54%	26.33%	22.48%	21.82%	21.83%	22.95%	23.30%	20.28%	26.24%

Required Supplementary Information (Unaudited)
Schedule of Total Pension Liability
Postretirement Medical Premium Stipend Plan (In thousands)

March 31,	2024	2023	2022	2021	2020	2019	2018	2017
Total pension liability								
Interest	$ (357)	$ (325)	$ (314)	$ (386)	$ (553)	$ (653)	$ (722)	$ (922)
Differences between expected and actual experience	-	528	832	519	604	909	(219)	1,661
Changes of assumptions	109	657	504	89	(1,063)	(61)	(366)	(1,055)
Benefit payments	1,106	1,257	1,412	1,569	1,685	1,824	1,995	2,118
	858	2,117	2,434	1,791	673	2,019	688	1,802
Total pension liability - beginning	(9,991)	(12,108)	(14,542)	(16,333)	(17,006)	(19,025)	(19,713)	(21,515)
Total pension liability - ending	$ (9,133)	$ (9,991)	$ (12,108)	$ (14,542)	$ (16,333)	$ (17,006)	$ (19,025)	$ (19,713)

The plan has no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 73.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	5.6% - 3.9%	5.8% - 3.9%	6.0% - 3.9%	5.1% - 4.0%	5.6% - 3.9%	5.9% - 4.9%	5.9% - 4.9%	5.9% - 4.9%
Inflation	2.5%	2.5%	2.5%	2.5%	3.0%	3.0%	3.0%	3.0%
Discount rate	3.96%	3.78%	2.83%	2.27%	2.48%	3.42%	3.61%	3.86%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2019	MP-2018	MP-2016	MP-2016

Data prior to 2017 is unavailable.

Required Supplementary Information (Unaudited)
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios (In thousands)

March 31,	2024	2023	2022	2021	2020	2019
Total OPEB liability - beginning	$ (502,015)	$ (593,828)	$ (547,417)	$ (564,836)	$ (531,756)	$ (486,984)
Changes for the year:						
Service cost	(23,165)	(32,248)	(29,484)	(26,857)	(25,662)	(23,590)
Interest	(13,978)	(13,294)	(13,387)	(19,055)	(18,944)	(18,267)
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	73,302	-	111,774	-	-
Changes of assumptions and other inputs	64,178	47,742	(18,766)	(63,790)	(2,443)	(15,451)
Benefit payments	16,171	16,311	15,226	15,347	13,969	12,536
Net change in total OPEB liability	43,206	91,813	(46,411)	17,419	(33,080)	(44,772)
Total OPEB liability - ending	$ (458,809)	$ (502,015)	$ (593,828)	$ (547,417)	$ (564,836)	$ (531,756)
Covered-employee payroll	$ 108,646	$ 103,448	$ 96,473	$ 92,325	$ 93,017	$ 93,017
Total OPEB liability as a percentage of covered-employee payroll	422%	485%	616%	593%	607%	572%

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The following is a summary of changes of assumptions:

Healthcare cost trend rates	7.5% - 3.9%	7.5% - 3.9%	5.2% - 4.0%	5.2% - 4.0%	14.9% - 3.9%	14.9% - 3.9%
Salary increases	0.8% - 12.4%	0.8% - 12.4%	3.8% - 4.5%	3.8% - 4.5%	3.8% - 4.5%	3.8% - 4.5%
Discount rate	3.78%	2.83%	2.27%	2.48%	3.42%	3.61%
Inflation	2.5%	2.5%	2.5%	2.5%	2.5%	2.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2016	MP-2016

Data prior to 2019 is unavailable.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Additional Information
Combining Balance Sheets (In thousands)

March 31,	2024			
	NFTA	BNIA	Metro	Total
Assets				
Current assets:				
Cash and cash equivalents	$ 4,256	$ 38,746	$ 101,883	$ 144,885
Investments	-	12,399	66,976	79,375
Accounts and other receivables	3,250	8,017	1,624	12,891
Grants receivable	2,818	4,127	28,436	35,381
Leases receivable	2,168	6,462	863	9,493
Due to/from affiliate	(20,147)	3,945	16,202	-
Materials and supplies inventory	-	-	6,166	6,166
Prepaid expenses and other	232	1,104	440	1,776
	(7,423)	74,800	222,590	289,967
Restricted assets:				
Cash and cash equivalents	8,827	45,384	22,895	77,106
Investments	-	30,655	8,387	39,042
	8,827	76,039	31,282	116,148
Leases receivable	21,275	1,561	2,938	25,774
Net pension assets	-	-	-	-
Capital assets, net	74,209	279,246	353,949	707,404
	95,484	280,807	356,887	733,178
Total assets	96,888	431,646	610,759	1,139,293
Deferred outflows of resources:				
Deferred outflows of resources related to pensions	10,786	10,769	7,616	29,171
Deferred outflows of resources related to OPEB	7,572	1,785	53,083	62,440
Total deferred outflows of resources	18,358	12,554	60,699	91,611
Total assets and deferred outflows of resources	$ 115,246	$ 444,200	$ 671,458	$ 1,230,904
Liabilities				
Current liabilities:				
Current portion of long-term debt	$ 410	$ 12,971	$ 1,523	$ 14,904
Accounts payable and accrued expenses	15,880	6,148	19,271	41,299
Other current liabilities	5,320	756	30,743	36,819
	21,610	19,875	51,537	93,022
Noncurrent liabilities:				
Long-term debt	2,744	87,897	1,253	91,894
Self-insured claims	2,803	1,878	27,813	32,494
Net pension liabilities	13,086	13,644	17,341	44,071
Total OPEB liability	69,464	16,150	373,195	458,809
Other noncurrent liabilities	247	-	-	247
	88,344	119,569	419,602	627,515
Total liabilities	109,954	139,444	471,139	720,537
Deferred inflows of resources:				
Deferred inflows of resources related to leases	22,149	7,706	4,164	34,019
Deferred inflows of resources related to pensions	581	1,286	1,077	2,944
Deferred inflows of resources related to OPEB	38,898	7,752	154,036	200,686
Total deferred inflows of resources	61,628	16,744	159,277	237,649
Net position:				
Net investment in capital assets	71,055	178,378	351,173	600,606
Restricted	8,827	76,039	31,282	116,148
Unrestricted (deficit)	(136,218)	33,595	(341,413)	(444,036)
Total net position (deficit)	(56,336)	288,012	41,042	272,718
Total liabilities, deferred inflows of resources, and net position	$ 115,246	$ 444,200	$ 671,458	$ 1,230,904

2023			
NFTA	BNIA	Metro	Total
$ 4,440	$ 28,383	$ 98,657	$ 131,480
-	11,803	64,138	75,941
3,596	12,075	1,664	17,335
2,713	2,120	33,033	37,866
2,327	6,844	90	9,261
(31,038)	8,294	22,744	-
-	-	5,616	5,616
410	180	1,158	1,748
(17,552)	69,699	227,100	279,247
7,777	36,384	20,117	64,278
-	30,188	8,000	38,188
7,777	66,572	28,117	102,466
23,163	8,011	28	31,202
3,336	1,515	3,017	7,868
73,710	261,062	310,698	645,470
100,209	270,588	313,743	684,540
90,434	406,859	568,960	1,066,253
11,060	10,988	7,721	29,769
9,841	2,314	68,701	80,856
20,901	13,302	76,422	110,625
$ 111,335	$ 420,161	$ 645,382	$ 1,176,878
$ 242	$ 12,390	$ 2,936	$ 15,568
11,279	10,097	18,858	40,234
5,236	1,989	28,142	35,367
16,757	24,476	49,936	91,169
2,723	102,284	2,776	107,783
3,806	1,448	30,326	35,580
438	873	10,378	11,689
76,005	17,671	408,339	502,015
1,656	-	-	1,656
84,628	122,276	451,819	658,723
101,385	146,752	501,755	749,892
24,792	14,317	287	39,396
14,774	13,892	10,194	38,860
38,276	7,205	136,345	181,826
77,842	35,414	146,826	260,082
70,745	146,388	304,986	522,119
7,777	66,572	28,117	102,466
(146,414)	25,035	(336,302)	(457,681)
(67,892)	237,995	(3,199)	166,904
$ 111,335	$ 420,161	$ 645,382	$ 1,176,878

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Additional Information
Combining Schedules of Revenues, Expenses and Changes in Net Position (In thousands)

For the years ended March 31, **2024**

	NFTA	BNIA	Metro	Total
Operating revenues:				
Fares	$ -	$ -	$ 27,693	$ 27,693
Concessions and commissions	1,227	33,378	-	34,605
Rental income	7,207	13,261	-	20,468
Airport fees and services	88	20,639	-	20,727
Other operating revenues	161	4,713	1,052	5,926
Total operating revenues	8,683	71,991	28,745	109,419
Operating expenses:				
Salaries and employee benefits	15,499	23,457	106,072	145,028
Other postemployment benefits	(1,300)	101	10,264	9,065
Depreciation and amortization	5,575	18,381	31,918	55,874
Maintenance and repairs	2,288	10,380	11,604	24,272
Transit fuel and power	-	-	3,903	3,903
Utilities	947	2,129	1,577	4,653
Insurance and injuries	598	1,115	6,172	7,885
Other	11,248	7,971	7,553	26,772
Administrative cost reallocation	(18,152)	7,915	10,237	-
Total operating expenses	16,703	71,449	189,300	277,452
Operating income (loss)	(8,020)	542	(160,555)	(168,033)
Non-operating revenues (expenses):				
Government assistance	573	-	142,585	143,158
Passenger facility charges	261	9,300	-	9,561
Interest income, net	963	96	6,191	7,250
Other non-operating revenues (expenses), net	8,322	(2,837)	(4,607)	878
Total non-operating net revenues	10,119	6,559	144,169	160,847
Change in net position before capital contributions	2,099	7,101	(16,386)	(7,186)
Capital contributions	9,457	42,916	60,627	113,000
Change in net position	11,556	50,017	44,241	105,814
Net position (deficit) - beginning of year	(67,892)	237,995	(3,199)	166,904
Net position (deficit) - end of year	$ (56,336)	$ 288,012	$ 41,042	$ 272,718

2023			
NFTA	BNIA	Metro	Total
$ -	$ -	$ 25,640	$ 25,640
1,203	30,039	-	31,242
7,163	12,635	-	19,798
90	20,380	-	20,470
178	4,924	1,213	6,315
8,634	67,978	26,853	103,465
9,786	20,443	95,357	125,586
1,361	719	24,554	26,634
5,476	19,006	29,447	53,929
2,306	10,237	10,430	22,973
-	-	4,961	4,961
1,195	2,526	1,936	5,657
725	642	4,333	5,700
8,240	7,199	6,244	21,683
(15,134)	6,599	8,535	-
13,955	67,371	185,797	267,123
(5,321)	607	(158,944)	(163,658)
559	-	135,192	135,751
1,067	7,647	-	8,714
1,015	(1,895)	1,274	394
4,853	(1,391)	(2,155)	1,307
7,494	4,361	134,311	146,166
2,173	4,968	(24,633)	(17,492)
6,036	16,409	34,786	57,231
8,209	21,377	10,153	39,739
(76,101)	216,618	(13,352)	127,165
$ (67,892)	$ 237,995	$ (3,199)	$ 166,904

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Additional Information
Buffalo Niagara International Airport - Restricted Assets (In thousands)

For the years ended March 31,	2024	2023
Cash and cash equivalents:		
Passenger facility charges	$ 17,679	$ 8,363
Operations and maintenance reserve	2,003	2,001
Aviation reserve	2,865	2,812
Debt service reserve	20,935	21,351
Construction fund	45	45
Operating reserve	1,857	1,812
	45,384	36,384
Investments:		
Passenger facility charges	18,735	18,036
Revenue bond reserve	3,642	4,215
Repairs and replacement reserve	750	750
Operating reserve	7,528	7,187
	30,655	30,188
Total restricted assets	$ 76,039	$ 66,572

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Schedule of Expenditures of Federal Awards

For the year ended March 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Transportation			
Federal Transit Cluster:			
Federal Transit Capital Investment Grants	20.500	NY-04-0099	$ 4,631
		NY-2019-027-00	228,002
			232,633
Federal Transit Formula Grants	20.507	NY-2023-003-02	3,458,071
		NY-2023-051-01	16,975,132
		NY-2021-051	46,560
		NY-2022-072	168,670
			20,648,433
State of Good Repair Grants Program	20.525	NY-2023-004-02	676,424
		NY-2023-047-01	2,413,940
			3,090,364
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	NY-2020-076-00	44,824
		NY-2021-050-00	1,554,553
		NY-2023-002-01	1,210,939
		NY-2023-048-01	4,200,000
		NY-2023-048-02	644,000
			7,654,316
Total Federal Transit Cluster			31,625,746
Passed through New York State Department of Transportation			
Metropolitan Transportation Planning and State and Non-Metropolitan Planning and Research	20.505	NY-80-X029	6,073
		NY-80-X031	47,317
		NY-80-X032	151,162
		NY-80-X033	173,177
			377,729
Passed through New York State Department of Transportation			
Highway Research and Development Program	20.200	FHWA-PL	5,218,327

See accompanying notes to schedule of expenditures of federal awards.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Schedule of Expenditures of Federal Awards (continued)

For the year ended March 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Grant Number	Federal Expenditures	
U.S. Department of Transportation (Continued)				
Passed through New York State Department of Transportation				
Highway Planning and Construction	20.205	FHWA-PL	2,038,178	
		PH21.01.881	14,952	
		PH24.01.881	2,135,030	
		5825.73.121	181,818	
		5825.75.121	85,726	
			4,455,704	
Airport Improvement Program, COVID-19 Airports Programs,				
and Infrastructure Investment and Jobs Act Programs	20.106	3-36-0009-111-2022	11,471,883	
		3-36-0009-112-2022	12,083,564	
		3-36-0009-113-2022	3,442,302	
		3-36-0009-114-2022	604	
		3-36-0009-115-2023	603,682	
		3-36-0009-116-2023	72,434	
		3-36-0009-117-2023	120,329	
		3-36-0009-118-2023	23,175	
		3-36-0009-119-2024	1,652,224	
		3-36-0009-120-2024	645,271	
		3-36-0086-048-2018	17,687	
		3-36-0086-049-2018	8,404	
		3-36-0086-058-2023	40,420	
		3-36-0086-059-2023	152,386	
		3-36-0086-060-2023	42,838	
		3-36-0086-061-2023	128,570	
		Unassigned	444,865	
			30,950,638	[1]
COVID-19 - Airport Improvement Program, COVID-19 Airports				
Programs, and Infrastructure Investment and Jobs Act Programs	20.106	3-36-0009-108-2021	500,000	
		3-36-0086-055-2021	500,000	
		3-36-0009-109-2022	9,056,904	
		3-36-0086-056-2022	265,800	
			10,322,704	[1]
Community Project Funding Congressionally Directed Spending	20.534	NY-2023-050-01	1,760,000	
Total U.S. Department of Transportation			84,710,848	

See accompanying notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (continued)

For the year ended March 31, 2024

Federal Grantor / Pass-Through Grantor / Program Title	Assistance Listing Number	Grant Number	Federal Expenditures
U.S. Department of Justice			
Public Safety Partnership and Community Policing Grants	16.710	15JCOPS-22-GG-04561	35,268
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Unassigned	130,224
Total U.S. Department of Justice			165,492
U.S. Department of Homeland Security			
Law Enforcement Officer Reimbursement Agreement Program	97.090	70T02021T6114N070	131,487
		70T02021T6114N212	22,580
			154,067
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	720677	636,658
Passed through New York State Division of Homeland Security and Emergency Services			
COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	2565	766,425
	97.036	3077	263,009
			1,666,092
National Explosives Detection Canine Team Program	97.072	70T02020T9NNCP412	202,000
		70T02020T9NNCP457	151,500
			353,500
Rail and Transit Security Grant Program	97.075	EMW-2021-RA-00020	70,801
Total U.S. Department of Homeland Security			2,244,460
U.S. Environmental Protection Agency			
Climate Pollution Reduction Grants	66.046	96221923	28,073
Total Expenditures of Federal Awards			$ 87,148,873

[1] *Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs - $41,273,342*

See accompanying notes to schedule of expenditures of federal awards.

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of the federal awards programs administered by Niagara Frontier Transportation Authority (the Authority), an entity described in Note 1 to the Authority's financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the SEFA.

In accordance with agreements between the Authority and the New York State Department of Transportation, the Authority functions as the "host agency" for the Greater Buffalo Niagara Regional Transportation Council (GBNRTC), the designated Metropolitan Planning Organization (MPO) for the metro region including Erie and Niagara counties, and Niagara International Transportation Technology Coalition (NITTEC), a regional traffic operations center. As the host agency, the Authority provides certain grant administration and accounting functions to both organizations; consequently, reimbursement grants totaling $9,812,000 administered on behalf of GBNRTC and NITTEC are included in the accompanying SEFA.

Basis of Accounting

The Authority uses the accrual basis of accounting for each federal program, consistent with the financial statements. The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial records are prepared from records maintained for each program, which are periodically reconciled with the Authority's financial reporting system.

Matching Costs

Matching costs, i.e., the Authority's share of certain program costs, are not included in the reported expenditures.

Indirect Costs

The Authority has not elected to use the 10% de minimis indirect cost rate allowed by the Uniform Guidance.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Commissioners
Niagara Frontier Transportation Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of and for the year ended March 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Lemieux & McCormick, LLP

June 26, 2024

Lumsden McCormick LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Commissioners
Niagara Frontier Transportation Authority

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended March 31, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

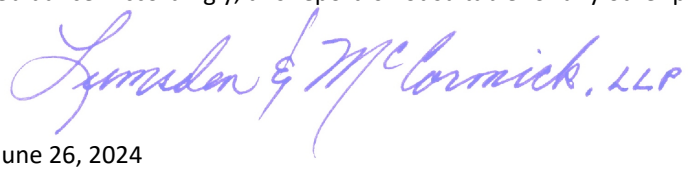
Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



June 26, 2024

NIAGARA FRONTIER TRANSPORTATION AUTHORITY
(A Component Unit of the State of New York)

Schedule of Findings and Questioned Costs

For the year ended March 31, 2024

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	*Unmodified*
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None reported
Type of auditors' report issued on compliance for major programs:	*Unmodified*
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	No

Identification of major programs:

Name of Federal Program or Cluster	Assistance Listing Number	Amount
Federal Transit Cluster:		
Federal Transit Capital Investment Grants	20.500	$ 232,633
Federal Transit Formula Grants	20.507	20,648,433
State of Good Repair Grants Program	20.525	3,090,364
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	20.526	7,654,316
		31,625,746
Highway Planning and Construction	20.205	4,455,704
Total		$ 36,081,450

Dollar threshold used to distinguish between type A and type B programs:	$2,614,466
Auditee qualified as low-risk auditee?	Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.