



Niagara Frontier Transportation Authority

EC LEG AUG 5 '21 AM11:06

August 2, 2021

Mr. Robert Graber  
Clerk  
Erie County Legislature  
92 Franklin Street  
Buffalo, New York 14202

**Re: NFTA Board Minutes**

Dear Mr. Graber:

Enclosed for your information and files please find a copy of the approved Minutes and Attendance from the Niagara Frontier Transportation Authority's Regular Board Meeting held on June 24, 2021.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jodie Zolnowski", written over a faint, larger version of the same signature.

Jodie Zolnowski  
Assistant to David J. State  
General Counsel

Enclosures



**NIAGARA FRONTIER TRANSPORTATION AUTHORITY  
NIAGARA FRONTIER TRANSIT METRO SYSTEM, INC.  
REGULAR BOARD MEETING  
JUNE 24, 2021 12:30 PM**

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**1. REGULAR BOARD MEETING - JUNE 24, 2021 - AGENDA**

In keeping with the guidance and directives of local, state, and national health authorities including the Centers for Disease Control relating to COVID-19 and pursuant to Executive Order No. 202.1, issued by Governor Andrew M. Cuomo, the Niagara Frontier Transportation Authority's (the "NFTA") Board of Commissioners meeting scheduled for June 24, 2021 at 12:30 p.m. will be held telephonically by conference call. Only the Executive Director, Chair (or Acting Chair), Commissioners of the NFTA, and essential staff of the NFTA will be permitted to be present in-person for the meeting. The public will have the ability to view and listen to the meeting by accessing the NFTA's website at [www.nfta.com](http://www.nfta.com). The meeting will be recorded and later transcribed.

- A. Call to Order
- B. Approval of Minutes
- C. Executive Director's Report

**2. NFTA CORPORATE REPORT**

- A. Audit, Governance and Finance Committee Report (Chair)
- B. Consolidated Financials (John Cox)
- C. Corporate Resolutions (Kim Minkel)
  - 1. Approval of Financial Statements for Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc. for Fiscal Year Ending March 31, 2021
  - 2. Authorization for Agreement, M&T Bank, Line of Credit, NFTA
  - 3. Authorization for Collective Bargaining Agreement, Teamsters 264T, NFTA
  - 4. Authorization for Agreement, Goetz Energy Corp., Procurement of Vehicle Fuels, NFTA
  - 5. Authorization for Agreement, Acuta Digital, Digital Support Services, NFTA
  - 6. Authorization for Agreement, EVERFL, Workplace Training Software, NFTA
  - 7. Authorization for Agreement, Pasich, LLP, Insurance Recovery, NFTA
  - 8. Authorization for Lease Agreement, Buffalo Broadcasters Association (BBA), 485 Cayuga Road, NFTA

**3. AVIATION BUSINESS GROUP REPORT**

- A. Aviation Committee Report (Adam Perry)
- B. Financial and Business Update (Bill Vanecek)
- C. Aviation Resolutions (Kim Minkel)

**4. SURFACE TRANSPORTATION BUSINESS GROUP REPORT**

- A. Surface Transportation Committee Report (Michael Hughes)
- B. Financial and Business Update (Tom George)
- C. Surface Transportation Resolution (Kim Minkel)
  - 1. Authorization for Agreement, Renovic, Inc. DBA Niagara Towing Equipment, Recovery Vehicle, Metro

**5. GENERAL COUNSEL REPORT (David State)**

**6. EXECUTIVE SESSION**

**7. ADJOURNMENT**

1. **CALL TO ORDER**

A. **Meeting Called to Order**

The Chair called the meeting to order at approximately 12:35 p.m.

B. **Approval of Attendance and Minutes of the NFTA Annual Board Meeting held on May 27, 2021**

It was moved by Commissioner Perry, seconded by Commissioner Baynes, that the Attendance and Minutes of the May 27, 2021 Annual Board Meeting of the Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc., be accepted and approved.

**AYES:**

**NOES:       NONE**

**ADOPTED**

**C. Executive Director Report:**

Executive Director Kimberley Minkel had a few items she wanted to share with the Board.

First, she reported that the written portion of the police exam took place the previous week (June 17<sup>th</sup> through June 19<sup>th</sup>). Over 600 applicants sat for the exam, down from 1,300 registered applicants.

The Executive Director noted included in this month's Administrative, Finance and Government (AGF) Report in the Government Affairs section, there is an update on potential federal infrastructure packages which continue to receive a lot of media interest. 2021 is also a year for the surface transportation reauthorization which the Niagara Frontier Transportation Authority (NFTA) is carefully monitoring. While there have been reports of the proposed to reconnect communities that were divided by highways, there is also considerable investments in transit. For example:

- For the past decade, federal transit investment has not kept up with inflation. The House of Representatives is proposing record investment in transit and we expect this sentiment to continue
- Push for investment that addresses climate change and scales up investment for zero-emission transit vehicles
- Funding that incentivizes Transit Oriented Development (TOD)
- Focus on transportation planning to promote mobility and job access and other essential services
- Streamline the Capital Investment Grant program to reduce red tape and improve project delivery

Ms. Minkel highlighted the Safety Report included in this month's AGF Report, which shows continual safety improvement with staff and operators continuing to put safety first: 20% reduction in recordable injuries, 39% reduction in lost time injuries and 18% decrease in days away. Claims are down as well.

The Executive Director noted Pat Dalton's Audit and Compliance report, included in this month's AGF Report, identifies several reports including the financial reports that need to be uploaded and certified in the Public Authorities Reporting Information System (PARIS). These will be complete by the June 30th deadline.

Finally, the Executive Director stated the Governor announced that the State of Emergency would not be extended and expires on June 24, 2021. This means that the Open Meeting Law will be in full force and in effect tomorrow on June 25, 2021. The July Board meeting will require an in-person meeting. Since it is the summer months however, the NFTA will have one combined committee meeting for July at 11:00 am (NOTE: changed to 10:30 am on 6/28/21) followed by the Board meeting at 12:30 pm. The NFTA does not have a Board Meeting during the month of August and will return to the full committee meeting schedule in September. The NFTA is trying to set up for the September meeting to be in our new conference space at the Buffalo Niagara International Airport (BNIA) so all Board members can tour the new space.

- 2. **NFTA CORPORATE REPORT**
- A. Audit, Governance and Finance Committee Report
- B. Consolidated Financial
- C. Corporate Resolutions

**PERFORMANCE REPORTS**

**JUNE 24, 2021**

**AUDIT, GOVERNANCE AND FINANCE COMMITTEE**

MAY 2021 NFTA/METRO PERFORMANCE (\$000's)

	BUDGET	ACTUAL	VARIANCE
<b>NET SURPLUS/(DEFICIT)</b>	(1,181)	1,563	2,745
Revenues and Operating Assistance		1,656	1,656
Expenses		(1,673)	(584)
Non-Operating/Capital			2,745
<b>OPER REVENUES &amp; ASST</b>	18,992	20,648	1,656
BNA Concessions/Commissions - higher parking lot/ramp and food/retail revenues due to higher than anticipated explanations		496	496
Erie County Sales Tax		281	281
Mortgage Tax		303	303
State - STOA - New York State enacted budget higher than Executive budget		317	317
All Other		259	259
<b>TOTAL OPER EXPENSES</b>	17,892	16,219	(1,673)
Personnel Services			
Metro - service modifications (budget reflects normal Buffalo Schools service), unanticipated vacancies and lower overtime and student operator labor		(1,221)	(1,221)
BNA - lower temporary help and unanticipated vacancies		(49)	(49)
Transportation Centers - lower overtime and temporary help at MTC		(39)	(39)
Central Admin - vacancies and lower safety, procurement and accounting overtime		(206)	(206)
All Other		(22)	(22)
Maintenance & Repairs			
Metro - lower revenue vehicle maintenance, facility and rail contract costs		(220)	(220)
BNA - higher facility maintenance costs and automotive expenses		69	69
All Other		(21)	(21)
36			36
All Other			(1,673)
<b>NON-OPERATING/CAPITAL</b>	(2,282)	(2,866)	(584)
Capital			
Metro		(57)	(57)
BNA		(410)	(410)
Central Admin		(103)	(103)
All Other		(6)	(6)
Non-Operating			
BNA Operating Expense Reserve			(8)
(584)			(584)



<b>MONTH ACTUAL TO BUDGET</b>			
	<b>May 2021</b>	<b>Actual</b>	<b>Variance</b>
	<b>May 2021</b>	<b>Budget</b>	<b>%</b>
<b>Operating Revenues</b>	6,335	7,114	12.3%
<b>Operating Assistance</b>	12,657	13,534	6.9%
<b>Total Oper. Revenues &amp; Assistance</b>	18,992	20,648	8.7%
<b>Personnel Services</b>	13,985	12,447	(11.0%)
<b>Maintenance &amp; Repairs</b>	1,564	1,392	(172)
<b>Transit Fuel/Power</b>	371	261	(110)
<b>Utilities</b>	358	421	63
<b>Insurance &amp; Injuries</b>	436	442	6
<b>Safety &amp; Security</b>	1,242	1,284	42
<b>General Business/Other</b>	2,607	2,603	(4)
<b>Other</b>	(2,671)	(2,631)	40
<b>Total Operating Expenses</b>	17,892	16,219	(1,673)
<b>Operating Income/(Loss)</b>	1,100	4,429	3,329
<b>Non-Operating/Capital</b>	(2,282)	(2,866)	(584)
<b>Net Surplus/(Deficit)</b>	(1,181)	1,563	2,745
			232.3%

(\$000 Omitted)

**NETA/METRO**  
**KEY ITEM REPORT**  
**MAY 2021**

NFTA/METRO YEAR TO DATE MAY 2021 PERFORMANCE (\$000's)

	BUDGET	ACTUAL	VARIANCE
<b>NET SURPLUS/(DEFICIT)</b>	<b>(1,492)</b>	<b>3,954</b>	<b>5,445</b>
Revenues and Operating Assistance			2,284
Expenses			3,787
Non-Operating/Capital			(625)
<b>OPER REVENUES &amp; ASST</b>	<b>38,462</b>	<b>40,745</b>	<b>2,284</b>
BNA Concessions/Commissions - higher parking lot/ramp and food/retail revenues due to higher than anticipated explanations			923
Erie County Sales Tax			294
Mortgage Tax			318
State - STOA - New York State enacted budget higher than Executive budget			633
All Other			115
<b>TOTAL OPERATING EXPENSES</b>	<b>35,427</b>	<b>31,640</b>	<b>(3,787)</b>
Personnel Services			(2,268)
Metro - service modifications (budget reflects normal Buffalo Schools service), unanticipated vacancies and lower overtime, instruction labor and student operator labor			(149)
BNA - lower temporary help and unanticipated vacancies			(72)
Transportation Centers - lower overtime and temporary help at MTC			(364)
Central Admin - vacancies and lower safety, procurement and accounting overtime			(44)
All Other			(459)
Maintenance & Repairs			(459)
Metro - lower revenue vehicle maintenance, facility and rail contract costs			(24)
NFTA - lower facility maintenance costs and materials/supplies/service expenses			(27)
Transportation Centers - lower materials/supplies/service costs at MTC and NFTA			(10)
All Other			(520)
Metro Transit Fuel/Power - lower diesel and CNG costs			(214)
General Business/Other			(322)
Metro - lower outside service costs, training and general office expenses			125
Central Admin - timing of MIS/technology expenses and contracts			(28)
All Other			(226)
All Other			70
<b>NON-OPERATING/CAPITAL</b>	<b>(4,526)</b>	<b>(5,151)</b>	<b>(625)</b>
Capital			(124)
Metro			(416)
BNA			(106)
Central Admin			(7)
All Other			(653)
Non-Operating			
BNA Operating Expense Reserve			28
			(625)

	May 2021	YTD Budget	May 2021	YTD Actual	Variance	%
NFTA	15	(540)	885	870		5656.8%
BNIA	85	(455)	85	85		15.7%
NFTA Property Development	222	(208)	226	4		42.2%
NFTA Total	(511)	(511)	535	1,047		204.7%
Metro	(980)	(980)	3,418	4,398		448.8%
NFTA/Metro	(1,492)	(1,492)	3,954	5,445		365.1%

(\$000 Omitted)

**NFTA/METRO  
BUSINESS CENTERS  
NET SURPLUS/(DEFICIT)  
MAY YTD 2021**

	May 2021	YTD Budget	May 2021	YTD Actual	Variance	%
Operating Revenues	12,627	13,711	13,711	1,084		8.6%
Operating Assistance	25,835	27,034	27,034	1,199		4.6%
Total Oper. Revenues & Assistance	38,462	40,745	40,745	2,284		5.9%
Personnel Services	27,660	24,763	24,763	(2,897)		-10.5%
Maintenance & Repairs	3,342	2,822	2,822	(520)		-15.6%
Transit Fuel/Power	719	505	505	(214)		-29.7%
Utilities	701	751	751	50		7.1%
Insurance & Injuries	870	713	713	(156)		-18.0%
Safety & Security	2,400	2,411	2,411	11		0.5%
General Business/Other	4,948	4,722	4,722	(226)		-4.6%
Other	(5,212)	(5,047)	(5,047)	165		3.2%
Total Operating Expenses	35,427	31,640	31,640	(3,787)		-10.7%
Operating Income/(Loss)	3,035	9,105	9,105	6,070		200.0%
Non-Operating/Capital	(4,526)	(5,151)	(5,151)	(625)		-13.8%
Net Surplus/(Deficit)	(1,492)	(1,492)	3,954	5,445		365.1%

(\$000 Omitted)

**NFTA/METRO  
KEY ITEM REPORT  
MAY YTD 2021**

MAY NFTA/METRO PERFORMANCE  
FYE 2022 vs. FYE 2021  
(\$000's)

NET SURPLUS/(DEFICIT)	May 2020	May 2021	Actual	Actual	VARIANCE
2,940	1,488	1,488			
Revenues and Operating Assistance					
Expenses					
Non-Operating/Capital					
1,488					
OPER REVENUES & ASST	17,708	20,648			2,940
Metro Passenger Fares - fare collections were suspended for May 2020 due to pandemic					1,700
BNA Concessions/Commissions - increased parking lot/ramp and ride share revenues;					592
Eric County Sales Tax					558
Mortgage Tax					403
State - STOA - New York State reduction of payments in FYE21					1,028
Federal - FTA & FAA CARES Act					(3,216)
Federal - CRKSA Grant Program (new assistance for FYE22)					2,000
All Other					(124)
2,940					
TOTAL OPERATING EXPENSES	16,794	16,719			(75)
Personnel Services					
Metro - vacancies and decreased overtime					(520)
Central Admin - increased contractual salaries, and higher police, engineering and					128
All Other					14
(379)					
Maintenance & Repairs					
Metro - lower revenue vehicle maintenance costs					(38)
BNA - higher materials/supplies/service costs, baggage maintenance, automotive					163
All Other					7
132					
Utilities					
Metro - higher electric, gas and water billings					95
All Other					(2)
93					
Insurance & Injuries					
Metro - increased claim loss reserve appropriations and insurance premiums					52
All Other					14
66					
All Other					12
(75)					
NON-OPERATING/CAPITAL	(1,339)	(2,866)			(1,527)
Capital					
Metro					(740)
BNA					(297)
Central Admin					(55)
All Other					(3)
(595)					
Non-Operating					
Metro - SIF Reserve Funding					(439)
BNA Net Bond Debt Service					(412)
BNA Debt Service - Glycol Collection - matured in FYE21					22
BNA Operating Expense Reserve					(124)
All Other					20
(932)					
(1,527)					

<u>MONTH PRIOR YEAR COMPARISON</u>			
	Actual	Actual	Variance
	May 2020	May 2021	%
Operating Revenues	4,529	7,114	57.1%
Operating Assistance	13,179	13,534	2.7%
<b>Total Oper. Revenues &amp; Assistance</b>	<b>17,708</b>	<b>20,648</b>	<b>16.6%</b>
Personnel Services	12,826	12,447	(3.0%)
Maintenance & Repairs	1,260	1,392	10.5%
Transit Fuel/Power	249	261	5.2%
Utilities	328	421	28.2%
Insurance & Injuries	376	442	17.7%
Safety & Security	991	1,284	29.6%
General Business/Other	2,644	2,603	(1.5%)
Other	(2,378)	(2,631)	(10.6%)
<b>Total Operating Expenses</b>	<b>16,294</b>	<b>16,219</b>	<b>(0.5%)</b>
Operating Income/(Loss)	1,414	4,429	213.3%
Non-Operating/Capital	(1,339)	(2,866)	(114.1%)
Net Surplus/(Deficit)	75	1,563	1983.2%

(\$000 Omitted)

**NFTA/METRO**  
**KEY ITEM REPORT**  
**FYE 2022 vs. FYE 2021**  
**MAY**

NFTA/METRO YEAR TO DATE MAY PERFORMANCE  
FYE 2022 vs. FYE 2021  
(\$000's)

	May 2020	YTD Actual	May 2021	YTD Actual
<b>NET SURPLUS/(DEFICIT)</b>	2,090	3,954	1,864	1,864
Revenues and Operating Assistance			3,003	3,003
Expenses			(2,466)	(2,466)
Non-Operating/Capital			1,864	1,864
<b>OPER REVENUES &amp; ASST</b>	<b>37,743</b>	<b>40,745</b>	<b>3,003</b>	<b>3,003</b>
Metro Passenger Fares - fare collections suspended for April and May 2020 due to pandemic			3,442	3,442
BNA Concessions/Commissions - increased parking lot/ramp, ride share and auto rental			1,443	1,443
Erie County Sales Tax			1,169	1,169
State - STOA - New York State reduction of payments in FYE21			2,055	2,055
Federal - FTA & FAA CARES Act			(9,231)	(9,231)
Federal - CRSA Grant Program (new assistance for FYE22)			4,000	4,000
All Other			125	125
<b>TOTAL OPERATING EXPENSES</b>	<b>32,968</b>	<b>31,640</b>	<b>(1,327)</b>	<b>(1,327)</b>
Personal Services			(1,225)	(1,225)
Metro - vacancies and decreased overtime				
Central Admin - increased contractual salaries, and higher police, engineering and			199	199
All Other			(15)	(15)
Utilities			117	117
Metro - higher electric, gas and water billings				
All Other			11	11
Insurance & Injuries			70	70
Metro - increased claim loss reserve appropriations and insurance premiums				
All Other			15	15
General Business/Other			(207)	(207)
Metro - lower outside service costs and timing of technology expenses in FYE21				
BNA - lower outside service costs, partially offset by higher general office				
expenses			(43)	(43)
Central Admin - timing of MIS/technology expenses and contracts in FYE21			(285)	(285)
All Other			(24)	(24)
All Other			60	60
<b>NON-OPERATING/CAPITAL</b>	<b>(2,685)</b>	<b>(5,151)</b>	<b>(2,466)</b>	<b>(2,466)</b>
Capital			(330)	(330)
Metro				
BNA			(308)	(308)
Central Admin			(55)	(55)
All Other			3	3
Non-Operating			(877)	(877)
Metro - SIF Reserve Funding				
BNA Net Bond Debt Service			(824)	(824)
BNA Debt Service - Glycol Collection - matured in FYE21			44	44
BNA Operating Expense Reserve			(158)	(158)
All Other			40	40
<b>(2,466)</b>			<b>(1,775)</b>	<b>(1,775)</b>

<u>YTD PRIOR YEAR COMPARISON</u>				
	Operating Revenues	Operating Assistance	Total Oper. Revenues & Assistance	
	8,652	29,091	37,743	
May 2020	13,711	27,034	40,745	
May 2021	5,059	(2,057)	3,003	
	58.5%	-7.1%	8.0%	
	YTD Actual	YTD Actual	YTD Actual	
	Current	Prior	YTD Actual	
	May 2021	May 2020	May 2021	
			Variance	
			%	
Operating Revenues	8,652	13,711	5,059	58.5%
Operating Assistance	29,091	27,034	(2,057)	-7.1%
Total Oper. Revenues & Assistance	37,743	40,745	3,003	8.0%
Personnel Services	25,804	24,763	(1,041)	-4.0%
Maintenance & Repairs	2,801	2,822	21	0.7%
Transit Fuel/Power	495	505	10	2.0%
Utilities	623	751	128	20.5%
Insurance & Injuries	628	713	85	13.5%
Safety & Security	2,056	2,411	355	17.3%
General Business/Other	5,281	4,722	(559)	-10.6%
Other	(4,721)	(5,047)	(326)	-6.9%
Total Operating Expenses	32,968	31,640	(1,327)	-4.0%
Operating Income/(Loss)	4,775	9,105	4,330	90.7%
Non-Operating/Capital	(2,685)	(5,151)	(2,466)	-91.8%
Net Surplus/(Deficit)	2,090	3,954	1,864	89.2%

(\$000 Omitted)

**NETA/METRO**  
**KEY ITEM REPORT**  
**FYE 2022 vs. FYE 2021**  
**MAY YTD**

**Corporate Resolutions**

1. Approval of Financial Statements for Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc. for Fiscal Year Ending March 31, 2021
2. Authorization for Agreement, M&T Bank, Line of Credit, NFTA
3. Authorization for Collective Bargaining Agreement, Teamsters 264T, NFTA
4. Authorization for Agreement, Goetz Energy Corp., Procurement of Vehicle Fuels, NFTA
5. Authorization for Agreement, Acuta Digital, Digital Support Services, NFTA
6. Authorization for Agreement, EVERFI, Workplace Training Software, NFTA
7. Authorization for Agreement, Pasich, LLP, Insurance Recovery, NFTA
8. Authorization for Lease Agreement, Buffalo Broadcasters Association (BBA), 485 Cayuga Road, NFTA



**CORPORATE:**

2. C. (1)

Approval of Financial Statements for Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc. for Fiscal Year Ending March 31, 2021

**RECOMMENDATION:** Staff recommends that the Board approve the Authority's financial statements for fiscal year ending March 31, 2021 which are attached.

**INFORMATION:** The New York State Public Authorities Accountability Act requires that all financial reports completed pursuant to Section 2800 of the New York Public Authorities Law (NYPAL) be approved by the Board and certified by the Chief Executive Officer and Chief Financial Officer of the Authority.

**FUNDING:** No funding is required.

**RESOLVED,** that the Board hereby approves, and authorizes the Authority's Executive Director and Chief Financial Officer to certify the financial statements, for fiscal year ending March 31, 2021, as required by the NYPAL."

**NIAGARA FRONTIER  
TRANSPORTATION AUTHORITY  
(A Component Unit of the State of New York)  
FINANCIAL STATEMENTS  
MARCH 31, 2021**

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

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March 31, 2021

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**INDEPENDENT AUDITORS' REPORT**

The Board of Commissioners  
Niagara Frontier Transportation Authority

We have audited the accompanying balance sheets of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of March 31, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of March 31, 2021 and 2020, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis (MD&A) on pages 1 through 19 (preceding the financial statements), and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the 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*

The additional information on pages 36 through 38 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. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the 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 24, 2021 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

June 24, 2021

**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

<u>Kimberley A. Minkel</u> Executive Director	<u>John T. Cox</u> Chief Financial Officer	<u>Patrick J. Dalton</u> Director of Internal Audit and Corporate Compliance	June 24, 2021
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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, 2021, 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, 2021, 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

Patrick J. Dalton  
Director of Internal Audit and  
Corporate Compliance

June 24, 2021

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

Management's Discussion and Analysis

For the Years Ended March 31, 2021, 2020, and 2019

(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, 2021, 2020, and 2019, 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), a blended component unit of the Authority, which primarily provides surface transportation.

Effective April 1, 2018, the Authority adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The statement requires full accrual of the other postemployment benefits (OPEB) liability as opposed to the previous accounting treatment of amortizing the prior service cost. The cumulative effect on the 2019 statements is a decrease in beginning of year net position totaling \$308.9 million.

The *Balance Sheets* present information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the differences 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 flow 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.



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For the Years Ended March 31, 2021, 2020, and 2019

(Unaudited)

FINANCIAL HIGHLIGHTS

Summarized Balance Sheets

	March 31,		
	2021	2020	2019
Current assets	\$ 183,026	\$ 108,826	\$ 74,515
Restricted assets	90,390	109,670	124,437
Capital assets, net	636,841	628,668	610,145
Deferred outflows of resources related to pensions and OPEB	114,639	36,489	41,914
Total assets and deferred outflows of resources	\$ 1,024,896	\$ 883,653	\$ 851,011
Current liabilities	\$ 68,949	\$ 62,318	\$ 47,086
Noncurrent liabilities	789,677	802,652	783,741
Deferred inflows of resources related to pensions and OPEB	107,012	4,396	15,004
Total liabilities and deferred inflows of resources	965,638	869,366	845,831
Net position:			
Net investment in capital assets	479,780	454,462	424,249
Restricted	85,195	102,661	116,886
Unrestricted	(505,717)	(542,836)	(535,955)
Total net position	59,258	14,287	5,180
Total liabilities, deferred inflows of resources, and net position	\$ 1,024,896	\$ 883,653	\$ 851,011

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 \$505.7 million, \$542.8 million, and \$536.0 million at March 31, 2021, 2020, and 2019 result primarily from the accrual of other postemployment benefits. As a result of the Authority's activities, March 31, 2021 net position increased \$45.0 million from March 31, 2020 and March 31, 2020 net position increased \$9.1 million from March 31, 2019.

Current assets increased \$74.2 million from March 31, 2020 to March 31, 2021 primarily due to an increase in cash and grants receivable relating to federal CARES Act and CRSA Act funds appropriated by Congress to address the impact of the Coronavirus (COVID-19) pandemic. Restricted assets decreased \$19.3 million as proceeds from sale of Series 2019A Airport Revenue Bonds were expended during the year on the related airport construction project. Deferred outflows of resources increased \$78.2 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.

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Current assets increased \$34.3 million from March 31, 2019 to March 31, 2020 primarily due to an increase in grants receivable relating to federal CARES Act funds. Restricted assets decreased \$14.8 million as proceeds from sale of Series 2019A Airport Revenue Bonds were expended during the year on the related airport construction project. Deferred outflows of resources decreased \$5.4 million due to changes in assumptions and differences between the projected and actual investment earnings related to certain pension and OPFB plans as well as amounts recognized for payments made subsequent to the respective plans' measurement dates.

Current liabilities increased \$6.6 million from March 31, 2020 to March 31, 2021 due to an increase in accounts payable and accrued expenses resulting from normal operations.

Current liabilities increased \$15.2 million from March 31, 2019 to March 31, 2020 due to the first principal payment on the Series 2019A Airport Revenue Bonds coming due on April 1, 2020 and an increase in accounts payable and accrued expenses primarily related to the ongoing BNA terminal expansion project.

Current year principal payments and decreases in other postemployment benefits of \$35.0 million, along with a decrease in the liability for self-insured claims of \$2.0 million, partially offset by increases in net pension liabilities of \$25.6 million, contributed to an overall decrease in noncurrent liabilities of \$12.9 million at March 31, 2021 compared to March 31, 2020. Deferred inflows of resources increased \$102.6 million primarily as a result of changes in assumptions related to the Authority's OPFB plan. This increase is largely offset by the \$78.2 million increase in deferred outflows discussed previously, and together will be amortized through expenses over the next six years.

Principal payments offset by increases in self-insured claims of \$1.2 million, net pension liabilities of \$4.5 million, and other postemployment benefits of \$33.1 million, along with a decrease in other noncurrent liabilities of \$2.5 million, resulted in an overall increase in noncurrent liabilities of \$18.9 million at March 31, 2020 compared to March 31, 2019.

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

NIAGARA FRONTIER TRANSPORTATION AUTHORITY  
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Summarized Statements of Revenues, Expenses and Changes in Net Position

(in thousands)			
Years ended March 31,			
	2021	2020	2019
Operating revenues:			
Fares	\$ 12,084	\$ 34,815	\$ 35,510
Concessions and commissions	10,377	29,862	31,133
Rental income	15,231	18,276	18,616
Airport fees and services	17,116	19,209	19,864
Other operating revenues	5,365	6,010	5,713
Total operating revenues	60,173	108,172	110,836
Operating expenses:			
Salaries and employee benefits	130,170	131,930	138,416
Other postemployment benefits	41,614	47,162	44,064
Depreciation	51,230	51,082	51,933
Maintenance and repairs	19,087	22,380	21,934
Transit fuel and power	1,737	3,840	4,330
Utilities	4,099	4,004	4,943
Insurance and injuries	4,531	6,206	4,816
Other operating expenses	14,269	19,329	16,325
Total operating expenses	266,737	285,933	286,761
Operating loss	(206,564)	(177,761)	(175,925)
Non-operating revenues, net	206,354	152,300	127,929
Change in net position before capital contributions	(210)	(25,461)	(47,996)
Capital contributions	45,181	34,568	21,564
Change in net position	44,971	9,107	(26,432)
Net position – beginning of year	14,287	5,180	340,538
Cumulative effect of a change in accounting principle	-	-	(308,926)
Net position, beginning, as restated	14,287	5,180	31,612
Net position – end of year	\$ 59,258	\$ 14,287	\$ 5,180

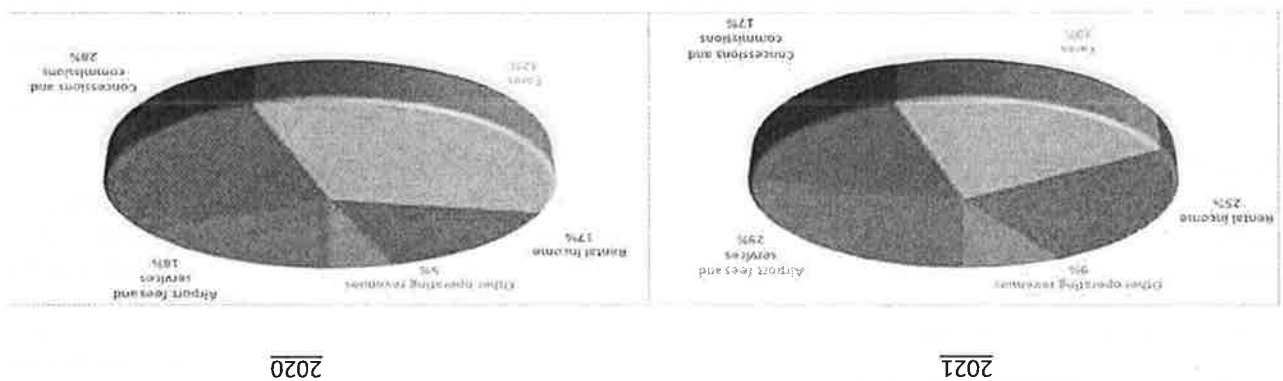
NIAGARA FRONTIER TRANSPORTATION AUTHORITY  
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Summary of Revenues, Expenses and Changes in Net Position

The charts below summarize operating revenues by source (in thousands).



Operating revenues decreased \$48.0 million, or 44.4%, from 2020 to 2021. Fare revenue decreased \$22.7 million primarily due to COVID-19. Ridership was down significantly in 2021 due to the New York State stay-at-home order to prevent the spread of COVID-19, which was in place for the much of the year. As a result, many businesses required employees to work from home and Buffalo public high schools were mostly virtual for the 2020-2021 school year. Additionally, the collection of fares was suspended from April to June 2020 in an effort to maximize social distancing by eliminating the direct interaction between passengers and bus operators. Concessions and commissions in 2021 were \$19.5 million lower than 2020, primarily due to a decrease in parking, food, and retail revenues at the airports as enplanements decreased approximately 80% from 2020 at BNA and 85% at NFA due to the closure of the Canadian border and New York State and national travel restrictions implemented to stop the spread of COVID-19.

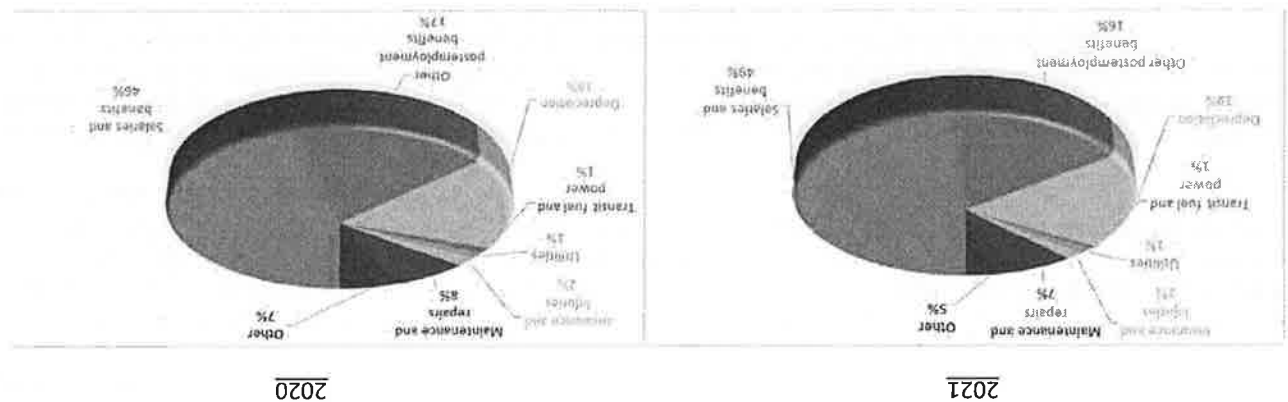
Operating revenues decreased \$2.7 million, or 2.4%, from 2019 to 2020. Fare revenue decreased \$0.7 million from 2019 to 2020 as COVID-19, and the related New York State stay-at-home order, significantly reduced ridership at the end of 2020. Concessions and commissions in 2020 were \$1.3 million lower than 2019, primarily due to a decrease in parking, food, and retail revenues at BNA as enplanements decreased approximately 6% from 2019 due to the grounding of the Boeing 737 MAX passenger airliner which cancelled a significant number of flights worldwide and had a trickle down impact on flights at BNA. Additionally, the nationwide shut down to stop the spread of COVID-19 resulted in approximately 50% fewer enplanements than expected in March 2020.

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The charts below summarize operating expenses by category (in thousands).



Operating expenses for 2021 of \$266.7 million were \$19.2 million less than 2020. Salaries and employee benefits decreased \$1.8 million, or 1.3%, primarily due to reductions in hours due to the COVID-19 pandemic. Changes in actuarial assumptions resulted in a decrease in other postemployment benefits of \$5.5 million from 2020. Transit fuel and power costs decreased \$2.1 million due to lower diesel and compressed natural gas fuel prices in 2021 and lower usage due to COVID-19-related service adjustments. Insurance and injuries expense decreased \$1.7 million primarily due to lower claim loss reserves accrued in 2021 compared to 2020. Depreciation expense, which varies from year to year based on the timing of asset purchases and estimated useful lives, increased by \$0.1 million from 2020 to 2021. Other operating expenses decreased \$5.1 million primarily due to lower parking management costs related to lower BNA parking revenue.

Operating expenses for 2020 of \$285.9 million were consistent with 2019. Salaries and employee benefits decreased \$6.5 million, or 4.7%, primarily due to lower Metro health insurance and workers compensation costs. Changes in actuarial assumptions resulted in an increase in other postemployment benefits of \$3.1 million from 2019. Transit fuel and power costs decreased \$0.5 million due to lower diesel fuel prices in 2020. Insurance and injuries expense increased \$1.4 million primarily due to higher claim loss reserves accrued in 2020 compared to 2019. Depreciation expense decreased by \$0.9 million from 2019 to 2020. Other operating expenses increased \$3.0 million primarily due to software upgrades and maintenance.

Net non-operating revenues for 2021 increased \$54.1 million compared to 2020, from \$152.3 million to \$206.4 million, primarily due to a \$60.0 million increase in government assistance, mostly due to the CARES and CRSA funding, and a \$2.8 million increase in other non-operating revenues. These increases were partially offset by a \$6.0 million decrease in New York State Transit Operating Assistance and a decrease in passenger facility charges of \$7.9 million due to lower enplanements.

Net non-operating revenues for 2020 increased \$24.4 million compared to 2019, from \$127.9 million to \$152.3 million, primarily due to a \$26.9 million increase in government assistance, mostly due to the CARES Act, partially offset by a \$1.3 million decrease in passenger facility charges due to lower enplanements at BNA and a \$1.0 million decrease in other non-operating revenues.

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

**CAPITAL ASSETS**

Net capital assets totaled \$636.8 million at March 31, 2021, representing a 1.3% increase from March 31, 2020, as investment in capital exceeded depreciation and dispositions by \$8.2 million in 2021. Capital asset additions totaling \$59.4 million include \$25.0 million of construction in process relating to the BNIA terminal expansion and renovation project, \$10.4 million for rail extension and station construction in the former DL&W train shed, and \$4.2 million for the new bus and rail farebox collection system.

Net capital assets totaled \$628.7 million at March 31, 2020, representing a 3.0% increase from March 31, 2019, as investment in capital exceeded depreciation and dispositions by \$18.5 million in 2020. Capital asset additions totaling \$69.6 million include \$28.0 million of construction in process relating to the BNIA terminal expansion and renovation project, \$14.3 million for twenty-three buses, and \$4.8 million, for the ongoing mid-life railcar rebuild project.

**DEBT ADMINISTRATION**

Long-term debt at March 31, 2021 totaled \$157.1 million, which is a decrease of \$17.1 million from 2020 and results from debt service payments net of premium amortization.

Long-term debt at March 31, 2020 totaled \$174.2 million, which is a decrease of \$11.7 million from 2019 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 approximately 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. It is anticipated that there will be 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 COVID relief from the Federal government to mitigate the drop in fare collections in the short term.

As part of Metro's Blueprint for the Future, in addition to stabilizing government assistance, strategic plans concentrate 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, improving service standards, and continuing to engage the public with the Citizens Advisory Committee, Accessibility Advisory Committee, and workforce development.

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Metro-owned property along the Metro Rail corridor and property adjacent to Metro Rail has seen significant development in the recent years. The Metro Rail Allen-Medical Campus Station is located on the Buffalo Niagara Medical Campus (BNMC), a consortium of the region's top health care, education, and research institutions. Prior to the COVID-19 pandemic, more than 16,000 people worked, volunteered, or studied every day at the BNMC. In 2017, the University at Buffalo completed the \$375 million Jacobs School of Medicine and Biomedical Sciences building built on Metro-owned property with the Allen-Medical Campus Metro Rail Station incorporated into the building's footprint. The new station provides a seamless connection for Metro Rail riders between the Jacobs School, other BNMC properties, and destinations along the Metro Rail corridor. With employment on the BNMC anticipated to grow in the future and parking availability continuing to become strained, Metro Rail service operating in and out of the Allen-Medical Campus Metro Rail Station will continue to play a prominent role in meeting the mobility needs of employees, patients, visitors, and neighborhood residents well into the future.

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. New York State has invested \$5 million to complete the environmental process for the project and appropriated an additional \$6 million for continued project development and preliminary engineering. The order of magnitude estimate of project construction is approximately \$1.2 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 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.

With the increasing interest in mixed-use development along the existing Metro Rail corridor and ongoing planning and construction for expansion, the Authority issued a Request for Qualifications (RFQ) from developers who have an interest in development at Authority properties in the Metro Rail corridor in the City of Buffalo. The NFTA received several responses to the RFQ which listed each Authority-owned property in order of level of development interest. With the strongest interest in development at the future DL&W Station, the Authority issued a Request for Proposals for a development partner at DL&W Station. The NFTA Board of Commissioners approved a pre-development agreement with Savarino Companies for the DL&W train shed in December 2019.

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Aviation

Together, BNA and NFA historically have served approximately 5 million passengers per year as the only commercial service airports in Erie and Niagara counties. During 2021, domestic efforts to minimize the spread of COVID-19 resulted in a drastic reduction in air travel. Additionally, the airports have historically been a convenient and less costly option for nearby Canadian travelers. As approximately 40% of BNA passenger traffic originates from Canada, any closure of the United States and Canada border, such as the COVID-19 closure that has been in effect since March 21, 2020, has a significant negative impact on enplanements. During 2021, approximately 1 million passengers were served by the two airports. Some experts predict that it may take several years for air travel to return to regular levels. Both BNA and NFA have been awarded COVID relief from the Federal government to mitigate the impact of the drop in enplanements in the short term. Also, fluctuations in the exchange rate of the Canadian dollar have an impact on enplanements.

In 2016, an overall aviation strategic plan was completed, which 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 BNA and NFA.

A two-year, \$75.7 million passenger terminal and baggage claim expansion and renovation project at BNA began in 2019 and is expected to be completed in 2022. The project will improve overall airport security, expand and modernize the baggage claim area, improve passenger flow to and from all boarding areas, including international boarding areas, expand the terminal for additional concessions and amenities, and add new curb space at both ends of the BNA terminal.

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 Elllicott Street, Buffalo, New York 14203.



NIAGARA FRONTIER TRANSPORTATION AUTHORITY  
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**Balance Sheets (in thousands)**

	2021	2020
<b>Assets</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 82,924	\$ 40,856
Investments	5,000	10,000
Accounts receivable	12,864	11,231
Grants receivable	74,973	40,909
Materials and supplies inventory	5,513	5,665
Prepaid expenses and other	1,752	165
<b>Restricted assets:</b>		
Cash and cash equivalents	67,250	86,897
Investments	23,140	22,773
<b>Capital assets, net (Note 4)</b>	<b>636,841</b>	<b>628,668</b>
<b>Total assets</b>	<b>910,257</b>	<b>847,164</b>
<b>Deferred outflows of resources:</b>		
Deferred outflows of resources related to pensions	29,636	12,567
Deferred outflows of resources related to OPEB	85,003	23,922
<b>Total deferred outflows of resources</b>	<b>114,639</b>	<b>36,489</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 1,024,896</b>	<b>\$ 883,653</b>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 15,469	\$ 15,024
Accounts payable and accrued expenses	38,110	39,750
Other current liabilities	15,370	7,544
<b>Noncurrent liabilities:</b>		
Long-term debt	141,592	159,182
Self-insured claims	44,431	46,474
Net pension liabilities	52,983	27,381
Total OPEB liability	547,417	564,836
Other noncurrent liabilities	3,254	4,779
<b>Total liabilities</b>	<b>789,677</b>	<b>802,652</b>
<b>Deferred inflows of resources:</b>		
Deferred inflows of resources related to pensions	1,791	4,396
Deferred inflows of resources related to OPEB	105,221	-
<b>Total deferred inflows of resources</b>	<b>107,012</b>	<b>4,396</b>
<b>Net position</b>	<b>479,780</b>	<b>454,462</b>
Restricted	85,195	102,661
Unrestricted	(505,717)	(542,836)
<b>Total net position</b>	<b>59,258</b>	<b>14,287</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 1,024,896</b>	<b>\$ 883,653</b>

See accompanying notes.

NIAGARA FRONTIER TRANSPORTATION AUTHORITY  
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**Statements of Revenues, Expenses and Changes in Net Position (in thousands)**

For the years ended March 31,

	2021	2020
<b>Operating revenues:</b>		
Fares	\$ 12,084	\$ 34,815
Concessions and commissions	10,377	29,862
Rental income	15,231	18,276
Airport fees and services	17,116	19,209
Other operating revenues	5,365	6,010
<b>Total operating revenues</b>	<b>60,173</b>	<b>108,172</b>
<b>Operating expenses:</b>		
Salaries and employee benefits	130,170	131,930
Other postemployment benefits	41,614	47,162
Depreciation	51,230	51,082
Maintenance and repairs	19,087	22,380
Transit fuel and power	1,737	3,840
Utilities	4,099	4,004
Insurance and injuries	4,531	6,206
Other	14,269	19,329
<b>Total operating expenses</b>	<b>266,737</b>	<b>285,933</b>
<b>Operating loss</b>	<b>(206,564)</b>	<b>(177,761)</b>
<b>Non-operating revenues (expenses):</b>		
Government assistance	205,089	145,001
Passenger facility charges	1,664	9,555
Interest expense, net	(4,846)	(3,884)
Other non-operating revenues, net	4,447	1,628
<b>Total non-operating net revenues</b>	<b>206,354</b>	<b>152,300</b>
<b>Change in net position before capital contributions</b>	<b>(210)</b>	<b>(25,461)</b>
Capital contributions	45,181	34,568
<b>Change in net position</b>	<b>44,971</b>	<b>9,107</b>
<b>Net position - beginning of year</b>	<b>14,287</b>	<b>5,180</b>
<b>Net position - end of year</b>	<b>\$ 59,258</b>	<b>\$ 14,287</b>

See accompanying notes.

<b>Statements of Cash Flows (in thousands)</b>		For the years ended March 31,	
	2021	2020	
<b>Operating activities:</b>			
Cash collected from customers	\$ 57,995	\$ 110,533	
Cash paid for employee wages and benefits	(143,496)	(147,119)	
Cash paid to vendors and suppliers	(40,554)	(42,880)	
Cash paid for insurance and injuries	(6,574)	(4,973)	
<b>Net operating activities</b>	<b>(132,629)</b>	<b>(84,439)</b>	
<b>Non-capital financing activities:</b>			
Government assistance	205,089	126,787	
<b>Capital and related financing activities:</b>			
Repayments of long-term debt	(15,024)	(9,310)	
Other liabilities	(290)	(25)	
Interest paid	(7,186)	(7,745)	
Mortgage recording tax, net	8,396	(519)	
Capital grants and contributions	11,117	21,487	
Additions to capital assets, net	(59,395)	(69,623)	
Construction retainages, net	1,388	1,583	
Passenger facility charges	1,664	9,555	
Other	4,439	1,646	
<b>Net capital and related financing activities</b>	<b>(54,891)</b>	<b>(52,951)</b>	
<b>Investing activities:</b>			
Purchase of investments, net	4,633	3,607	
Interest income	219	1,481	
<b>Net investing activities</b>	<b>4,852</b>	<b>5,088</b>	
<b>Net change in cash and cash equivalents</b>	<b>22,421</b>	<b>(5,515)</b>	
Cash and cash equivalents, beginning of year	127,753	133,268	
<b>Cash and cash equivalents, end of year</b>	<b>\$ 150,174</b>	<b>\$ 127,753</b>	
<b>Reconciliation to Balance Sheet</b>			
Cash and cash equivalents:			
Unrestricted	\$ 82,924	\$ 40,856	
Restricted	67,250	86,897	
<b>Total cash and cash equivalents</b>	<b>\$ 150,174</b>	<b>\$ 127,753</b>	
<b>Reconciliation of operating loss to net operating activities:</b>			
Operating loss	\$ (206,564)	\$ (177,761)	
Adjustments to reconcile operating loss to net operating activities:			
Depreciation	51,230	51,082	
Net pension activity	5,928	777	
Other postemployment benefits, net	26,721	31,665	
Changes in assets and liabilities:			
Accounts receivable	(1,633)	2,138	
Materials and supplies inventory	152	(550)	
Prepaid expenses and other	(1,587)	1,041	
Accounts payable and accrued expenses	(3,028)	6,943	
Other current liabilities	(280)	1,536	
Self-insured claims	(2,043)	1,233	
Other noncurrent liabilities	(1,525)	(2,543)	
<b>Net operating activities</b>	<b>\$ (132,629)</b>	<b>\$ (84,439)</b>	

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(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. Based on these responsibilities, the Authority reports Metro as a blended component unit.

The Authority, including Metro, is governed by a 13 member Board of Commissioners (the Board) appointed by the Governor of the State. Of the 13 members, one member is appointed upon the written recommendation of the Erie County Executive and one is appointed upon the written recommendation of the Erie County Legislature. 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, subject to policy direction and delegation from the Board, is responsible for all activities 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 generally accepted accounting principles 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 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 (NFTA). BNIA is Western New York's primary passenger and cargo airport, while NFTA is a commercial, primary small-hub airport and serves as a joint-use military facility with the Niagara Falls Air Reserve Station.

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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, 2022.

**(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) Accounts Receivable**

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.

**(d) Grants 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.

**(e) Materials and Supplies Inventory**

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

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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 LRT system. The Authority's policy is to use restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

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.

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.

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. Depreciation 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	Buildings	Metropolitan transportation centers	Motor buses	Equipment and other
10 - 25	LRT system				
10 - 45					
10 - 45					
25					
12					
2 - 10					

**(f) Other Current Liabilities**

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, 2021 and 2020, net advance payments provided by the FHWA for regional construction projects authorized by NITTEC and the FHWA are included in other current liabilities on the accompanying balance sheets and totaled \$5,195,000 and \$5,485,000.

**Advances**

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**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 liabilities until all eligibility requirements are met.

**(k) 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.

**(l) 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 liability, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by 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.

**(m) 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.

**(n) 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).

**(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. 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 2020, the Authority was awarded funding of \$61,307,000 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. Amounts totaling \$62,957,000 and \$18,214,000 for 2021 and 2020, respectively, are recognized as federal operating assistance in the accompanying statements of revenues,

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expenses and changes in net position and \$10,596,000 and \$18,214,000 at March 31, 2021 and 2020, respectively, remain in grants receivable in the accompanying balance sheets. In May 2021, the Authority was awarded funding of \$43,183,000 from the Federal Transit Administration (FTA) 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. For 2021, this grant is recognized as federal operating assistance in the accompanying statements of revenues, expenses and changes in net position and as grants receivable in the accompanying balance sheets. On March 11, 2021, President Joseph R. Biden signed the American Rescue Plan Act of 2021 (the Act) into law. Under the Act, the FTA allocated \$79,400,000 through the Section 5307 program to NFTA-Metro. NFTA also expects an allocation of \$22,200,000 from the FAA under the Act.

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. Operating assistance and capital contributions represent 79% and 60% of total revenue for the years ended March 31, 2021 and 2020. 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 in lieu of tax.

**(q) Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 \$5,452,000 and \$4,718,000 for GBNRTC and NITTEC combined for the years ended March 31, 2021 and 2020.



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(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, 2021 and 2020, the Authority's bank deposits were fully insured by FDIC or collateralized in accordance with the above requirements.

(4) Capital Assets (in thousands)

	April 1, 2020	Additions	Reclassifications and Disposals	March 31, 2021
Non-depreciable capital assets:				
Land	\$ 64,523	\$ 15	\$ -	\$ 64,538
Construction in progress	81,607	28,662	-	110,269
Total non-depreciable assets	146,130	28,677	-	174,807
Depreciable capital assets:				
Land improvements	327,637	7,813	(1,425)	334,025
LRRT system	650,763	9,525	-	660,288
Airport buildings	287,621	10,169	(10)	297,780
Metropolitan transportation centers	22,601	180	-	22,781
Motor buses	178,612	990	(80)	179,522
Equipment, buildings, and other	157,151	2,080	(9)	159,222
Total depreciable capital assets	1,624,385	30,757	(1,524)	1,653,618
Accumulated depreciation:				
Land improvements	252,084	9,774	(1,425)	260,433
LRRT system	491,830	13,658	-	505,488
Airport buildings	155,666	8,764	(10)	164,420
Metropolitan transportation centers	16,535	412	-	16,947
Motor buses	109,352	11,144	(52)	120,444
Equipment, buildings, and other	116,380	7,478	(6)	123,852
Total accumulated depreciation	1,141,847	51,230	(1,493)	1,191,584
Total depreciable capital assets, net	482,538	(20,473)	(31)	462,034
Total capital assets, net	\$ 628,668	\$ 8,204	\$ (31)	\$ 636,841

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	April 1, 2019	Additions	Reclassifications and Disposals	March 31, 2020
Non-depreciable capital assets:				
Land	\$ 64,517	\$ 6	\$ -	\$ 64,523
Construction in progress	45,217	36,390	-	81,607
Total non-depreciable assets	109,734	36,396	-	146,130
Depreciable capital assets:				
Land improvements	330,753	320	(3,436)	327,637
LRT system	645,976	8,719	(3,932)	650,763
Airport buildings	287,860	2,561	(2,800)	287,621
Metropolitan transportation centers	21,941	876	(216)	22,601
Motor buses	171,422	14,336	(7,146)	178,612
Equipment, buildings, and other	151,213	6,415	(477)	157,151
Total depreciable capital assets	1,609,165	33,227	(18,007)	1,624,385
Accumulated depreciation:				
Land improvements	244,844	10,678	(3,438)	252,084
LRT system	482,205	13,557	(3,932)	491,830
Airport buildings	149,843	8,623	(2,800)	155,666
Metropolitan transportation centers	16,380	371	(216)	16,535
Motor buses	105,943	10,555	(7,146)	109,352
Equipment, buildings, and other	109,539	7,298	(457)	116,380
Total accumulated depreciation	1,108,754	51,082	(17,989)	1,141,847
Total depreciable capital assets, net	500,411	(17,855)	(18)	482,538
Total capital assets, net	\$ 610,145	\$ 18,541	\$ (18)	\$ 628,668

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(5) Long-Term Debt

(a) Long-Term Obligations (in thousands)

	2021	2020
(1) 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 \$7,000 and \$8,411 at March 31, 2021 and 2020)	\$ 82,980	\$ 90,331
(2) 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 \$2,644 and \$3,354 at March 31, 2021 and 2020)	55,179	60,819
(3) New York State, non-interest bearing	3,380	3,380
(4) Capital leases, monthly payments with fixed interest rates ranging from 1.5% to 7.8%, maturing through 2032, secured by related equipment	15,522	19,676
Less current portion	157,061	174,206
	15,469	15,024
	\$ 141,592	\$ 159,182

(1) 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.

(2) 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.

(3) 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 2040 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.

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Changes in long-term debt for the years ended March 31, 2021 and 2020 were as follows (in thousands):

	2021	2020
Balance, beginning of year	\$ 174,206	\$ 185,896
Less repayment of long-term debt including premium amortization	17,145	11,690
Balance, end of year	157,061	174,206
Less current portion	15,469	15,024
Noncurrent portion	\$ 141,592	\$ 159,182

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

Years ending March 31,	Loans and Capital Leases			Serial Bonds		
	Principal	Interest	Total	Unamortized Premium	Principal	Interest
2022	\$ 4,048	\$ 476	\$ 4,524	\$ 1,865	\$ 11,421	\$ 6,215
2023	4,035	381	4,416	1,665	11,980	5,637
2024	2,992	293	3,285	1,416	12,370	5,084
2025	1,583	226	1,809	1,162	12,950	4,457
2026	685	183	868	1,046	8,235	3,933
2027-2031	1,509	575	2,084	937	37,940	13,188
2032-2036	670	48	718	831	16,850	6,381
2037-2040	3,380	-	3,380	722	16,769	1,728
	\$ 18,902	\$ 2,182	\$ 21,084	\$ 9,644	\$ 128,515	\$ 46,623

At March 31, 2021 and 2020, 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 amounts at NFA, PFCs, which are restricted for certain FAA-approved projects at the BNIA and NFA, are included in non-operating revenues and totaled \$1,664,000 and \$9,555,000 for the years ended March 31, 2021 and 2020.

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**(7) Government Assistance**

Operations are subsidized by payments from the Federal Transit Administration (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 years ended March 31, 2021 and 2020 was as follows (in thousands):

	2021	2020
<b>Metro:</b>		
FTA:		
Sections 5307 and 5311 assistance	\$ 21,720	\$ 21,760
CARES and CRSSA	86,618	18,214
Total Federal	108,338	39,974
<b>State:</b>		
Statewide transit operating assistance program	48,508	54,523
Section 18b assistance	4,100	4,100
Section 5307 capital maintenance match	2,715	2,710
Total State	55,323	61,333
<b>Erie County:</b>		
88(c) – general	-	4,978
Mortgage recording tax (section 88a)	12,765	10,382
Section 18b matching funds	3,657	3,657
Sales tax receipts	21,760	21,793
Total Erie County	38,182	40,810
<b>Niagara County:</b>		
Mortgage recording tax	1,941	1,529
Section 18b matching funds	443	443
Total Niagara County	2,384	1,972
Buffalo and Fort Erie Public Bridge Authority	200	200
<b>NFTA:</b>		
Other	662	712
	\$ 205,089	\$ 145,001

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(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](http://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% 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 2021, rates ranged from 9.6% - 21.6% for ERS (9.3% - 21.4% for 2020) and 8.0% - 26.6% for PFRS (7.3% - 25.1% for 2020).

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, 2021 and 2020, \$2,789,000 and \$3,583,000 is due to the Systems pursuant to the Authority's participation in the Program which is included in other current and noncurrent liabilities in the accompanying balance sheets.

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

At March 31, 2021 and 2020, the Authority reported a liability of \$38,102,000 and \$11,282,000 for its proportionate share of the Systems' net pension liability.

The net pension liability as of March 31, 2021 was measured as of March 31, 2020, and the total pension liability was determined by an actuarial valuation as of April 1, 2019 (measurement date of March 31, 2019 with an actuarial valuation as of April 1, 2018 for the March 31, 2020 net pension liability). The Authority's proportion of the net pension liability was based on the ratio of its actuarially determined employer contribution to the Systems' total actuarially determined employer contributions for the fiscal year ended on the measurement date. At the March 31, 2020 measurement date, the Authority's proportion was 0.0863638% for ERS (a decrease of 0.0024763 from 2019) and 0.2849842% for PFRS (a decrease of 0.0124067 from 2019).

For the years ended March 31, 2021 and 2020, the Authority recognized pension expense of \$13,246,000 and \$7,622,000 and reported deferred outflows and deferred inflows of resources as follows (in thousands):

2021		2020	
ERS	PFRS	ERS	PFRS
Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources	Deferred Outflows of Resources
\$ 1,346	\$ 1,014	\$ 1,239	\$ 1,212
460	1,302	1,582	1,812
11,724	6,860	765	144
718	111	3,718	2,095
3,833	2,268	7,304	5,263
\$ 18,081	\$ 541	\$ 2,081	\$ 2,315
Authority contributions subsequent to the measurement date		Authority contributions subsequent to the measurement date	
Changes in proportion and proportionate share of contributions		Changes in proportion and proportionate share of contributions	
pension plan investments		pension plan investments	
Net difference between projected and actual earnings on		Net difference between projected and actual earnings on	
Changes of assumptions		Changes of assumptions	
Differences between expected and actual experience		Differences between expected and actual experience	
\$ 255	\$ 255	\$ 532	\$ 532

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Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension 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
2022	\$ 2,437	\$ 1,646
2023	3,482	1,872
2024	4,344	2,441
2025	3,444	2,056
2026	-	22
	\$ 13,707	\$ 8,037

Actuarial Assumptions

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

- Inflation - 2.5%
- Salary increases - 4.2% (ERS), 5.0% (PFRS)
- Cost of living adjustments - 1.3% annually
- Investment rate of return - 6.8% compounded annually, net of investment expense, including inflation
- Mortality - Society of Actuaries' Scale MP-2018
- Discount rate - 6.8%

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	Expected Real Long-Term Rate of Return
Domestic equities	36%	4.1%
International equities	14%	6.2%
Private equities	10%	6.8%
Real estate	10%	5.0%
Inflation-indexed bonds	4%	0.5%
Bonds and mortgages	17%	0.8%
Short-term	1%	-
Other	8%	3.3%-6.0%
	100%	



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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 liability for ERS and PFRS as of March 31, 2021 calculated using the discount rate of 6.8% and the impact of using a discount rate that is 1% lower and 1% higher:

	1.0% Lower	Current	1.0% Higher
Authority's proportionate share of the ERS net pension asset (liability)	\$ (41,972)	\$ (22,870)	\$ (5,276)
Authority's proportionate share of the PFRS net pension asset (liability)	\$ (27,236)	\$ (15,232)	\$ (4,483)
	(5.8%)	(6.8%)	(7.8%)
	Discount Rate	Discount Rate	Discount Rate

(b) Past Service Costs Due to ERS

Effective January 1, 1997, active non-bargaining unit participants in the Niagara Frontier Transit Metro System, Inc. Retirement Plan (Metro Plan) transferred to the employment of the NFTA and were given the opportunity to elect to have their contribution accounts transferred from the Metro Plan to ERS. The enabling legislation that provided for the purchase of service credits under ERS for pre-transfer service obligated the Authority to pay ERS additional annual contributions of \$465,000 annually, commencing December 1997 (in addition to its regular employer contribution) for 25 years. At March 31, 2021 and 2020, related past service costs totaling \$464,000 and \$929,000 are included in other current and noncurrent liabilities.

(c) 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, 2020 measurement date, the following employees were covered by the Metro Plan:

Retired	48
Beneficiaries	9
Terminated vested	15
	<u>72</u>

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**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 2021 and 2020.

**Net Pension Liability**

The net pension liability as of March 31, 2021 was measured as of March 31, 2020 based on an actuarial valuation as of the same date (measured as of March 31, 2019 with an actuarial valuation as of the same date for the March 31, 2020 net pension liability). 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-2020  
*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 Liability (in thousands)**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset (Liability)
Balances at March 31, 2019	\$ (4,274)	\$ 4,148	\$ (126)
Changes for the year:			
Interest	(263)	-	(263)
Differences between expected and actual experience	408	-	408
Changes of assumptions	28	-	28
Employer contributions	-	15	15
Net investment income	-	183	183
Benefit payments	460	(460)	-
Administrative expense	-	(11)	(11)
Net changes	633	(273)	360
Balances at March 31, 2020	\$ (3,641)	\$ 3,875	\$ 234
Changes for the year:			
Interest	(223)	-	(223)
Differences between expected and actual experience	(38)	-	(38)
Changes of assumptions	(64)	-	(64)
Employer contributions	-	13	13
Net investment loss	-	(254)	(254)
Benefit payments	418	(418)	-
Administrative expense	-	(7)	(7)
Net changes	93	(66)	(573)
Balances at March 31, 2021	\$ (3,548)	\$ 3,209	\$ (339)

The impact of using a discount rate that is 1% lower (5.5%) than the current rate would result in a net pension liability of \$572,000 and at 1% higher (7.5%) would result in a net pension liability of \$132,000.

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**(d) 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 Transport 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 statements of revenues, expenses and changes in net position, pursuant to the CBA, totaled \$5,571,000 and \$5,875,000 for 2021 and 2020. 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.

**(e) 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, 2021, there are 113 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 \$932. The retiree has the option of any combination of cash stipend and/or health insurance continuation.

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The Authority's annual pension cost and net pension obligation as of March 31, 2021 and 2020 related to the Stipend Plan was (in thousands):

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at March 31, 2019	\$ (17,006)	\$ -	\$ (17,006)
Changes for the year:			
Interest	(553)	-	(553)
Differences between expected and actual experience	604	-	604
Changes of assumptions	(1,063)	-	(1,063)
Benefit payments	1,685	-	1,685
Net changes	673	-	673
Balances at March 31, 2020	\$ (16,333)	\$ -	\$ (16,333)
Changes for the year:			
Interest	(386)	-	(386)
Differences between expected and actual experience	519	-	519
Changes of assumptions	89	-	89
Benefit payments	1,569	-	1,569
Net changes	1,791	-	1,791
Balances at March 31, 2021	\$ (14,542)	\$ -	\$ (14,542)

The net pension liability was measured as of March 31, 2021 based on an actuarial valuation as of the same date (measurement date of March 31, 2020 for the March 31, 2020 net pension liability). Actuarial methods and assumptions applied to all periods included in the measurement are as follows:

*Healthcare Cost Trend* - estimated at 5.10% next year, ultimately declining to 4.00% in 2075 (5.6% for 2020, ultimately declining to 3.94% in 2075)  
*Actuarial Cost Method* - Entry Age Normal  
*Discount Rate* - 2.27% (2.48% for 2020)  
*Mortality* - Generational PUB-2010 Mortality Table for General Employees projected using Scale MP-2020 (RP-2014 Blue Collar Mortality Table projected using Scale MP-2019 for 2020)  
*Inflation Rate* - 2.5% (3.0% for 2020)

The following presents the Authority's Stipend Plan net pension liability as of March 31, 2021 calculated using the discount rate of 2.27% and the impact of using a discount rate that is 1% lower and 1% higher (in thousands):

	1.0% Lower	Current	1.0% Higher
Discount Rate	(1.27%)	(2.27%)	(3.27%)
Discount Rate	\$ (15,776)	\$ (14,542)	\$ (13,478)
Authority's Stipend Plan net pension liability			

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(9) OPFB

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, 2020, employees covered by the Plan include:

Active employees	1,653
Inactive employees or beneficiaries currently receiving benefits	1,018
Inactive employees entitled to but not yet receiving benefits	-
	<u>2,671</u>

Total OPFB Liability

The total OPFB liability of \$547,417,000 and \$564,836,000 was measured as of March 31, 2020 and March 31, 2019, determined by actuarial valuations as of March 31, 2020 and 2018, respectively. The total OPFB 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-Run Medical Cost Trend Model, initially 4.9%, increasing to 5.2%, then decreasing slowly to an ultimate of 4.0% after 2075 (initially 5.4% to 14.9%, decreasing to 3.9% after 2075 for 2020)
- Salary increases* – 3.8% - 4.5%
- Mortality* – Generational PUB-2010 Mortality Table for General Employees projected using Scale MP-2020 (Generational RP-2014 projected using Scale MP-2016 for 2020)
- Discount rate* – 2.48% based on the GO 20-Year Bond rate (3.42% for 2020)
- Inflation rate* – 2.5%

Changes in the Total OPFB Liability (in thousands)

Total OPFB Liability	<u>\$ (531,756)</u>
Balance at March 31, 2019	\$ (531,756)
Changes for the year:	
Service cost	(25,662)
Interest	(18,944)
Difference between expected and actual experience	-
Changes of assumptions or other inputs	(2,443)
Benefit payments	13,969
Net changes	<u>(33,080)</u>
Balance at March 31, 2020	<u>\$ (564,836)</u>
Changes for the year:	
Service cost	(26,857)
Interest	(19,055)
Difference between expected and actual experience	111,774
Changes of assumptions or other inputs	(63,790)
Benefit payments	15,347
Net changes	<u>17,419</u>
Balance at March 31, 2021	<u>\$ (547,417)</u>

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The following presents the sensitivity of the Authority's total OPFB liability to changes in the discount rate, including what the Authority's total OPFB 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	Current	1.0% Higher
Discount Rate	1.48%	(2.48%)	(3.48%)
Total OPFB liability	\$ (641,043)	\$ (547,417)	\$ (472,203)

The following presents the sensitivity of the Authority's total OPFB liability to changes in the healthcare cost trend rates, including what the Authority's total OPFB 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	Current	1.0% Higher
Current Rate	(4.2%-3.0%)	(5.2%-4.0%)	(6.2%-5.0%)
Total OPFB liability	\$ (461,503)	\$ (547,417)	\$ (657,819)

**OPFB Expense and Deferred Outflows of Resources Related to OPFB**

For the years ended March 31, 2021 and 2020, the Authority recognized OPFB expense of \$41,614,000 and \$47,162,000 and reported deferred outflows of resources as follows (in thousands):

	2021	2020
Deferred Outflows of Resources	\$ -	\$ 13,131
Deferred Inflows of Resources	\$ 95,805	\$ -
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	65,252	-
Change in proportion	9,416	-
Benefits paid subsequent to the measurement date	10,335	10,791
	\$ 85,003	\$ 23,922

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

Years Ending March 31,	
2022	\$ (4,298)
2023	(4,298)
2024	(4,298)
2025	(4,298)
2026	(6,506)
2027	(6,855)
	\$ (30,553)

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(10) Leases

A portion of the Authority's revenue is generated by a number of fixed-term operating leases at its airport and transportation center facilities. The leases generally provide for rentals determined on the basis of a rate per square foot occupied or a percentage of the lessee's gross revenues with guaranteed minimum amounts. Total revenue from leases was \$46,599,000 and \$69,324,000 in 2021 and 2020, which includes guaranteed minimum rentals of \$24,409,000 and \$23,981,000 during 2021 and 2020, respectively. The significant decrease in revenue is a result of COVID restrictions within the airport.

Rental income is derived primarily from airport operations. At March 31, 2021 and 2020, net airport capital assets totaled \$265,445,000 and \$251,437,000, of which approximately 25% is leased to third parties (based on square footage). Fixed-term operating leases in effect at March 31, 2021 are expected to yield future minimum rentals as follows (in thousands):

Years Ending March 31,	
2022	\$ 21,777
2023	19,989
2024	11,253
2025	4,894
2026	3,530
2027 – 2031	3,964
2032 – 2036	1,014
2037 – 2041	814
2042 – 2046	225
	<u>\$ 67,460</u>

(11) 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 9, 2021. 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.

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Changes in the reported liability claims for the years ended March 31, 2021 and 2020 are as follows (in thousands):

	2021	2020
Liability, beginning of year	\$ 46,474	\$ 45,241
Current year claims and change in estimates	6,724	8,907
Claim payments	(8,767)	(7,674)
Liability, end of year	\$ 44,431	\$ 46,474

(c) *Project Commitments*

As of March 31, 2021, the Authority has commenced several projects including:

- BNTA runways 5/23 Improvements Design/Construction estimated at \$36,143,000 of which \$198,000 was expended
  - Metro Rail Escalator/Elevator Rehabilitation estimated at \$22,959,000 of which \$21,580,000 was expended
  - BNTA Terminal Modernization Expansion estimated at \$75,685,000 of which \$59,818,000 was expended
  - Rail car refurbishment estimated at \$50,155,000 of which \$48,632,000 was expended
  - Metro DL&W Station estimated at \$52,467,000 of which \$19,667,000 was expended
  - Metro (Bus and Rail) Fare collection upgrade estimated at \$26,583,000 of which \$16,632,000 was expended
  - Metro Amherst/Buffalo LRT Extension Study estimated at \$11,202,000 of which \$3,905,000 was expended
  - Management Information Systems estimated at \$15,012,000 of which \$5,681,000 was expended
- Funding for these projects is provided by federal and state grant awards, Passenger Facility Charges, and other local/Authority revenue sources.

(12) *Segment Information – Buffalo Niagara International Airport*

BNTA 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 BNTA passengers. The Authority issued Airport Revenue Bonds (Note 5) pursuant to a Master Resolution approved by the Board of Commissioners for the construction of BNTA. 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 BNTA. 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.



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(a) *BNA Condensed Balance Sheets (in thousands)*

	2021	2020
<b>Assets:</b>		
Current and other	\$ 121,856	\$ 144,835
Capital assets, net	265,445	251,437
Total assets	387,301	396,272
Deferred outflows of resources	13,968	5,220
Total assets and deferred outflows of resources	\$ 401,269	\$ 401,492
<b>Liabilities:</b>		
Current liabilities	\$ 23,724	\$ 22,287
Long-term liabilities	165,899	171,460
Total liabilities	189,623	193,747
Deferred inflows of resources	4,544	1,790
<b>Net position:</b>		
Net investment in capital assets	123,876	96,858
Restricted	71,252	98,633
Unrestricted	11,974	10,464
Total net position	207,102	205,955
Total liabilities, deferred inflows of resources, and net position	\$ 401,269	\$ 401,492

Assets:  
Current and other  
Capital assets, net  
Total assets  
Deferred outflows of resources  
Total assets and deferred outflows of resources  
Liabilities:  
Current liabilities  
Long-term liabilities  
Total liabilities  
Deferred inflows of resources  
Net position:  
Net investment in capital assets  
Restricted  
Unrestricted  
Total net position  
Total liabilities, deferred inflows of resources, and net position

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

	2021	2020
Operating revenues:		
Concessions and commissions	\$ 10,115	\$ 28,025
Rental income	8,459	11,471
Airport fees and services	17,025	19,000
Other operating revenues	4,102	4,654
Total operating revenues	39,701	63,150
Operating expenses	42,380	47,103
Depreciation expense	16,714	16,942
Operating (loss)	(19,393)	(895)
Non-operating revenues (expenses):		
Passenger facility charges	1,580	9,090
Interest expense, net	(4,102)	(3,147)
Other non-operating revenues, net	(26)	(89)
Operating transfers	(250)	(4,700)
Total non-operating net revenues	(2,798)	1,154
Change in net position before capital contributions	(22,191)	259
Capital contributions	23,338	4,705
Change in net position	1,147	4,964
Net position – beginning of year	205,955	200,991
Net position – end of year	\$ 207,102	\$ 205,955

(c) *BNIA Condensed Statements of Cash Flows (in thousands)*

	2021	2020
Net operating activities	\$ (1,873)	\$ 21,567
Net investing activities	4,782	4,975
Net capital and related financing	(34,302)	(34,312)
Net change in cash	(31,393)	(7,770)
Cash, beginning of year	94,891	102,661
Cash, end of year	\$ 63,498	\$ 94,891

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(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 BNA which are sufficient to pay debt service, operating expenses, and any and all other claims and charges relating to the BNA. In addition, net airport revenues must at all times be at least 125% of 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, BNA utilized CARES Act funding to make 2021 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 BNA, which specifically excludes passenger facility charges and 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 BNA including general, administrative, and professional fee expenses allocated by the Authority. Debt service is defined as the total amount required to pay current year principal and interest, net of amounts available for the payment of interest as defined by the Master Resolution (in thousands).

	2021	2020	
Airport revenues:			
Operating revenues	\$ 39,701	\$ 63,150	
Interest income	149	740	
Gross airport revenues	39,850	63,890	
Operating expenses, excluding depreciation	(42,380)	(47,418)	
Net airport revenues	(2,530)	16,472	
Net debt service:			
Principal payments	6,792	4,805	
Interest payments	10,870	3,338	
Passenger facility charges & FAA CARES Act	(17,662)	(535)	
Net debt service	\$ -	\$ 7,608	
Debt service coverage percentage	-	216.51%	
Minimum percentage requirement	125.00%	125.00%	

(13) *Risks and Uncertainties*

On January 31, 2020, the United States Secretary of Health and Human Services (HHS) declared a public health emergency related to the global spread of coronavirus COVID-19, and a pandemic was declared by the World Health Organization in February 2020. Efforts to fight the widespread disease included limiting or closing many businesses and resulted in a severe disruption of operations for organizations. Financial markets also experienced significant fluctuations.

Beginning in March 2020 and continuing subsequent to March 31, 2020, the Authority experienced a significant decline in ridership and temporarily stopped collecting fares beginning March 27, 2020. Fare collection resumed on June 29, 2020 for all NFTA-Metro services. In addition, the closure of the Canadian border since March 21, 2020 and the nationwide stay-at-home orders resulted in a drastic reduction in air travel, significantly impacting BNA and NFA operations. The Authority has been allocated an estimated \$237.6 million through three rounds of Federal COVID relief funding. In fiscal year 2021, the Authority executed contracts for \$135.9 million in COVID relief funding. The Federal Transit Administration has apportioned \$79.4 million in COVID relief funding to the Authority that is not yet under contract. The remaining COVID relief funding is estimated to be \$22.3 million, but has not yet been apportioned by the FAA.

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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, 2015 2016 2017 2018 2019 2020

	2015	2016	2017	2018	2019	2020
<b>ERS</b>						
Authority's proportion of the net pension position	0.0881407%	0.0878622%	0.0853631%	0.0867945%	0.0888401%	0.0863638%
Authority's proportionate share of the net pension liability	\$ 7,978	\$ 14,102	\$ 8,021	\$ 2,801	\$ 6,295	\$ 26,427
Authority's covered payroll	\$ 24,546	\$ 24,187	\$ 24,628	\$ 25,420	\$ 26,974	\$ 26,974
Authority's proportionate share of the net pension position as a percentage of its covered payroll	12.13%	58.30%	32.57%	11.02%	23.82%	84.79%
Plan fiduciary net position as a percentage of the total pension liability	97.90%	90.70%	94.70%	98.24%	96.27%	86.39%
<b>PPRS</b>						
Authority's proportion of the net pension position	0.2697875%	0.2766259%	0.2760008%	0.2872086%	0.2973909%	0.2849842%
Authority's proportionate share of the net pension liability	\$ 742	\$ 8,190	\$ 5,720	\$ 2,903	\$ 4,987	\$ 15,232
Authority's covered payroll	\$ 9,124	\$ 9,675	\$ 9,078	\$ 9,311	\$ 9,723	\$ 9,600
Authority's proportionate share of the net pension position as a percentage of its covered payroll	8.13%	84.65%	63.01%	31.18%	51.29%	158.67%
Plan fiduciary net position as a percentage of the total pension liability	99.00%	90.20%	93.50%	96.93%	95.09%	84.86%

The following is a summary of changes of assumptions:

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

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)

	March 31,	2021	2020	2019	2018	2017	2016	2015	2014	
<b>ERS</b>										
Contractually required contribution	\$	3,833	\$	3,718	\$	3,739	\$	3,729	\$	3,787
Contribution in relation to the contractually required contribution	\$	(3,833)	\$	(3,718)	\$	(3,739)	\$	(3,729)	\$	(3,787)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Authority's covered payroll	\$	27,580	\$	26,974	\$	26,427	\$	25,420	\$	24,628
Contributions as a percentage of covered payroll		13.90%		13.78%		14.15%		14.67%		15.38%
<b>PFRS</b>										
Contractually required contribution	\$	2,268	\$	2,095	\$	2,123	\$	2,137	\$	1,962
Contribution in relation to the contractually required contribution	\$	(2,268)	\$	(2,095)	\$	(2,123)	\$	(2,137)	\$	(1,962)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Authority's covered payroll	\$	10,089	\$	9,600	\$	9,723	\$	9,311	\$	9,078
Contributions as a percentage of covered payroll		22.48%		21.82%		21.83%		22.95%		23.30%
Contractually required contribution	\$	2,230	\$	2,394	\$	2,394	\$	2,394	\$	2,230
Contribution in relation to the contractually required contribution	\$	(2,230)	\$	(2,394)	\$	(2,394)	\$	(2,394)	\$	(2,230)
Contribution deficiency (excess)	\$	-	\$	-	\$	-	\$	-	\$	-
Authority's covered payroll	\$	8,796	\$	9,124	\$	9,124	\$	9,675	\$	9,124
Contributions as a percentage of covered payroll		25.35%		26.24%		26.24%		20.28%		25.35%

Data prior to 2014 is unavailable.

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

**Required Supplementary Information (Unaudited)**  
**Schedule of Net Pension Liability**  
**Postretirement Medical Premium Stipend Plan (in thousands)**

March 31, 2021 2020 2019 2018 2017

Total pension liability	\$ 386	\$ 553	\$ 653	\$ 722	\$ 922
Interest	(519)	(604)	(909)	219	(1,661)
Differences between expected and actual experience	(89)	1,063	61	366	1,055
Changes of assumptions	(1,569)	(1,685)	(1,824)	(1,995)	(2,118)
Benefit payments	(1,791)	(673)	(2,019)	(688)	(1,802)
Total pension liability - beginning	16,333	17,006	19,025	19,713	21,515
Total pension liability - ending	\$ 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	5.1% - 4.0%	5.6% - 3.9%	5.9% - 4.9%	5.9% - 4.9%	5.9% - 4.9%
Inflation	2.5%	3.0%	3.0%	3.0%	3.0%
Discount rate	2.27%	2.48%	3.42%	3.61%	3.86%
Society of Actuaries' mortality scale	MP-2020	MP-2019	MP-2018	MP-2016	MP-2016

Data prior to 2017 is unavailable.

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

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

March 31, 2019 2020 2021

Total OPFB liability - beginning	\$ 564,836	\$ 531,756	\$ 486,984
Changes for the year:			
Service cost	26,857	25,662	23,590
Interest	19,055	18,944	18,267
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(111,774)	-	-
Changes of assumptions and other inputs	63,790	2,443	15,451
Benefit payments	(15,347)	(13,969)	(12,536)
Net change in total OPFB liability	(17,419)	33,080	44,772
Total OPFB liability - ending	\$ 547,417	\$ 564,836	\$ 531,756
Covered-employee payroll	\$ 92,325	\$ 93,017	\$ 93,017
Total OPFB liability as a percentage of covered-employee payroll	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	5.2% - 4.0%	14.9% - 3.9%	14.9% - 3.9%
Salary increases	3.8% - 4.5%	3.8% - 4.5%	3.8% - 4.5%
Discount rate	2.48%	3.42%	3.61%
Inflation	2.5%	2.5%	2.5%
Society of Actuaries' mortality scale	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,

2021

	NFTA	BNIA	Metro	Total
<b>Assets</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 7,512	\$ 15,386	\$ 60,026	\$ 82,924
Investments	-	5,000	-	5,000
Accounts receivable	2,882	7,640	2,342	12,864
Grants receivable	2,707	12,014	60,252	74,973
Due to/from affiliate	(32,242)	10,338	21,904	-
Materials and supplies inventory	-	-	5,513	5,513
Prepaid expenses and other	489	226	1,037	1,752
Restricted assets:	(18,652)	50,604	151,074	183,026
Cash and cash equivalents	8,331	48,112	10,807	67,250
Investments	-	23,140	-	23,140
Capital assets, net	73,010	265,445	298,386	636,841
<b>Total assets</b>	62,689	387,301	460,267	910,257
<b>Deferred outflows of resources:</b>				
Deferred outflows of resources related to pensions	10,444	11,508	7,684	29,636
Deferred outflows of resources related to OPEB	12,215	2,460	70,328	85,003
<b>Total deferred outflows of resources</b>	22,659	13,968	78,012	114,639
<b>Total assets and deferred outflows of resources</b>	\$ 85,348	\$ 401,269	\$ 538,279	\$ 1,024,896
<b>Liabilities</b>				
<b>Current liabilities:</b>				
Current portion of long-term debt	\$ 379	\$ 11,438	\$ 3,652	\$ 15,469
Accounts payable and accrued expenses	9,814	12,207	16,089	38,110
Other current liabilities	5,299	79	9,992	15,370
<b>Noncurrent liabilities:</b>				
Long-term debt	3,167	130,131	8,294	141,592
Self-insured claims	4,084	2,683	37,664	44,431
Net pension liabilities	16,262	12,450	24,271	52,983
Total OPEB liability	89,893	20,635	436,889	547,417
Other noncurrent liabilities	2,789	-	465	3,254
<b>Total liabilities</b>	116,195	165,899	507,583	789,677
<b>Deferred inflows of resources:</b>				
Deferred inflows of resources related to pensions	252	913	626	1,791
Deferred inflows of resources related to OPEB	25,129	3,631	76,461	105,221
<b>Total deferred inflows of resources</b>	25,381	4,544	77,087	107,012
<b>Net position</b>				
Net investment in capital assets	69,464	123,876	286,440	479,780
Restricted	3,136	71,252	10,807	85,195
Unrestricted	(144,320)	11,974	(373,371)	(505,717)
<b>Total net position</b>	(71,720)	207,102	(76,124)	59,258
<b>Total liabilities, deferred inflows of resources, and net position</b>	\$ 85,348	\$ 401,269	\$ 538,279	\$ 1,024,896



2020			
NFTA	BNIA	Metro	Total
\$ 5,528	\$ 19,031	\$ 16,297	\$ 40,856
-	10,000	-	10,000
3,366	6,216	1,649	11,231
2,854	342	37,713	40,909
(32,337)	10,879	21,458	-
-	-	5,665	5,665
276	(266)	155	165
(20,313)	46,202	82,937	108,826
8,591	75,860	2,446	86,897
-	22,773	-	22,773
8,591	98,633	2,446	109,670
75,761	251,437	301,470	628,668
64,039	396,272	386,853	847,164
4,439	4,672	3,456	12,567
4,554	548	18,820	23,922
8,993	5,220	22,276	36,489
\$ 73,032	\$ 401,492	\$ 409,129	\$ 883,653
\$ 381	\$ 10,889	\$ 3,754	\$ 15,024
9,760	11,159	18,831	39,750
6,378	239	927	7,544
16,519	22,287	23,512	62,318
3,546	143,690	11,946	159,182
46,474	2,840	40,093	46,474
5,137	3,616	18,628	27,381
103,977	21,314	439,545	564,836
2,791	-	1,988	4,779
118,992	171,460	512,200	802,652
135,511	193,747	535,712	864,970
1,315	1,790	1,291	4,396
71,834	96,858	285,770	454,462
3,106	98,633	922	102,661
(138,734)	10,464	(414,566)	(542,836)
(63,794)	205,955	(127,874)	14,287
\$ 73,032	\$ 401,492	\$ 409,129	\$ 883,653

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,

2021

	NFTA	BNIA	Metro	Total
<b>Operating revenues:</b>				
Fares	\$ -	\$ -	\$ 12,084	\$ 12,084
Concessions and commissions	262	10,115	-	10,377
Rental income	6,772	8,459	-	15,231
Airport fees and services	91	17,025	-	17,116
Other operating revenues	182	4,102	1,081	5,365
<b>Total operating revenues</b>	<b>7,307</b>	<b>39,701</b>	<b>13,165</b>	<b>60,173</b>
<b>Operating expenses:</b>				
Salaries and employee benefits	15,865	20,198	94,107	130,170
Other postemployment benefits	3,041	3,792	34,781	41,614
Depreciation	5,552	16,714	28,964	51,230
Maintenance and repairs	1,858	7,355	9,874	19,087
Transit fuel and power	-	-	1,737	1,737
Utilities	877	1,712	1,510	4,099
Insurance and injuries	412	536	3,583	4,531
Other	6,949	3,309	4,011	14,269
Administrative cost reallocation	(12,564)	5,478	7,086	-
<b>Total operating expenses</b>	<b>21,990</b>	<b>59,094</b>	<b>185,653</b>	<b>266,737</b>
<b>Operating loss</b>	<b>(14,683)</b>	<b>(19,393)</b>	<b>(172,488)</b>	<b>(206,564)</b>
<b>Non-operating revenues (expenses):</b>				
Government assistance	662	-	204,427	205,089
Passenger facility charges	84	1,580	-	1,664
Interest expense, net	(136)	(4,102)	(608)	(4,846)
Other non-operating revenues (expenses), net	5,043	(26)	(570)	4,447
Operating transfers	250	(250)	-	-
<b>Total non-operating net revenues</b>	<b>5,903</b>	<b>(2,798)</b>	<b>203,249</b>	<b>206,354</b>
<b>Change in net position before capital contributions</b>	<b>(8,780)</b>	<b>(22,191)</b>	<b>30,761</b>	<b>(210)</b>
Capital contributions	854	23,338	20,989	45,181
<b>Change in net position</b>	<b>(7,926)</b>	<b>1,147</b>	<b>51,750</b>	<b>44,971</b>
<b>Net position - beginning of year</b>	<b>(63,794)</b>	<b>205,955</b>	<b>(127,874)</b>	<b>14,287</b>
<b>Net position - end of year</b>	<b>\$ (71,720)</b>	<b>\$ 207,102</b>	<b>\$ (76,124)</b>	<b>\$ 59,258</b>

2020			
NFTA	BNIA	Metro	Total
\$ -	\$ -	\$ 34,815	\$ 34,815
1,837	28,025	-	29,862
6,805	11,471	-	18,276
209	19,000	-	19,209
328	4,654	1,028	6,010
9,179	63,150	35,843	108,172
11,776	20,522	99,632	131,930
8,616	1,853	36,693	47,162
5,374	16,942	28,766	51,082
2,344	9,267	10,769	22,380
-	-	3,840	3,840
856	1,747	1,401	4,004
370	377	5,459	6,206
6,406	8,057	4,866	19,329
(12,110)	5,280	6,830	-
23,632	64,045	198,256	285,933
(14,453)	(895)	(162,413)	(177,761)
712	-	144,289	145,001
465	9,090	-	9,555
(171)	(3,147)	(566)	(3,884)
3,930	(89)	(2,213)	1,628
4,700	(4,700)	-	-
9,636	1,154	141,510	152,300
(4,817)	259	(20,903)	(25,461)
4,401	4,705	25,462	34,568
(416)	4,964	4,559	9,107
(63,378)	200,991	(132,433)	5,180
(63,794)	\$ 205,955	\$ (127,874)	\$ 14,287

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,

	2021	2020
Cash and cash equivalents:		
Passenger facility charges	10,873	10,873
Operations and maintenance reserve	2,000	2,000
Aviation reserve	2,692	2,692
Debt service reserve	22,198	21,918
Auto rental-CFC	358	358
Construction fund	12,503	36,965
Operating reserve	1,057	1,054
	<u>48,112</u>	<u>75,860</u>
Investments:		
Passenger facility charges	10,000	10,000
Revenue bond reserve	5,253	5,253
Repairs and replacement reserve	750	750
Operating reserve	7,137	6,770
	<u>23,140</u>	<u>22,773</u>
Total restricted assets	\$ 71,252	\$ 98,633

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*.

**Compliance and Other Matters**

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

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.

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.

**Internal Control over Financial Reporting**

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 balance sheet of Niagara Frontier Transportation Authority (the Authority) (a component unit of the State of New York), a business-type activity, as of March 31, 2021, and the related statements of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2021.

The Board of Commissioners  
Niagara Frontier Transportation Authority

**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**

**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.

June 24, 2021

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

The Board of Commissioners  
Niagara Frontier Transportation Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Niagara Frontier Transportation Authority (the Authority), a business-type activity and a component unit of the State of New York, which comprise the balance sheet as of March 31, 2021, and the related statement of revenues, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated June 24, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended March 31, 2021. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

June 24, 2021

**CORPORATE:**

**2. C. (2) Authorization for Agreement, M&T Bank, Line of Credit, NFTA**

**RECOMMENDATION:** Staff recommends that the Board authorize revolving short-term financing through a M&T Bank line of credit for a one-year period in an amount not-to-exceed \$15,000,000.00 to provide funding for operations and capital procurements on an 'as-needed' basis. The line of credit is necessary to bridge potential timing gaps that may arise between operational needs and the receipt of Federal Transit Capital Funding, State Operating Assistance, State Transit Funding, and/or Local Operating Assistance.

**INFORMATION:** In accordance with the NFTA's Procurement Guidelines, staff issued a Request for Proposals No. 210019 soliciting proposals from qualified financial institutions for a short-term, unsecured revolving line of credit.

Proposals were received from one (1) responsive qualified financial institution. It was reviewed and evaluated based on the criteria listed on the attached spreadsheet by a selection team comprised of the Chief Financial Officer, Manager of Financial Planning & Analysis, and Manager of Procurement.

The line of credit will have a term of one (1) year and be in an amount not-to-exceed \$15,000,000.00. Delays in Federal Transit Capital Funding, State Operating Assistance, State Transit Funding, and/or Local Operating Assistance programmed to support operations, preventive maintenance, and/or capital expenditures already incurred can result in a short-term cash flow issue. In order to address this issue, the M&T Bank line of credit can be accessed until the aforementioned funding assistance becomes available.

M&T Bank proposed a Line of Credit that will be unsecured. The floating rate will be equal to one-month LIBOR *plus* 1.05% per annum. The repayment schedule will be monthly interest payments with principal due, from time to time, upon receipt of federal, state, and/or local assistance or funding, as applicable. There will be an annual facility fee of \$15,000.00. The Bank's legal and documentation fees to close this transaction are not to exceed \$5,000.00.

This procurement is exempt from MWBE/SDVOB participation requirements as it is considered to be a debt service.

**FUNDING:** Funding is included in the Authority's operating budget.

**RESOLVED,** that the Board hereby authorizes a Credit Agreement with M&T Bank together with other agreements and documents required to close the \$15,000,000.00 short-term line of credit (collectively, the "Transaction Documents"), which will be used to bridge timing gaps in cash flow, as described above; and



**BE IT FURTHER RESOLVED** that the Executive Director, designee and/or the Chair, be and hereby are, authorized to execute and deliver the Transaction Documents with M&T Bank relating to the \$15,000,000.00 short-term line of credit described above; and

**BE IT FURTHER RESOLVED**, that said Transaction Documents may include such additional terms, conditions and safeguards to the Authority as deemed appropriate by the General Counsel; and

**BE IT FURTHER RESOLVED** that the Chief Financial Officer, be and is hereby authorized to make payments under the Transaction Documents upon certification by the Executive Director that such payments are in order based upon receipt of all required supporting documentation."

**CORPORATE:**

2. C. (3) Authorization for Collective Bargaining Agreement, Teamsters 264T, NFTA

**RECOMMENDATION:** Staff recommends that the Board authorize a three (3) year collective bargaining agreement between the NFTA and Teamsters 264T (Bus & Rail Supervisors & Controllers) for the period April 1, 2021 through March 31, 2024.

**INFORMATION:** Teamsters Local 264T currently represents thirty (30) Bus and Rail Supervisors and Controllers working at O.C.C. Under the proposed tentative agreement, members of this bargaining unit would receive a salary increase of two and one-quarter percent (2.25%) effective April 1, 2021, two percent (2%) effective April 1, 2022, and two percent (2%) effective April 1, 2023.

The monthly premium cost for either single or family coverage in the Traditional Blue PPO 6398 (HDP PPO 6312), Traditional Blue POS 298 (POS 205) or a replacement plan selected by the company for all current (active) and new employees:

Effective upon approval of this agreement, employees will contribute eleven percent (11%); April 1, 2022 will continue to contribute eleven percent (11%); April 1, 2023 will contribute twelve percent (12%).

Fiscal Year	Wage Increase	Est. Total Wage Expense	Wage Increase over Status Quo
2021-2022	2.25%	\$2,829,780	\$86,178
2022-2023	2.00%	\$2,869,335	\$131,314
2023-2024	2.00%	\$2,925,492	\$191,121

**FUNDING:** Funding for this Agreement is included in the Authority's FYE 2022 budget and the five-year plan.

**RESOLVED,** that the Board hereby approves a Collective Bargaining Agreement between the NFTA and Teamsters 264T for the period April 1, 2021 through March 31, 2024 as set forth above; and

**BE IT FURTHER RESOLVED,** that the Board authorizes the Executive Director, designee and/or the Chair to execute and deliver a Collective Bargaining Agreement with Teamsters 264T for the period April 1, 2021 through March 31, 2024, as described above; and

**BE IT FURTHER RESOLVED,** that said Agreement may include such additional terms, conditions and safeguards to the Authority as deemed appropriate by the General Counsel; and

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer be and is hereby authorized to make payments under said Agreement upon certification by the Director of Human Resources, that such payments are in order and consistent with the terms of said Agreement.”

**CORPORATE:**

- 2. C. (4) Authorization for Agreement, Goetz Energy Corp., Procurement of Vehicle Fuels, NFTA

**RECOMMENDATION:** Staff recommends that the NFTA procure its requirements for #2 Ultra Low Sulfur Diesel and 87 Octane Gasoline from Goetz Energy Corp. for the initial period of September 1, 2021 through August 31, 2024, with the option at the discretion of the NFTA to extend the agreement for up to two additional one-year periods. The annual cost is estimated at \$3,400,000.00 based on the average of past yearly purchases.

**INFORMATION:** #2 Ultra Low Sulfur Diesel is used to operate buses, paratransit vehicles, and various heavy-duty equipment at the airports. 87 Octane gasoline is used for some paratransit vehicles and by all business centers to operate non-revenue vehicles.

Proponents were requested to propose a differential cost per gallon added to, or subtracted from, the average price as posted every Monday in the OPIS Price Daily 10AM Report, Buffalo, New York, to arrive at a delivered price.

The RFP includes a provision enabling the NFTA to request the supplier to lock in prices for a specific quantity of fuel and specific length of time.

A total of six proposals were received. Three proposals were identified to be within the competitive range (see attached Competitive Range- BAFO rating sheet). Proposals were evaluated by the selection team which included: Assistant Manager of Bus Maintenance, Equipment Engineer, Procurement Manager, Inventory Control Manager, and Legal Counsel. The evaluation was based on compliance with technical criteria, cost, qualifications and experience.

Empire State Development excluded this procurement from MWBE requirements because there are no NYS certified providers of this service. OGS excluded this procurement from SDVOB requirements because there are no certified NYS providers of this service.

**FUNDING:** The funding for these purchases has been included in the Metro and NFTA operating budgets.

**RESOLVED,** that the Board hereby authorizes the procurement of vehicle fuels from Goetz Energy Corp for #2 Ultra Low Sulfur Diesel and 87 Octane Gasoline for the initial term commencing September 1, 2021 through August 31, 2024, with the option to extend the agreement at the discretion of the NFTA for up to two (2) additional one-year periods; and

BE IT FURTHER RESOLVED, that the Chief Financial Officer, and is hereby authorized to make payments under said Purchase Order(s) upon certification by the Director, Public Transit, that such payments are in order based upon receipt of all required supporting documentation."

BE IT FURTHER RESOLVED, that said Agreements and Purchase Orders shall include such additional terms, conditions and safeguards to the Authority as deemed appropriate by the General Counsel; and

BE IT FURTHER RESOLVED, that the Manager, Procurement, Energy Corp., for the procurement of vehicle fuels as described hereinabove; and

BE IT FURTHER RESOLVED, that the Executive Director, designee and/or the Chair, be and hereby are authorized to execute Agreements for the procurement of vehicle fuels, with terms and conditions as set forth above and as negotiated; and

RFP 210016 Diesel Fuel and Gasoline			
Competitive Range- BAFO			
Goetz	Noco	Meitzers	Painesville, OH
Rate on a score of 1 - 10, with 10 the highest score)			
<b>SELECTION CRITERIA</b>			
Technical Criteria: project approach, compliance with technical specifications, methods, and fuel quality, 50%	8.00	9.00	6.00
Cost: 30%	10.00	0.32	4.31
Qualifications and Experience: demonstrated ability in the industry, references, past performance, depth of knowledge of key personnel, and delivery, 20%	7.00	8.00	5.00
<b>TOTAL</b>	8.40	6.20	5.29
<b>COST PROPOSAL</b>			
<b>COST</b>			
Year 1	Differential/ gal	-\$0.03750	-\$0.02000
#2, ULSD	(2,600,000 gal/yr)		-\$0.02000
B7 Octane	(400,000 gal/yr)		-\$0.02000
Dyed Off Road Diesel	(50,000 gal /yr)		-\$0.02000
	\$/gal	\$0.01500	\$0.01750
Cold Weather Additive		\$0.02500	\$0.01750
Additive Package		\$0.02500	\$0.01750
Year 2	Differential/ gal	-\$0.03750	-\$0.02000
#2, ULSD	(2,600,000 gal/yr)		-\$0.02000
B7 Octane	(400,000 gal/yr)		-\$0.02000
Dyed Off Road Diesel	(50,000 gal /yr)		-\$0.02000
	\$/gal	\$0.01500	\$0.01750
Cold Weather Additive		\$0.02500	\$0.01750
Additive Package		\$0.02500	\$0.01750
Year 3	Differential/ gal	-\$0.03750	-\$0.02000
#2, ULSD	(2,600,000 gal/yr)		-\$0.02000
B7 Octane	(400,000 gal/yr)		-\$0.02000
Dyed Off Road Diesel	(50,000 gal /yr)		-\$0.02000
	\$/gal	\$0.01500	\$0.01750
Cold Weather Additive		\$0.02500	\$0.01750
Additive Package		\$0.02500	\$0.01750
Year 4	Differential/ gal	-\$0.03250	-\$0.02000
#2, ULSD	(2,600,000 gal/yr)		-\$0.02000
B7 Octane	(400,000 gal/yr)		-\$0.02000
Dyed Off Road Diesel	(50,000 gal /yr)		-\$0.02000
	\$/gal	\$0.01500	\$0.01750
Cold Weather Additive		\$0.03000	\$0.01750
Additive Package		\$0.02000	\$0.01750
Year 5	Differential/ gal	-\$0.03250	-\$0.02000
#2, ULSD	(2,600,000 gal/yr)		-\$0.02000
B7 Octane	(400,000 gal/yr)		-\$0.02000
Dyed Off Road Diesel	(50,000 gal /yr)		-\$0.02000
	\$/gal	\$0.01500	\$0.01750
Cold Weather Additive		\$0.03000	\$0.01750
Additive Package		\$0.02000	\$0.01750
Five year total based on differential and additives. (Does not include the commodity cost.)		\$15,625	\$36,250
		\$0.02500	\$0.01750
		\$0.01500	\$0.03000
		\$0.02500	\$0.02000

**CORPORATE:**

- 2. C. (5) Authorization for Agreement, Acuta Digital, Digital Support Services, NFTA

**RECOMMENDATION:** Staff recommends that the Board authorize an agreement with Acuta Digital to provide digital support for website design improvements, continuous improvements, and two years of maintenance and support. The project budget is approximately \$192,471.00.

**INFORMATION:** The project will support the ongoing effort of creating an informative, visually pleasing, mobile friendly, responsive website. The NFTA website is the most important communication tool for the authority, providing valuable and often real time information, as well as illustrating the many accomplishments throughout the NFTA to the many daily digital visitors. As website dependency and viewership continues to grow, it is imperative that the NFTA website stays current, and evolves with the demand.

Three proposals were received and two were identified to fall within the competitive range. After careful evaluation, Acuta Digital, a certified MBE, scored the highest.

The established MBE, WBE and SDVOB goals were 0.0%, 1.0%, and 0% respectively. Acuta is a NYS Certified MBE and identified their MBE participation as 99%, WBE participation as 1% and SDVOB participation as 0%.

**FUNDING:** Funding is provided for in the capital budget.

**RESOLVED,** that the Board hereby authorizes an Agreement with Acuta Digital for digital support for website design improvements, continuous improvements, and two years of maintenance and support at a cost of \$192,471.00 as described above; and

**BE IT FURTHER RESOLVED,** that the Executive Director, designee and/or the Chair, be and, hereby are, authorized to execute and deliver an Agreement with Acuta Digital for the services and on the terms set forth above; and

**BE IT FURTHER RESOLVED,** that said Agreement may include such additional terms, conditions and safeguards to the NFTA as deemed appropriate by the General Counsel; and

**BE IT FURTHER RESOLVED,** that the Chief Financial Officer, be and, hereby is, authorized to make payments under said Agreement upon certification by the Director of Public Relations and the Chief Information Officer, that such payments are in order based upon receipt of all necessary supporting documentation."

RFP 4923		
Creative Digital Support Services		
Acuta Digital	New York, NY	New York, NY
<b>SELECTION CRITERIA</b>		
<b>Completed by Team</b>		
(Rate on a scale of 1 - 10, with 10 being the highest)		
<b>Team Consensus</b>		
<b>Competitive Range - BAFOs (cost)</b>		
Qualifications and Experience - Strong Capability and Track Record in the Industry, solid references. Organization must have experience and ability to collaborate with In House Teams and execute on a complex website and social media platforms. Digital design and social network integration experience- 40%	8.00	8.00
Technical Criteria- Project approach, strong communication plan with measured results, and methods to accomplish goals- 30%	8.00	7.00
Cost- 30%	10.00	6.91
<b>TOTAL</b>	8.60	7.37
<b>Estimated Cost</b>		
Design, Development, & Launch	\$89,799	\$177,600
Year 1 of Maintenance & Support	\$51,336	\$50,400
Year 2 of Maintenance & Support	\$51,336	\$50,400
<b>Total</b>	\$192,471	\$278,400



**CORPORATE:**

2. C. (6) Authorization for Agreement, EVERFI, Workplace Training Software, NFTA

**RECOMMENDATION:** Staff recommends the Board authorize a three-year agreement with EVERFI, Inc. for the purchase and support of Workplace Training Software. The agreement will be effective from July 1, 2021 to June 30, 2024 for a total cost of \$46,363.50.

**INFORMATION:** NFTA will purchase training courses from EVERFI for employee training. The courses include New York State Sexual Harassment Prevention and Diversity and Inclusion. EVERFI's courses will help bring real-world skills to NFTA employees. EVERFI will provide a digital platform, training, and support for the courses. EVERFI's community engagement operating system empowers organizations to instill knowledge around the critical topics in the workplace while collecting comprehensive data, insights and tracking impact across educational programs.

NFTA solicited quotations for the services and courses in accordance with Article 15(C) of the NFTA Procurement Guidelines (Small Purchase Informal Bidding). Goods and services under \$50,000 can be procured based upon competitive selection which may be made on the basis of three quotes. For this procurement, three written quotes were received.

Vendor	Pricing (Based on 3 Year Agreement)
EVERFI	\$46,363.50
DUPONT SUSTAINABLE SOLUTIONS	\$64,800.00
COURSERA	\$225,000.00

Empire State Development excluded this procurement from MWBE requirements because there are no NYS certified providers of this service. OGS excluded this procurement from SDVOB requirements because there are no certified NYS providers of this service

**FUNDING:** Funding for this procurement is provided in the NFTA operating budget.

**"RESOLVED,** that the Board hereby authorizes a three-year Agreement with EVERFI, Inc. for the purchase of Workplace Training Software at a cost of \$46,363.50 as described above; and

**BE IT FURTHER RESOLVED,** that the Executive Director, designee and/or the Chair, be and, hereby are, authorized to execute and deliver an Agreement with EVERFI, Inc. for the services, and on the terms, set forth above; and

**BE IT FURTHER RESOLVED,** that said Agreement may include such additional terms, conditions and safeguards to the NFTA as deemed appropriate by the General Counsel; and

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer, and, hereby is, authorized to make payments under said Agreement upon certification by the Director of Human Resources, that such payments are in order based upon receipt of all necessary supporting documentation."

**CORPORATE:**

- 2. C. (7) NFTA  
Authorization for Agreement, Pasich, LLP, Insurance Recovery,

**RECOMMENDATION:** Staff recommends that the Board authorize an agreement with Pasich, LLP to assist the NFTA in recovering costs and expenses related to the coronavirus pandemic from the NFTA's insurance carriers.

**INFORMATION:** In or around April of 2020, the NFTA retained National Fire Adjustment Company, Inc. ("NFA") to assist the NFTA in analyzing the potential for an insured property recovery related to the coronavirus pandemic from the NFTA's insurance carriers. The NFTA's property insurance policies for fiscal years April 1, 2019-March 31, 2020 and April 1, 2020-March 31, 2021 had language covering communicable diseases and thus claims are being pursued in both years. NFA has prepared and submitted two communicable disease claims, with a maximum recovery of \$1,000,000 each per policy year, and two contingent business interruption insurance claims, with a maximum recovery of \$25,000,000 each per policy year, on behalf of the NFTA/NFT Metro against an insurance company and has been in ongoing discussions with the insurance company about these claims. To date, the insurance company has not resolved these claims.

Throughout the course of their dealings with insurance company, NFA utilized Pasich LLP, a NY law firm specializing in insurance recovery litigation with a specific focus on insurance recoveries for businesses impacted by the pandemic. Pasich has assisted NFA with research, ongoing communications with insurance company, and other matters. Pasich has been involved in recovery efforts on behalf of a number of other large entities and recently commenced litigation on behalf of Madison Square Garden, Radio City Music Hall and other affiliated entities against Factory Mutual Insurance Company for COVID-19 losses.

Staff recommends that the NFTA retain Pasich LLP to assist in our insurance recovery efforts which could include commencing litigation against insurance company if other efforts are not successful. The NFTA can benefit from efficiencies inherent in Pasich's handling of other cases in New York and specifically against insurance company. Staff recommends that the Board waive competition due to the specialized nature of the services to be provided by Pasich, the complexity and content knowledge of the potential claim, the NFTA's infrequent need for these types of services, and the necessity of commencing any litigation within the statute of limitations. Pasich's relationship with NFA, strong knowledge of this specific of this issue and specialized expertise focusing on insurance recoveries for entities impacted by the pandemic will benefit the NFTA. Retaining Pasich at this time will ensure that we can commence litigation, if necessary, to resolve this claim, prior to expiration of the statute of limitations.

In order to limit and control the NFTA's costs, Pasich has agreed to a hybrid hourly/contingency fee arrangement. The hourly fee will equate to a blended rate of \$500 per hour but will be capped at \$200,000 and will not exceed \$200,000. The proposed contingency fee portion is a sliding scale with the contingency percentage increasing as the anticipated time devoted by the law firm to the case increases. Pasich has proposed the following sliding scale which is acceptable to staff:

Phase 1 (through initial dispositive motion practice – dismissal or on the pleadings or pre-discovery summary judgment) – **10% of any recovery**; Phase 2 (through discovery and post-discovery summary judgment briefing but prior to trial) – **20% of any recovery**; Phase 3 (after a trial commences) – **25% of any recovery**; and Phase 4 (post-trial appeal) – **30% of any recovery**. The NFTA would be responsible for paying for all costs, disbursements, and expenses. However, these amounts, including the hourly legal fees paid to Pasich not to exceed \$200,000 would be reimbursed to the NFTA first from any recoveries and before Pasich applies their contingency percentage.

As for MWBE compliance, Pasich LLP has a nearly equal split of male and female partners and has implemented a number of Diversity, Equity and Inclusion initiatives including the formation of an Equity Committee to identify and discuss systemic and unfair barriers to success, as well as to foster a law firm culture that promotes mutual respect and constructive communication; instituting recruiting practices to improve the hiring and retention of professionals from historically disadvantaged groups; and conducting a comprehensive review of the firm's business practices to ensure opportunities for vendors from historically disadvantaged groups.

**FUNDING:** Funding is provided by the Authority's operating budget.

**RESOLVED**, that the Board hereby authorizes an Agreement with Pasich, LLP to assist the NFTA as counsel for any potential coronavirus pandemic insurance litigation as described above; and

**BE IT FURTHER RESOLVED**, that the Board hereby authorizes a one-time waiver of the competitive process requirement contained in the NFTA's Procurement Guidelines for the reasons described above; and

**BE IT FURTHER RESOLVED**, that the Executive Director, their designee and/or the Chair, be and are hereby authorized to execute said Agreement; and

**BE IT FURTHER RESOLVED**, that said Agreement shall include such additional terms, conditions and safeguards to the Authority as deemed appropriate by the General Counsel; and

**BE IT FURTHER RESOLVED**, that the Chief Financial Officer be and is hereby authorized to make payments upon the terms of the Agreement upon certification by the Director of Risk Management, that such payments are in order based upon receipt of all required supporting documentation."

**CORPORATE:**

- 2. C. (8) **Authorization for Lease Agreement, Buffalo Broadcasters Association (BBA) 485 Cayuga Road, NFTA**

**RECOMMENDATION:** Staff recommends that the Board authorize a Lease Agreement with Buffalo Broadcasters Association for warehouse space at 485 Cayuga Road.

**INFORMATION:** The Buffalo Broadcasters Association (BBA) collects and preserves artifacts that represent Buffalo's broadcast history and honors the people who have made lifelong contributions to broadcasting.

Buffalo Broadcasters current lease of 2,068 square feet of warehouse space, that stores their collection of artifacts at 485 Cayuga Road, will expire on June 30, 2021 and have requested a new lease for this space. The new lease rate will be \$6.75 per square foot or \$13,959.00 per year. The initial term of the lease will be for (1) one year commencing July 1, 2021 and ending June 30, 2022.

**FUNDING:** No funding is necessary.

**RESOLVED,** that the Board hereby authorizes a Lease Agreement with Buffalo Broadcasters Association for space at 485 Cayuga Road on the terms set forth above; and

**BE IT FURTHER RESOLVED,** that the Executive Director, designee and/or the Chair, be, and hereby are, authorized to execute and deliver said Lease Agreement; and

**BE IT FURTHER RESOLVED,** that said Lease Agreement may include such additional terms, conditions and safeguards to the Authority as deemed appropriate by the General Counsel."

**CORPORATE:**

2. C. (i) Niagara Frontier Transportation Authority, Acceptance of Corporate Resolutions 2. C. (1) through 2. C. (8)

The Executive Director advised that Items 2. C. (1) through 2. C. (8) have been discussed with the Board of Commissioners of the NFTA, and the Board is unanimously in favor of all subject Resolutions. Whereupon, it was moved by Commissioner Perry, seconded by Commissioner Baynes, that the following Resolutions be adopted:

**“RESOLVED**, that the Resolutions of the Niagara Frontier Transportation Authority, identified as numbers 2. C. (1) through 2. C. (8) dated June 24, 2021, as set forth herein, be and hereby are accepted and approved in their entirety.”

**AYES:** ROCHE, AUL (abstained from #2), BAYNES (abstained from #2 and #4), BLUE, PERRY (abstained from #2 and #8), TUCKER  
**NOES:** NONE

**ADOPTED**

- 3. AVIATION BUSINESS GROUP REPORT
  - A. Aviation Committee Report
  - B. Financial and Business Update
  - C. Resolutions

4. SURFACE TRANSPORTATION BUSINESS GROUP REPORT
- A. Surface Transportation Committee Report
  - B. Financial and Business Update
  - C. Resolutions: none



1. Authorization for Agreement, Renovic, Inc. DBA Niagara Towing Equipment, Recovery Vehicle, Metro

**Surface Transportation Resolution**

**SURFACE:**

- 4. C. (1) **Authorization for Agreement, Renovic Inc. DBA Niagara Towing Equipment, Recovery Vehicle, Metro**

**RECOMMENDATION:** Staff recommends the Board approve the purchase of a recovery vehicle for \$371,934.00 from Renovic Inc. DBA Niagara Towing Equipment of Amherst, New York.

**INFORMATION:** Bus Maintenance uses a recovery vehicle or tow truck at each bus garage to recover and tow transit buses. The requested vehicle will replace a similar 1996 tow truck that has exceeded its useful life.

Request for Proposal (RFP) No. 210008 was issued in accordance with the NFTA Procurement Guidelines. One responsive proposal was received. The proposal was evaluated based upon technical criteria, cost and qualification and experience. The evaluation team, consisting of representatives from Bus Maintenance and Procurement, determined that Renovic Inc.'s proposal was fair and reasonable.

Empire State Development has excluded this procurement from MWBE requirements because the number of MWBE providers of this vehicle are limited. The NFTA has excluded this procurement from SDVOB requirements as there are no certified SDVOB suppliers of this vehicle.

**FUNDING:** This vehicle is being funded with a NYS Accelerated Transit Capital (ATC) grant. Account code #120000003216. Project #2-3521.

**RESOLVED,** that the Board hereby authorizes the procurement of one heavy duty tow truck as described hereinabove from Renovic Inc. DBA Niagara Towing Equipment; and

**BE IT FURTHER RESOLVED,** that the Manager, Procurement, Inc. DBA Niagara Towing Equipment for the purchase of one heavy-duty tow truck at a total cost of \$371,934.00; and

**BE IT FURTHER RESOLVED,** that the Chief Financial Officer be and is hereby authorized to make payments under said Purchase Order upon certification by the Director, Surface Transportation, that such payments are in order."

**ADOPTED**

**AYES:** ROCHE, AUL, BAYNES, BLUE, PERRY, TUCKER  
**NOES:** NONE

**RESOLVED**, that the Resolution of the Niagara Frontier Transportation Authority, identified as number 4. C. (1) and dated June 24, 2021, as set forth herein, be and hereby is accepted and approved in its entirety.

Whereupon, it was moved by Commissioner Baynes, seconded by Commissioner Perry, that the following Resolution be adopted:

The Executive Director advised that Item 4. C. (1) has been discussed with the Board of Commissioners of the NFTA, and the Board is unanimously in favor of subject Resolution.

- 4. C. (1) Niagara Frontier Transportation Authority, Acceptance of Surface Transportation Resolution 4. C. (1)


**SURFACE:**

- 6. Presentations
- 5. General Counsel Report: none

1. AUDIT PRESENTATION FOR THE YEAR ENDED MARCH 31, 2021  
Presenters: Sara M. Dayton, CPA, and Seth D. Hennard, CPA  
Lumsden McCormick LLP
2. SURFACE TRANSPORTATION COMMITTEE UPDATE  
Presenter: Tom George  
A. 2021 Bus Network Improvements  
Presenter: Rob Jones  
B. Fare Collection System Update  
Presenter: James Morrell
3. AVIATION COMMITTEE UPDATE  
Presenter: Bill Vanecek

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**NIAGARA FRONTIER TRANSPORTATION AUTHORITY**  
**NIAGARA FRONTIER TRANSIT METRO SYSTEM, INC.**  
**SPECIAL COMBINED COMMITTEE MEETING**  
**JUNE 24, 2021, 11 A.M.**  
**AGENDA**



**NTA**  
Niagara Frontier Transportation Authority  
*Serving Buffalo Niagara*

**NTA-METRO**  
*Serving Buffalo Niagara*

**AUDIT PRESENTATION FOR THE YEAR ENDED  
MARCH 31, 2021**

**Lumsden  
McCormick** LP  
CERTIFIED PUBLIC ACCOUNTANTS

Sara M. Dayton, CPA  
Seth D. Hennard, CPA  
Cyclorama Building | 369 Franklin Street | Buffalo, NY 14202  
p: 716.856.3300 | f: 716.856.2524 | www.LumsdenCPA.com

# REPORTS

## MANAGEMENT REPORTS

- Management's Certification of the Financial Statements
- Management's Report on Internal Control Over Financial Reporting
- Management's Discussion and Analysis (Unaudited)

## AUDITORS' REPORTS

- Financial audit in accordance with *Government Auditing Standards*
  - Unmodified "clean" opinion
- Federal Single Audit in accordance with the Uniform Guidance
  - Data Collection Form
  - New York State Single Audit
  - Compliance with Investment Guidelines for Public Authorities
  - National Transit Database Report (October)
  - Agreed-Upon Procedures for the Passenger Facility Charge Program
  - No material weaknesses letter
- Communication with Those Charged with Governance



- Financial audit not designed to detect fraud
- Limited fraud procedures; no significant items noted

### **FRAUD RISK**

- Communication with management throughout the year
- Address issues as they arise to avoid surprises
- Obtain a detailed understanding of Authority operations, policies, and procedures (historical knowledge, inquiries, observation)
- Identify significant audit areas
- Design tests to address identified risks (tests of compliance and controls; verification of documentation)
- Coordination with Authority's internal audit department

### **RISK-BASED**

## **AUDIT PLAN**





# REQUIRED COMMUNICATIONS

## SIGNIFICANT AUDIT FINDINGS AND RESULTS

- No disagreements; no audit findings or issues
- Accounting estimates reasonable
- Accounts and grants receivable
- Useful lives assigned to capital assets and related depreciation
- Accrued compensated absences (vacation and sick pay liabilities)
- Provisions for claims and settlements
- Pension liabilities
- Other postemployment benefits (OPEB) liability
- Additional disclosures related to COVID-19
  - Note 2 – CARES Act FTA funds of \$61.3 million and FAA funds of \$23.5 million; CRRSA FTA funds of \$43.2 million; ARP FTA funds of \$79.4 million and FAA funds of 22.2 million
  - Note 13 – Risks and Uncertainties of operations due to COVID-19



- GASB 87, *Leases* – postponed to 2023
  - Requires leases to be capitalized as right-to-use lease assets and lease liabilities (lessee)
  - Requires the present value of leases receivable and deferred inflows of resources to be recorded on the balance sheet (lessor)
- GASB 96, *Subscription-Based Information Technology Arrangements* – postponed to 2024
  - Requires recognition of a right-to-use subscription asset and a corresponding subscription liability recognized at the present value of subscription payments during the subscription term

### NEW PRONOUNCEMENTS

- No material weaknesses
- Items noted not deemed to be significant deficiencies
  - Recommendations discussed with management to enhance internal controls and efficiency of operations
  - Continue to review GBNRTC and NITTEC relationship and allocations

### OTHER COMMENTS

## RECOMMENDATIONS



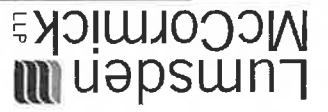
		2021		2020		Change
For the years ended March 31,						
<b>FINANCIAL SUMMARY</b>						
<b>REVENUES &amp; EXPENSES (IN THOUSANDS)</b>						
<b>Operating revenues:</b>						
Fares	\$	12,084	\$	34,815	\$	(22,731)
Concessions, commissions, and rental		25,608		48,138		(22,530)
Airport fees and services		17,116		19,209		(2,093)
Other		5,365		6,010		(645)
<b>Total operating revenues</b>		<b>60,173</b>		<b>108,172</b>		<b>(47,999)</b>
Operating expenses:						
Salaries, payroll taxes, and benefits		171,784		179,092		(7,308)
Depreciation		51,230		51,082		148
Other operating expenses		43,723		55,759		(12,036)
<b>Total operating expenses</b>		<b>266,737</b>		<b>285,933</b>		<b>(19,196)</b>
<b>Operating loss</b>		<b>(206,564)</b>		<b>(177,761)</b>		<b>(28,803)</b>
<b>Non-operating revenues, net:</b>						
Operating assistance		205,089		145,001		60,088
Passenger facility charges		1,664		9,555		(7,891)
Interest expense and other		(399)		(2,256)		1,857
<b>Total non-operating revenues</b>		<b>206,354</b>		<b>152,300</b>		<b>54,054</b>
<b>Capital contributions</b>		<b>45,181</b>		<b>34,568</b>		<b>10,613</b>
<b>Change in net position</b>		<b>\$ 44,971</b>		<b>\$ 9,107</b>		<b>\$ 35,864</b>
<b>Operating revenues:</b>						
Suspension of fares and decreased ridership due to COVID-19	-65.3%					
Fewer enplanements & ride sharing due to COVID-19	-46.8%					
Decrease in OFEB expense	-4.1%					
Reduction in hours and overtime due to COVID-19, decrease in OFEB expense	-4.1%					
Decreased fuel, maintenance, and insurance/injuries expenses	-21.6%					
Timing of project expenses	30.7%					
Note 7: Increase due to CARES and CRSA	41.4%					
Decrease of \$7.5m at BNIA and \$0.4m at NFIA	-82.6%					
	-82.3%					
	35.5%					

# FINANCIAL SUMMARY

## BALANCE SHEETS (IN THOUSANDS)

March 31,

	2021	2020	
<b>Assets and Deferred Outflows</b>			
Cash and investments	\$ 178,314	\$ 160,526	
Receivables and other	95,102	57,970	
Capital assets, net	636,841	628,668	
Deferred outflows of resources	114,639	36,489	
<b>Total assets and deferred outflows</b>	<b>\$ 1,024,896</b>	<b>\$ 883,653</b>	
<b>Liabilities and Deferred Inflows</b>			
Accounts payable, accrued expenses, and other	\$ 56,734	\$ 52,073	Timing; ongoing projects
Long-term debt	157,061	174,206	\$17.1m principal payments and amortization
Self-insured claims	44,431	46,474	Based on outstanding claims
Net pension liabilities	52,983	27,381	Based on actuarial reports
Total OPEB liability	547,417	564,836	Based on actuarial reports
Deferred inflows of resources	107,012	4,396	Pension and OPEB-related items
<b>Total liabilities and deferred inflows</b>	<b>965,638</b>	<b>869,366</b>	
<b>Net Position</b>			
Net investment in capital assets	479,780	454,462	Capital assets less related debt
Restricted	85,195	102,661	Primarily debt service and FFCs
Unrestricted	(505,717)	(542,836)	Primarily OPEB and pension accruals
<b>Total net position</b>	<b>59,258</b>	<b>14,287</b>	
<b>Total liabilities, deferred inflows, and net position</b>	<b>\$ 1,024,896</b>	<b>\$ 883,653</b>	



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## QUESTIONS AND DISCUSSION





Surface Transportation Committee  
June 24, 2021

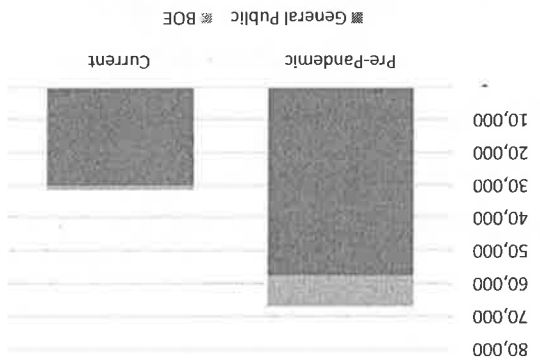
# 2021 Bus Network Improvements



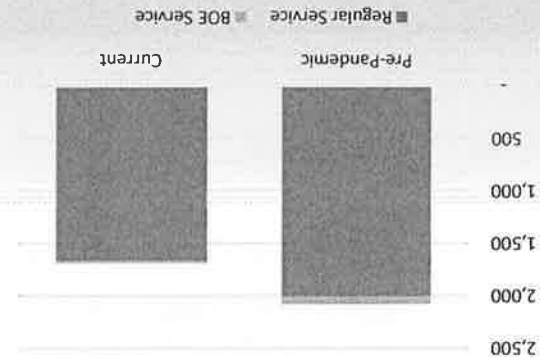
# Pre-COVID vs Today

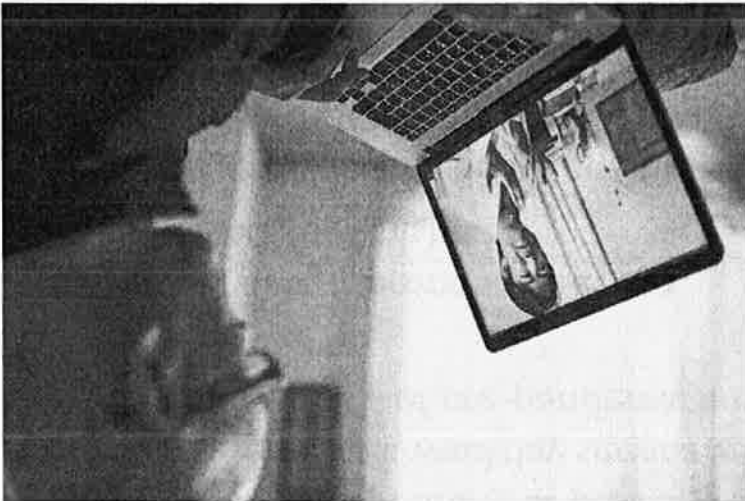
- NFTA-Metro is operating at 80% of pre-pandemic bus weekday service while transporting 50% of pre-pandemic bus weekday riders.
- Morning and afternoon peaks are significantly diminished
- Lifeline services are still being utilized near similar rates
- School trips were eliminated when Buffalo schools moved online

Bus Average Weekday Ridership



Bus Weekday In-Service Hours





- Changing travel demands and new commuting patterns
  - Work/education from home
  - Online shopping
  - Telehealth medical appointments
- Funding challenges
- Staffing challenges

## Justification for Service Changes



# Public Outreach Efforts

## COVID-19 Survey (June 2020)

- More than half of respondents identified as “essential workers”
- Respondents rode to:
  - work
  - the grocery store
- The most common reason for people not riding was because they were working from home
- 43% of respondents said they planned on riding transit less frequently; 29% planned to ride the same amount as before the pandemic
- Very few riders used rail solely, most utilized bus in their traveling



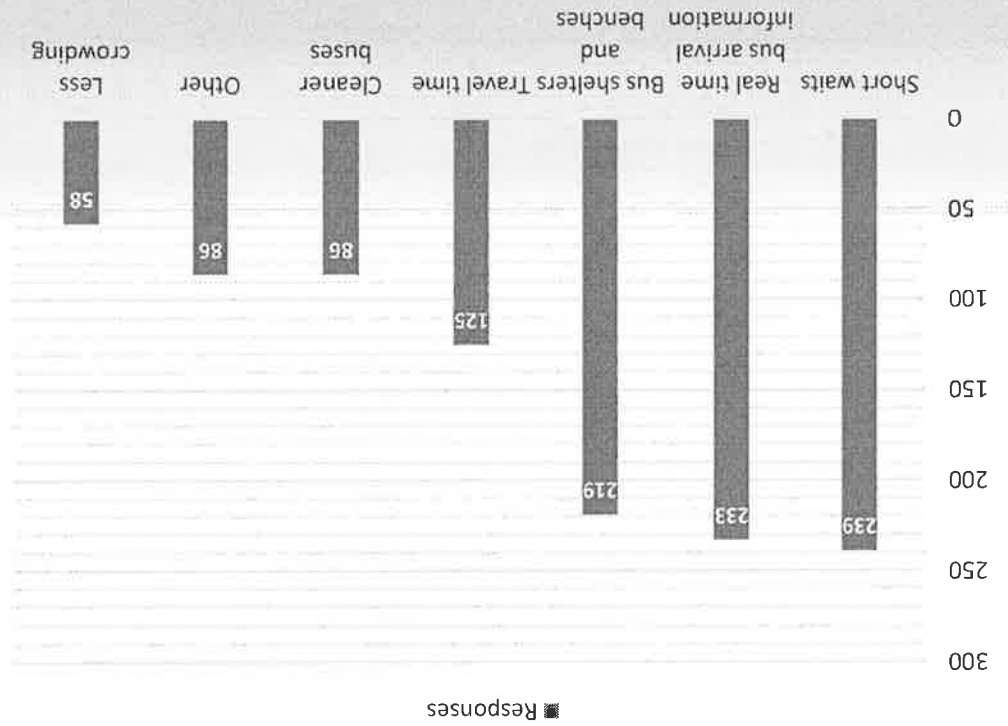
## Public Outreach Efforts

### Bus Network Improvements Survey (May/June 2021)

- 572 people responded to the survey
- Surveys were conducted in-person at three locations in the network and online
- Most common service requests:
  - Suburban job access + shopping
  - Recreational destinations
  - All day + weekend service to places currently served by express routes



- Many respondents say that short waits, real time information, and bus shelters/benches are most important to them.
- Overall, respondents have no clear priorities for times of bus service when asked to rank



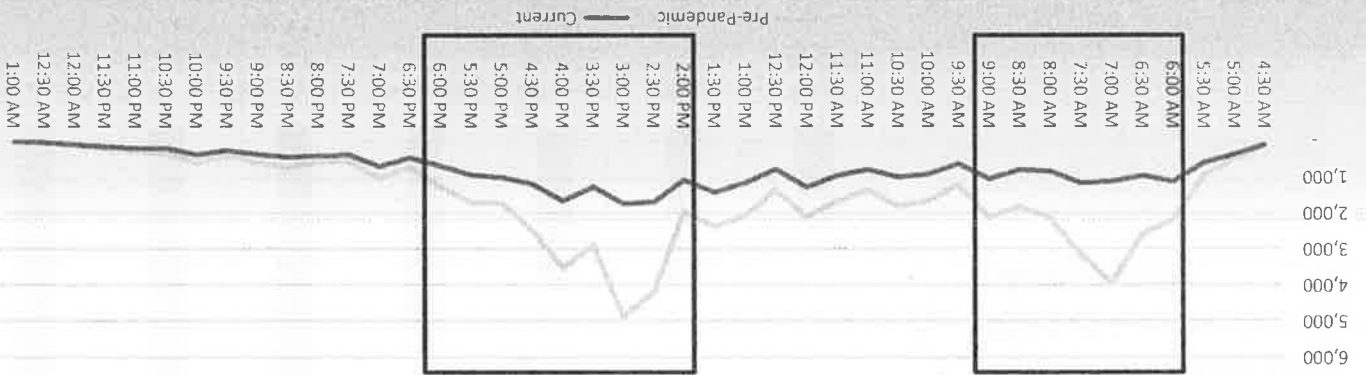
“What is most important to you?”

# Bus Network Improvement Survey Responses

# Service Delivery Assumptions

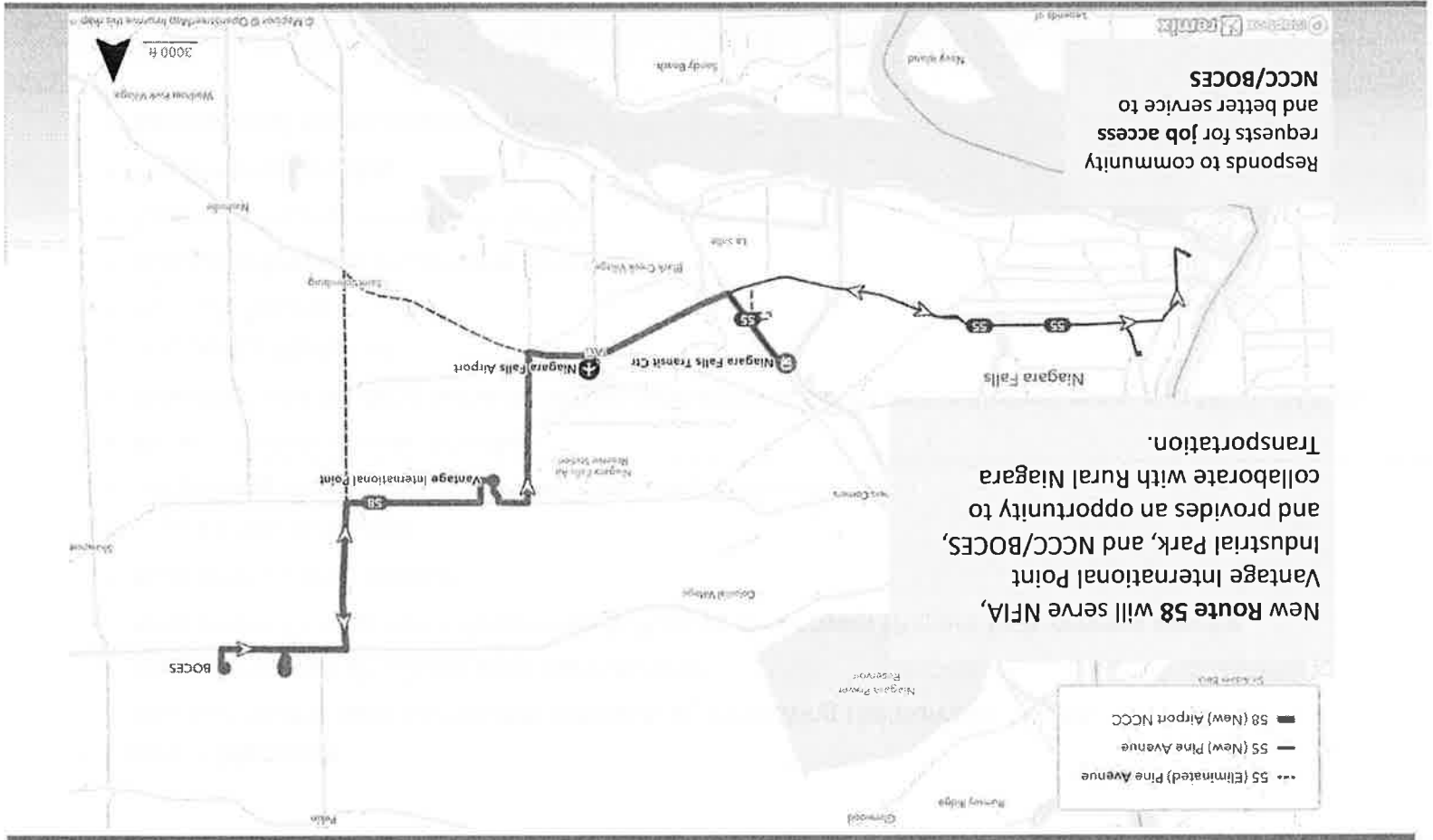
- New temporal ridership patterns shows lower peaks, so moving towards consistent all-day service
- Frequency and reliability remain key priorities
- More reliable express service on routes with sustainable demand
- Pulse system may be useful on parts of the network

Average Weekday Temporal Ridership (Spring 2021)



## Service Improvements

- Express Network
  - Improve routes with sustainable demand, by increasing the number of trips
  - Eliminate routes that have very low ridership
  - New Route 77 to provide downtown Buffalo to downtown Niagara Falls express service
  - New Limited Stop services
- Niagara Falls Network
  - Simplifying the routing to improve frequency and reliability
  - Pulse schedule to ease transfers
  - Providing new route to serve NFTA, Vantage International Point industrial park, and NCCC/BOCES
- Erie County Network
  - New job access
  - Adjusting frequencies to meet demand
  - Common routing downtown Buffalo
  - Streamlining routing
  - Recreational access improvement



Responds to community requests for job access and better service to NCCC/BOCES

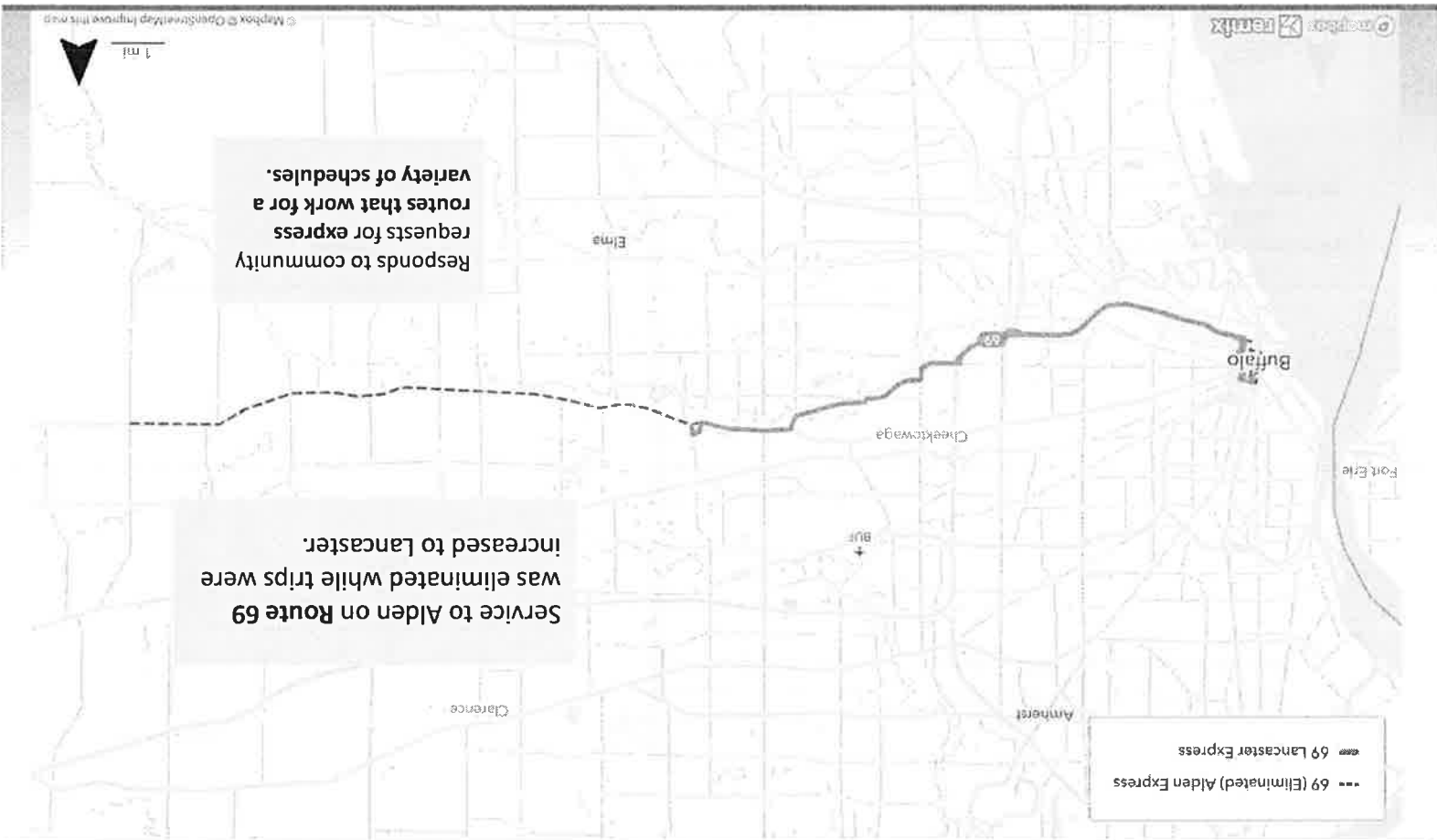
New Route 58 will serve NFTA, Vantage International Point, Industrial Park, and NCCC/BOCES, and provides an opportunity to collaborate with Rural Niagara Transportation.

- 58 (New) Airport NCCC
- - - 55 (New) Pine Avenue
- ... 55 (Eliminated) Pine Avenue

# Approach: New Route



# Approach: Truncation

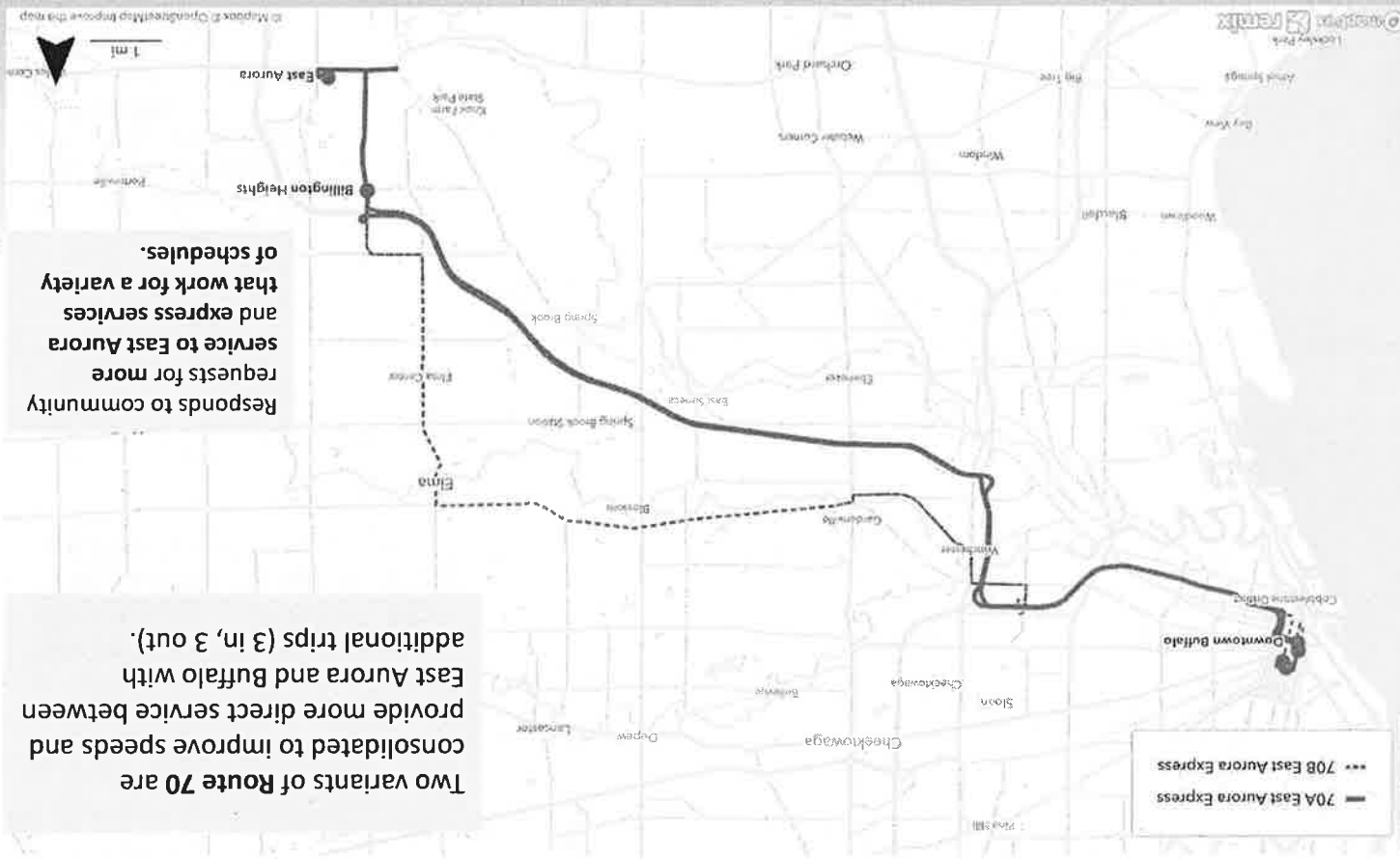




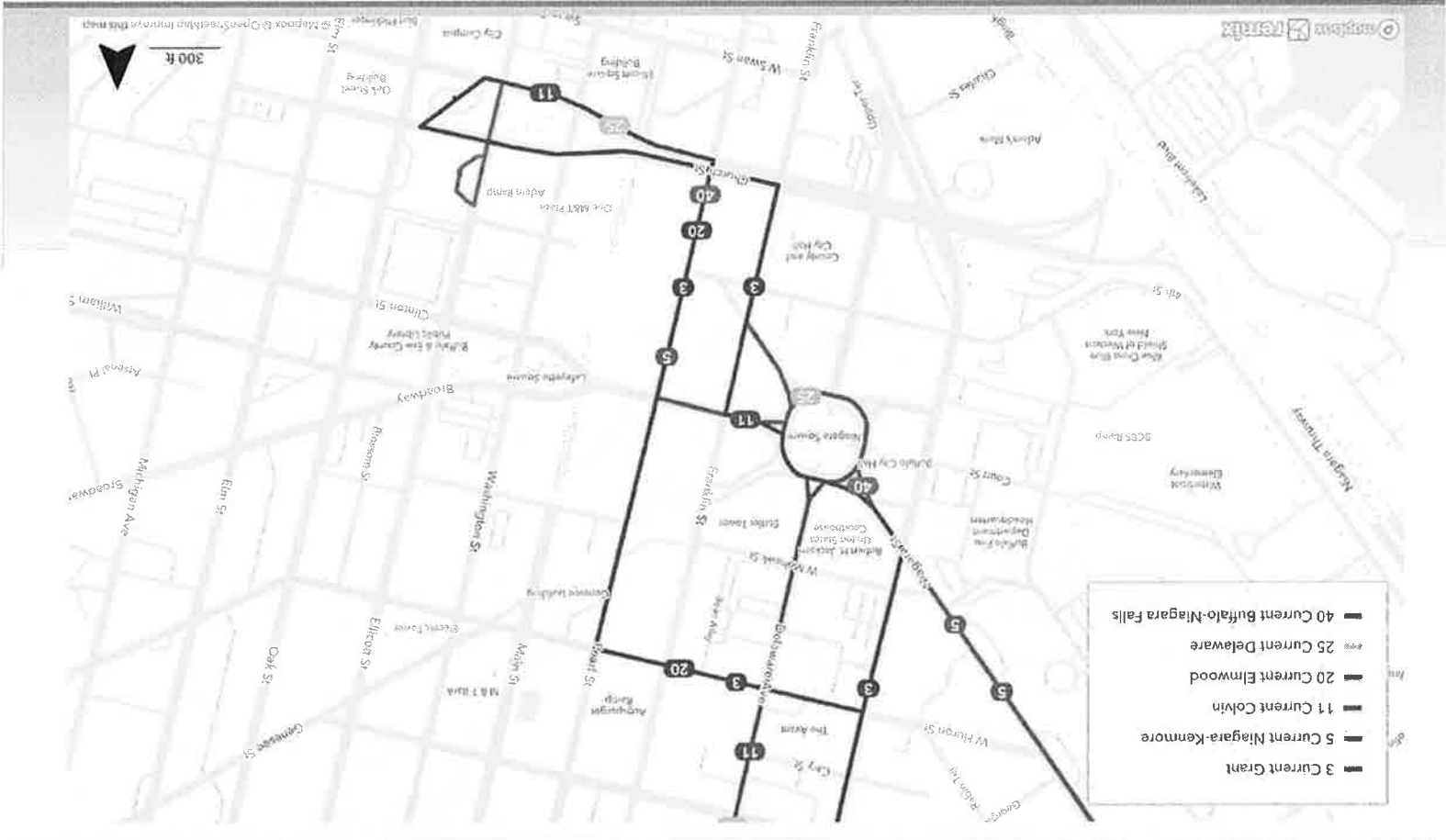
# Approach: Consolidation

Two variants of Route 70 are consolidated to improve speeds and provide more direct service between East Aurora and Buffalo with additional trips (3 in, 3 out).

Responds to community requests for more service to East Aurora and express services that work for a variety of schedules.



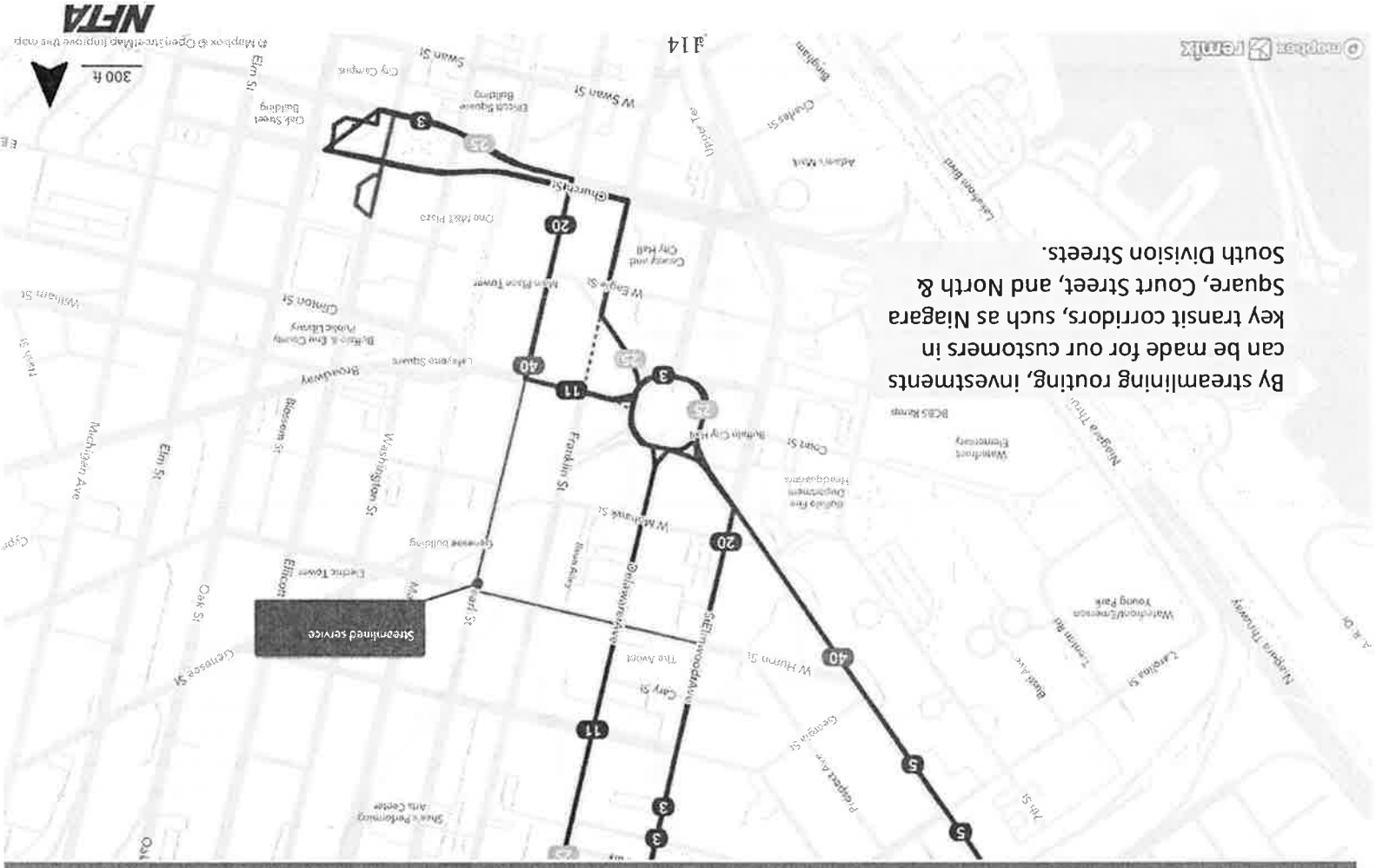


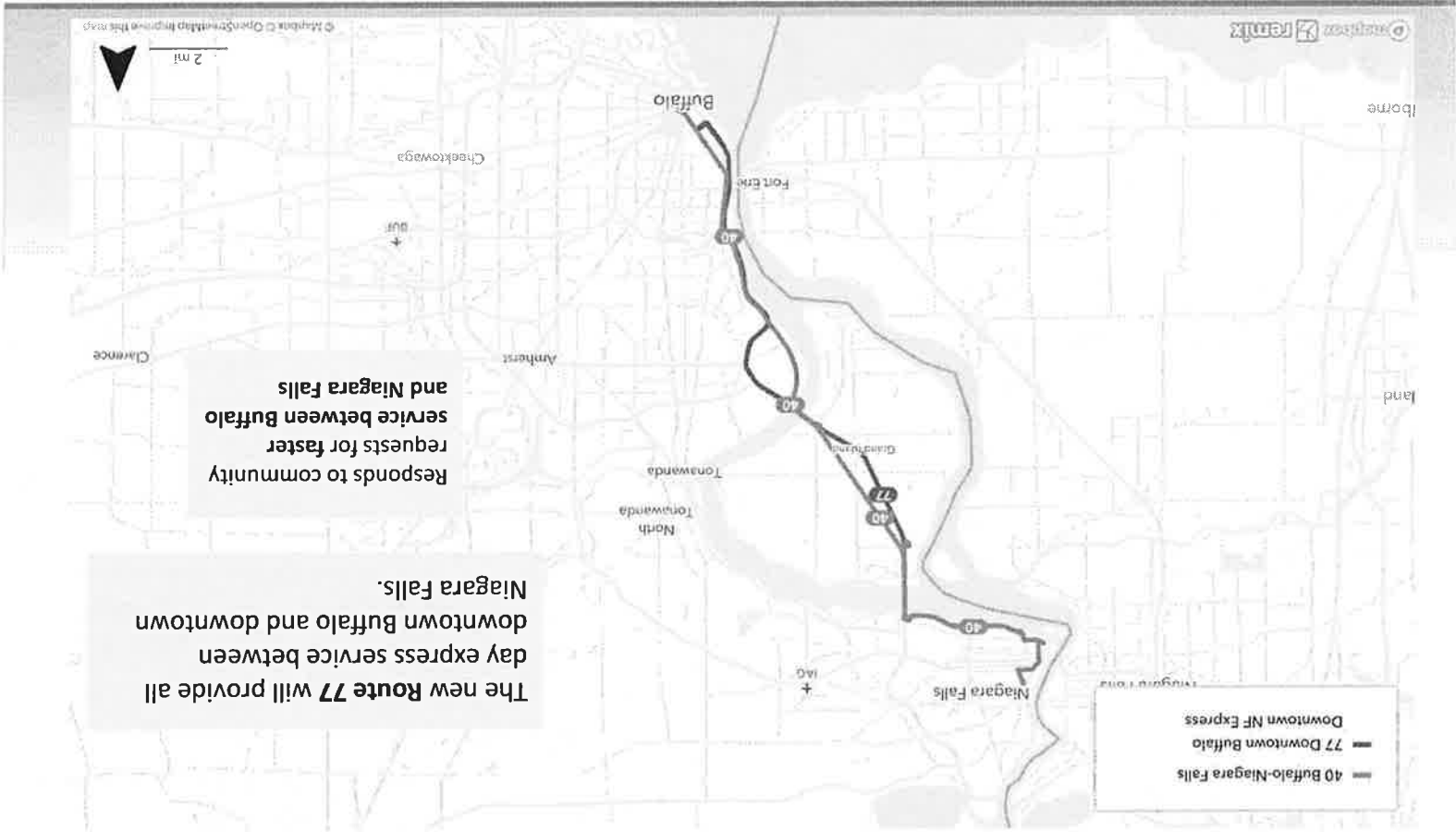


# Approach: Streamlining (current routing)

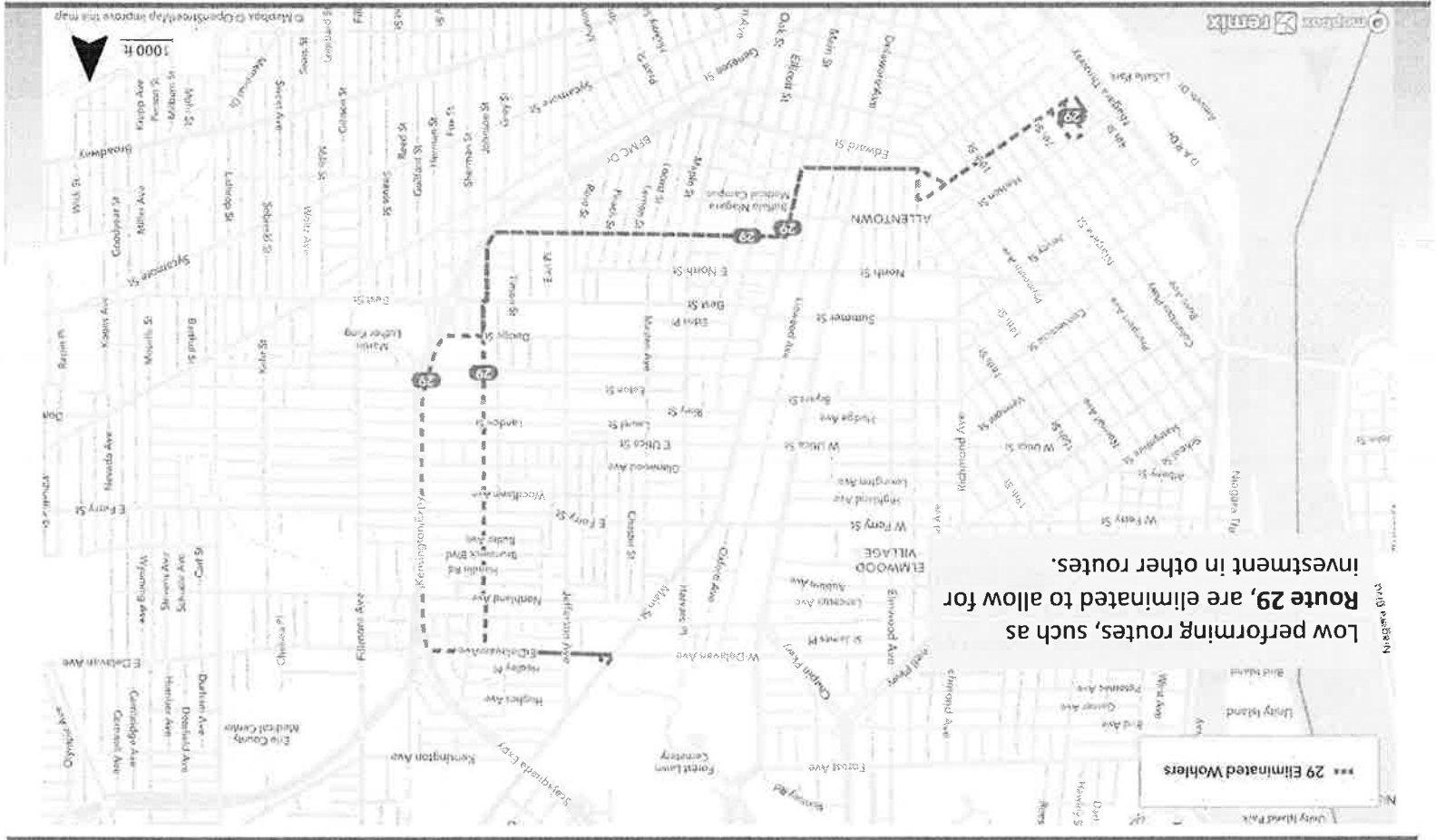
# Approach: Streamlining (new routing)

By streamlining routing, investments can be made for our customers in key transit corridors, such as Niagara Square, Court Street, and North & South Division Streets.



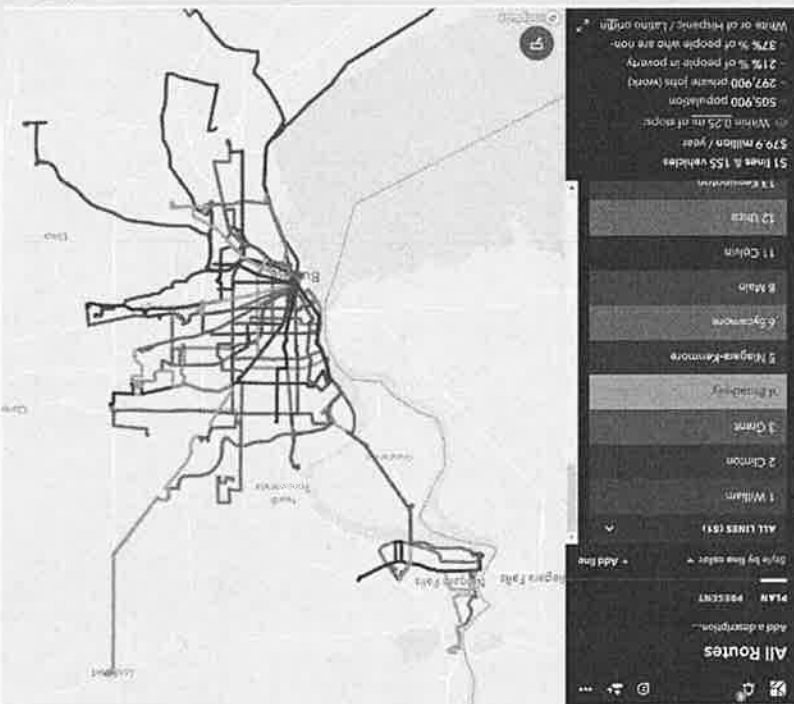


# Approach: Faster Service



Low performing routes, such as Route 29, are eliminated to allow for investment in other routes.

# Approach: Eliminate



- Seek community and stakeholder feedback on initial concepts for bus network improvements
- New tool: Remix
- Charts and/or static maps
- Partner outreach
- In-person outreach
- Update concepts based on community and stakeholder feedback
- Present updated concepts to Board of Commissioners in July

## Next Steps



Remix video on Youtube: [https://www.youtube.com/watch?v=UDM96f45Z\\_4&t=28s](https://www.youtube.com/watch?v=UDM96f45Z_4&t=28s)

118



**More about Remix**





June 24, 2021

Surface Transportation Committee

# Fare Collection System Update



## Project Update

- Upgrade entire fare collection system with advanced technology to make paying for transit faster, easier and more flexible
- Account Based System using "Smart Cards" and mobile ticketing
- Introduction of Access control
- Modified and enhanced process for purchasing and accessing fare products
- Streamline management of transit products to our partners
- Enhanced data to assist system planning



# Project Update

- Final System Development & Testing
  - PCI-compliant management
  - Stand alone cellular network
  - Merchant services management
- Hardware Installation
  - Fareboxes
  - TVM's
  - Faregates & Fencing
- APOS (Administrative Point of Sale - Customer Service)
- 3<sup>rd</sup> Party Integration - Web Portal & Account Management
  - Universities/Colleges
  - Buffalo BOE
  - Social Services
  - Employers
- Retail Network - InComm
- Finalize Fare Policy



# Fare Policy

- Purpose of the Fare Policy is to establish guidelines for setting and/or restructuring public transit fares
- Board required to adopt the Fare Policy to guide the current and future fare collection process
  - Fare payment: including the types of fare media and passes that will be used
  - Fare structure: establishing full fares and discounts for various services and ridership groups
  - Fare equity: assuring that there are no disparate impacts and disproportionate burdens for vulnerable populations
- In 2015, advanced draft Fare Policy to Scheidt & Bachmann to begin system development
  - In October 2016, NFTA Board adopted a new fare structure after public hearing process
- Previously adopted fare structure did not include:
  - Fare capping at all levels
  - New smart card Distribution
  - Youth access



- *31-Day Pass* - allows for unlimited travel over a 31-day period, beginning on the first use
- *Monthly Pass* - a calendar based monthly pass that would be provided to health and human service agencies only, not the general public
- *Seven-Day Pass* - allows individuals unlimited travel for seven days starting on the first use
- *Enhanced Express 31-Day Pass* - provides a 31-day pass option for individuals using limited express buses
- *Weekly Pass* - a calendar based weekly pass (Sunday through Saturday) that would be provided to health and human service agencies only, not the general public.
- *Day Capping* - instead of issuing separate day passes, smart card/mobile ticketing technology will automatically stop charging users after the day pass value has been reached

## Previously Adopted

# Fare Policy

# Fare Policy

- *PAL Card* - allows pre-qualified individuals access to paratransit and fixed-route service
- *Summer Go Pass* - offered to individuals 17 and under for the portion of the summer when school is not in session
- *Senior/Disabled Half Fares* - seniors 65 and older and those with a disability will continue to receive half fares for all fare types
- *Youth Half Fares* - individuals 10 and over will now pay full fare, those below the age of 10 ride for free when accompanied by an adult



MetGo PAL Card

Back

Front



- Additional fare policy discussion items
  - Fare capping at multiple levels
  - Youth access concerns
  - New smart card distribution

## Fare Policy

# Schedule - Service Plan and Fare Policy

July 2021

- Service Plan, Fare Policy and Title VI analysis presented to Board
- Board authorizes staff to conduct public hearings

August 2021

- Staff conducts public hearings

September 2021

- Staff reviews results of public hearing and adjusts Service Plan and Fare Policy as appropriate
- Board Review results of public hearings and adopts Fare Policy recommendation

October-December 2021

- Implementation of Service Plan
- Advance final Fare Policy for final system development







**Aviation Committee Presentation  
Terminal Operations Update  
June 24, 2021**

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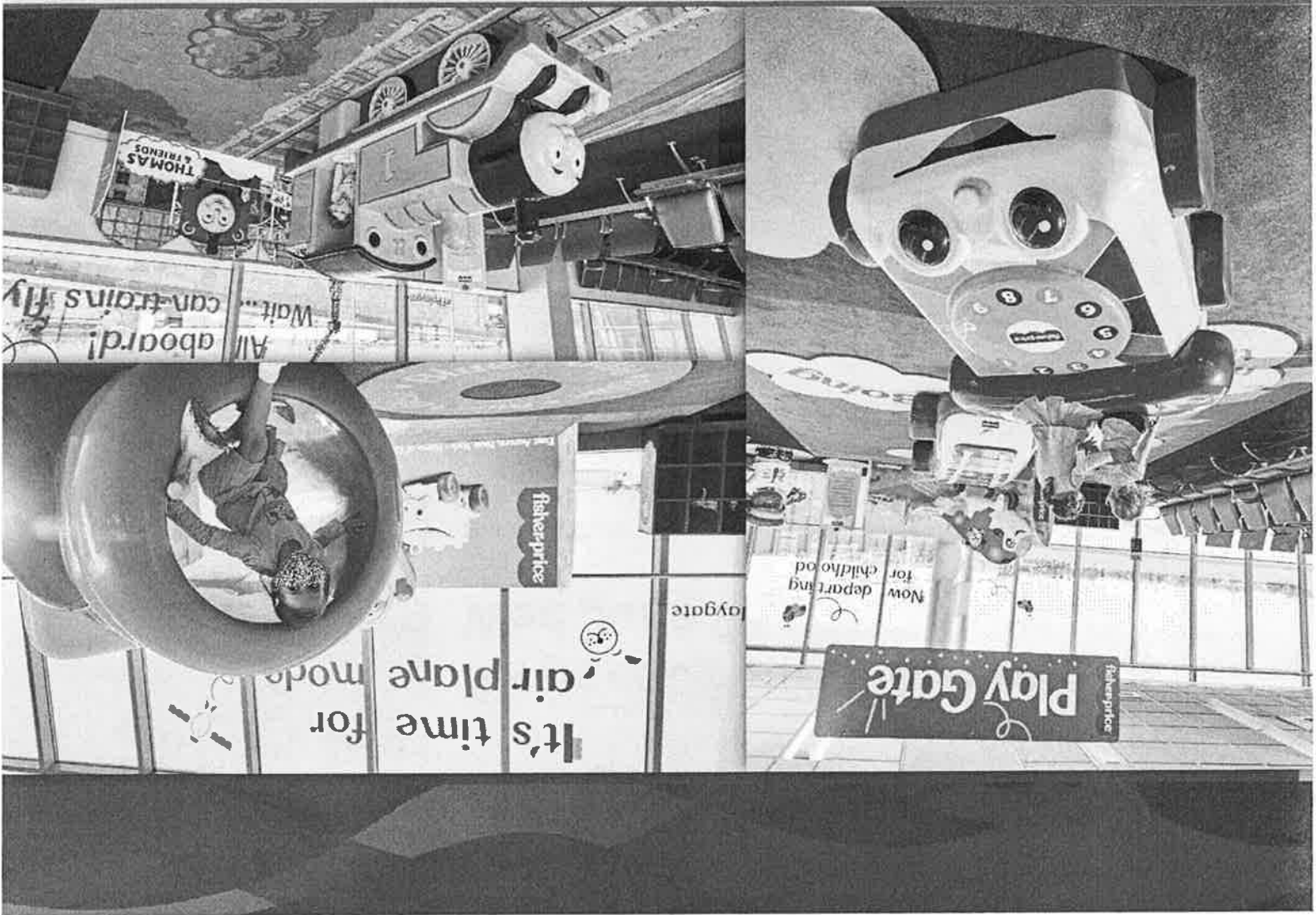


## Aviation Discussion Items

- Flight updates
- Parking changes
- Performance metrics
- Re-openings

Anchor Bar Re-opens

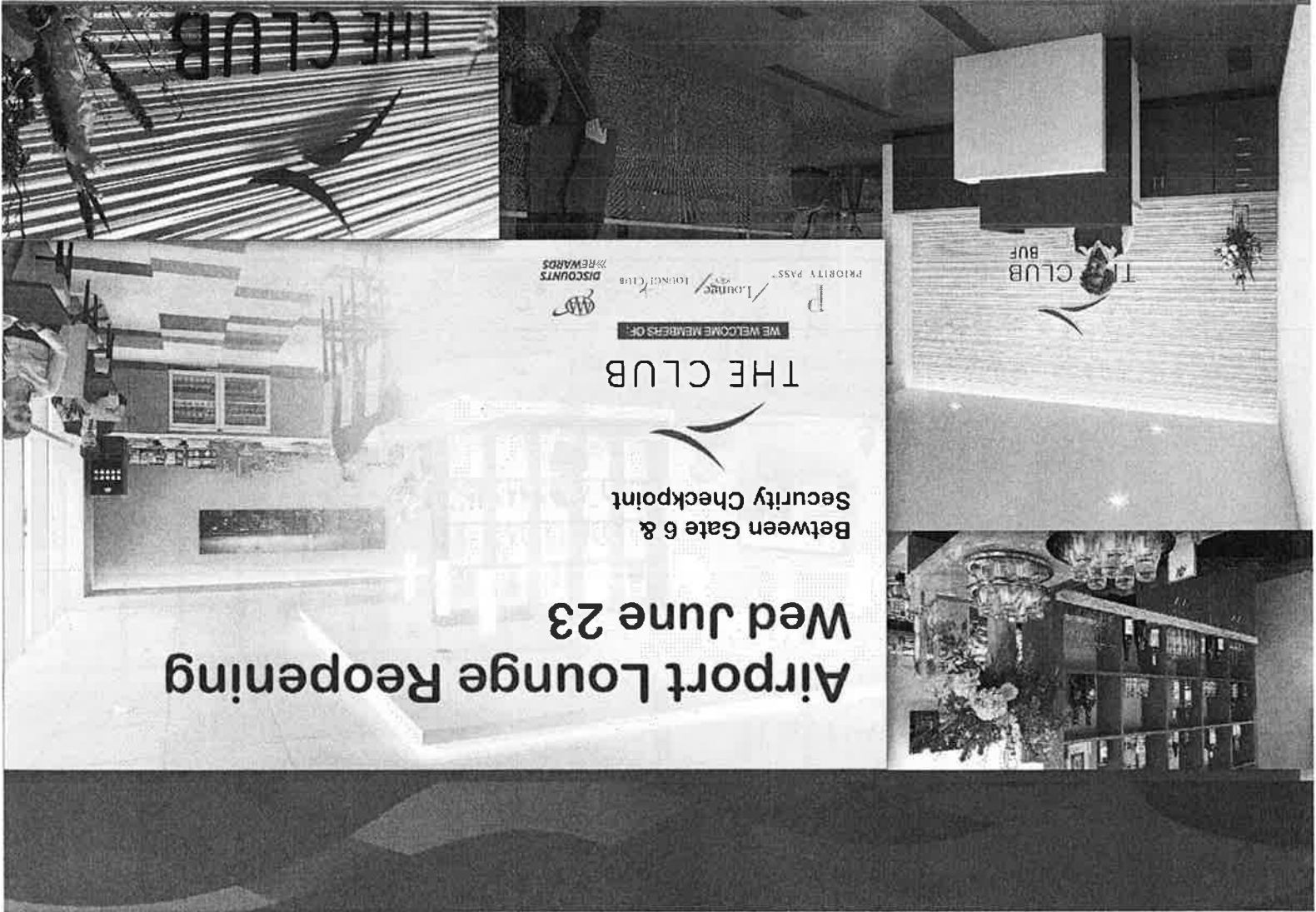




Fisher-Price Play Gates Re-open

**NFTA**

# Airport Lounge Re-opens



7. Executive Session: none

8. Adjournment

At approximately 1:08 p.m., the Chair indicated that there was no further business coming before the Board, whereupon it was moved by Commissioner Perry, seconded by Commissioner Baynes and unanimously approved that the Regular Meeting of the Niagara Frontier Transportation Authority and Niagara Frontier Transit Metro System, Inc. be adjourned.

