

**MONROE COUNTY AIRPORT AUTHORITY**  
**(A Discretely Presented Component Unit of the**  
**County of Monroe, New York)**

**Financial Statements as of**  
**December 31, 2024 and 2023**  
**Together with**  
**Independent Auditor's Report**

**MONROE COUNTY AIRPORT AUTHORITY**  
**(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)**

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**December 31, 2024 and 2023**

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## INDEPENDENT AUDITOR'S REPORT

March 19, 2025

To the Members of the  
Monroe County Airport Authority:

### Report on the Audit of the Financial Statements

#### ***Opinion***

We have audited the accompanying financial statements of the Monroe County Airport Authority (the Authority) (a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York), as of and for the years ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2024 and 2023, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

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

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## INDEPENDENT AUDITOR'S REPORT

(Continued)

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Required Supplementary Information***

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

**MONROE COUNTY AIRPORT AUTHORITY**  
**(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)**

**Management's Discussion and Analysis (Unaudited)**  
**December 31, 2024 and 2023**

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The Management's Discussion and Analysis (MD&A) of the Monroe County Airport Authority (the Authority) provides an introduction and overview of the financial statements of the Authority for the years ended December 31, 2024 and 2023. Following this MD&A are the financial statements of the Authority together with the notes thereto, which are essential to a full understanding of the data contained in the financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial statements of the Authority are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the Government Accounting Standards Board (GASB). The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting, which requires that transactions be recorded when they occur, not when its related cash receipt or disbursement occurs.

The Statements of Net Position depict the Authority's financial position at December 31, the end of the Authority's fiscal year. The statements present all the assets and deferred outflows of resources minus liabilities of the Authority which result in the ending net position of the Authority.

The Statements of Revenues, Expenses and Change in Net Position report operating revenues and expenses, non-operating revenues and expenses, capital contributions and the changes in net position for the year ended December 31. The change in net position combined with the previous year's net position total, reconciles to the net position total for the reporting period.

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

**SUMMARY OF FINANCIAL HIGHLIGHTS**

**Net Position**

The Statements of Net Position depict the Authority's financial position as of a point in time – December 31 – and include all assets, deferred outflow of resources, and liabilities of the Authority. The Authority's assets exceeded liabilities by \$38,212,693 at December 31, 2024, a \$2,995,749 or 8.5% increase from 2023. Restricted net position is \$408,411 or 1.1% of total net position. Restricted net position represents resources that are available for a specific purpose as imposed by creditors, grantors, contributors, laws or regulations. Unrestricted net position is \$35,055,409 and may be used to meet the Authority's obligations.

Table A-1 below contains a condensed summary of the Authority's total net position at December 31.

**Condensed Statements of Net Position  
Table A-1**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>ASSETS:</b>			
Current	\$ 40,970,841	\$ 36,760,777	\$ 29,115,685
Noncurrent	12,522,154	14,274,326	15,777,728
Capital	<u>2,748,843</u>	<u>3,177,547</u>	<u>3,919,518</u>
Total assets	<u>56,241,838</u>	<u>54,212,650</u>	<u>48,812,931</u>
<b>LIABILITIES:</b>			
Other	3,505,310	1,807,200	2,482,794
Long-term debt	1,240,000	1,625,000	-
Noncurrent	<u>13,059</u>	<u>176,093</u>	<u>592,043</u>
Total liabilities	<u>4,758,369</u>	<u>3,608,293</u>	<u>3,074,837</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Leases	<u>13,270,776</u>	<u>15,387,413</u>	<u>17,001,784</u>
Total deferred inflows of resources	<u>13,270,776</u>	<u>15,387,413</u>	<u>17,001,784</u>
<b>NET POSITION:</b>			
Net investment in capital assets	2,748,843	3,177,547	3,504,518
Restricted	408,441	119,924	104,305
Unrestricted	<u>35,055,409</u>	<u>31,919,473</u>	<u>25,127,487</u>
Total net position	<u>\$ 38,212,693</u>	<u>\$ 35,216,944</u>	<u>\$ 28,736,310</u>

**Assets and Liabilities**

Total assets are \$56,241,838 at December 31, 2024, an increase of \$2,029,188 or 3.7% from 2023. This increase is primarily due to the increase in investments which is a major component of current assets. Investments at year end 2024 totaled \$32,722,181, an increase of \$7,973,279 or 32.2% over 2023. In addition, cash and cash equivalents decreased by \$3,382,655 from 2023 to 2024 due to more funds being moved into investments. The Authority continued its investment strategy of investing in Treasury Bills that began in 2022.

Comparatively, total assets are \$54,212,650 at December 31, 2023, an increase of \$5,399,719 or 11.1% from 2022. This increase is primarily due to the increase in investments which is a major component of current assets. Investments at year end 2023 totaled \$24,798,902, an increase of \$7,938,760 or 47.1% over 2022.

Total liabilities are \$4,758,369 at year end, an increase of \$1,150,076 or 31.9% from the prior year. This increase is a result of an increase in accounts payable of \$1,970,499 due to an increase in the final adjustment to the signatory airlines at year end based on airline activity and rates charges under an amended airline use and lease agreement effective January 1, 2024. In addition, long term debt decreased \$385,000 from the prior year from debt payments made in 2023 and the 2024 noncurrent lease liability decreased by \$163,034 from the prior year.

Comparatively, total liabilities are \$3,608,293 at December 31, 2023, an increase of \$533,456 or 21.5% from the prior year. This increase is a result of an increase in long term debt of \$1,625,000 from the prior year due to the Authority issuing a \$2,000,000 serial bond on October 1, 2023. In addition, there is a decrease in accounts payable of \$569,875 due to a lower final adjustment to the signatory airlines at year end based on airline activity and rates and charges. The 2023 noncurrent lease liability decreased by \$407,748 from the prior year.

Capital assets and long-term debt are discussed elsewhere in this MD&A.

### Change in Net Position

The change in net position for 2024 is an increase of \$2,995,749. Overall, between 2024 and 2023, total operating revenues have exceeded total operating expenses. In 2024, non-operating expenses decreased by \$665,253 primarily due a decrease in the local share of capital projects paid by the Authority, combined with an increase in interest revenue. As County capital projects are completed, the local share is paid by the Authority. For more detail on the projects and amounts transferred, refer to the section "Non-Operating Expenses".

The comparative changes in revenues and expenses will be discussed following Table A-2 below.

**Condensed Statements of Revenues, Expenses, and Change in Net Position**  
**Table A-2**

	<u>2024</u>	<u>2023</u>	<u>2022</u>
OPERATING REVENUES:			
Landing and rental fees	\$ 11,224,802	\$ 9,760,195	\$ 8,794,042
Commissions	15,331,673	14,760,913	13,146,299
Other	<u>4,145,308</u>	<u>3,427,484</u>	<u>3,432,969</u>
Total operating revenues	<u>30,701,783</u>	<u>27,948,592</u>	<u>25,373,310</u>
OPERATING EXPENSES:			
Operating and maintenance - Monroe County	22,429,480	14,903,656	14,248,705
Rent - Monroe County and other	3,318,838	3,447,511	3,323,305
Depreciation and amortization	<u>1,006,400</u>	<u>1,038,278</u>	<u>1,077,697</u>
Total operating expenses	<u>26,754,718</u>	<u>19,389,445</u>	<u>18,649,707</u>
OPERATING INCOME (LOSS)	3,947,065	8,559,147	6,723,603
NON-OPERATING EXPENSES	<u>(1,239,833)</u>	<u>(2,094,132)</u>	<u>(1,313,760)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	2,707,232	6,465,015	5,409,843
CAPITAL CONTRIBUTIONS, net	<u>288,517</u>	<u>15,619</u>	<u>66,299</u>
CHANGE IN NET POSITION	<u>\$ 2,995,749</u>	<u>\$ 6,480,634</u>	<u>\$ 5,476,142</u>

### FINANCIAL ANALYSIS

#### Operating Revenues

Total operating revenue in 2024 increased to \$30,701,783 from \$27,948,592 in the prior year, an increase of \$2,753,191, or 9.9%. The majority of operating revenue is driven by enplanement levels and airline rates and charges. Landing and rental fees, which are primarily airline related, increased by \$1,464,607 or 15.0% from 2023. Commissions in 2024 (primarily made up of parking and rental car concessions) increased to \$15,331,673 from \$14,760,913, an increase of \$570,760 or 3.9% from 2023. Operating revenues classified as "Other" consist of concession revenues within the terminal including restaurants, stores, and transportation network charges (Lyft/Uber) which also had a \$717,824 or 20.9% increase from 2023.

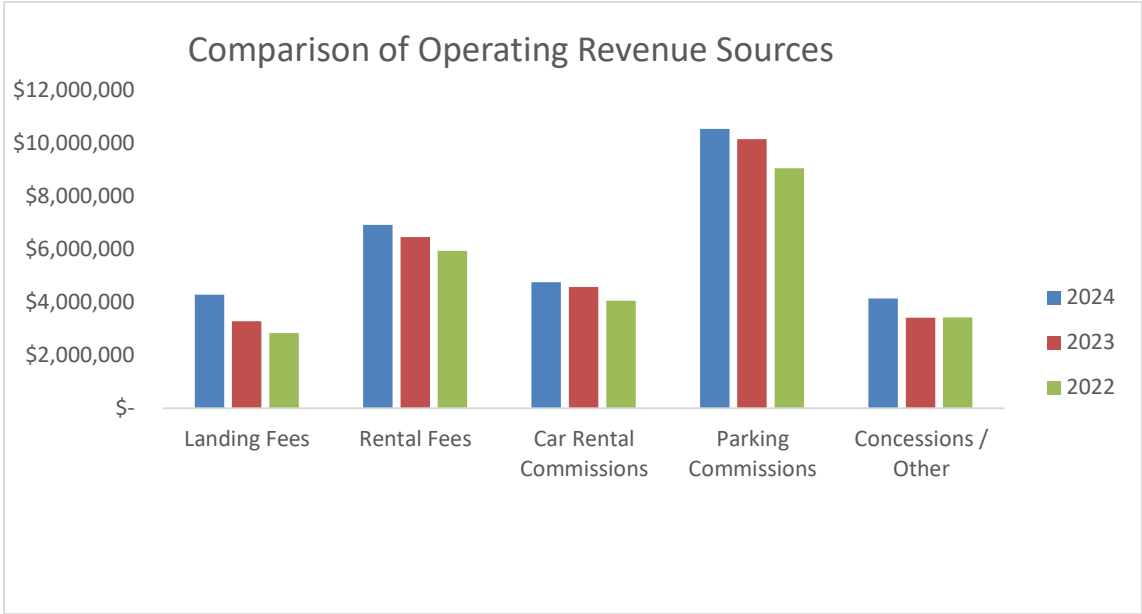


**FINANCIAL ANALYSIS (Continued)**

**Operating Revenues (Continued)**

Comparatively, total operating revenue in 2023 increased to \$27,948,592 from \$25,373,310 in 2022, an increase of \$2,575,282, or 10.15%. In 2023 passenger traffic returned to Pre-COVID 19 levels, resulting in a positive effect on all operating revenues. Landing and rental fees, which are primarily airline related, increased by \$966,153 or 11% from 2022. Commissions in 2023 (primarily made up of parking and rental car concessions) increased to \$14,760,913 from \$13,146,299, an increase of \$1,614,614 or 12.3% from 2022. Operating revenues classified as "Other" consist of concession revenues within the terminal including restaurants, stores, and transportation network charges (Lyft/Uber) and also continued to return to Pre-COVID levels.

The comparison of operating revenue sources is provided below.



	<u>Landing Fees</u>	<u>Rental Fees</u>	<u>Car Rental Commissions</u>	<u>Parking Commissions</u>	<u>Concessions / Other</u>
2024	\$ 4,296,634	\$ 6,928,168	\$ 4,763,984	\$ 10,567,689	\$ 4,145,308
2023	\$ 3,287,728	\$ 6,472,467	\$ 4,588,445	\$ 10,172,468	\$ 3,247,484
2022	\$ 2,840,426	\$ 5,953,616	\$ 4,064,677	\$ 9,081,622	\$ 3,432,969

**Non-Operating Revenue**

The primary source of this category is interest earnings totaling \$1,624,694 in 2024, an increase of \$479,859 from 2023. The increase in interest earnings is a result of increased investments in Treasury Bills.

## Operating Expenses

In 2024, total operating expenses increased by \$7,365,273 or 38.0% when compared to 2023. This increase is primarily an increase in operating and maintenance charges paid to Monroe County. In 2024, \$269,176 in COVID-19 relief funding was used to offset operating and maintenance costs at the Airport in comparison to \$6,093,696 in 2023. Personnel services and employee benefits increased by \$444,847 due to increases in salaries and benefits from union negotiated contract increases. Airport security costs increased by \$683,569 due to higher salaries and benefits, along with the discontinuation of federal funding for K9 services and deputy support at the checkpoint.

Comparatively, in 2023 total operating expenses increased by \$739,738 or 4.0% when compared to 2022. This increase is primarily due to an increase in operating and maintenance costs paid to Monroe County for the Airport of \$654,951 or 4.6% when compared to 2022. Personnel services and employee benefits increased by \$1,170,036 due to increases in salaries and benefits from union negotiated contract increases, along with County approved retention payments and increases to employee salary schedules as the County continued to strive to attract and retain staff. Contractual services for 2023 were \$460,728 or 22.5% higher than 2022 due to increased costs of service contracts. These increases were offset by decreases in Utility costs of \$499,084 or 25.2% from 2022 due to lower commodity costs of energy as the market returned to more stable rates.

## Non-Operating Expenses

Non-operating expenses in 2024 consists primarily of the Authority's local share of capital projects reimbursed to the County of \$2,811,377, a decrease of \$405,669 or 12.6% from 2023. In comparison the local share of capital projects in 2023 was \$3,217,046, an increase of \$1,361,091 of 73.3% from 2022. The decrease in 2024 is due to some locally funded capital projects completed in 2023 that were postponed in past years due to COVID-19. The Authority's local share of 5.0% becomes due to the County when a capital project is completed. Below is a list of the projects completed and the Authority's local share:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Building Improvements	\$ 1,084,147	\$ 721,443	\$ 959,260
Safety & Security Improvements	534,226	207,514	49,563
Facility Improvements	460,282	437,845	(210,049)
Snow Removal and Other Equipment	339,818	41,820	107,156
Parking Improvements	299,904	255,280	600,046
General Aviation Improvements	61,579	1,283,900	-
Taxiway and Other Airfield Improvements	24,952	25,697	196,608
Planning and Feasibility	6,469	19,756	14,492
Land Acquisition	-	213,653	-
Circulation Improvements	<u>-</u>	<u>10,137</u>	<u>138,878</u>
Total	<u>\$ 2,811,337</u>	<u>\$ 3,217,045</u>	<u>\$ 1,855,954</u>

The balance of the cost of each project after the Authority's local share is paid comes from state and federal sources paid to the County directly. The facility improvements of (\$210,049) in 2022 is the result of local share reimbursed to the Authority from the County for outstanding state funding received.

## CAPITAL ASSETS

For the year ended December 31, 2024, the impact of recording depreciation and amortization was \$1,006,400, \$1,038,278 in 2023, and \$1,077,697 in 2022. Depreciation and amortization expense is the primary reason for the decrease in capital assets of \$428,704 (13.5%) in 2024, \$741,971 in 2023 (18.9%) and \$1,060,170 in 2022 (23.7%).

## Leases

The Authority leases the Airport facilities, except those that were financed through the 1989 bond issuance, from the County. The Authority is required to make annual rental payments to the County equal to the principal and interest due for the year on Airport-related debt issued by the County, both prior and subsequent to the inception of the Authority, net of earnings on related debt service. These rental payments totaled \$727,459 in 2024, \$880,363 in 2023, and \$1,033,854 in 2022.

## Purchases and Retirements

Airport facilities improvements are planned and funded through the County's Capital Improvement Program. In 2024, the Authority invested \$705,097 in facility improvements and retired \$365,590 in assets that had accumulated depreciation of \$238,189. In 2023, the Authority invested \$296,307 in facility improvements and retired \$370,543 in assets that had accumulated depreciation of \$370,543. Year-end total cost was \$129,054,869 and \$128,715,362 at December 31, 2024, 2023, respectively (See Table A-3).

## Summary of Capital Assets Table A-3

	<u>Cost</u>	<u>Accumulated Depreciation/ Amortization</u>	<u>Net</u>
December 31, 2022	\$ 128,789,598	\$ (124,870,080)	\$ 3,919,518
Increases	296,307	(1,038,278)	(741,971)
Decreases	<u>(370,543)</u>	<u>370,543</u>	<u>-</u>
December 31, 2023	128,715,362	(125,537,815)	3,177,547
Increases	705,097	(1,006,400)	(301,303)
Decreases	<u>(365,590)</u>	<u>238,189</u>	<u>(127,401)</u>
December 31, 2024	<u>\$ 129,054,869</u>	<u>\$ (126,306,026)</u>	<u>\$ 2,748,843</u>

## DEBT ADMINISTRATION

The Authority has long-term debt outstanding of \$1,625,000 in 2024, \$2,000,000 in 2023, and \$415,000 in 2022. Principal payments, net of unamortized bond discount and deferred amounts were \$375,000, \$415,000, and \$410,000 for 2024, 2023, and 2022 respectively.

The debt outstanding at December 31, 2024 and 2023, decreased by \$375,000 in 2024 and increased by \$1,585,000 in 2023, as a result of new debt issued in 2023. This outstanding debt is a result of the Authority issuing \$2,000,000 in September 2023 for new Airport revenue bonds with a five-year life for general aviation related projects (See Table A-4).

## Summary of Long-Term Debt Table A-4

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Serial Bonds, issued in 2018	\$ -	\$ -	\$ 415,000
Serial Bonds, issued in 2023	<u>1,625,000</u>	<u>2,000,000</u>	<u>-</u>
Total long-term debt	<u>\$ 1,625,000</u>	<u>\$ 2,000,000</u>	<u>\$ 415,000</u>

More detailed information about the Authority's long-term debt is presented in Note 6 to the financial statements.

**AVIATION FACTORS AFFECTING FINANCIAL STATEMENTS**

**Passenger Activity**

During 2024, passenger air traffic at the Frederick Douglass Greater Rochester International Airport continued to increase for the fifth year in row. Total passenger numbers (enplanements and deplanements) for 2024 were 2,668,461, which represents an increase of 27,507 or 1.0% over the total passengers served in 2023 of 2,640,954. Departing trips from ROC were 15,495, a decrease of approximately 4.8% from 16,271 departing trips in 2023. There were significant reductions in departures for most the major signatory carriers during the first four months of 2024. Operations moderated during the remaining months due to the airlines operating with larger aircraft resulting in minimal deviations from month to month.

Enplanement numbers affect both operating revenues and Passenger Facility Charges (PFCs) and are used in the aviation industry to rank the size of an airport. As of the most recent available data for CY2023 (released in October 2024), ROC ranked 90th nationally.

<u>Year</u>	<u>Ticketed Passenger Activity</u>		<u>Total Passengers</u>
	<u>Enplanements (Departing)</u>	<u>Deplanements (Arriving)</u>	
2024	1,342,548	1,325,913	2,668,461
2023	1,321,492	1,319,462	2,640,954
2022	1,157,014	1,175,320	2,332,334

ROC continues to aggressively promote air service development with its current air carriers and other prospective airlines. In 2024, ROC inaugurated new services by Spirit Airlines to Fort Lauderdale in August, nonstop service to Las Vegas by Southwest Airlines in October, and new to services to both Lakeland, Florida and Concord/Charlotte, North Carolina by Avelo Airlines in October and November.

**Passenger Facility Charge (PFC) Fees**

Enplanements affect the amount of PFC fees that are collected from the airlines each year. The more ticketed passengers flying from Rochester, the greater the amount of PFC's collected. In 2024, a total of \$5,579,646 in PFC's were collected from airline passengers. The Authority contributed \$5,291,129 towards the costs of capital improvement at the Airport, resulting in a Capital Contribution, net of \$288,517 as shown in Table A-2. In 2023, a total of \$5,353,396 in PFC's were collected from airline passengers. The Authority contributed \$5,337,777 towards the costs of capital improvement at the Airport, resulting in a Capital Contribution, net of \$15,619. In 2022, a total of \$4,757,134 in PFC's were collected from airline passengers. The Authority contributed \$4,690,835 towards the costs of capital improvements at the Airport, resulting in a Capital Contribution, net of \$66,299. A description of PFC's is provided in Note 2 of the financial statements, Passenger Facility Charges.

**Airline-Airport Use and Lease Agreement**

Revenues from airlines are determined by annual calculations in accordance with the Signatory Airline Use and Lease Agreement, effective January 1, 2024, through December 31, 2028. This agreement was the result of contract negotiations with the Airlines in 2023 which resulted in a contract amendment that was executed to extend the original Use and Lease Agreement that expired on December 31, 2023. The agreement employs a hybrid rate setting approach, with an airfield residual and a terminal compensatory rate setting methodology. Landing Fees, which are paid by airlines and cargo carriers, and Rentals (Table A-2) which are predominately paid by airlines, are regulated by the annual Rates and Charges. At year-end, actual airfield payments are reconciled to actual airfield costs to determine the final amounts owed by the airlines. The terminal rates are also recalculated to reflect actual costs incurred and year end true up entries with the Airlines are made.

## **AVIATION FACTORS AFFECTING FINANCIAL STATEMENTS (Continued)**

### **Incentive Program**

Since 2015 the Authority has offered an airline incentive program to qualified airlines for new non-stop service from ROC to an unserved airport. The incentive program authorizes the Administrative Director to waive landing, terminal and operation fees and allocate marketing funds as deemed necessary for development of the incentive package. No additional airlines took advantage of this program during 2024, 2023 or 2022.

### **Lease and Operating Agreement With Monroe County**

The Authority's Lease and Operating Agreement with the County was set to expire on November 1, 2023, 30 days following the final payment of the Authority's bonds. However, on October 1, 2023, the Authority issued a \$2,000,000 revenue bond with a five-year payment term, extending the expiration date of the Authority's Lease and Operating Agreement with the County to November 1, 2028.

### **2025 BUDGET**

The Authority's 2025 budget has been approved and contains no significant changes from the operational results for 2025. No known matters exist at this time that would have a significant effect on the financial position of the Authority or on its expected results of operations for the coming year.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Treasurer, Monroe County Airport Authority, at 1200 Brooks Avenue, Rochester, New York 14624 or through the website, [www.MonroeCounty.gov](http://www.MonroeCounty.gov).

**MONROE COUNTY AIRPORT AUTHORITY**

(A Discretely Presented Component Unit of the County of Monroe, New York)

**Statements of Net Position  
December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 3,894,618	\$ 7,277,273
Investments	32,772,181	24,798,902
Accounts receivable - net of allowance for doubtful accounts of \$600,000	965,226	681,289
Accrued interest	101,170	100,414
Lease receivable	1,882,776	1,882,776
Due from Monroe County	1,354,870	2,020,123
Total current assets	<u>40,970,841</u>	<u>36,760,777</u>
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	639,743	406,728
Lease receivable, net	11,882,411	13,867,598
Capital assets, nondepreciable	497,771	497,771
Capital assets, net	<u>2,251,072</u>	<u>2,679,776</u>
Total noncurrent assets	<u>15,270,997</u>	<u>17,451,873</u>
Total assets	<u>56,241,838</u>	<u>54,212,650</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>		
CURRENT LIABILITIES:		
Current maturities of long-term debt	385,000	375,000
Accounts payable	2,558,307	587,808
Unearned revenue	291,330	128,008
Other liabilities	44,020	105,915
Accrued interest on bonds	13,378	16,548
Lease liability	35,801	415,951
Security deposits	177,474	177,970
Total current liabilities	<u>3,505,310</u>	<u>1,807,200</u>
NONCURRENT LIABILITIES:		
Long-term debt, net	1,240,000	1,625,000
Lease liability, net	13,059	176,093
Total noncurrent liabilities	<u>1,253,059</u>	<u>1,801,093</u>
Total liabilities	<u>4,758,369</u>	<u>3,608,293</u>
DEFERRED INFLOWS OF RESOURCES:		
Deferred inflows of resources - leases	13,270,776	15,387,413
Total deferred inflows of resources	<u>13,270,776</u>	<u>15,387,413</u>
NET POSITION:		
Net investment in capital assets	2,748,843	3,177,547
Restricted -		
For passenger facility projects	408,441	119,924
Unrestricted	35,055,409	31,919,473
Total net position	<u>\$ 38,212,693</u>	<u>\$ 35,216,944</u>

The accompanying notes are an integral part of these statements.

**MONROE COUNTY AIRPORT AUTHORITY****(A Discretely Presented Component Unit of the County of Monroe, New York)****Statements of Revenues, Expenses and Change in Net Position  
For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES:		
Landing fees	\$ 4,296,634	\$ 3,287,728
Rental fees	6,928,168	6,472,467
Car rental commissions	4,763,984	4,588,445
Parking commissions	10,567,689	10,172,468
Concessions	<u>4,145,308</u>	<u>3,427,484</u>
Total operating revenues	<u>30,701,783</u>	<u>27,948,592</u>
OPERATING EXPENSES:		
Operating and maintenance - Monroe County	22,429,480	14,903,656
Rent - Monroe County	727,459	880,363
Depreciation and amortization of capital assets	1,006,400	1,038,278
Other	<u>2,591,379</u>	<u>2,567,148</u>
Total operating expenses	<u>26,754,718</u>	<u>19,389,445</u>
Operating income	<u>3,947,065</u>	<u>8,559,147</u>
NON-OPERATING REVENUES (EXPENSES):		
Interest revenue	1,624,694	1,144,835
Interest expense	(61,760)	(23,121)
Other	8,610	1,199
Local share of capital projects - Monroe County	<u>(2,811,377)</u>	<u>(3,217,045)</u>
Total non-operating revenues (expenses)	<u>(1,239,833)</u>	<u>(2,094,132)</u>
Income before capital contributions	2,707,232	6,465,015
CAPITAL CONTRIBUTIONS, net	<u>288,517</u>	<u>15,619</u>
CHANGE IN NET POSITION	2,995,749	6,480,634
NET POSITION - beginning of year	<u>35,216,944</u>	<u>28,736,310</u>
NET POSITION - end of year	<u>\$ 38,212,693</u>	<u>\$ 35,216,944</u>

The accompanying notes are an integral part of these statements.

**MONROE COUNTY AIRPORT AUTHORITY****(A Discretely Presented Component Unit of the County of Monroe, New York)****Statements of Cash Flows****For the Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Cash received from providing services	\$ 30,445,606	\$ 27,844,995
Cash paid to suppliers	<u>(23,174,461)</u>	<u>(18,504,929)</u>
Net cash flow from operating activities	<u>7,271,145</u>	<u>9,340,066</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of capital assets	(705,097)	(296,307)
Capital contributions, net	288,517	15,619
Payment of bond principal	(375,000)	(415,000)
Payment of bond interest expense	(64,930)	(9,059)
Payment of lease liability	(415,783)	(407,748)
Proceeds from issuance of debt	-	2,000,000
Refund of prior years' expense	8,610	1,199
Local share of capital projects - Monroe County	<u>(2,811,377)</u>	<u>(3,217,045)</u>
Net cash flow from capital and related financing activities	<u>(4,075,060)</u>	<u>(2,328,341)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Interest received	1,627,554	1,006,230
Purchase of investments	<u>(7,973,279)</u>	<u>(7,938,760)</u>
Net cash flow from investing activities	<u>(6,345,725)</u>	<u>(6,932,530)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	(3,149,640)	79,195
CASH AND CASH EQUIVALENTS - beginning of year	<u>7,684,001</u>	<u>7,604,806</u>
CASH AND CASH EQUIVALENTS - end of year	<u>\$ 4,534,361</u>	<u>\$ 7,684,001</u>
CLASSIFIED AS:		
Cash and cash equivalents	\$ 3,894,618	\$ 7,277,273
Restricted cash and cash equivalents	<u>639,743</u>	<u>406,728</u>
Total cash and cash equivalents	<u>\$ 4,534,361</u>	<u>\$ 7,684,001</u>



**MONROE COUNTY AIRPORT AUTHORITY**  
**(A Discretely Presented Component Unit of the County of Monroe, New York)**

**Statements of Cash Flows**  
**For the Years Ended December 31, 2024 and 2023**

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	<u>2024</u>	<u>2023</u>
RECONCILIATION OF OPERATING INCOME TO NET		
CASH FLOW FROM OPERATING ACTIVITIES:		
Operating income	\$ 3,947,065	\$ 8,559,147
Adjustments to reconcile operating income to net cash flow from operating activities:		
Depreciation and amortization of capital assets	1,006,400	1,038,278
Deferred inflows of resources - leases	(2,116,637)	(1,614,371)
Changes in:		
Accounts receivable	(283,937)	(64,178)
Accrued interest - leases	(3,616)	144,587
Unearned revenue	163,322	6,334
Due to (from) Monroe County	665,253	510,015
Other current liabilities	1,908,108	(664,192)
Lease receivable	<u>1,985,187</u>	<u>1,424,446</u>
Net cash flow from operating activities	<u>\$ 7,271,145</u>	<u>\$ 9,340,066</u>

The accompanying notes are an integral part of these statements.

**MONROE COUNTY AIRPORT AUTHORITY**  
**(A DISCRETELY PRESENTED COMPONENT UNIT OF THE COUNTY OF MONROE, NEW YORK)**

**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024 AND 2023**

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**1. ORGANIZATION**

The Monroe County Airport Authority (the Authority) is a public benefit corporation that was created to finance, construct, develop, operate, and maintain aviation and other related facilities and services within the County of Monroe (the County), and is included in the reporting entity of the County as a discretely presented component unit. The Authority is organized under the Public Authorities Law of the State of New York. The oversight body is the Authority Board, which is approved by the County Legislature on the recommendation of the County Executive. The chairperson is appointed by the County Executive. The County's Director of Finance serves as Treasurer of the Authority. The County Attorney serves as Secretary of the Authority. The Authority leases the Frederick Douglass - Greater Rochester International Airport (the Airport) from the County and operates under the terms of the lease and operating agreement dated September 15, 1989, as amended.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

**Basis of Presentation**

GASB requires the classification of net position into three categories defined as follows:

- Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted net position - This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position - This component consists of net position that do not meet the definition of "net investment in capital assets", or "restricted".

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as they are needed.

**Cash and Cash Equivalents**

Cash and cash equivalents include certificates of deposit and money market funds. Cash and cash equivalents are stated at cost, which approximates fair value.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Investments**

The Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority does not have any investments that are measured using Level 2 or Level 3 inputs. Investment instruments are exposed to various risks, such as interest rate, market risk and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amounts reported on the accompanying financial statements.

### **Capital Assets**

The Airport facilities, except those that were financed through the Authority's 1989 bond issuance, are owned by the County and leased to the Authority (Note 4). Facilities owned by the County (and the related debt) are not recorded in the Authority's financial statements but are recorded by the County. The Authority capitalizes facilities, property, and equipment acquired at an original cost greater than \$10,000 and a useful life greater than two years. The County carries insurance coverage on the facilities, property and equipment, which includes minimal deductible payments. Amortization for improvements to the leased airport facilities is provided on a straight-line basis over the shorter of useful life or the remaining term of the lease from the time of acquisition. Depreciation and amortization is computed primarily on a straight-line basis over the estimated useful lives of the property and equipment, which range from two (2) to twenty (20) years.

### **Revenues and Expenses**

The Authority's principal sources of revenue are landing fees and terminal rentals from airlines using the Airport, car rental commissions, parking fees, and concession fees. Revenues are recognized upon the provision of services. The Authority contracts with certain airlines via a signatory agreement that defines the use of, and rates charged for, airport space and facilities. Operating expenses for financial reporting purposes include the cost of services provided, administrative expenses, and depreciation and amortization on capital assets. All revenues and expenses not meeting these classifications are reported as non-operating revenues and expenses.

Rates charged by the Authority to the airlines are intended to recover total budgeted operating costs, as defined by the signatory agreement, which excludes depreciation and amortization and accrued interest; but, includes principal and interest paid on related debt. At the end of each fiscal year, the budgeted amounts are reconciled with actual costs incurred and any resulting receivable or payable is settled with the signatory airlines. This revenue is recorded in accordance with agreements between the Authority and the signatory airlines that expire on December 31, 2028.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Passenger Facility Charges

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized the imposition of a local Passenger Facility Charge (PFC) and use of the resulting PFC revenues for Federal Aviation Administration (FAA) approved projects. The PFCs that the Authority has been authorized by the FAA to collect are as follows:

<u>Rate</u>	<u>Effective Date</u>	<u>FAA Approved</u>
\$3.00	December 1, 1997	September 1, 1997
\$3.00	April 1, 2001	November 1, 1998
\$4.50	September 1, 2004	June 1, 2004
\$4.50	May 1, 2011	July 1, 2006
\$4.50	February 1, 2019	October 1, 2013
\$4.50	May 1, 2025	May 1, 2018

PFCs may only be collected one at a time and must be collected in consecutive order of their approval. The excess (deficit) of amounts collected over amounts expended in each year is recorded as capital contributions in the Statement of Revenues, Expenses and Change in Net Position. Cumulative amounts collected, yet unexpended at December 31, are reflected as net position restricted for passenger facility projects in the Statement of Net Position.

### Accounts Receivable

The Authority accounts for receivables at outstanding billed amounts, net of the allowance for uncollectible amounts. Accounts for which no payments have been received for one year are considered delinquent and further collection efforts are begun. After the collection efforts are exhausted, the account is written off. At December 31, 2024 and 2023, the allowance for uncollectible accounts was \$600,000, which is estimated based on historical collection experience.

### Due from Monroe County

PFC collections have always been recognized on a cash basis since airlines do not adequately monitor and report information to airports on an accrual basis. Therefore, it is not practical to estimate or accrue PFC collections at the Authority. As cash is collected, it is remitted to the County as reimbursement for approved project expenditures that have already been incurred. During the COVID pandemic, PFC collections significantly declined, thereby delaying payments to the County for approved project costs. As a result, the Authority advanced funds to the County in anticipation of the future collection of PFCs. Although the pandemic is no longer affecting the Authority's PFC collections, they will continue to advance funds to the County as normal practice in the current year and going forward. The Authority recognizes this asset as Due from Monroe County. When sufficient PFC collections have been received to repay the Authority for the advance, then the prepayment will be reduced. It is anticipated that this would be satisfied within 12-18 months. If sufficient PFC collections are not received by the Authority, then the Due from Monroe County will be recognized as local share of County projects expense in the period this is determined.

### Deferred Inflows of Resources

Lease-related amounts are recognized at the inception of leases in which the Authority is the lessor. The deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **Taxes**

As a public benefit corporation, the Authority is exempt from federal and state income taxes, as well as from state and local property and sales taxes.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## **3. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The guidelines established by the Authority permit the investment of funds held by the Authority and funds held in trust for the Authority to be invested in accordance with New York State Public Authorities Law. Investments must be in the form of obligations of the State of New York, or in general obligations of its political subdivisions; obligations of the United States or its agencies whose principal and interest payments are fully guaranteed by the federal government; and in collateralized time deposits or certificates of deposit issued by a commercial bank or trust company, which is a member of the Federal Deposit Insurance Corporation (FDIC). The Authority's investment policy limits its deposit and investment activity to time deposits, demand deposits, certificates of deposit, United States Government obligations and repurchase agreements.

The Authority's investment policy requires its deposits and investments, except repurchase agreements and direct purchases of obligations of New York State or its political subdivisions or guaranteed by the federal government, to be at least 101% collateralized through federal deposit insurance or other obligations. Obligations that may be pledged as collateral are obligations of, or guaranteed by, the United States or the State of New York. Collateral must be delivered to the Authority or an authorized custodial bank. The policy does not address credit risk specifically; however, risk associated with these investments has been minimized by the fact that they are held in a trust separate from the custodian's assets, which could be claimed by creditors.

Bank accounts at December 31, 2024 and 2023 are either fully insured by the FDIC or are fully collateralized.

### 3. CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

#### Custodial Credit Risk

For cash deposits or investments, custodial credit risk is the risk that, in the event of failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. United States Treasury obligations are exempt because they are backed by the United States Government. The Authority's collateral related to the above is as follows for the year ended December 31:

	<u>2024</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 2,105,767	\$ 2,108,669
Time deposits	<u>2,428,594</u>	<u>2,428,594</u>
Total cash	<u>\$ 4,534,361</u>	<u>\$ 4,537,263</u>
Insured cash - FDIC		\$ 972,887
Uninsured - collateralized with securities held by pledging financial institution		<u>3,645,197</u>
Total insured and collateralized cash and cash equivalents		<u>\$ 4,618,084</u>

	<u>2023</u>	
	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand deposits	\$ 2,752,293	\$ 2,754,466
Time deposits	<u>4,931,708</u>	<u>4,931,708</u>
Total cash	<u>\$ 7,684,001</u>	<u>\$ 7,686,174</u>
Insured cash - FDIC		\$ 949,838
Uninsured - collateralized with securities held by pledging financial institution		<u>6,869,300</u>
Total insured and collateralized cash and cash equivalents		<u>\$ 7,819,138</u>

The Authority has the following recurring fair value measurements as of December 31:

- In 2024 and 2023, the U.S. Treasury securities of \$32,772,181 and \$24,798,902, respectively, were valued using quoted market prices (Level 1 inputs).

The following deposits and investments, excluding those held by the trustee, held with one financial institution represent five percent or more of the Authority's total deposits subject to credit risk at December 31:

	<u>2024</u>	<u>2023</u>
M&T	\$ 3,507,875	\$ 7,144,272
Bank of America	\$ 1,004,653	\$ 538,414

#### 4. LEASE AND OPERATING AGREEMENT WITH MONROE COUNTY

##### Operating and Maintenance Expense

The Authority and the County entered into a lease and operating agreement in September 1989. The leased property includes all of the County's right, title, and interest in the Airport. Under this agreement, the County is required to administer and operate the Airport. In return, the Authority is to reimburse the County for expenses incurred in the administration and operation of the Airport. All such expenses including payroll and related costs are reimbursed by the Authority using the accrual basis of accounting. Upon expiration or early termination of the lease term, the Airport reverts to the County. The lease was set to expire thirty (30) days after repayment of the Airport revenue bonds, which were repaid on January 1, 2019. However, in October 2018, the Authority issued \$2,000,000 in new Airport revenue bonds with a five-year life with a final maturity date of November 1, 2023 that extends the term of the lease. In October 2023, the Authority issued \$2,000,000 in new Airport revenue bonds with a five-year life and a final maturity date of October 1, 2028. Amounts due to/from the County represent the net balances pursuant to the agreement.

##### Rent Expense

The Authority is required to make annual rental payments to the County equal to the principal and interest due for the year on Airport-related debt issued by the County both prior and subsequent to the inception of the Authority, net of earnings on related debt service. In 2024 and 2023, the rental payments totaled \$727,459 and \$880,363, respectively. Estimated future minimum rental payments are as follows at December 31:

2025	\$	3,672,574
2026		3,474,625
2027		<u>3,044,250</u>
	\$	<u>10,191,449</u>

The above schedule presumes that the Authority's lease will continue beyond the lease's current expiration date.

In addition, the County issued a Bond Anticipation Note (BAN) on June 26, 2018 for \$28,385,000. The BAN was converted to an eight-year serial bond of \$22,570,000 on June 25, 2019 and the future minimum rental payments have been adjusted.

In 2005, resolution number seventeen was passed by the Authority requiring the Authority to pay interest on funds advanced by the County that is based on the County's expected return on other short-term investments. In 2024, the Authority did not receive advances from the County, and; therefore, no interest payments were made in the current year.

##### Due from Monroe County

The amounts below make up the total amount due from the County as of December 31:

	<u>2024</u>	<u>2023</u>
PFC Advance to Monroe County	\$ 1,860,000	\$ 2,506,758
Operating agreement due from (to) Monroe County	<u>(505,130)</u>	<u>(486,635)</u>
	<u>\$ 1,354,870</u>	<u>\$ 2,020,123</u>

## 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated or amortized:				
Land and easements	\$ 497,771	\$ -	\$ -	\$ 497,771
Capital assets, being depreciated:				
Buildings and other facility equipment	123,755,287	-	-	123,755,287
Office furniture and equipment	2,146,903	657,257	-	2,804,160
Transportation equipment	<u>914,279</u>	<u>47,840</u>	<u>(236,099)</u>	<u>726,020</u>
Total capital assets, being depreciated or amortized	<u>126,816,469</u>	<u>705,097</u>	<u>(236,099)</u>	<u>127,285,467</u>
Less:				
Accumulated depreciation:				
Buildings and other facility equipment	(122,465,473)	(337,068)	-	(122,802,541)
Office furniture equipment	(1,514,152)	(188,807)	-	(1,702,959)
Transportation equipment	<u>(737,514)</u>	<u>(75,281)</u>	<u>236,099</u>	<u>(576,696)</u>
Total accumulated depreciation	<u>(124,717,139)</u>	<u>(601,156)</u>	<u>236,099</u>	<u>(125,082,196)</u>
Net depreciable assets	<u>2,099,330</u>	<u>103,941</u>	<u>-</u>	<u>2,203,271</u>
Lease assets:				
Land	2,090	-	-	2,090
Buildings	<u>1,399,032</u>	<u>-</u>	<u>(129,491)</u>	<u>1,269,541</u>
Total lease assets	<u>1,401,122</u>	<u>-</u>	<u>(129,491)</u>	<u>1,271,631</u>
Less:				
Accumulated amortization:				
Land	(1,730)	-	-	(1,730)
Building	<u>(818,946)</u>	<u>(405,244)</u>	<u>2,090</u>	<u>(1,222,100)</u>
Total accumulated amortization	<u>(820,676)</u>	<u>(405,244)</u>	<u>2,090</u>	<u>(1,223,830)</u>
Total lease assets, net	<u>580,446</u>	<u>(405,244)</u>	<u>(127,401)</u>	<u>47,801</u>
Capital assets, net	<u>\$ 3,177,547</u>	<u>\$ (301,303)</u>	<u>\$ (127,401)</u>	<u>\$ 2,748,843</u>



## 5. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated or amortized:				
Land and easements	\$ 497,771	\$ -	\$ -	\$ 497,771
Capital assets, being depreciated:				
Buildings and other facility equipment	123,883,297	-	(128,010)	123,755,287
Office furniture and equipment	2,093,129	296,307	(242,533)	2,146,903
Transportation equipment	<u>914,279</u>	<u>-</u>	<u>-</u>	<u>914,279</u>
Total capital assets, being depreciated or amortized	<u>126,890,705</u>	<u>296,307</u>	<u>(370,543)</u>	<u>126,816,469</u>
Less:				
Accumulated depreciation:				
Buildings and other facility equipment	(122,140,033)	(453,450)	128,010	(122,465,473)
Office furniture equipment	(1,665,225)	(91,460)	242,533	(1,514,152)
Transportation equipment	<u>(654,484)</u>	<u>(83,030)</u>	<u>-</u>	<u>(737,514)</u>
Total accumulated depreciation	<u>(124,459,742)</u>	<u>(627,940)</u>	<u>370,543</u>	<u>(124,717,139)</u>
Net depreciable assets	<u>2,430,963</u>	<u>(331,633)</u>	<u>-</u>	<u>2,099,330</u>
Lease assets:				
Land	2,090	-	-	2,090
Buildings	<u>1,399,032</u>	<u>-</u>	<u>-</u>	<u>1,399,032</u>
Total lease assets	<u>1,401,122</u>	<u>-</u>	<u>-</u>	<u>1,401,122</u>
Less:				
Accumulated amortization:				
Land	(865)	(865)	-	(1,730)
Building	<u>(409,473)</u>	<u>(409,473)</u>	<u>-</u>	<u>(818,946)</u>
Total accumulated amortization	<u>(410,338)</u>	<u>(410,338)</u>	<u>-</u>	<u>(820,676)</u>
Total lease assets, net	<u>990,784</u>	<u>(410,338)</u>	<u>-</u>	<u>580,446</u>
Capital assets, net	<u>\$ 3,919,518</u>	<u>\$ (741,971)</u>	<u>\$ -</u>	<u>\$ 3,177,547</u>

## 6. LEASES

### Lessor Agreements

The Authority's leasing operations consist of the leasing of office and terminal space to airlines and other tenants. All leases are subject to public procurement requirements, and each has a different mechanism for determining rates and charges. The leases receivable were discounted to a net present value at December 31, 2024 and 2023 using a 2.25% interest rate.

Activity of lease inflows for the years ending December 31 are summarized as follows:

	<u>2024</u>	<u>2023</u>
<u>Lease-related revenue</u>		
Office Space	\$ 747,417	\$ 718,944
Land	987,918	995,023
Building	<u>381,302</u>	<u>381,302</u>
Total lease revenue	<u>2,116,637</u>	<u>2,095,269</u>
Interest revenue	<u>339,234</u>	<u>368,784</u>
Total	<u>\$ 2,455,871</u>	<u>\$ 2,464,053</u>

Future minimum lease payments due to the Authority as of December 31, 2024 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,981,502	\$ 294,901	\$ 2,276,403
2026	1,789,536	251,596	2,041,132
2027	1,574,568	210,895	1,785,463
2028	1,221,707	177,611	1,399,318
2029	1,188,008	149,985	1,337,993
2030-2034	3,204,348	450,692	3,655,040
2035-2039	945,792	247,242	1,193,034
2040-2044	415,203	187,820	603,023
2045-2049	464,593	138,430	603,023
2050-2054	519,859	83,164	603,023
2055-2059	<u>460,071</u>	<u>22,346</u>	<u>482,417</u>
Total	<u>\$ 13,765,187</u>	<u>\$ 2,214,682</u>	<u>\$ 15,979,869</u>

Future minimum lease payments due to the Authority as of December 31, 2023 were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,985,187	\$ 342,850	\$ 2,328,037
2025	1,981,502	294,901	2,276,403
2026	1,789,537	251,596	2,041,133
2027	1,574,568	210,894	1,785,462
2028	1,221,707	177,611	1,399,318
2029-2033	4,035,120	532,958	4,568,078
2034-2038	1,225,442	271,942	1,497,384
2039-2043	405,974	197,049	603,023
2044-2048	454,266	148,757	603,023
2049-2053	508,303	94,720	603,023
2054-2058	<u>568,768</u>	<u>34,255</u>	<u>603,023</u>
Total	<u>\$ 15,750,374</u>	<u>\$ 2,557,533</u>	<u>\$ 18,307,907</u>

## 6. LEASES (Continued)

### Lessee Agreements

The Authority leases building and land from National Equity Holding and Kateri Tekakawitha Parish, respectively. The leases have various inception dates with remaining terms of 13 - 240 months, with interest rates ranging from 2.25% - 4.00%.

Activity of lease liability for the year ended December 31, 2024 is summarized as follows:

<u>Beginning Balance</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 592,044	\$ -	\$ (543,184)	\$ 48,860	\$ 35,801

Activity of lease liability for the year ended December 31, 2023 is summarized as follows:

<u>Beginning Balance (Restated)</u>	<u>Additions</u>	<u>Subtractions</u>	<u>Ending Balance</u>	<u>Amount Due Within One Year</u>
\$ 999,792	\$ -	\$ (407,748)	\$ 592,044	\$ 415,951

Annual requirements to amortize long-term obligations and related interest are as follows:

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 35,801	\$ 623	\$ 36,424
2026	476	532	1,008
2027	495	513	1,008
2028	516	492	1,008
2029	557	471	1,028
2030-2034	3,164	1,998	5,162
2035-2039	3,975	1,290	5,265
2040-2044	3,876	403	4,279
	<u>\$ 48,860</u>	<u>\$ 6,322</u>	<u>\$ 55,182</u>

## 7. LONG-TERM DEBT

### Series 2018 Bond

In October 2018, the Authority issued bonds to provide funding for general aviation and airport infrastructure improvements. This debt issuance extended the expiration date of the Authority's Lease and Operating Agreement with the County to November 1, 2023.

### Series 2023 Bond

In September 2023, the Authority issued bonds to provide funding for general aviation and airport infrastructure improvements. This debt issuance extended the expiration date of the Authority's Lease and Operating Agreement with the County to October 1, 2028.

The 2023 and 2018 Series Bonds were purchased by Monroe County and are subject to redemption prior to maturity at the option of the Authority as a whole or in part on any date at par, together with the interest accrued thereon to the date fixed for redemption.

## 7. LONG-TERM DEBT (Continued)

Bond activity for the year ended December 31, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<i>Bonds issued as part of the 2023 series:</i>					
Serial bonds maturing in the annual amount of \$425,000 in 2028 bearing interest paid semi-annually at rates from 3.11% - 3.44%.	<u>\$2,000,000</u>	<u>\$ -</u>	<u>\$ (375,000)</u>	<u>\$ (385,000)</u>	<u>\$ 1,240,000</u>
Long-term debt	<u>\$2,000,000</u>	<u>\$ -</u>	<u>\$ (375,000)</u>	<u>\$ (385,000)</u>	<u>\$ 1,240,000</u>

Bond activity for the year ended December 31, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
<i>Bonds issued as part of the 2018 series:</i>					
Serial bonds maturing in the annual amount of \$415,000 in 2023 bearing interest paid semi-annually at 2.37%.	<u>\$ 415,000</u>	<u>\$ -</u>	<u>\$ (415,000)</u>	<u>\$ -</u>	<u>\$ -</u>
<i>Bonds issued as part of the 2023 series:</i>					
Serial bonds maturing in the annual amount of \$425,000 in 2028 bearing interest paid semi-annually at rates from 3.11% - 3.44%.	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>(375,000)</u>	<u>1,625,000</u>
Long-term debt	<u>\$ 415,000</u>	<u>\$ 2,000,000</u>	<u>\$ (415,000)</u>	<u>\$ (375,000)</u>	<u>\$ 1,625,000</u>

### Other

For the years ended December 31, 2024 and 2023, interest expense was \$62,479 and \$23,897, respectively. Cash paid for interest was \$65,649 and \$9,836, during the years ended December 31, 2024 and 2023, respectively.

**7. LONG-TERM DEBT (Continued)**

**Other (Continued)**

Maturities of revenue bonds for the fiscal year ending December 31, 2024 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 385,000	\$ 52,931	\$ 437,931
2026	400,000	39,572	439,572
2027	415,000	26,332	441,332
2028	<u>425,000</u>	<u>13,217</u>	<u>438,217</u>
	<u>\$ 1,625,000</u>	<u>\$ 132,052</u>	<u>\$ 1,757,052</u>

Maturities of revenue bonds for the fiscal year ending December 31, 2023 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 375,000	\$ 65,648	\$ 440,648
2025	385,000	52,931	437,931
2026	400,000	39,572	439,572
2027	415,000	26,332	441,332
2028	<u>425,000</u>	<u>13,217</u>	<u>438,217</u>
	<u>\$ 2,000,000</u>	<u>\$ 197,700</u>	<u>\$ 2,197,700</u>

**8. CAPITAL CONTRIBUTIONS**

Of the \$160,164,431 that the Authority is authorized to expend in PFCs, \$124,648,021 has been expended cumulatively through December 31, 2024. The net amount of annual collections, interest and expenditures is recorded as capital contributions.

Balance - beginning of year	<u>\$ 119,924</u>
Collections	5,579,646
Expended	<u>(5,291,129)</u>
Net Change	<u>288,517</u>
Balance - end of year	<u>\$ 408,441</u>

As of December 31, 2024 and 2023, \$408,441 and \$119,924, respectively, is reflected as restricted net position for passenger facility projects in the Statements of Net Position.

## **9. MANAGEMENT AGREEMENT**

On January 1, 2023, the Authority entered into a five (5) year contract with MAPCO Auto Parks LTD., as an Agent, to manage the public parking facilities at the Airport. Under the terms of this Agreement, the Authority retains the right to establish parking rates. The Agent manages all public parking facilities including a three-story structural parking garage; a short-term and a weekly lot, an Airport shuttle lot, several employee lots; as well as economy shuttle lots located in close proximity to the Airport terminal. The Agent operates and maintains the Airport parking facilities in accordance with the terms of this agreement. The Agreement provides that certain approved expenses are the responsibility of the Agent. The contract also provides the management fee calculation based upon the gross revenues per month. Management fees paid to the Agent for the years ending December 31, 2024 and 2023 were \$818,499 and \$810,208, respectively.

## **10. CONTINGENCIES**

### **Litigation**

The Authority is subject to litigation in the ordinary conduct of its affairs. In the aggregate, these claims seek monetary damages in significant amounts. To the extent the outcome of such litigation has been determined to result in probably loss to the Authority, such loss has been accrued in the accompanying financial statements. The outcome of the remaining claims cannot be determined at this time.

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

March 19, 2025

To the Members of the  
Monroe County Airport Authority:

We have audited, in accordance with the auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Monroe County Airport Authority (the Authority) (a public benefit corporation of the State of New York and a discretely presented component unit of the County of Monroe, New York), as of and for the years ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 19, 2025.

**Report on Internal Control over Financial Reporting**

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

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of This Report**

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