



# **BUFFALO**

*New York*

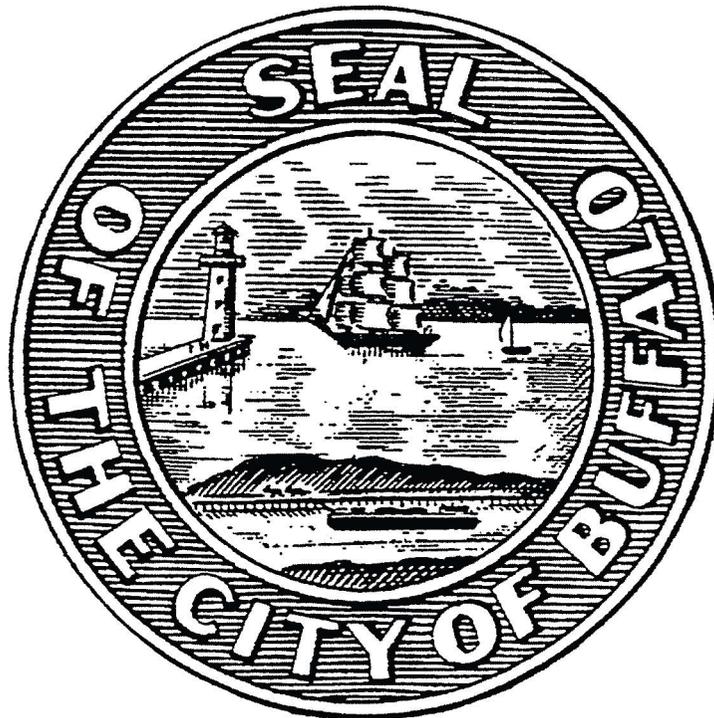
**CITY OF BUFFALO  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**JUNE 30, 2009**

# **City of Buffalo, New York**

## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2009**  
**Andrew A. SanFilippo, Comptroller**



**Department of Audit and Control**  
**65 Niagara Square • 1225 City Hall**  
**Buffalo, New York 14202**

**CITY OF BUFFALO, NEW YORK**  
**Table of Contents**  
**Year Ended June 30, 2009**

---

**INTRODUCTORY SECTION**

Letter of Transmittal.....	1
Elected City Officials .....	6
Organizational Chart .....	7
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	8

**FINANCIAL SECTION**

Independent Auditors' Report .....	9
Management's Discussion and Analysis.....	11

Basic Financial Statements:

**Government-wide Financial Statements:**

Statement of Net Assets (Deficit) .....	22
Statement of Activities.....	23

**Fund Financial Statements:**

Balance Sheet—Governmental Funds .....	24
Reconciliation of the Balance Sheet—Governmental Funds to the Statement of Net Assets.....	25
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds .....	26
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds to the Statement of Activities .....	27
Statement of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—General Fund .....	28
Statement of Revenues, Expenditures and Changes in Fund Balances— Budget and Actual—Debt Service Fund .....	29

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table of Contents**  
**Year Ended June 30, 2009**

---

(continued)

Statement of Fund Net Assets—Proprietary Funds .....	30
Statement of Revenues, Expenditures and Changes in Fund Net Assets—Proprietary Funds .....	32
Statement of Cash Flows—Proprietary Funds .....	33
Statement of Fiduciary Net Assets—Fiduciary Funds .....	35
Statement of Changes in Fiduciary Net Assets—Fiduciary Funds .....	36
<b>Notes to the Financial Statements .....</b>	<b>37</b>

**SUPPLEMENTAL SCHEDULES**

Combining Balance Sheet—Other Governmental Funds .....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Other Governmental Funds .....	83
Combining Statement of Fiduciary Assets and Liability—Agency Funds .....	84
Statement of Changes in Assets and Liabilities—Agency Funds .....	85

**STATISTICAL SECTION**

Capital Projects:

Table I—Schedule of Additions, Expenditures, and Unreserved Fund Balance—Capital Projects Fund .....	86
---	----

Financial Trends:

Table II—Net Assets by Component .....	102
Table III—Changes in Net Assets .....	103
Table IV—Governmental Activities Tax Revenues by Source .....	106
Table V—Fund Balances of Governmental Funds .....	107
Table VI—Changes in Fund Balances of Governmental Funds .....	108

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table of Contents**  
**Year Ended June 30, 2009**

---

(concluded)

Table VII—General Governmental Activities Tax Revenues by Source .....	110
Revenue Capacity:	
Table VIII—Assessed Value and Estimated Actual Value of Taxable Real Property.....	111
Table IX—General Governmental Activities Tax Revenues by Source.....	112
Table X—Principal Property Taxpayers .....	113
Table XI—Property Tax Levies and Collections .....	114
Debt Capacity:	
Table XII—Ratios of Outstanding Debt by Type .....	115
Table XIII—Ratios of General Bonded Debt Outstanding .....	116
Table XIV—Direct and Overlapping Debt .....	117
Table XV—2009 Legal Debt Margin .....	118
Table XVI—Legal Debt Margin Information.....	119
Table XVII—Debt Service Coverage for Buffalo Municipal Water Finance Authority Revenue Bonds.....	120
Demographic and Economic Information:	
Table XVIII—Demographic and Economic Statistics.....	121
Table XIX— Principal Employers in the Buffalo Metropolitan Area .....	122
Operating Information	
Table XX —Full-time Equivalent Employees by Function .....	123
Table XXI —Operating Indicators by Function.....	124
Table XXII —Capital Asset Statistics by Function .....	125

# **INTRODUCTORY SECTION**



# CITY OF BUFFALO

DEPARTMENT OF  
AUDIT AND CONTROL  
COMPTROLLERS OFFICE  
1225 CITY HALL  
BUFFALO, NEW YORK 14202

**ANDREW A. SANFILIPPO**

*COMPTROLLER*

December 18, 2009

To the Mayor, Members of the Common Council,  
And Citizens of the City of Buffalo

I am pleased to submit the 177th Annual Financial Report of the City of Buffalo, New York (City) for the fiscal year ended June 30, 2009. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Drescher & Malecki LLP have issued an unqualified ("clean") opinion on the City's financial statements as of and for the year ended June 30, 2009. The independent auditors' report is located at the front of the financial section of this report.

The Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of the Government**

The City, which was incorporated in 1832, is located on the western border of the State of New York (State) and the eastern shore of Lake Erie. It has a land area of 42 square miles and a population of 292,648 based on the 2000 census. The City of Buffalo is the second largest city in the State and serves as the seat of the Erie County government. The Peace Bridge crossing the Niagara River connects downtown Buffalo with Fort Erie, Canada, and serves as a major link between the United States and Canada.

The City operates under a charter adopted in 1927 and revised in 2001, which provides for a strong Mayor-Council-Comptroller form of government. The Mayor, elected by general election for a four-year term, is the head of the executive department and oversees all administrative functions. He has the power to appoint and remove the non-

elected heads of City departments, boards, commissions and agencies, most of which are subject to the approval of the Common Council.

The fiscal affairs of the City are the responsibility of the Comptroller, who is elected to a four-year term. The specific responsibilities of the Comptroller include the audit and control of the financial activities of all departments and agencies of the City, as well as the accounting, debt management and investment functions.

The Common Council, which is the legislative body of the City, consists of nine Council members who are elected in a general election to four year terms for their respective districts. In addition to the legislative power to adopt ordinances and resolutions, the review and approval of the operating and capital budgets, and approval of mayoral appointments, the Common Council has power to investigate City affairs, subpoena records and administer oaths.

After a review by the State Comptroller, the State declared that the City was in a state of fiscal crisis and enacted the Buffalo Fiscal Stability Authority Act. Effective July 2, 2003, the Buffalo Fiscal Stability Authority (the "BFSA") monitors the fiscal affairs of the City. The BFSA, in addition to approving a four-year financial plan, also has the power, upon a declaration of need by the City, to issue bonds, notes or other obligations on behalf of the City to provide cash flow financing, to finance certain capital costs, or to restructure outstanding debt. Following a determination by the BFSA that the City has completed three fiscal years without a deficit, the BFSA will revert to an advisory capacity until June 30, 2037.

The City provides a full range of services, including police and fire protection; sanitation services; the construction and maintenance of highways, streets, and other infrastructure; and recreation activities and cultural events. Water services are provided through the Buffalo Water Board and Buffalo Municipal Water Finance Authority. Although legally separate entities, they are in substance part of the primary government's operation and are included as an integral part of the City of Buffalo's financial statements. The City is also financially accountable for a legally separate school district and urban renewal agency, both of which are reported separately within the City's financial statements. Additional information on all these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City are required to submit requests for appropriation to the Director of the Budget on or before February 1 each year. On or before May 1, the Mayor submits the proposed executive budget to the Common Council. The City Charter requires that the Mayor submit a balanced budget. The Council may change expenditure items but may not modify the Mayor's estimates on revenue, except for the real property tax levy, which is levied in the amount necessary to balance total appropriations and estimated revenues. The Mayor may veto additions to the proposed budget; however, the Council may override any item veto by a two-thirds vote. If the budget has not been passed by the Council by June 1, the budget as submitted by the

Mayor, including all additions which he has not vetoed, is adopted. Budget amendments during the fiscal year between functions require approval of the Mayor, the Comptroller and two-thirds of the Council.

Commencing with the City's 2004-05 fiscal year, the Mayor is also required to submit his proposed budget along with a four-year financial plan to the BFSA on or before May 1 of each year. The plan must provide that the major operating funds of the City are balanced in accordance with generally accepted accounting principles. Within 20 days after submission by the City, the BFSA must determine whether the plan is complete and complies with the BFSA Act.

## **Local Economy**

The employment mix of the Buffalo metropolitan statistical area has changed from the 1980's when manufacturing employed 27% of the workforce and now employs 6.4%. The reduction in manufacturing jobs is offset by an increase in service providing jobs that grew from 20% to 52.3% over the same period. The major employers in the area include federal, state and local governments, colleges and universities, banks, and health care professionals. Over the past 10 years, unemployment has ranged from a current high of 10.4% in 2009 to a low of 5.1% in 2000. The unemployment rate for 2009 is 10.4%, up from 7.2% in 2008.

During the past 10 years, the amount of the City's General Fund revenues derived from state aid grew from \$91 million (26% of total revenues) to \$193 million (43% of total revenues). During the same period, property tax revenues declined from 39% to 31% of total revenues. On the expense side, the cost of fringe benefits grew from \$50 million (19% of total expenditures) to \$107 million (26% of total expenditures) at a time when the workforce was cut from 3,442 to 2,575 members. The cost of fringe benefits would have been higher if the City had not contracted with a single provider for all employee health care coverage. The City continues to look for ways to reduce expenditures by changing the way it delivers services, but also needs revenue growth to alleviate its dependence on state aid and thereby ensure its fiscal stability. Work continues on the city's extraordinary school reconstruction program, with thirty-one schools completed or near completion for a total of \$844 million. Legislation and funding have been approved to reconstruct 10 more Buffalo schools at a cost of \$295 million. It is anticipated that an additional \$195 million will be required to complete the program which is one of the most ambitious public works projects in the city's history.

## **Long-term Financial Planning**

The City continues to enjoy a strong financial position, evidenced by the year-end fund balance for 2008 – 2009 of \$138.6 million. It was the fifth straight year of increasing fund balances, the kind of performance that is cause for optimism. The City also successfully negotiated affordable labor contracts with the blue and white-collar workers as it completed its fourth consecutive year of structurally balanced budgets. The capital debt management program continues to make progress in reducing the City's

outstanding capital indebtedness which has gone from \$415.6 million in 2004 to \$364.8 million in 2009. While there are clearly concerns about the state's budget challenges, the City has designated a \$33.6 million Rainy Day fund for non-recurring emergencies that includes possible cuts in state aid and other ramifications related to Albany's fiscal woes.

## **Major Initiatives**

There were important strides in ongoing \$1 billion waterfront renewal as Mayor Byron Brown and Congressman Brian Higgins came together in September to announce the groundbreaking for the reconstruction of four historic streets in the city's Inner Harbor area. The project is being financed with \$3.8 million in federal funds and is scheduled for completion in May of 2010. The reconstruction of the historic streets will build upon the successful redevelopment of the vital tourism and recreational area of Buffalo that is the waterfront. By using actual cobblestones that are original to sections of the streets, the City intends to provide a faithful and historically accurate reconstruction of the long covered streets that are essential to the continuing restoration of the storied Buffalo waterfront. Work on the reconstruction began as the City completed its second successful summer season at the Commercial Slip and continued to forge ahead with new work to further enhance the waterfront experience and opportunities. The goal, said Congressman Higgins, is to take full advantage of our proximity to water and historical streets and the Erie Canal to "build a waterfront that is not only attractive to visitors and economic development, but one that is uniquely Western New York."

The City features numerous marina areas and waterfront hotels and is home to many very popular tourist attractions including the Darwin Martin House, designed by acclaimed 20th century architect Frank Lloyd Wright. There are many historical sites to visit in a city known for its historical charm, including towering City Hall dating from the early 1930s, the Theodore Roosevelt National Historic site, and St. Paul's Episcopal Cathedral. There are many other attractions for visitors to the Queen City which is enjoying a tourism renaissance as renovation and redevelopment spur interest in the once grand city by the lake which offers much more than snow and its world-famous chicken wings to travelers from near and far.

Not long ago, people in the Buffalo area feared national quality-of-life rankings, but that is changing. With development, renovation, and artistic and cultural treasures, Buffalo is regaining its pride and enjoying a new-found image. Forbes magazine puts Buffalo 17<sup>th</sup> on its list of U. S. metros that deliver the biggest "bang for the buck"---that is places with broad stocks of affordable housing, decent economic potential, and short commutes. Previously Forbes had ranked Buffalo as the top city in American for cost of living standards.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Buffalo for its comprehensive annual financial report for the fiscal year ended

June 30, 2008. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Department of Audit and Control. I wish to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and the Common Council for the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

A handwritten signature in black ink, reading "Andrew A. SanFilippo". The signature is written in a cursive style with a horizontal line through the middle of the name.

Andrew A. SanFilippo  
Comptroller

**CITY OF BUFFALO, NEW YORK  
Elected City Officials  
June 30, 2009**

---

**Byron W. Brown, Mayor**

**Andrew A. SanFilippo, Comptroller**

**David A. Franczyk, President of the Council**

**DISTRICT COUNCIL MEMBERS  
(as of June 30, 2009)**

---

**Delaware District—Michael J. Locurto**

**Ellicott District—Brian C. Davis**

**Fillmore District—David A. Franczyk**

**Lovejoy District—Richard A. Fontana**

**Masten District—Demone A. Smith**

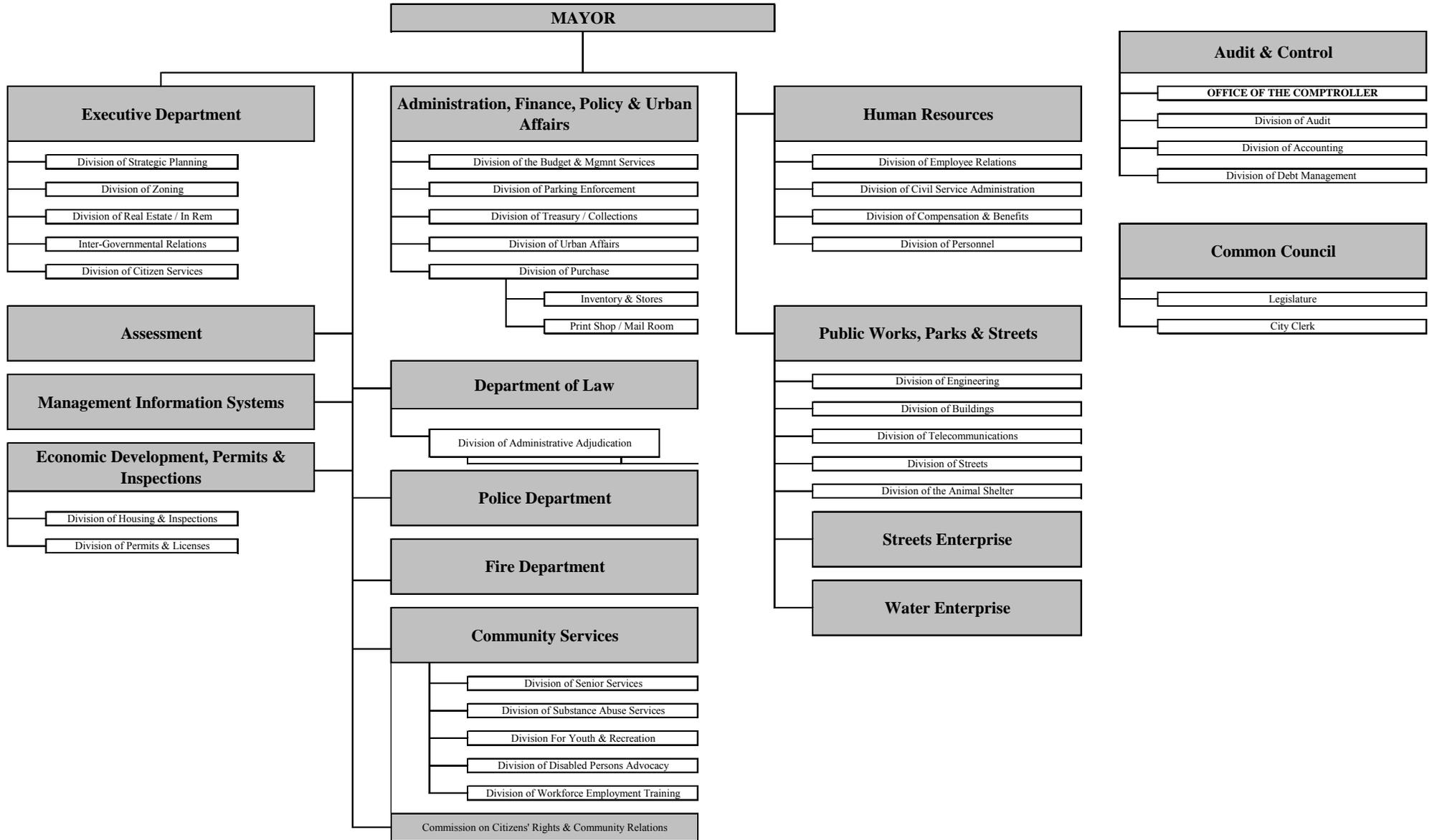
**Niagara District—David A. Rivera**

**North District—Joseph Golombek, Jr.**

**South District—Michael P. Kearns**

**University District—Bonnie E. Russell**

**CITY OF BUFFALO, NEW YORK**  
**Organizational Chart**  
**June 30, 2009**



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Buffalo  
New York

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



A handwritten signature in black ink, appearing to read "M. L. R.", is written above the title "President".

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", is written above the title "Executive Director".

Executive Director

# **FINANCIAL SECTION**

---

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Honorable Comptroller of  
the City of Buffalo, New York:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Buffalo, New York (the "City"), as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these respective financial statements based on our audit. We did not audit the financial statements of the Buffalo Fiscal Stability Authority, which represents 5% and 3%, respectively, of the assets and revenues of the governmental activities, and 10% and 2%, respectively, of the assets and revenues of the governmental funds within the fund financial statements. We also did not audit the financial statements of the City of Buffalo Urban Renewal Agency and the Buffalo Board of Education, which are shown as a discretely presented component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Buffalo Fiscal Stability Authority, City of Buffalo Urban Renewal Agency, and the Buffalo Board of Education, is based solely on the reports of such other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, discretely presented component units, each major fund, and aggregate remaining fund information of the City as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Debt Service Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 14 to the basic financial statements, the Solid Waste and Recycling Fund reported a net deficit.

The Management's Discussion and Analysis as listed in the foregoing table of contents is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. This information is the responsibility of the City's management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements taken as a whole. The supplemental schedules listed in the foregoing table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These supplemental schedules are also the responsibility of the management of the City. These supplemental schedules have been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

The introductory and the statistical section as listed in the table of contents of this report are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the City. The introductory and the statistical section are the responsibility of the management of the City. Such additional information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

*Drescher & Malachuk LLP*

December 3, 2009

(December 13, 2009 as to the Buffalo Urban Renewal Agency information)

**CITY OF BUFFALO, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2009**

---

As management of the City of Buffalo, New York (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2009. All amounts are expressed in thousands of dollars, unless otherwise indicated.

**Financial Highlights**

- ◆ The assets of the City exceeded its liabilities at the close of the fiscal year ended June 30, 2009 by \$261,171 (net assets). This consists of \$258,682 invested in capital assets, net of related debt, \$57,781 restricted for specific purposes, and deficit unrestricted net assets of \$55,292.
- ◆ The City's total net assets decreased by \$15,772 for the year ended June 30, 2009. Net assets decreased \$17,620 for governmental activities and increased \$1,848 for business-type activities.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$257,601.
- ◆ At the end of the current fiscal year, the unreserved fund balance for the general fund was \$100,923, or 22.6%, of total general fund expenditures including transfers out. The unreserved, undesignated fund balance for the general fund was \$48,201, or 10.8%, of total general fund expenditures including transfers out.
- ◆ The City's total general obligation bonded debt outstanding (excluding notes that have been refinanced but have not yet matured and bonds issued by the BFSA) is \$262,933. The City issued general obligation bonds in the amount of \$55,950 for capital projects during the year.
- ◆ The total Buffalo Municipal Water Finance Authority revenue bonds outstanding within the Water System at the end of the current fiscal year were \$143,007.
- ◆ The Buffalo Fiscal Stability Authority's ("BFSA") total bonded debt outstanding is \$132,850. No new debt was issued for the City during the current year.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements present functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, streets and sanitation, economic assistance and opportunity, culture and recreation, and health and community services. The business-type activities of the City include a water utility, refuse collection services, and parking ramps.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also a legally separate school district for which the City is financially accountable and the Buffalo Urban Renewal Agency, a public benefit corporation through which Federal urban renewal grants for the City are channeled. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages immediately following this section as the first two pages of the basic financial statements.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus *on near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources*, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund and capital projects fund which are considered major funds. Additionally, the general fund of the BFSAs is reported as a major fund of the City. The City's special revenue and permanent funds, as well as the debt service fund of the BFSAs, are considered to be non-major funds and the data from these funds are combined into a single, aggregated presentation.

The financial statements for governmental funds can be found in the fund financial statements, following the government-wide financial statements.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water, water board, water authority, parking, and refuse collection operations. The *internal service fund* is used to account for the central print shop. Because the print shop predominantly benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements. The City reports the Solid Waste and Recycling Fund on the Proprietary Funds Statement of Net Assets and Statement of Revenues, Expenditures, and Changes in Net Assets, even though this fund was non-major in 2009. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water system, parking, and refuse collection operations. In addition, the internal service fund is presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found in the Basic Financial Statement section of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found in the Basic Financial Statement section of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found following the Basic Financial Statement section of this report.

### **Government-wide Financial Analysis**

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceed liabilities by \$261,171 at the close of the most recent fiscal year.

**Table 1—Condensed Statement of Net Assets—Primary Government (000’s omitted)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>June 30,</u>		<u>June 30,</u>		<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Current and other assets	\$ 658,227	\$ 576,457	\$ 62,873	\$ 69,378	\$ 721,100	\$ 645,835
Capital assets	<u>391,281</u>	<u>374,776</u>	<u>173,882</u>	<u>176,378</u>	<u>565,163</u>	<u>551,154</u>
Total assets	<u>\$ 1,049,508</u>	<u>\$ 951,233</u>	<u>\$ 236,755</u>	<u>\$ 245,756</u>	<u>\$ 1,286,263</u>	<u>\$ 1,196,989</u>
Current and other liabilities	\$ 265,406	\$ 217,811	\$ 8,793	\$ 9,447	\$ 274,199	\$ 227,258
Long-term liabilities	<u>578,530</u>	<u>510,230</u>	<u>172,363</u>	<u>182,558</u>	<u>750,893</u>	<u>692,788</u>
Total liabilities	<u>843,936</u>	<u>728,041</u>	<u>181,156</u>	<u>192,005</u>	<u>1,025,092</u>	<u>920,046</u>
Net assets (deficit):						
Invested in capital assets, net of related debt	213,493	192,336	45,189	43,550	258,682	235,886
Restricted	57,781	58,163	-	-	57,781	58,163
Unrestricted	<u>(65,702)</u>	<u>(27,307)</u>	<u>10,410</u>	<u>10,201</u>	<u>(55,292)</u>	<u>(17,106)</u>
Total net assets	<u>\$ 205,572</u>	<u>\$ 223,192</u>	<u>\$ 55,599</u>	<u>\$ 53,751</u>	<u>\$ 261,171</u>	<u>\$ 276,943</u>

The largest portion of the City’s net assets reflects its investment in capital assets (such as land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City’s net assets, 22.1% of total net assets, represents resources that are subject to external restrictions on how they may be used.

The remaining component of the City’s net assets, a deficit of \$55,292, represents unrestricted net assets which reflect liabilities not related to the City’s capital assets and are not expected to be repaid from current resources. Long-term liabilities are funded annually within the funds. The long-term liability associated with other postemployment benefits (OPEB) as a result of adopting GASB Statement No. 45, totals \$153,218 and is greater than this deficit. As the revenue recognition criteria for the future funding of this liability has not been met, no asset has been recorded to offset this liability.

Total net assets decreased \$15,772 as a result of current year activities. Significant changes from 2008 to 2009 in the Statement of Net Assets and reasons for such changes are:

- ◆ Current and other assets increased by \$75,265. The primary reason for the increase is the overall increase in cash and cash equivalents of \$98,704, which is offset by decreases in investments, receivables, due from other governments, and restricted cash. Cash and cash equivalents increased primarily due to two debt issuances within the year, as well as cash held for component units from positive results of operations. Investments decreased \$6,341, as more funds have been shifted to money market funds.
- ◆ Receivables (net of allowance for uncollectibles) decreased by \$3,821 due to more timely collection of outstanding taxes and miscellaneous receivables.
- ◆ Due from other governments decreased by \$5,920 primarily due to more timely collection of grant revenue compared to prior year.
- ◆ Capital assets increased by \$14,009. A significant portion of the increase was due additions to infrastructure and building improvements.
- ◆ Current and other liabilities increased \$46,941 from June 30, 2008 to June 30, 2009. There are two major fluctuations that account for this difference. Firstly, accounts payable and accrued liabilities increased \$6,585 primarily due to the accrual for unpaid union salary increases. Secondly, the amount due to component units, primarily due to the Water System, increased by \$41,602.
- ◆ Long-term liabilities increased by \$58,105. There were two debt issuances during fiscal year 2009, totaling \$55,950 as well as a \$42,739 increase in postemployment benefit liabilities. This was offset by payment of principal on debt outstanding.

**Governmental activities.** Governmental activities decreased the City's net assets by \$18,908 thereby accounting for the majority of the decrease in the net assets of the City. Key elements of this increase are as follows:

**Table 2—Changes in Net Assets—Primary Government (000's omitted)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<u>Year Ended June 30,</u>		<u>Year Ended June 30,</u>		<u>Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues:						
Program revenues:						
Charges for services	\$ 24,306	\$ 21,773	\$ 62,576	\$ 63,058	\$ 86,882	\$ 84,831
Operating grants and contributions	8,334	12,277	-	-	8,334	12,277
Capital grants and contributions	22,555	18,562	-	-	22,555	18,562
General revenues:						
Property taxes	127,027	131,240	-	-	127,027	131,240
Other taxes	24,260	25,756	-	-	24,260	25,756
State aid	173,583	158,356	-	-	173,583	158,356
Intergovernmental	104,570	101,242	-	-	104,570	101,242
Grants and contributions	407	412	-	-	407	412
Unrestricted investment earnings	6,353	11,481	962	2,219	7,315	13,700
Miscellaneous	6,935	4,234	-	-	6,935	4,234
Total revenues	<u>498,330</u>	<u>485,333</u>	<u>63,538</u>	<u>65,277</u>	<u>561,868</u>	<u>550,610</u>
Expenses:						
General government	233,026	207,031	-	-	233,026	207,031
Public safety	155,265	142,437	-	-	155,265	142,437
Streets and sanitation	24,347	22,532	-	-	24,347	22,532
Economic assist. & opportunity	9,328	10,649	-	-	9,328	10,649
Culture and recreation	4,448	3,121	-	-	4,448	3,121
Health and community services	3,605	3,469	-	-	3,605	3,469
Education	70,323	70,323	-	-	70,323	70,323
Interest on long-term debt	18,994	19,659	-	-	18,994	19,659
Solid Waste and Recycling	-	-	23,368	21,758	23,368	21,758
Parking	-	-	2,843	2,913	2,843	2,913
Water System	-	-	32,093	27,780	32,093	27,780
Total expenses	<u>519,336</u>	<u>479,221</u>	<u>58,304</u>	<u>52,451</u>	<u>577,640</u>	<u>531,672</u>
Excess of revenues over expenses	(21,006)	6,112	5,234	12,826	(15,772)	18,938
Transfers	<u>3,386</u>	<u>5,473</u>	<u>(3,386)</u>	<u>(5,473)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	(17,620)	11,585	1,848	7,353	(15,772)	18,938
Net assets — beginning	<u>223,192</u>	<u>211,607</u>	<u>53,751</u>	<u>46,398</u>	<u>276,943</u>	<u>258,005</u>
Net assets — ending	<u>\$ 205,572</u>	<u>\$ 223,192</u>	<u>\$ 55,599</u>	<u>\$ 53,751</u>	<u>\$ 261,171</u>	<u>\$ 276,943</u>

The largest funding sources for the City's governmental activities, as a percent of total revenues, are State aid (34.8%), property taxes (25.5%), and intergovernmental (21.0%).

The largest expense categories for the City's governmental activities are general government (44.9%), public safety (29.9%), and education (13.5%). The general government category includes fringe benefit costs for all employees. The education category represents the City allocation to the Board.

Significant changes from 2008 to 2009 in revenues and expenses for the City include the following:

- ◆ Operating grants and contributions decreased \$3,943 due primarily to less federal and state aid received in 2009 as opposed to 2008 because of a 2008 reconstruction project.
- ◆ The net growth in state aid and intergovernmental revenue was \$18,555. The City received an increase of general purpose state aid of approximately \$17,000.
- ◆ General government expenses increased \$25,995 primarily due to the \$19,957 increase over prior year in expenses for other postemployment benefits related to increased OPEB expenses. In addition there were increases in health care costs and employee wages.
- ◆ Public safety expenses increased \$12,828. The majority of the increase is related to the demolition of unsafe structures.

**Business-type activities.** Business-type activities increased the City's net assets by \$1,848. Overall, revenues and expenses remained relatively consistent from 2008 to 2009. The overall increase in net assets is due to the following:

- ◆ The Water System's net assets decreased by \$253. This is attributable to a decrease in charges for services due to a declining customer base.
- ◆ The net assets of the Parking fund increased \$4,136. Operating revenues were greater than expected because of increased demand for downtown parking spaces with no offsetting increase in expenditures.
- ◆ The Solid Waste and Recycling fund recorded a decrease in net assets of \$2,035 which was the result of service charges realized less than expected, as well as an increase in OPEB expenses.

### **Financial Analysis of the City's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$257,601 an increase of \$33,569 in comparison with the prior year. Approximately 52.3% of this total amount, or \$134,850, is available for spending at the government's discretion (*unreserved governmental fund balance*). The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed. Reserved fund balance includes \$46,082 to liquidate contracts and purchase orders of the period, \$22,270 to pay debt service, \$15,801 to cover the deficit in the solid waste fund and \$38,597 for a variety of other restricted purposes. Unreserved fund balance, in the amount of \$84,619, has been designated in the amount of \$31,898 to finance specific capital projects, \$19,080 for future obligations and \$33,642 in "Rainy Day" fund. These designations indicate management's intention to utilize these funds for the stated purposes.

**General fund.** The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was \$100,923 while total fund balance reached \$138,598. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balances represent 24.5% of total fund expenditures (excluding other financing uses), while total fund balance represents 33.6% of that same amount. The fund balance of the City's general fund increased by \$5,303 during the current fiscal year. The increase is attributed to greater than anticipated revenues for State Aid of \$2,128 and \$1,861 of charges for services, primarily related to foreclosures. Additionally, expenditures were \$6,152 less than budget.

**Debt service fund.** The debt service fund has a total fund balance of \$9,477, which is reserved solely for the purpose of payment of debt service. The net increase in fund balance during the current year in the debt service fund of \$380 is due to the transfer of unspent bond proceeds from the capital project fund to be used for future debt payments.

**Capital projects fund.** The capital projects fund accounts for the construction and reconstruction of general public improvements, excluding projects related to business-type activities which are accounted for in the appropriate proprietary fund. At the end of the current fiscal year, the fund balance was \$66,795, of which \$34,768 was encumbered for contracts underway, \$130 reserved for prepaid items and \$31,898 was designated for subsequent years' expenditures. The increase in fund balance of \$20,268 is the result of two bond issuances in 2009 totaling \$55,950, offset by expenditures from prior capital bond sales.

**BFSA special revenue fund.** The BFSA Special Revenue fund is used to account for the general fund of the BFSA and, therefore, is their chief operating fund. Total fund balance at the end of the current fiscal year was \$24,666. Of this amount, \$22,625 is reserved by enabling legislation for state aid received on behalf of the City, \$11 is reserved for prepaid items and \$2,030 is undesignated. The increase in fund balance of \$8,347 is attributed to funds received from the State for aid and incentives to municipalities, which cannot be transferred to the City until requirements established by the legislation have been met.

**Other governmental funds.** Other governmental funds consist of the special revenue fund, the BFSA debt service fund, and the permanent fund. The special revenue fund is used to account for programs and projects primarily funded by grants from the federal and state governments. At the end of the current fiscal year, fund balance of the special revenue fund was \$5,136. This balance includes \$2,348 encumbered for contracts underway. The remaining balance will be used for future expenditures. The fund balance of the Special Revenue fund decreased by \$1,292 over the prior year, and is attributed to the expenditures incurred in the current year for revenues that were received and recorded in prior years, as well as reduction in current year federal and state grants. The BFSA debt service fund has a total fund balance of \$12,793, which is reserved to pay debt service. The positive change of \$562 is the result of increased set asides for future debt service payments. The Permanent Fund is used to report resources that

are legally restricted to the extent that only earnings and not principal may be used for the purposes for which they were established. The balance at the end of the current fiscal year was \$137. The increase of \$1 was the result of investment income.

**Proprietary funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The net assets of the proprietary funds at the end of the current fiscal year totaled \$55,599. The balance includes \$41,913 for parking, \$30,760 for the water system, and a deficit balance of \$17,074 for solid waste and recycling. The underlying reasons for the any changes were described under the heading Business-Type Activities.

**Internal service fund.** The internal service fund is used to account for the citywide print shop. The total net assets at the end of the fiscal year were \$157. This represents a decrease of \$3, which is primarily from the excess of charges over cost.

### **Budgetary Highlights**

The City annually adopts an operating budget for the general fund as well as the debt service fund. The City also adopts a capital improvement budget that determines what multi-year projects will be financed by the sale of bonds or the acquisition of capital grants. These projects are accounted for in the capital projects fund. The multi-year projects of the special revenue fund are established for specific projects as grant funds become available.

After adjustments for the prior year's encumbrances of \$8,300, the City's 2008-09 general fund operating budget was increased during the year by approximately \$18,000. Additional state incentive aid to municipalities of \$5,000 and general purpose aid of \$10,500 was used for demolition of unsafe structures and other economic development projects. Prior year fund balance of \$4,900 was used to settle prior year claims. Actual revenues were \$4,305 greater than the final budget. Major positive variances included charges for services of \$1,861, state aid for \$2,128 and \$1,744 of sales tax. Actual expenditures were \$6,152 less than the final budget. Major positive variances included saving of \$2,342 in other costs of which the majority is for utility costs under budget. We budgeted for a short term borrowing that was not necessary, resulting in debt service cost savings of \$2,012 from budget. Additionally, administrative costs were \$2,034 under budget. This was due to lower than anticipated gasoline costs. The negative variance in fringe benefits of \$3,299 is the result of estimating retroactive wage payments attributable to 2008-09 for unsettled union contracts.

### **Capital Assets and Debt Administration**

**Capital Assets.** In accordance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, the City has recorded depreciation expense associated with all of its capital assets, including infrastructure. The City's capital assets for its governmental and business-type activities as of June 30, 2009, amounted to \$565,163 (net of accumulated depreciation). These capital assets include land, buildings, improvements other than buildings, machinery and equipment, infrastructure and construction in progress. The net increase in the City's capital assets for the current fiscal year was 2.5%.

**Table 3—Capital Assets—Primary Government (000’s omitted)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30,		June 30,		June 30,	
	2009	2008	2009	2008	2009	2008
Land	\$ 12,579	\$ 12,579	\$ 3,362	\$ 3,362	\$ 15,941	\$ 15,941
Buildings	162,941	164,024	113,564	115,370	276,505	279,394
Improvements other than buildings	14,049	14,821	158	177	14,207	14,998
Machinery and equipment	17,889	18,776	1,475	1,138	19,364	19,914
Infrastructure	174,555	160,069	54,294	55,303	228,849	215,372
Construction in progress	9,268	4,507	1,029	1,028	10,297	5,535
Total	<u>\$ 391,281</u>	<u>\$ 374,776</u>	<u>\$ 173,882</u>	<u>\$ 176,378</u>	<u>\$ 565,163</u>	<u>\$ 551,154</u>

Significant changes from 2008 to 2009 in capital assets include:

- ◆ Infrastructure increased \$13,477 and construction in progress increased \$4,762 due to reconstruction and completion of various road projects.
- ◆ Buildings decreased \$2,889. The \$1,806 decrease in buildings within business-type activities and the decrease in buildings in governmental activities of \$1,083, is primarily due to the timing of the bond sales resulting in fewer capital acquisitions during the year, net of increased depreciation costs.
- ◆ Machinery and equipment decreased \$550 primarily from fewer acquisitions in 2009.

Additional information on the City’s capital assets can be found in Note 5 of this report.

**Long-term debt.** At the end of the current fiscal year, the City had total bonded debt outstanding for governmental activities of \$238,034, excluding bonds issued by BFSA. This entire amount is backed by the full faith and credit of the City. The City issued \$55,950 in general obligation bonds for capital projects during the year.

The BFSA’s total bonded debt outstanding at the end of the current fiscal year is \$132,850.

The bonds outstanding for business-type activities at June 30, 2009 consisted of \$24,899 in general obligation bonds issued by the City and \$143,007 of revenue bonds issued by the Water Authority reported within the Water System.

**Table 4—Outstanding Debt—Primary Government (000's omitted)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	June 30,		June 30,		June 30,	
	2009	2008	2009	2008	2009	2008
General Obligation Bonds	\$ 370,884	\$ 353,113	\$ 24,899	\$ 28,136	\$ 395,783	\$ 381,249
Revenue Bonds	-	-	143,007	147,852	143,007	147,852
<b>Total</b>	<b>\$ 370,884</b>	<b>\$ 353,113</b>	<b>\$ 167,906</b>	<b>\$ 175,988</b>	<b>\$ 538,790</b>	<b>\$ 529,101</b>

The New York State Constitution restricts the annual real property tax levy for operating expenses to two percent of average full value of taxable City property over the last five years. This limitation does not apply to taxes for debt service. The Constitution also provides that the City may not contract indebtedness in an amount greater than 9% of the average full value of taxable real property for the most recent five years. Water debt, self-sustaining debt and revenue anticipation notes are excluded from the debt limit. This limit as of fiscal year end was \$565,411. The City had a debt-contracting margin of \$267,589 on July 1, 2009.

Additional information on the City's long-term debt can be found in Note 8 of this report.

### **Next Year's Budget**

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2010 budget. The total budgeted appropriations for the City's general fund operations are \$345,984. This budget reflects an increase of 3.6% to cover anticipated increased costs, the majority of which are for police and fire personnel and employee and retiree medical insurance. This budget was approved by the BFSA.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Buffalo, Office of the Comptroller, 1225 City Hall, Buffalo, New York 14202, Buffalo Board of Education, Finance, 708 City Hall, Buffalo, New York 14202 and Buffalo Urban Renewal Agency, 214 City Hall, Buffalo, New York 14202.

# BASIC FINANCIAL STATEMENTS

**CITY OF BUFFALO, NEW YORK**  
**Statement of Net Assets (Deficits)**  
**June 30, 2009**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	BOE	BURA
<b>ASSETS</b>					
Cash and cash equivalents	\$ 407,445,394	\$38,105,057	\$ 445,550,451	\$ 272,332	\$ 3,525,698
Investments	22,926,241	-	22,926,241	-	673,874
Receivables (net of allowance for uncollectibles)	3,335,752	10,172,147	13,507,899	1,344,379	13,336,679
Due from other governments/agencies	48,083,761	1,015,758	49,099,519	71,999,508	641,116
Due from component units/ primary government	134,598,901	-	134,598,901	183,792,211	239,454
Internal balances	17,003,887	(17,003,887)	-	-	-
Prepaid expenses and other assets	548,030	-	548,030	1,644,713	81,311
Deferred charges, net	5,540,783	2,667,819	8,208,602	20,727,195	-
Real estate acquired for resale	7,086,284	-	7,086,284	-	790,857
Restricted assets:					
Cash and cash equivalents	11,658,820	27,916,708	39,575,528	178,076,157	-
Capital assets:					
Land and construction in progress	21,847,693	4,391,649	26,239,342	114,049,122	1,585,372
Other capital assets (net of accumulated depreciation)	369,433,084	169,490,145	538,923,229	768,617,795	10,929,381
Total assets	<u>1,049,508,630</u>	<u>236,755,396</u>	<u>1,286,264,026</u>	<u>1,340,523,412</u>	<u>31,803,742</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	64,181,493	7,852,429	72,033,922	45,584,922	2,593,328
Due to component units/primary government	184,667,645	-	184,667,645	133,948,043	-
Due to other governments	712,515	-	712,515	23,864,172	448,639
Unearned revenue	8,084,282	941,527	9,025,809	-	3,903,116
Deferred bond premium (net)	7,760,403	-	7,760,403	79,724,491	-
Noncurrent liabilities:					
Due within one year	45,093,339	8,549,759	53,643,098	33,526,334	3,120,000
Due in more than one year	533,436,744	163,812,687	697,249,431	1,025,505,198	15,412,941
Total liabilities	<u>843,936,421</u>	<u>181,156,402</u>	<u>1,025,092,823</u>	<u>1,342,153,160</u>	<u>25,478,024</u>
<b>NET ASSETS (DEFICITS)</b>					
Invested in capital assets, net of related debt	213,493,302	45,188,720	258,682,022	155,090,552	11,309,751
Restricted for:					
Capital projects	4,365,760	-	4,365,760	3,197,322	-
Debt service	17,384,154	-	17,384,154	124,185,585	-
Grants	5,135,727	-	5,135,727	-	-
State mandated initiatives	22,625,116	-	22,625,116	-	-
Real estate	7,086,284	-	7,086,284	-	-
Judgments and claims	328,649	-	328,649	13,500,000	-
Unemployment insurance	-	-	-	3,156,044	-
Joint Schools Construction Board projects	-	-	-	51,375,737	-
Other purposes	719,213	-	719,213	426,707	-
Perpetual care:					
Expendable	106,709	-	106,709	-	-
Unexpendable	30,000	-	30,000	-	-
Stabilization	-	-	-	8,873,271	-
Unrestricted	<u>(65,702,705)</u>	<u>10,410,274</u>	<u>(55,292,431)</u>	<u>(361,434,966)</u>	<u>(4,984,033)</u>
Total net assets (deficits)	<u>\$ 205,572,209</u>	<u>\$55,598,994</u>	<u>\$ 261,171,203</u>	<u>\$ (1,629,748)</u>	<u>\$ 6,325,718</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BUFFALO, NEW YORK

## Statement of Activities

Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets (Deficit)				
		Charges for Services	Operating	Capital	Primary Government		Component Unit		
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities	Total	BOE	BURA
<b>Primary government:</b>									
Governmental activities:									
General government support	\$ 233,026,247	\$ 8,889,530	\$ 444,363	\$ 2,845,880	\$ (220,846,474)	\$ -	\$ (220,846,474)	\$ -	\$ -
Public safety	155,265,047	9,137,226	6,967,173	1,901,067	(137,259,581)	-	(137,259,581)	-	-
Streets and sanitation	24,346,665	1,198,860	104,969	15,464,651	(7,578,185)	-	(7,578,185)	-	-
Economic assistance and opportunity	9,328,266	4,353,734	212,783	2,284,657	(2,477,092)	-	(2,477,092)	-	-
Culture and recreation	4,447,813	-	23,613	58,762	(4,365,438)	-	(4,365,438)	-	-
Home and community services	3,604,848	726,762	581,520	-	(2,296,566)	-	(2,296,566)	-	-
Education	70,322,758	-	-	-	(70,322,758)	-	(70,322,758)	-	-
Interest and fiscal charges	18,995,006	-	-	-	(18,995,006)	-	(18,995,006)	-	-
Total governmental activities	<u>519,336,650</u>	<u>24,306,112</u>	<u>8,334,421</u>	<u>22,555,017</u>	<u>(464,141,100)</u>	<u>-</u>	<u>(464,141,100)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste and Recycling	23,367,734	19,526,072	-	-	-	(3,841,662)	(3,841,662)	-	-
Parking	2,842,653	7,435,088	-	-	-	4,592,435	4,592,435	-	-
Water System	32,093,779	35,615,113	-	-	-	3,521,334	3,521,334	-	-
Total business-type activities	<u>58,304,166</u>	<u>62,576,273</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,272,107</u>	<u>4,272,107</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 577,640,816</u>	<u>\$ 86,882,385</u>	<u>\$ 8,334,421</u>	<u>\$ 22,555,017</u>	<u>(464,141,100)</u>	<u>4,272,107</u>	<u>(459,868,993)</u>	<u>-</u>	<u>-</u>
<b>Component Units:</b>									
BOE	\$ 862,297,670	\$ 3,386,216	\$ 122,205,545	\$ -				(736,705,909)	-
BURA	57,277,116	-	54,679,197	-				-	(2,597,919)
Total component units	<u>\$ 919,574,786</u>	<u>\$ 3,386,216</u>	<u>\$ 176,884,742</u>	<u>\$ -</u>				<u>(736,705,909)</u>	<u>(2,597,919)</u>
General revenues:									
Taxes:									
Property taxes					127,026,780	-	127,026,780	-	-
Other tax items					13,704,690	-	13,704,690	-	-
Gross utility tax					10,555,406	-	10,555,406	-	-
State aid (unrestricted)					173,583,053	-	173,583,053	621,387,900	-
Intergovernmental (unrestricted)					104,570,435	-	104,570,435	32,145,521	-
Grants and contributions not restricted to specific programs					406,627	-	406,627	-	-
Unrestricted investment earnings					6,352,791	962,326	7,315,117	6,767,396	-
Contribution from City of Buffalo					-	-	-	70,322,758	-
Miscellaneous					6,935,144	-	6,935,144	10,999,289	-
Transfers					3,386,260	(3,386,260)	-	-	-
Total general revenues					<u>446,521,186</u>	<u>(2,423,934)</u>	<u>444,097,252</u>	<u>741,622,864</u>	<u>-</u>
Change in net assets (deficit)					(17,619,914)	1,848,173	(15,771,741)	4,916,955	(2,597,919)
Net assets (deficit)—beginning					223,192,123	53,750,821	276,942,944	(6,546,703)	8,923,637
Net assets (deficit)—ending					<u>\$ 205,572,209</u>	<u>\$ 55,598,994</u>	<u>\$ 261,171,203</u>	<u>\$ (1,629,748)</u>	<u>\$ 6,325,718</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Balance Sheet—Governmental Funds**  
**June 30, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>BFSA Special Revenues</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$283,032,820	\$ 7,251,069	\$ 95,490,771	\$15,310,236	\$ 6,196,970	\$407,281,866
Investments	-	-	-	7,621,581	15,217,485	22,839,066
Receivables:						
Delinquent taxes and assessments	16,305,096	-	-	-	-	16,305,096
Accounts receivable	8,800,085	-	3,060	-	-	8,803,145
Other receivables	50	719	-	-	794	1,563
Due from other agencies	1,915,764	-	-	-	-	1,915,764
Due from other funds	47,422,455	239,534	2,500,283	-	189,600	50,351,872
Due from other governments	10,388,037	-	3,919,143	30,490,369	1,130,643	45,928,192
Due from component units	650,858	-	-	-	-	650,858
Allowance for uncollectibles	<u>(21,774,705)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,774,705)</u>
Net receivables	63,707,640	240,253	6,422,486	30,490,369	1,321,037	102,181,785
Real estate acquired for resale	7,086,284	-	-	-	-	7,086,284
Prepaid items	407,246	-	129,637	11,147	-	548,030
Restricted cash and cash equivalents	<u>9,673,271</u>	<u>1,985,549</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,658,820</u>
Total assets	<u>\$363,907,261</u>	<u>\$ 9,476,871</u>	<u>\$102,042,894</u>	<u>\$53,433,333</u>	<u>\$22,735,492</u>	<u>\$551,595,851</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 16,973,074	\$ -	\$ 8,426,143	\$ 16,257	\$ 907,871	\$ 26,323,345
Due to other governments and agencies	709,336	-	283	-	2,896	712,515
Due to other funds	2,783,091	-	3,877,852	25,100,733	1,579,929	33,341,605
Due to component units	160,253,376	-	20,796,970	3,617,299	-	184,667,645
Accrued liabilities	21,897,703	-	-	33,175	2,179,552	24,110,430
Deferred revenues	16,159,580	-	-	-	-	16,159,580
Retentions payable	28,665	-	2,146,494	-	-	2,175,159
Accrued pension	<u>6,504,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,504,836</u>
Total liabilities	<u>225,309,661</u>	<u>-</u>	<u>35,247,742</u>	<u>28,767,464</u>	<u>4,670,248</u>	<u>293,995,115</u>
Fund balances:						
Reserved for:						
Encumbrances	8,965,931	-	34,767,949	-	2,348,402	46,082,282
Federal and State programs	-	-	-	-	2,787,325	2,787,325
Debt service	-	9,476,871	-	-	12,792,808	22,269,679
Permanent fund	-	-	-	-	136,709	136,709
Land and capital	11,452,044	-	-	-	-	11,452,044
Enabling legislation	-	-	-	22,625,116	-	22,625,116
Long-term receivable	15,801,292	-	-	-	-	15,801,292
Prepaid items	407,246	-	129,637	11,147	-	548,030
Other	1,047,862	-	-	-	-	1,047,862
Unreserved, designated	52,722,051	-	31,897,566	-	-	84,619,617
Unreserved, undesignated	<u>48,201,174</u>	<u>-</u>	<u>-</u>	<u>2,029,606</u>	<u>-</u>	<u>50,230,780</u>
Total fund balances	<u>138,597,600</u>	<u>9,476,871</u>	<u>66,795,152</u>	<u>24,665,869</u>	<u>18,065,244</u>	<u>257,600,736</u>
Total liabilities and fund balances	<u>\$363,907,261</u>	<u>\$ 9,476,871</u>	<u>\$102,042,894</u>	<u>\$53,433,333</u>	<u>\$22,735,492</u>	<u>\$551,595,851</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets (Deficits)—Governmental Activities**  
**June 30, 2009**

---

Amounts reported for governmental activities in the statement of net assets are different because:

Fund balances—total governmental funds		\$257,600,736
City capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$664,543,645 and the accumulated depreciation is \$273,267,116.		391,276,529
Buffalo Fiscal Stability Authority capital assets used in governmental activities are not financial resources and, therefore, not reporting in the funds. The cost of these assets is \$78,649 and the accumulated depreciation is \$74,401.		4,248
To recognize interest accrual on long-term debt. Accrued interest for general obligation bonds is \$4,885,525 at year-end.		(4,885,525)
Property taxes are not available to pay for current period expenditures and therefore are deferred in the funds.		8,075,298
Internal service funds are used by management to charge the costs of internal print services. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		157,438
Long-term liabilities applicable to the City's governmental fund are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consisted of:		
Bonds payable (net of of BFSFA mirror debt and amount due from Board)	(104,085,957)	
Notes payable	(2,038,801)	
Capital leases	(3,388,249)	
Deferred amount on refunding and costs of issuing debt	3,446,551	
Unamortized premiums	(516,733)	
Compensated absences	(22,395,126)	
Workers' compensation	(10,542,772)	
Judgments and claims	(19,080,000)	
Other postemployment benefits payable	(148,301,135)	
Landfill post-closure monitoring	<u>(1,900,000)</u>	(308,802,222)
Long-term liabilities of the Buffalo Fiscal Stability Authority are not due and payable in the current period and, therefore, are not reported in the funds. These liabilities consisted of:		
Bonds payable	(132,850,000)	
Deferred amount on refunding and costs of issuing debt	2,094,232	
Unamortized premiums	(7,243,670)	
Other postemployment benefits payable	<u>(181,835)</u>	(138,181,273)
To recognize Buffalo Fiscal Stability Authority interest receivable, which is recognized when earned in the government-wide financial statement, but in the fund financial statements income is accrued only if it will be received within sixty days of year-end.		<u>326,980</u>
Net assets of governmental activities		<u><u>\$205,572,209</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds**  
**Year Ended June 30, 2009**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>BFSA Special Revenues</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property taxes, assessments, and other tax items	\$ 138,823,734	\$ -	\$ -	\$ -	\$ -	\$ 138,823,734
Utility and other nonproperty tax items	13,039,943	-	-	-	-	13,039,943
Intergovernmental charges	263,238,367	17,472,946	22,495,176	12,442,784	5,267,176	320,916,449
Investment interest	3,412,658	1,169,723	118	-	969,955	5,552,454
License, permit, rentals, fines, and other service charges	21,245,665	157,977	-	-	-	21,403,642
Miscellaneous	7,043,780	2,657,309	59,841	-	7,500	9,768,430
Total revenues	<u>446,804,147</u>	<u>21,457,955</u>	<u>22,555,135</u>	<u>12,442,784</u>	<u>6,244,631</u>	<u>509,504,652</u>
<b>EXPENDITURES</b>						
Current:						
General government support	55,640,288	-	8,717,968	625,979	1,297,415	66,281,650
Public safety	149,577,155	-	5,159,261	-	3,614,803	158,351,219
Streets and sanitation	11,922,059	-	25,971,597	-	130,714	38,024,370
Economic assistance and opportunity	2,648,114	-	4,992,754	-	1,673,699	9,314,567
Culture and recreation	1,697,517	-	2,266,982	-	17,910	3,982,409
Health and community services	2,862,378	-	18,000	-	92,751	2,973,129
Education	70,322,758	-	-	-	-	70,322,758
Fringe benefits	107,246,252	-	-	105,792	-	107,352,044
Other	9,368,061	-	-	-	-	9,368,061
Debt service:						
Principal	-	27,169,000	-	-	11,010,000	38,179,000
Interest and fiscal charges	886,849	10,799,741	1,033,604	-	6,504,948	19,225,142
Total expenditures	<u>412,171,431</u>	<u>37,968,741</u>	<u>48,160,166</u>	<u>731,771</u>	<u>24,342,240</u>	<u>523,374,349</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,632,716</u>	<u>(16,510,786)</u>	<u>(25,605,031)</u>	<u>11,711,013</u>	<u>(18,097,609)</u>	<u>(13,869,697)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	5,795,223	30,706,120	3,730,552	-	17,368,679	57,600,574
Transfers out	(35,125,223)	(13,815,490)	(1,910,012)	(3,363,589)	-	(54,214,314)
Net proceeds from issuance of						
long-term debt	-	-	43,500,000	-	-	43,500,000
Premium on bonds	-	-	538,054	-	-	538,054
Capital notes	-	-	14,296	-	-	14,296
Total other financing sources (uses)	<u>(29,330,000)</u>	<u>16,890,630</u>	<u>45,872,890</u>	<u>(3,363,589)</u>	<u>17,368,679</u>	<u>47,438,610</u>
Net change in fund balances	5,302,716	379,844	20,267,859	8,347,424	(728,930)	33,568,913
Fund balances—beginning	133,294,884	9,097,027	46,527,293	16,318,445	18,794,174	224,031,823
Fund balances—ending	<u>\$ 138,597,600</u>	<u>\$ 9,476,871</u>	<u>\$ 66,795,152</u>	<u>\$ 24,665,869</u>	<u>\$ 18,065,244</u>	<u>\$ 257,600,736</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances of Governmental Funds to the Statement of Activities—Governmental Activities**  
**Year Ended June 30, 2009**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances—total governmental funds		\$ 33,568,913
<p>The City's governmental funds report capital outlays as expenditures of \$39,020,110. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense of \$22,372,311. This is the amount by which capital outlays exceeded depreciation, net of related losses on the disposal of capital assets of \$133,826.</p>		
	16,513,973	
<p>Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.</p>		
	(576,799)	
<p>Change in accrual of interest payable on notes and bonds payable.</p>		
	(203,876)	
<p>Change in net assets of the internal service fund reported in governmental activities.</p>		
	(2,742)	
<p>Bond proceeds are reported as a financing source in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net assets.</p>		
Debt issued	(43,500,000)	
Premium	(538,054)	
Cost of issuance	1,033,604	
Contribution from Board	(11,430,509)	
Bond principal payments	27,169,000	
Note principal payments, net of proceeds of \$14,296	218,586	
Lease payments	<u>541,089</u>	(26,506,284)
<p>Buffalo Fiscal Stability Authority governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on the disposal of capital assets.</p>		
	(9,195)	
<p>Revenues of the Buffalo Fiscal Stability Authority in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.</p>		
	87,175	
<p>The repayment of long-term debt by the Buffalo Fiscal Stability Authority consumes current financial resources of governmental funds. Bond issuance costs are capitalized and bond premium deferred. The net effect of the reduction of long-term liabilities on the statement of net assets consists of following adjustments.</p>		
Bond principal payments	11,010,000	
Amortization of bond premiums	713,162	
Amortization of bond issuance costs	<u>(235,008)</u>	11,488,154
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These expenses include changes in:</p>		
Compensated absences	(233,354)	
Workers' compensation	1,119,857	
Judgments and claims	(10,468,500)	
Landfill post-closure monitoring	(1,900,000)	
Other postemployment benefits	(39,899,770)	
Amortization of debt premium	21,321	
Amortization of bond issuance costs	<u>(618,787)</u>	<u>(51,979,233)</u>
Change in net assets of governmental activities		<u><u>\$(17,619,914)</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances—Budget and Actual (Non-GAAP Budgetary Basis)—General Fund**  
**Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Real property taxes	\$ 138,661,942	\$ 138,661,942	\$ 138,823,734	\$ 161,792
Other taxes	13,283,016	13,283,016	13,039,943	(243,073)
Charges for services	9,431,233	9,431,233	11,292,864	1,861,631
Interest	3,200,000	3,200,000	3,412,658	212,658
Federal aid	1,099,429	1,099,429	157,924	(941,505)
State aid	177,176,026	190,458,972	192,587,226	2,128,254
Local sources and other	68,748,885	68,748,885	70,493,217	1,744,332
Licenses and permits	3,108,687	3,108,687	3,417,828	309,141
Fines	6,996,730	6,996,730	6,534,973	(461,757)
Miscellaneous	7,510,683	7,510,683	7,043,780	(466,903)
Total revenues	<u>429,216,631</u>	<u>442,499,577</u>	<u>446,804,147</u>	<u>4,304,570</u>
<b>EXPENDITURES</b>				
Current:				
General government support:				
Legislative	4,009,727	4,061,527	3,912,316	149,211
Executive	1,470,853	1,653,071	1,600,888	52,183
Audit and control	2,625,350	2,630,406	2,537,173	93,233
Law	3,303,523	3,318,855	3,291,628	27,227
Assessment	1,824,457	1,849,018	1,809,861	39,157
Public works, parks and streets	7,112,124	7,667,150	8,163,887	(496,737)
Management information systems	3,482,427	3,925,652	3,696,061	229,591
Administration and finance	10,382,984	10,423,075	8,390,460	2,032,615
Human resources	5,581,454	5,977,394	5,694,048	283,346
Other	20,838,072	21,041,171	18,699,161	2,342,010
Public safety:				
Administration and finance	1,322,742	1,358,217	1,145,913	212,304
Police	77,325,550	77,501,575	76,827,269	674,306
Fire	54,781,897	54,724,261	55,111,090	(386,829)
Public works, parks and streets	1,616,473	1,653,834	1,564,850	88,984
Permit and inspection services	6,233,578	19,744,002	19,999,647	(255,645)
Streets and sanitation:				
Public works, parks and streets	13,692,165	13,969,387	12,629,002	1,340,385
Health and community services:				
Public works, parks and streets	756,980	756,980	768,565	(11,585)
Community services	2,156,223	2,187,334	2,125,739	61,595
Culture and recreation:				
Public works, parks and streets	28,485	28,485	27,817	668
Community services	1,522,173	1,680,669	1,744,034	(63,365)
Economic assistance and opportunity:				
Executive	1,219,772	3,340,040	3,065,266	274,774
Community services	109,507	109,507	119,978	(10,471)
Education	70,322,758	70,322,758	70,322,758	-
Fringe benefits	104,504,966	104,157,740	107,456,251	(3,298,511)
Other	5,095,000	10,308,408	9,546,851	761,557
Debt service	2,898,900	2,898,900	886,849	2,012,051
Total expenditures	<u>404,218,140</u>	<u>427,289,416</u>	<u>421,137,362</u>	<u>6,152,054</u>
Excess of revenues over expenditures	<u>24,998,491</u>	<u>15,210,161</u>	<u>25,666,785</u>	<u>10,456,624</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	5,795,223	5,795,223	5,795,223	-
Transfers out	(30,793,714)	(33,483,314)	(35,125,223)	(1,641,909)
Total other financing sources (uses)	<u>(24,998,491)</u>	<u>(27,688,091)</u>	<u>(29,330,000)</u>	<u>(1,641,909)</u>
Net change in fund balances	-	(12,477,930)	(3,663,215)	8,814,715
Fund balances—beginning	133,294,884	133,294,884	133,294,884	-
Fund balances—ending	<u>\$ 133,294,884</u>	<u>\$ 120,816,954</u>	<u>\$ 129,631,669</u>	<u>\$ 8,814,715</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balances—Budget and Actual (Non-GAAP Budgetary Basis)—Debt Service Fund**  
**Year Ended June 30, 2009**

	<u>Budgeted Amounts</u>		<b>Budgetary</b>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
<b>REVENUES</b>				
Intergovernmental charges	\$ 17,814,664	\$ 17,814,664	\$ 17,472,946	\$ (341,718)
Investment interest	3,833,630	3,833,630	1,169,723	(2,663,907)
License, permit, rentals fines, and other service charges	176,237	176,237	157,977	(18,260)
Miscellaneous	248,010	248,010	2,657,309	2,409,299
Total revenues	<u>22,072,541</u>	<u>22,072,541</u>	<u>21,457,955</u>	<u>(614,586)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	35,757,693	35,757,693	27,169,000	8,588,693
Interest and fiscal charges	16,668,590	16,668,590	10,799,741	5,868,849
Total expenditures	<u>52,426,283</u>	<u>52,426,283</u>	<u>37,968,741</u>	<u>14,457,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,353,742)</u>	<u>(30,353,742)</u>	<u>(16,510,786)</u>	<u>13,842,956</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	28,860,188	28,860,188	30,706,120	1,845,932
Transfers out	-	-	(13,815,490)	(13,815,490)
Total other financing sources (uses)	<u>28,860,188</u>	<u>28,860,188</u>	<u>16,890,630</u>	<u>(11,969,558)</u>
Net change in fund balances	(1,493,554)	(1,493,554)	379,844	1,873,398
Fund balances—beginning	<u>9,097,027</u>	<u>9,097,027</u>	<u>9,097,027</u>	<u>-</u>
Fund balances—ending	<u>\$ 7,603,473</u>	<u>\$ 7,603,473</u>	<u>\$ 9,476,871</u>	<u>\$ 1,873,398</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Fund Net Assets (Deficit)**  
**Proprietary Funds**  
**June 30, 2009**

	<b>Business-type Activities—Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Solid Waste and Recycling</b>	<b>Parking</b>	<b>Water System</b>	<b>Combined Total</b>	
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents	\$ 635,489	\$ 6,485,399	\$ 30,984,169	\$ 38,105,057	\$ 163,528
Receivables:					
Accounts receivable	12,013,617	3,464,145	15,396,511	30,874,273	653
Other receivables	101,054	77	1,835,880	1,937,011	-
Due from other agencies	-	-	127,425	127,425	-
Due from other governments	-	-	888,333	888,333	-
Allowance for uncollectibles	<u>(10,868,649)</u>	<u>-</u>	<u>(11,770,488)</u>	<u>(22,639,137)</u>	<u>-</u>
Net receivables	<u>1,246,022</u>	<u>3,464,222</u>	<u>6,477,661</u>	<u>11,187,905</u>	<u>653</u>
Total current assets	<u>1,881,511</u>	<u>9,949,621</u>	<u>37,461,830</u>	<u>49,292,962</u>	<u>164,181</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	-	40,749	27,875,959	27,916,708	-
Capital assets not being depreciated:					
Land	1	3,217,093	145,116	3,362,210	-
Construction in progress	-	-	1,029,439	1,029,439	-
Capital assets being depreciated:					
Buildings and system	4,007,557	73,478,642	162,032,592	239,518,791	-
Improvements other than buildings	175,071	3,320	236,746	415,137	-
Machinery and equipment	7,147,107	109,762	1,316,650	8,573,519	-
Accumulated depreciation	<u>(7,754,031)</u>	<u>(22,629,632)</u>	<u>(48,633,639)</u>	<u>(79,017,302)</u>	<u>-</u>
Total capital assets being depreciated	3,575,704	50,962,092	114,952,349	169,490,145	-
Deferred financing costs, net	<u>-</u>	<u>470,543</u>	<u>2,197,276</u>	<u>2,667,819</u>	<u>-</u>
Total noncurrent assets	<u>3,575,705</u>	<u>54,690,477</u>	<u>146,200,139</u>	<u>204,466,321</u>	<u>-</u>
Total assets	<u>\$ 5,457,216</u>	<u>\$ 64,640,098</u>	<u>\$ 183,661,969</u>	<u>\$ 253,759,283</u>	<u>\$ 164,181</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>					
Current liabilities:					
Accounts payable	\$ 1,112,708	\$ 1,924	\$ 2,492,530	\$ 3,607,162	\$ 363
Due to other funds	15,801,292	520,402	682,193	17,003,887	6,380
Other accrued liabilities	292,961	138,353	3,335,312	3,766,626	-
Retainages payable	-	-	209,290	209,290	-
Deferred revenues	240,203	31,768	669,556	941,527	-
Accrued compensated absences	36,993	-	24,972	61,965	-
Accrued workers' compensation	472,756	-	136,674	609,430	-
Due to retirement systems	121,658	-	147,693	269,351	-
Notes, serial bonds, and revenue bonds payable within one year	<u>-</u>	<u>1,770,413</u>	<u>6,107,951</u>	<u>7,878,364</u>	<u>-</u>
Total current liabilities	<u>18,078,571</u>	<u>2,462,860</u>	<u>13,806,171</u>	<u>34,347,602</u>	<u>6,743</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Statement of Fund Net Assets (Deficit)**  
**Proprietary Funds**  
**June 30, 2009**

(concluded)

	<u>Business-type Activities—Enterprise Funds</u>				<b>Internal Service Funds</b>
	<b>Solid Waste and Recycling</b>	<b>Parking</b>	<b>Water System</b>	<b>Combined Total</b>	
Noncurrent liabilities:					
Accrued compensated absences	883,061	-	850,664	1,733,725	-
Accrued workers' compensation	993,268	-	312,521	1,305,789	-
Accrued post employment benefits	2,576,416	16,310	2,324,019	4,916,745	-
General obligation bonds payable	-	20,248,259	2,420,087	22,668,346	-
Revenue bonds payable	-	-	133,188,082	133,188,082	-
Total noncurrent liabilities	<u>4,452,745</u>	<u>20,264,569</u>	<u>139,095,373</u>	<u>163,812,687</u>	<u>-</u>
Total liabilities	<u>22,531,316</u>	<u>22,727,429</u>	<u>152,901,544</u>	<u>198,160,289</u>	<u>6,743</u>
Net assets (deficit):					
Invested in capital assets, net of related debt	3,575,705	32,671,805	8,941,210	45,188,720	-
Unrestricted	<u>(20,649,805)</u>	<u>9,240,864</u>	<u>21,819,215</u>	<u>10,410,274</u>	<u>157,438</u>
Total net assets (deficit)	<u>(17,074,100)</u>	<u>41,912,669</u>	<u>30,760,425</u>	<u>55,598,994</u>	<u>157,438</u>
Total liabilities and net assets (deficit)	<u>\$ 5,457,216</u>	<u>\$ 64,640,098</u>	<u>\$ 183,661,969</u>	<u>\$ 253,759,283</u>	<u>\$ 164,181</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets (Deficit)**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

	<b>Business-type Activities—Enterprise Funds</b>				<b>Internal Service Funds</b>
	<b>Solid Waste and Recycling</b>	<b>Parking</b>	<b>Water System</b>	<b>Combined Total</b>	
Operating revenues:					
Charges for services	\$ 19,170,919	\$ -	\$ 35,284,346	\$ 54,455,265	\$ 32,795
Other	355,153	-	330,767	685,920	-
Rent	-	7,435,088	-	7,435,088	-
Total operating revenues	<u>19,526,072</u>	<u>7,435,088</u>	<u>35,615,113</u>	<u>62,576,273</u>	<u>32,795</u>
Operating expenses:					
Services and supplies	17,834,941	72,810	16,857,176	34,764,927	35,537
Depreciation	355,446	1,594,471	3,897,306	5,847,223	-
Fringe benefits	5,164,311	26,790	4,469,190	9,660,291	-
Other	-	51,984	752,022	804,006	-
Total operating expenses	<u>23,354,698</u>	<u>1,746,055</u>	<u>25,975,694</u>	<u>51,076,447</u>	<u>35,537</u>
Operating income (loss)	<u>(3,828,626)</u>	<u>5,689,033</u>	<u>9,639,419</u>	<u>11,499,826</u>	<u>(2,742)</u>
Nonoperating revenues (expenses):					
Interest earnings	4,792	59,516	898,018	962,326	-
Interest expense	(13,036)	(1,096,598)	(6,118,085)	(7,227,719)	-
Total nonoperating revenues (expenses)	<u>(8,244)</u>	<u>(1,037,082)</u>	<u>(5,220,067)</u>	<u>(6,265,393)</u>	<u>-</u>
Income (loss) before transfers	(3,836,870)	4,651,951	4,419,352	5,234,433	(2,742)
Transfers in	2,475,437	-	-	2,475,437	-
Transfers out	(673,048)	(516,474)	(4,672,175)	(5,861,697)	-
Change in net assets (deficit)	(2,034,481)	4,135,477	(252,823)	1,848,173	(2,742)
Total net assets (deficit)—beginning	<u>(15,039,619)</u>	<u>37,777,192</u>	<u>31,013,248</u>	<u>53,750,821</u>	<u>160,180</u>
Total net assets (deficit)—ending	<u><u>\$(17,074,100)</u></u>	<u><u>\$ 41,912,669</u></u>	<u><u>\$ 30,760,425</u></u>	<u><u>\$ 55,598,994</u></u>	<u><u>\$ 157,438</u></u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

	<u>Business-type Activities—Enterprise Funds</u>				<b>Internal Service Funds</b>
	<b>Solid Waste and Recycling</b>	<b>Parking</b>	<b>Water System</b>	<b>Combined Total</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 18,815,791	\$ 7,335,809	\$ 35,656,180	\$ 61,807,780	\$ 34,546
Payments to suppliers for goods and services	(10,663,100)	(94,453)	(10,650,940)	(21,408,493)	(35,362)
Payments to employees for services	(10,395,966)	(18,890)	(9,080,568)	(19,495,424)	-
Net cash provided (used) by operating activities	<u>(2,243,275)</u>	<u>7,222,466</u>	<u>15,924,672</u>	<u>20,903,863</u>	<u>(816)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	2,475,437	-	-	2,475,437	-
Transfers to other funds	(673,048)	(588,629)	(5,341,123)	(6,602,800)	-
Advances from other funds	1,371,213	-	837,382	2,208,595	1,692
Net cash provided (used) by noncapital financing activities	<u>3,173,602</u>	<u>(588,629)</u>	<u>(4,503,741)</u>	<u>(1,918,768)</u>	<u>1,692</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition/construction of capital assets	(475,437)	(51,112)	(3,325,407)	(3,851,956)	-
Principal payments on bonds	(66,692)	(2,570,338)	(4,934,807)	(7,571,837)	-
Interest payments	(2,751)	(1,107,297)	(5,991,522)	(7,101,570)	-
Proceeds from the Environmental Facilities Corporation	-	-	950,188	950,188	-
Net cash (used) by capital and related financing activities	<u>(544,880)</u>	<u>(3,728,747)</u>	<u>(13,301,548)</u>	<u>(17,575,175)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received on short-term investments	4,947	59,782	818,553	883,282	-
Net cash provided by investing activities	<u>4,947</u>	<u>59,782</u>	<u>818,553</u>	<u>883,282</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	390,394	2,964,872	(1,062,064)	2,293,202	876
Cash and cash equivalents—beginning	245,095	3,561,276	59,922,192	63,728,563	162,652
Cash and cash equivalents—ending	<u>\$ 635,489</u>	<u>\$ 6,526,148</u>	<u>\$ 58,860,128</u>	<u>\$ 66,021,765</u>	<u>\$ 163,528</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2009**

(concluded)

	<u>Business-type Activities—Enterprise Funds</u>				<b>Internal Service Funds</b>
	<b>Solid Waste and Recycling</b>	<b>Parking</b>	<b>Water System</b>	<b>Combined Total</b>	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (3,828,626)	\$ 5,689,033	\$ 9,639,419	\$ 11,499,826	\$ (2,742)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	355,446	1,594,471	3,897,306	5,847,223	-
Other expenses	-	-	501,134	501,134	-
Change in assets and liabilities:					
Accounts receivable	(177,699)	(47,295)	(19,680)	(244,674)	1,751
Due from other agencies	-	-	88,749	88,749	-
Accounts payable	(265,312)	(21,643)	797,097	510,142	175
Other accrued liabilities	(283,101)	(837)	(570,949)	(854,887)	-
Due to retirement systems	8,258	(652)	25,728	33,334	-
Deferred revenue	(177,429)	-	-	(177,429)	-
Accrued compensated absences	165,950	(21)	123,827	289,756	-
Accrued workers' compensation	480,322	-	(1,278)	479,044	-
Accrued other postemployment benefits	1,478,916	9,410	1,443,319	2,931,645	-
Total adjustments	<u>1,585,351</u>	<u>1,533,433</u>	<u>6,285,253</u>	<u>9,404,037</u>	<u>1,926</u>
Net cash provided (used) by operating activities	<u>\$ (2,243,275)</u>	<u>\$ 7,222,466</u>	<u>\$ 15,924,672</u>	<u>\$ 20,903,863</u>	<u>\$ (816)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2009**

---

	<b>Private Purpose</b>	
	<b>Trust</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 26,647	\$ 1,503,752
Investments	32,912	10,000
Receivables	3,258	-
Total assets	\$ 62,817	\$ 1,513,752
<b>LIABILITIES</b>		
Due to other governments	\$ -	\$ 22,094
Amount held in custody for others	-	1,491,658
Total liabilities	-	1,513,752
<b>NET ASSETS</b>		
Unrestricted	62,817	-
Total net assets	62,817	-
Total liabilities and net assets	\$ 62,817	\$ 1,513,752

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Changes in Fiduciary Net Assets**  
**Fiduciary Funds**  
**Year Ended June 30, 2009**

---

	<u>Private Purpose Trust</u>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	\$ 1,092
Total additions	<u>1,092</u>
<b>DEDUCTIONS</b>	
Awards	<u>255</u>
Total deductions	<u>255</u>
Change in net assets	837
Net assets - beginning	<u>61,980</u>
Net assets - ending	<u>\$ 62,817</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF BUFFALO, NEW YORK**  
**Notes to the Financial Statements**  
**Year Ended June 30, 2009**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

*Definition of the City for Financial Reporting Purposes* — The City of Buffalo, New York (the “City”) is a municipal entity governed by an elected Mayor, Comptroller, and a nine-member elected City Common Council (the “Council”). As required by accounting principles generally accepted in the United States of America (“GAAP”), these financial statements present the City (the “primary government”) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship to the City.

*Blended Component Units* — The Buffalo Municipal Water Finance Authority (the “Authority”) and the Buffalo Water Board (the “Water Board”) are legally separate from the City; however, the Authority and the Water Board are reported as if they were part of the primary government (the “Water System”) because a majority of their Boards of Directors and/or management are City officials. In addition, the sole purpose of the Authority was to facilitate the financing of the City Water System’s acquisition by the Water Board and to finance construction improvements. The Water Board purchased the net assets of the Water System and is responsible for generating sufficient revenues to meet the debt service requirements of the City and Authority related to the Water System.

The Buffalo Fiscal Stability Authority (“BFSA”) is a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created by the Buffalo Fiscal Stability Authority Act (the “BFSA Act”), Chapter 122 of the State Laws of 2003, as amended from time to time. Nine directors, seven of which are appointed by the Governor, govern the BFSA. Its corporate purpose is to act as a temporary financial intermediary to the City. The BFSA is included as a blended component unit of the City’s primary government because their services are provided almost entirely to the City. The BFSA is fiscally dependent on the City, as they cannot issue debt without approval of the City, and cannot levy taxes or set rates that affect revenues. As such, the City is financially accountable for the BFSA.

The Water System and the BFSA are included as blended component units because exclusion would be misleading.

*Discretely Presented Component Units* — Financial data of the City’s component units that are not part of the primary government are reported in the component unit columns within the government-wide financial statements. These component units are reported in a separate column to emphasize that they are legally separate from the City. Such component units are not simply an extension of the primary government. The majority of the governing body of the Buffalo Urban Renewal Agency (“BURA”) is composed of City officials. BURA provides services to the general public. The Board of Education, City of Buffalo, New York (the “Board”) is governed by the Board of Education whose members are elected by the voters of the City in accordance with State statutes.

- ◆ BURA is a public benefit corporation formed by an act of the State Legislature in 1966. Its corporate purpose includes the general planning and operation of various urban renewal programs designed to prevent or eliminate blight and deterioration in the Buffalo urban area. Most of the funding for the various programs conducted by BURA is obtained from the federal government through the City.

- ◆ The Board is a unit of local government created under the Constitution of the State. The Board’s primary function is to provide education for pupils. Services, such as transportation of pupils, administration, finance, and plant maintenance, support the primary function of the Board. The Board is financially dependent upon the City and has no independent authority to issue debt or levy taxes, with the exception of the Special Revenue Program Bonds issued by the State of New York Municipal Bond Bank Agency (see Note 8). The Board’s Joint Schools Construction Board (“JSCB”) bonds payable represents bonds issued by the Erie County Industrial Development Agency (the “Issuer”) to provide money to finance the renovation and/or equipping of certain public school facilities for use by the Board. The bonds are special limited obligations of the Issuer payable from amounts due from the Board under an installment sale agreement.

Complete financial statements of the individual component units can be obtained from their respective administrative offices as follows:

Buffalo Water Board  
502 City Hall  
Buffalo, NY 14202

Buffalo Municipal Water Finance Authority  
502 City Hall  
Buffalo, NY 14202

Buffalo Board of Education  
Office of the Chief Financial Officer  
708 City Hall  
Buffalo, NY 14202

City of Buffalo Urban Renewal Agency  
Financial Controls of Agencies  
214 City Hall  
Buffalo, NY 14202

Buffalo Fiscal Stability Authority  
Market Arcade Building, Suite 400  
617 Main Street  
Buffalo, NY 14202

*Related Organizations* — The Mayor also appoints the Board of Directors of the Buffalo Sewer Authority (the “Sewer Authority”), but the City’s accountability for the Sewer Authority does not extend beyond making these appointments. The Sewer Authority has its own taxing and debt-raising powers. The Mayor also is responsible for appointing five of the seven members of the Board of Directors of the Buffalo Municipal Housing Authority (the “Housing Authority”) and funds the operating deficits of the state-sponsored projects. The City’s accountability does not extend beyond this point. The Housing Authority was created by the State Legislature as a separate and independent government body not under City control. A 1982 State Supreme Court ruling supported the City’s conclusion regarding the independence of the Housing Authority.

*Buffalo Fiscal Stability Authority Act* — In May 2003, the State declared a state of fiscal crisis with respect to the City and enacted the BFSA Act, pursuant to Chapter 122 of the State Laws of 2003. Pursuant to the BFSA Act, the State currently is controlling the financial affairs of the City and certain “covered organizations” (as defined in the BFSA Act) affiliated with the City through the BFSA. The BFSA Act reserves to the City the ability to determine program and expenditure priorities within available financial resources.

The BFSA Act provides the BFSA different financial control and oversight powers depending upon whether the City’s financial condition causes it to be in a control period; thereafter, an advisory period commences, and the BFSA Act permits a control period to be reestablished as determined should conditions warrant. The control period declared pursuant to the BFSA Act began on July 3, 2003, and continues until the date the BFSA determines that (1) for each of the three immediately preceding City fiscal years, the City has adopted and adhered to budgets covering all expenditures, other than capital items, the results of which did not show a deficit, without the use of any BFSA

assistance, as provided for under the BFS Act, when reported in accordance with GAAP and (2) the City Comptroller and State Comptroller jointly certify that securities were sold by the City during the immediately preceding fiscal year in the general public market and there is a substantial likelihood that such securities can be sold by the City in the general public market from such date through the end of the next succeeding City fiscal year in amounts that will satisfy substantially all of the capital and cash flow requirements of the City during that period in accordance with the financial plan then in existence. An advisory period shall continue after such BFS determinations until June 30, 2037, unless another control period is imposed.

## **B. Basis of Presentation**

The City's basic financial statements consist of government-wide statements, including statement of net assets, statement of activities, and fund financial statements, which provide a more detailed level of financial information.

*Government-Wide Financial Statements* — The statement of net assets and the statement of activities display information on all nonfiduciary activities of the primary government and its component units. The activity of the internal service fund is eliminated to avoid “doubling up” of revenues and expenses. It is the City's policy to record transactions between funds as operating transfers. Therefore as a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The statements distinguish between those activities of the City that are governmental, which are normally supported by taxes and intergovernmental revenues, and those that are considered business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net assets presents the financial condition of the governmental and business-type activities for the City at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for the business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient for the goods and services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

*Fund Financial Statements* — During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and enterprise fund financial statements are on major funds. Each major fund is presented in a separate column. Nonmajor funds, where applicable, are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

*Measurement Focus, Basis of Accounting, and Financial Statement Presentation* — The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible in the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Significant revenues considered to be susceptible to accrual in addition to general property taxes include the State Revenue Sharing and Assistance, sales taxes, and various categorical grants. Long-term historical payment patterns of the State Revenue Sharing and Assistance are considered in determining whether such payments are susceptible to accrual.

The City reports the following major governmental funds:

**General Fund** — The General Fund is used to account for all financial resources of the primary government, except those required to be accounted for in another fund. The majority of current operations are financed by this fund. Transfers to other funds and agencies are made from this fund. Monies from other funds may be received, unless prohibited by the purpose and object of such funds.

**Debt Service Fund** — The Debt Service Fund was established to receive and account for resources restricted for the payment of interest and principal on City and Board general improvement bonds, notes, and capital leases. The City has elected to always report the Debt Service Fund as a major fund to enhance consistency even though it did not meet the criteria for mandatory reporting in the current year.

**Capital Projects Fund** — The Capital Projects Fund is used to account for financial resources, such as proceeds from the sale of bonds, bond anticipation notes, capital notes, transfers from governmental funds, and federal and state grants, all provided for the specific purpose of constructing, reconstructing, or acquiring permanent or semipermanent capital improvements. Capital improvements intended for use of any of the Enterprise Funds are not included in the Capital Projects Funds.

**BFSA Special Revenue Fund** — This fund represents the General Fund of the BFSA and is used to account for all of their financial resources, except those required to be accounted for in another fund. This fund finances the operations of the BFSA, whereby they intercept state aid and sales tax from the City and transfer to the debt service account to pay debt issued on behalf of the City. The City has elected to report the BFSA Special Revenue Fund as a major fund to enhance consistency even though it did not meet the criteria for mandatory reporting in the current year.

The City reports the following major proprietary funds:

**Solid Waste and Recycling Fund** — The Solid Waste and Recycling Fund is used to account for the City’s solid waste removal system. The City has elected to report the Solid Waste and Recycling Fund as a major fund to enhance consistency even though it did not meet the criteria for mandatory reporting in the current year.

**Parking Fund** — The Parking Fund is used to account for public parking facilities operated by the City.

**Water System** — This fund accounts for the City’s water treatment and distribution system and is responsible for water delivery to the residents of the City.

Additionally, the City reports the following fund types:

**Internal Service Fund** — The Internal Service Fund accounts for operations in which amounts expended for the print shop are reimbursed by charges to the operations of other funds.

**Other Governmental Fund** — The Other Governmental Fund includes the Special Revenue Fund, the BFSAs Debt Service Fund, and Permanent Fund:

**Special Revenue Fund** — The Special Revenue Fund is used to account for the proceeds of specific federal and state grants that are legally restricted to expenditures for specified purposes.

**BFSAs Debt Service Fund** — This fund accounts for the state aid and sales tax resources that the BFSAs intercepts from the City to pay principal and interest on general obligations bonds issued by the BFSAs on behalf of the City.

**Permanent Fund** — The Permanent Fund is used to account for assets held by the City in a trustee capacity that are legally restricted to the extent that only earnings, and not principal, may be used for purposes stipulated in the bequests and trust agreements.

**Fiduciary Funds** — These funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. These include private-purpose trust and agency funds. Activities reported in the fiduciary funds include monies held in trust for prisoners, deposits that are to be returned, and payroll withholding due other entities.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (“GASB”). Governments also have the option of following subsequent private-sector guidance for their business-type and enterprise funds, subject to the same limitation. The government has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues for the proprietary funds are as follows: sale of water for the Water System, refuse collection charges for the Solid Waste and Recycling Fund, and parking fees for the Parking Fund.

Operating expenses for the enterprise funds, and the internal service fund, include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

*Accounting for Property Taxes and Special Assessments* — Real property taxes are levied as of July 1, on which date they become liens on real property. The first half may be paid on or before July 31 without interest and the second half on or before December 31 without interest. Interest on delinquent property taxes is charged at the rate of 18% per annum. The lien date is June 1 of the year following the levy of the taxes.

The City is permitted by the Constitution of the State to levy taxes up to 2% of the five-year average full-assessed valuation for general governmental services other than the payment of debt services and capital expenditures. The City utilizes a full value system, assessing all properties at 100% of full market value. For the year ended June 30, 2009, the City had a legal tax margin of approximately \$31.0 million.

*Deposits and Investments* — Deposits include demand deposits and certificates of deposit. Cash equivalents include U.S. government securities and U.S. government securities purchased through repurchase agreements. Repurchase agreement securities are valued monthly to confirm that the fair value of the securities is equal to or greater than the value of the investment. The City did not have any repurchase agreements included within cash equivalents at June 30, 2009. All highly liquid investments with an original maturity date of approximately three months or less are considered to be cash equivalents. Investments are stated at fair value which approximates cost.

*Restricted Assets* — Certain assets are classified in the balance sheet as restricted because their use is limited. The proceeds of bond and note sales can only be used for the stated purpose of the borrowing. Property taxes collected for debt service payments are legally restricted for that purpose.

*Capital Assets* — Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements, as well as within each individual proprietary fund. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000, and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Additions are recorded at cost and donated fixed assets are recorded at their estimated fair value as of the date donated.

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Class	Life in Years
Buildings	50
Improvements other than buildings	10–30
Infrastructure	20–50
Water system	20–40
Machinery and equipment	4–30

The capitalization threshold for the Board is \$5,000. Capital assets of the Board are depreciated using the straight-line method over the following estimated useful lives:

Assets	Life in Years
Buildings	50
Building improvements	20
Land improvements	20
General equipment	10
Computer, business machine, and audit visual equipment	5
Automotive	7

*Deferred Financing Costs* – Costs associated with the issuance of bonds by the enterprise funds have been capitalized and are being amortized on the straight line basis over the life of the bonds.

*Compensated Absences* — The City’s policy is to pay employees for unused vacation, compensatory time, and sick time based on union agreements when there is separation from service. For governmental activities, the amount is accrued in the government-wide statement of net assets as long-term liabilities. For business-type activities, the full liability is recognized in both the government-wide statement of net assets and the proprietary fund financial statements.

*Long-Term Liabilities* — In the government-wide financial statements and proprietary fund financial statements, long-term debt and other-long term obligations are reported as liabilities. Bond premiums, if any, are deposited in the debt service fund and used to retire debt. Bond issuance costs related to governmental activities or business-type activities are reported as deferred charges within the government-wide financial statements and proprietary fund financial statements, respectively, and are amortized into interest expense over the term of related debt.

In the fund financial statements, governmental fund types report bond premiums and discounts, as well as bond issuance costs, as revenues/other financing sources and expenditures/other financing uses during the current period. The face amount of debt issued is reported as other financing sources. Issuance costs are reported as a capital project expenditure.

*Fund Equity* —The government-wide and business-type activities financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

*Invested in Capital Assets — Net of Related Debt* — This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

*Restricted Net Assets* — This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The government-wide statement of net assets reports \$57,781,612 of restricted net assets, of which \$22,625,116 is restricted by enabling legislation.

Unrestricted Net Assets — This category represents net assets of the City not restricted for any project or other purpose.

In the fund financial statements, reserves represent that portion of fund balance that has been legally segregated for a specific use or is not appropriate for expenditure by the City. Designations are not legally required segregations, but are segregated for a specific purpose by the City. Reserves and designations of fund balance at June 30, 2009, include:

Reserved for Encumbrances — Representing commitments related to unperformed (executory) contracts for goods or services.

Reserved for Federal and State Programs — This category includes \$2,787,325 of federal and state monies that have been reserved as they can be only used for specific purposes as authorized by grantor agencies.

Reserved for Debt Service — Represents funds to be used toward the future repayment of bonded debt.

Reserved for Permanent Fund — Represents the amount of principal and accumulated interest that are reserved to be used for specific purposes stipulated in the respective bequest and trust agreements.

Reserved for Land and Capital — This category includes \$7,086,284 of real estate acquired for resale and \$4,365,760 for departmental capital outlays.

Reserved by Enabling Legislation — Represents money provided by the State through aid and incentives for municipality that is held by the BFSA on behalf of the City.

Reserved for Long-Term Receivable — Represents a long-term receivable to the Solid Waste and Refuse Fund for operating losses incurred in the fund since its inception.

Reserved for Prepaid Items — Represents amounts prepaid to vendors and employees that are applicable to future accounting periods.

Reserved for Other — Included in this balance is \$328,649 for motor vehicle self-insurance and \$719,213 for emergency medical services.

Unreserved, Designated Fund Balance — Unreserved, designated fund balance in the General Fund consists of \$52,722,051 of which \$19,080,000 is designated to cover the settlement of various claims and litigations. Additionally, the City has designated \$33,642,051 for funds held in a “Rainy Day Fund” to cover unanticipated and extraordinary operating or capital needs.

The Rainy Day Fund represents a minimum of 30 days of the prior fiscal year’s total general fund operating expenditures. If during a fiscal year, the City has extraordinary operating or capital needs that could not be anticipated and cannot be funded with current budget resources, the City may use its Rainy Day Fund, provided certain measures are attained.

Unreserved, Undesignated Fund Balance — Represents remaining fund balance that has not been designated or reserved.

*Encumbrances* — Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded, is employed as part of the City's budgetary control mechanism for all funds. Unencumbered appropriations lapse at fiscal year end.

The City, for budgetary control purposes, accounts for encumbrances as a charge against appropriations and does not distinguish the portion of encumbrances that represent liabilities for goods or services received but not paid for at the balance sheet date. For financial statement purposes, these encumbrances are segregated into the portion that represents an outstanding liability for goods or services received versus a commitment for goods and services not received. The amounts representing goods or services received are shown in the financial statements as accounts payable and included in expenditures, while the amounts representing commitments are shown as a reservation of fund balance. Encumbrances outstanding at the end of the fiscal year do not lapse.

*Due to Retirement Systems* — Amounts owed to the State Retirement Systems (the "Retirement Systems") for wages paid to employees of the City but not yet billed are reported as liabilities in the business-activities financial statements.

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

*Reclassifications* — Certain amounts were reclassified from the Board's, BURA's, and BFSA's financial statements to conform to the City's reporting presentation. In the BFSA's statement of net assets, \$3,617,299 was reclassified from due to City of Buffalo to due to other funds for sales tax that was a receivable from Erie County on behalf of the Board. And, in the BFSA's statement of revenue, expenditures, and change in net assets, \$275,482,501 in other distributions offset investment income and intergovernmental revenue relating to proceeds and interest payments on bonds issued by the BFSA on behalf of the City.

*Adoption of New Accounting Pronouncement* — During the year ended June 30, 2009, the City adopted the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, GASB Statement No. 50, *Pension Disclosures*, GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, GASB Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards were implemented and did not have a material impact on the City's financial position or results of operation.*

*Future Impacts of Accounting Pronouncements* — The City has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, and GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. GASB Statement Nos. 51 and 53 are effective for the City's fiscal year ending June 30, 2010; and GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, effective for the year ending June 30, 2011. The City is, therefore, unable to disclose the impact that adopting GASB Statement Nos. 51, 53 and 54 will have on its financial position and results of operations when such statements are implemented.

## 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**Budgetary Information** — The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- ◆ Formal annual operating budgets are adopted by the Council for the General Fund and the Debt Service Fund. Annual budgets for proprietary funds serve only as financial plans. The budgets are prepared on a non-GAAP budgetary basis; encumbrances are charged against appropriations in the year the commitment is incurred. Formal budgetary integration is employed during the year as a management control device. The Common Council adopts long-term budgets covering the anticipated life of the project, grant, or program for the Capital Project and the Special Revenue Fund.
- ◆ Prior to May 1, for the fiscal year beginning July 1, the Mayor submits to the Common Council a complete operating plan of proposed expenditures and estimated revenues for the City's General Fund and the Debt Service Fund.
- ◆ The Council considers the operating budgets at the first meeting following their submission by the Mayor and has the power to delete, reduce, or add items to the budgets. If no additions are made by the Council, the budgets as passed by the Council are adopted without any Mayoral action. Any additions to the proposed executive budgets require Mayoral approval.
- ◆ The appropriation for every function of each City department, division, agency, or other purpose is fixed. The total expenditures for each function may not exceed the original appropriation during the fiscal year without Council approval. Increases over budget appropriations as originally adopted require a two-thirds vote of approval by the Council after certification by both the Mayor and the Comptroller, demonstrating that the increase is necessary to meet a contingency which could not have been reasonably foreseen when the budget was adopted.

The City reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. Following is a reconciliation of the budgetary-basis (i.e., non-GAAP) and the GAAP-basis operating results:

Excess of revenues and other financing sources over expenditures and other financial uses — GAAP basis	\$ 5,302,716
Prior year fund balance used a budgetary resource	12,477,930
Less encumbrances	<u>(8,965,931)</u>
 Excess of revenues and other financing sources over expenditures and other financial uses — basis of budgeting	 <u>\$8,814,715</u>

**Excess of Expenditures Over Appropriations** — For the year ended June 30, 2009, expenditures exceeded appropriations in six departments and fringe benefits. Significant budget variance explanations are as follows:

The unfavorable variance of \$3,298,511 for fringe benefits is the result of an estimate for the cost of retroactive wages to July 1, 2008 for unsettled union contracts which were not included in the budget. The unfavorable variance of \$386,829 in Public Safety, Fire is the result of additional overtime to cover manpower shortages. Unanticipated phone bills and additional personnel costs for building maintenance resulted in the budgetary shortage of \$496,737, while overtime at the animal shelter was over budget by \$11,585, in the Department of Public Works, Parks and Streets. Personnel service costs related to additional employees in Department of Permits and Inspection Services and the Department of Community Services resulted in budgetary shortages of \$255,645 and \$63,365, respectively.

### 3. DEPOSITS AND INVESTMENTS

The City's available cash is deposited and invested in accordance with the State General Municipal Law (Article 2, Section 11), which governs the City's investment policies. The City has its own written investment guidelines, which have been established by the Comptroller's Office pursuant to Section 114A of the City Charter. The City is authorized to deposit or invest funds in banks or trust companies located in, and authorized to do business in, the State. The City's investment policy governs the investment of excess funds. Funds generally may be invested in time deposits, certificates of deposit, obligations of the U.S. government and its agencies, and the State and its municipalities. Cash in banks was fully collateralized at June 30, 2009, of which the total bank balance at June 30, 2009, was \$503,424,890.

At June 30, 2009, cash and cash equivalents and investments consisted of the following:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash on hand (uncollateralized)	\$ 12,650	\$ -	\$ -	\$ 12,650
Cash in banks	419,091,564	66,021,765	1,530,399	486,643,728
Investments	22,926,241	-	42,912	22,969,153
Total	<u>\$ 442,030,455</u>	<u>\$ 66,021,765</u>	<u>\$ 1,573,311</u>	<u>\$ 509,625,531</u>

**Investments** — At June 30, 2009, total investments of \$22,969,153 consisted of investments held by the BFSA of \$22,864,769, held by the City of \$61,472 and maintained in fiduciary funds of \$42,912. Investments at June 30, 2009, consist of the following:

	Carrying Value	Fair Value
Governmental activities:		
Certificates of deposit	\$ 104,384	\$ 104,384
U.S. Treasury notes	7,614,082	7,613,135
U.S. Treasury slugs	2,774,579	2,774,579
U.S. Treasury bills	42,970	42,990
Federal Home Loan Mortgage corporate discount paper	3,697,163	3,766,432
Federal National Mortgage Association discount notes	8,453,740	8,604,754
Accrued interest	282,235	276,328
Total	<u>\$ 22,969,153</u>	<u>\$ 23,182,602</u>

Investments in fiduciary funds consist solely of certificates of deposit at June 30, 2009.

The risk and type of investments presented above generally indicate activity and positions held throughout the year. Maturities related to the BFSA's investments are generally short term with certifications of deposits issued with 30-day maturities and U.S. Treasuries and commercial paper due within 45 days. The credit rating of Federal Home Loan Mortgage corporate discount paper and Federal National Mortgage Association discount notes as reported in November 2008 by Standard & Poor's for short-term debt is A-1+.

**Interest Rate Risk** — The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are generally limited to 180 days or less.

**Credit Risk** — In compliance with the State law, City investments are limited to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State, time deposit accounts and certificates of deposit issued by a bank or trust company located in, and authorized to do business in, the State, and certain joint or cooperative investment programs.

**Custodial Credit Risk** — For investments, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the market value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the City's name. For deposits, this is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of the State General Municipal Law. If collateral is required, it can be in the form of a surety bond or obligations of the United States, the State, or any municipality or college of the State. Certain balances for accounts held in trust are collateralized by the State.

Deposits are collateralized with eligible securities of an aggregate market value equal to the excess of deposits not insured by the Federal Deposit Insurance Corporation (FDIC). Securities that may be pledged as collateral are limited to obligations of the United States or any obligation fully insured as to interest and principal by the United States acting through an agency, and obligations of the State or obligations of any municipal corporation, school district, or district corporation of the State.

**Concentration of Credit Risk** — To promote competition in rates and service cost, and to limit the risk of institutional failure, City deposits and investments are placed with multiple institutions. The general rule is not to place more than \$100 million or 50% of the City's total investment portfolio, whichever is less, in overnight investments with any one institution.

**Deposits** — The City deposits cash into a number of bank accounts. Monies must be deposited in demand or time accounts or certificates of deposit issued by FDIC-insured commercial banks or trust companies located within the State. Some of the City's accounts are required by various statutes and borrowing restrictions for specific funds, while the remainder are used for City operating cash and for investment purposes. There are no deposits which are uninsured or not collateralized.

**Governmental Activities Restricted Cash and Cash Equivalents** — General Fund restricted assets represent monies set aside as part of the funding requirements of the State for the settlement of the dispute between the Board and the Buffalo Teachers Federation. At June 30, 2009, the restricted cash amounted to \$9,673,271 and consisted of cash and cash equivalents held in a bank custodial account. The initial settlement was bonded and such restricted cash is being used to pay the debt service requirements. In addition, Debt Service Fund restricted assets of \$1,985,549 are held by a trustee for future debt service payments.

**Business-Type Activities Restricted Cash and Cash Equivalents** — Business-type restricted assets represent monies raised from the issuance of debt to fund additions to enterprise plant assets and may only be used for this purpose.

The restricted cash consists primarily of Treasury notes, Treasury bills, and certificates of deposit with a commercial bank. At June 30, 2009, \$6,290,999 of the Authority's restricted cash was secured by registered securities held by its agent in the Authority's name, and \$10,197,793 of restricted cash consisted of U.S. government securities recorded in the Authority's name and held in a bank custodial account. The Authority also maintains certificates of deposit with a bank with fair values totaling \$11,387,167 at June 30, 2009. Restricted cash in the Parking Fund of \$40,749 consisted of cash and cash equivalents and is held in a bank custodial account.

**Board of Education** — At June 30, 2009, cash in banks was \$272,332. This amount was fully collateralized.

**Restricted Cash** — The Board has restricted cash of \$178,076,157 at June 30, 2009, for various purposes as follows:

- ◆ Pursuant to the issuance of State of New York Municipal Bond Bank Agency Revenue Bonds, the Board is to maintain a Debt Service Reserve held with a fiscal agent of \$1,800,000. Such cash is held with a fiscal agent.
- ◆ \$551,830 is restricted for the joint account held in trust with the Buffalo Teachers Federation in relation to a teacher's settlement. Such cash is held with a fiscal agent.

- ◆ \$112,353,110 is restricted for the local share contribution held in trust which can only be disbursed in accordance with the Indenture Trust Agreement, and represents an amount of the Series 2003 bond proceeds to be deposited and maintained by a trustee. Such cash is held with a fiscal agent.
- ◆ Bond proceeds of \$58,229,756 at June 30, 2009, are held in trust and can only be utilized for approved project costs.
- ◆ \$4,787,950 represents a local share contribution to be held in trust and can only be disbursed in accordance with the Local Share Trust and Depository Agreement.
- ◆ \$353,511 represents endowment funds and can be used in accordance with the respective endowment document.

**Buffalo Urban Renewal Agency**

**Buffalo Urban Renewal Agency** — Bank balances totaled \$3,615,301 of which \$2,289,880 was fully collateralized at June 30, 2009.

**4. RECEIVABLES**

Receivables at June 30, 2009, for the City's individual funds and related allowance for uncollectible accounts are as follows:

<b>Accounts Receivable:</b>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Governmental Funds:</b>			
General Fund:			
Taxes	\$ 16,305,096	\$ (7,213,463)	\$ 9,091,633
Accounts receivable	8,800,085	(5,554,476)	3,245,609
Other receivables	50	-	50
Due from other agencies	1,915,764	(1,195,283)	720,481
Due from other funds	47,422,455	-	47,422,455
Due from other governments	10,388,037	(7,811,483)	2,576,554
Due from component unit	650,858	-	650,858
	<u>\$ 85,482,345</u>	<u>\$ (21,774,705)</u>	<u>\$ 63,707,640</u>
Debt Service Fund:			
Other receivables	\$ 719	\$ -	\$ 719
Due from other funds	239,534	-	239,534
	<u>\$ 240,253</u>	<u>\$ -</u>	<u>\$ 240,253</u>
Capital Projects Fund:			
Accounts receivable	\$ 3,060	\$ -	\$ 3,060
Due from other funds	2,500,283	-	2,500,283
Due from other governments	3,919,143	-	3,919,143
	<u>\$ 6,422,486</u>	<u>\$ -</u>	<u>\$ 6,422,486</u>

(continued)

<b>Accounts Receivable:</b>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>BFSA Special Revenue Fund:</b>			
Due from other governments	<u>\$ 30,490,369</u>	<u>\$ -</u>	<u>\$ 30,490,369</u>
<b>Other Governmental Funds:</b>			
Other receivables	\$ 794	\$ -	\$ 794
Due from other funds	189,600	-	189,600
Due from other governments	<u>1,130,643</u>	<u>-</u>	<u>1,130,643</u>
	<u>\$ 1,321,037</u>	<u>\$ -</u>	<u>\$ 1,321,037</u>
<b>Proprietary Funds:</b>			
<b>Internal Service Fund:</b>			
Accounts receivable	<u>\$ 653</u>	<u>\$ -</u>	<u>\$ 653</u>
<b>Solid Waste and Recycling Fund:</b>			
Accounts receivable	\$ 12,013,617	\$ (10,868,649)	\$ 1,144,968
Other receivables	<u>101,054</u>	<u>-</u>	<u>101,054</u>
	<u>\$ 12,114,671</u>	<u>\$ (10,868,649)</u>	<u>\$ 1,246,022</u>
<b>Parking Fund:</b>			
Accounts receivable	\$ 3,464,145	\$ -	\$ 3,464,145
Other receivables	<u>77</u>	<u>-</u>	<u>77</u>
	<u>\$ 3,464,222</u>	<u>\$ -</u>	<u>\$ 3,464,222</u>
<b>Water System:</b>			
Accounts receivable	\$ 15,396,511	\$ (11,770,488)	\$ 3,626,023
Other receivables	1,835,880	-	1,835,880
Due from other agencies	127,425	-	127,425
Due from other governments	<u>888,333</u>	<u>-</u>	<u>888,333</u>
	<u>\$ 18,248,149</u>	<u>\$ (11,770,488)</u>	<u>\$ 6,477,661</u>

The long-term portion in the amount of \$15,801,292 included within the General Fund's due from other funds totaling \$47,422,455 has been set aside as a reservation of fund balance.

Due from other governments at June 30, 2009, consists of the following:

**Due from other governments:**

**Governmental Funds:**

General Fund:

Due from New York State	\$ 2,329,588
Due from federal government	54,043
Due from Erie County	8,004,406
	<u>\$ 10,388,037</u>

Capital Projects Fund:

Due from New York State	<u>\$ 3,919,143</u>
-------------------------	---------------------

BFSA Special Revenue Fund:

Due from New York State	<u>\$ 30,490,369</u>
-------------------------	----------------------

Other Governmental Funds:

Special Revenue Fund:

Due from New York State	\$ 964,640
Due from federal government	166,003
	<u>\$ 1,130,643</u>

**Proprietary Funds:**

Water System:

Due from New York State	<u>\$ 888,333</u>
-------------------------	-------------------

**Board of Education**

Major revenues accrued by the Board include the following:

*Accounts Receivable* — Accounts receivable represents amounts due for tuition and health services provided to other districts and other various items.

State aid — basic	\$ 11,482,761
State aid — excess	13,460,860
State aid — other	19,597,005
Federal and state grants	25,826,796
Federal and state aid - Food Service Fund	<u>1,632,086</u>
Total	<u>\$ 71,999,508</u>

**Buffalo Urban Renewal Agency**

Accounts receivable for BURA consist of program loans receivable, notes receivable, and advances to subgrantees. Additionally, BURA reports due from other governments.

*Program Loans* — Program loans receivable consists of several economic development loans made indirectly to qualifying developers. Program loans receivable, all reported as due within one year, totals \$790,000 at June 30, 2009 and is recorded within receivables.

*Notes Receivable* — Various notes from individuals, businesses, and other organizations were outstanding at June 30, 2009, representing funds advanced by BURA for projects designed to stimulate economic development in the City. These notes are secured by mortgages with varying repayment terms.

*Advances to Subgrantees* — In the course of conducting various projects funded through the Community Development Block Grant (CDBG) and other grant programs, BURA contracts with numerous subgrantees to perform program services at the community level. In connection with those subgrant contracts, BURA has advanced CDBG and other funds to provide working capital for the subgrantees which are reported as accounts receivable.

*Due From Federal Government* — \$282,500 of the amount presented as due from the federal government represents a 10% guarantee on loans issued under HUD Section 108 program prior to October 30, 1986. This amount will become available for use in the CDBG grant program as Section 108 loan principal balances are reduced through repayments from the individual borrowers. The remaining amount represents amounts not yet received by BURA from the federal government for expenses incurred under federal grant programs.

## 5. CAPITAL ASSETS

### Governmental-Type Activities

Class	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Capital assets — not being depreciated:				
Land	\$ 12,579,281	\$ -	\$ 1	\$ 12,579,280
Construction in progress	4,506,651	9,268,413	4,506,651	9,268,413
Total capital assets — not being depreciated	<u>17,085,932</u>	<u>9,268,413</u>	<u>4,506,652</u>	<u>21,847,693</u>
Capital assets — being depreciated:				
Buildings	246,634,906	3,758,271	234,320	250,158,857
Improvements other than buildings	37,193,200	755,647	218,876	37,729,971
Machinery and equipment	48,403,942	3,522,043	4,044,844	47,881,141
Infrastructure	280,781,485	26,223,144	-	307,004,629
Total capital assets — being depreciated	<u>613,013,533</u>	<u>34,259,105</u>	<u>4,498,040</u>	<u>642,774,598</u>
Less accumulated depreciation for:				
Buildings	82,525,484	4,866,188	173,396	87,218,276
Improvements other than buildings	22,457,941	1,433,101	210,333	23,680,709
Machinery and equipment	29,628,327	4,344,835	3,980,485	29,992,677
Infrastructure	120,711,714	11,738,138	-	132,449,852
Total accumulated depreciation	<u>255,323,466</u>	<u>22,382,262</u>	<u>4,364,214</u>	<u>273,341,514</u>
Total capital assets being depreciated — net	<u>357,690,067</u>	<u>11,876,843</u>	<u>133,826</u>	<u>369,433,084</u>
Governmental activities' capital assets — net	<u>\$ 374,775,999</u>	<u>\$ 21,145,256</u>	<u>\$ 4,640,478</u>	<u>\$ 391,280,777</u>

### Business-Type Activities

Class	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Capital assets —not being depreciated:				
Land	\$ 3,362,210	\$ -	\$ -	\$ 3,362,210
Construction in progress	1,027,911	2,606,540	2,605,012	1,029,439
Total capital assets — not being depreciated	<u>4,390,121</u>	<u>2,606,540</u>	<u>2,605,012</u>	<u>4,391,649</u>
Capital assets — being depreciated:				
Buildings	149,935,009	1,307,538	-	151,242,547
Improvements other than buildings	415,137	-	-	415,137
Machinery and equipment	8,281,514	744,282	452,277	8,573,519
Infrastructure	86,978,770	1,297,474	-	88,276,244
Total capital assets — being depreciated	<u>245,610,430</u>	<u>3,349,294</u>	<u>452,277</u>	<u>248,507,447</u>
Less accumulated depreciation for:				
Buildings	34,565,255	3,113,207	-	37,678,462
Improvements other than buildings	237,715	19,308	-	257,023
Machinery and equipment	7,143,555	408,081	452,277	7,099,359
Infrastructure	31,675,831	2,306,627	-	33,982,458
Total accumulated depreciation	<u>73,622,356</u>	<u>5,847,223</u>	<u>452,277</u>	<u>79,017,302</u>
Total capital assets being depreciated — net	<u>171,988,074</u>	<u>(2,497,929)</u>	<u>-</u>	<u>169,490,145</u>
Business-type activities' capital assets — net	<u>\$ 176,378,195</u>	<u>\$ 108,611</u>	<u>\$ 2,605,012</u>	<u>\$ 173,881,794</u>

Depreciation expense was charged to City functions and programs as follows:

Governmental activities:	
General government	\$ 2,608,594
Public safety	5,279,164
Streets and sanitation	11,410,412
Economic assistance and opportunity	13,699
Culture and recreation	2,652,810
Health and community services	<u>417,583</u>
Total depreciation expense — governmental activities	<u>\$ 22,382,262</u>
Business-type activities:	
Water	\$ 3,897,306
Parking	1,594,471
Solid waste and recycling	<u>355,446</u>
Total depreciation expense — business-type activities	<u>\$ 5,847,223</u>

The carrying value of idle impaired assets at June 30, 2009, totaling \$665,602, in accordance with GASB 42 *Accounting and Financial Reporting for Impairment of Capital Assets and Insurance Recoveries*, represents two impaired firehouses, a library and a community center building.

**Board of Education** — Capital asset activity of the Board for fiscal year ended June 30, 2009, was as follows:

Class	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009
Capital assets — not being depreciated:				
Land	\$ 3,725,598	\$ -	\$ -	\$ 3,725,598
Construction in progress	108,882,029	81,192,435	79,750,940	110,323,524
Total capital assets — not being depreciated	<u>112,607,627</u>	<u>81,192,435</u>	<u>79,750,940</u>	<u>114,049,122</u>
Capital assets — being depreciated:				
Land improvements	4,540,785	-	-	4,540,785
Buildings and building improvement	853,689,116	204,288,929	-	1,057,978,045
Equipment	28,219,319	1,064,216	6,353,646	22,929,889
Total capital assets — being depreciated	<u>886,449,220</u>	<u>205,353,145</u>	<u>6,353,646</u>	<u>1,085,448,719</u>
Less accumulated depreciation for:				
Land improvements	4,278,304	27,410	-	4,305,714
Buildings and building improvement	258,123,080	35,132,318	-	293,255,398
Equipment	24,926,922	691,746	6,348,856	19,269,812
Total accumulated depreciation	<u>287,328,306</u>	<u>35,851,474</u>	<u>6,348,856</u>	<u>316,830,924</u>
Total capital assets being depreciated — net	<u>599,120,914</u>	<u>169,501,671</u>	<u>4,790</u>	<u>768,617,795</u>
Government activities' capital assets — net	<u>\$ 711,728,541</u>	<u>\$ 250,694,106</u>	<u>\$ 79,755,730</u>	<u>\$ 882,666,917</u>

**Buffalo Urban Renewal Agency** — BURA's governmental capital assets, recorded at cost, as of June 30, 2009, are summarized as follows:

Function and Activity	Land	Building	Equipment	Vehicles	Total
Economic development administration	\$ 380,370	\$ 14,706,007	\$ 787,972	\$ 105,558	\$ 15,979,907
General administration	-	-	23,686	-	23,686
Subtotal	380,370	14,706,007	811,658	105,558	16,003,593
Accumulated depreciation	-	4,002,555	585,729	105,558	4,693,842
Capital assets — net	<u>\$ 380,370</u>	<u>\$ 10,703,452</u>	<u>\$ 225,929</u>	<u>\$ -</u>	<u>\$ 11,309,751</u>

For the year ended June 30, 2009, depreciation in the amount of \$359,975 has been recorded using the straight-line method over the useful lives of the assets, which range from 5 to 39 years. In addition to the above, BURA has recorded \$1,205,002 of construction in progress at June 30, 2009.

**6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

To improve cash management, all City disbursements are made from a consolidated account in the General Fund. Also, the cash balances of certain capital funds are consolidated to maximize investment return. Both these cash management practices, as well as normal delays in processing interfund transfers and reimbursements, are the main reasons why interfund receivables and payables exist. These receivables and payables are short term in nature and are typically repaid in less than one year.

At June 30, 2009, a schedule summarizing individual fund interfund receivables and payables is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Activities:		
General Fund	\$ 47,422,455	\$ 2,783,091
Debt Service Fund	239,534	-
Capital Projects Fund	2,500,283	3,877,852
BFSA Special Revenue Fund	-	25,100,733
Other governmental funds	<u>189,600</u>	<u>1,579,929</u>
	<u>50,351,872</u>	<u>33,341,605</u>
Business-type Activities:		
Solid Waste and Recycling Fund	-	15,801,292
Parking Fund	-	520,402
Water System	-	682,193
Internal Service Fund	<u>-</u>	<u>6,380</u>
	<u>-</u>	<u>17,010,267</u>
Total government-wide	<u>\$ 50,351,872</u>	<u>\$ 50,351,872</u>

The City records the receipt of all property taxes levied as revenue in the general fund and records a transfer to the debt service fund where the payment on long-term debt is reported. Based on the financing and operation agreements of the Water Board, revenues collected are transferred to the Water Authority and water enterprise fund to cover their operational costs. Other transfers are the result of indirect costs.

Transfer In

Transfer Out	General	Debt Service	Capital Projects	Other Governmental	Solid Waste & Recycling	Total
General	\$ -	\$ 28,793,714	\$ 3,730,552	\$ 189,600	\$ 2,411,357	\$ 35,125,223
Debt Service	-	-	-	13,815,490	-	13,815,490
Capital Projects	-	1,845,932	-	-	64,080	1,910,012
BFSA	-	-	-	3,363,589	-	3,363,589
Solid Waste	673,048	-	-	-	-	673,048
Parking	450,000	66,474	-	-	-	516,474
Water System	4,672,175	-	-	-	-	4,672,175
<b>Total</b>	<b><u>\$ 5,795,223</u></b>	<b><u>\$ 30,706,120</u></b>	<b><u>\$ 3,730,552</u></b>	<b><u>\$ 17,368,679</u></b>	<b><u>\$ 2,475,437</u></b>	<b><u>\$ 60,076,011</u></b>

**7. CAPITAL LEASES**

The City has entered into lease agreements as a lessee for financing the acquisition of various capital assets (computer equipment and traffic signals). Lease principal payments for governmental activities are recorded as expenditures in the appropriate fund. In the government-wide financial statements, no principal payments are reflected as expenditures.

The City's future minimum lease payments under capital leases as of June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2010	\$ 690,324
2011	690,324
2012	690,324
2013	690,324
2014	537,519
2015	<u>486,584</u>
Total minimum lease payments	3,785,399
Less: amount representing interest	<u>(397,150)</u>
Present value of minimum lease payments	<u>\$ 3,388,249</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Building improvements	\$ 4,094,136
Infrastructure	<u>3,796,195</u>
	7,890,331
Less: accumulated depreciation	<u>(710,888)</u>
	<u>\$ 7,179,443</u>

## 8. LONG-TERM DEBT

Governmental and business-type activities' long-term bonded debt consists of either general obligation bonds backed by the full faith and credit of the City or revenue bonds. The revenue bondholder's recourse is secured solely by the City's Water System revenues. Bonds issued by the BFSA are secured by sales tax and state aid. The debt issued by the City to the BFSA has been eliminated in the government-wide financial statements to eliminate the duplicative reporting of total outstanding debt.

In July 2008, the City issued \$30,920,000 of general obligation bonds, consisting of \$22,000,000 City general improvement serial bonds and \$8,920,000 of Board serial bonds. Principal payments begin on February 1, 2009 and mature in 2016. These bonds bear an interest rate ranging between 4.3% and 5.25%.

In June 2009, the City issued \$25,030,000 of general obligation bonds, consisting of \$21,500,000 City general improvement serial bonds and \$3,530,000 of Board serial bonds. These bonds mature in 2024 and bear an interest rate ranging between 1.35% and 6.00%.

Principal and interest are paid semiannually, generally in equal installments. Noncurrent liabilities at June 30, 2009, are as follows:

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
<b>Governmental activities general obligations bonds issued by City Buffalo:</b>								
1974	\$ 4,200,000	5.6	2014	\$ 740,000	\$ -	\$ 120,000	\$ 620,000	\$ 120,000
1997	36,152,000	4-4.7	2017	2,230,000	-	2,230,000	-	-
1998	35,980,000	3.7-4.75	2018	4,200,000	-	2,070,000	2,130,000	2,130,000
1998	14,000,000	3.6-5.25	2025	3,989,500	-	492,000	3,497,500	990,000
1999	45,758,000	2.84-3.9	2019	18,815,000	-	3,210,000	15,605,000	2,745,000
1999	8,669,715	3.25-4.5	2011	550,141	-	550,141	-	-
1999	36,996,000	5.0	2014	10,415,000	-	2,245,000	8,170,000	2,300,000
2001	28,686,000	4.0-5.38	2021	11,865,000	-	1,670,000	10,195,000	1,705,000
2001	5,605,000	4-5.25	2020	4,705,000	-	50,000	4,655,000	840,000
2002	23,825,000	2.5-5	2022	12,965,000	-	1,485,000	11,480,000	1,545,000
2004	10,285,000	1.5-5.6	2025	8,955,000	-	355,000	8,600,000	370,000
2004	15,245,000	2-4.2	2016	11,610,000	-	1,280,000	10,330,000	1,320,000
2005	26,167,250	5.0	2025	21,964,246	-	2,331,351	19,632,895	2,368,868
2005	34,346,833	5.0	2019	29,948,369	-	2,267,500	27,680,869	4,155,105
2006	25,275,917	5.0	2022	22,465,466	-	1,326,027	21,139,439	1,391,228
2007	22,226,126	5.0	2023	21,042,674	-	910,165	20,132,509	955,725
2008	22,000,000	3.0-5.25	2023	-	22,000,000	1,455,000	20,545,000	1,055,000
2009	21,500,000	1.35-6.0	2024	-	21,500,000	-	21,500,000	1,305,000
Total				<u>186,460,396</u>	<u>43,500,000</u>	<u>24,047,184</u>	<u>205,913,212</u>	<u>25,295,926</u>

(continued)

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
<b>Governmental activities – issued on behalf of Discretely Presented Component Unit – Board – General Obligations Bonds:</b>								
1997	18,800,000	4.0-4.7	2009	1,100,000	-	1,100,000	-	-
1998	10,950,000	3.60-5.25	2025	8,712,500	-	435,000	8,277,500	400,000
1999	7,034,135	3.25-4.50	2011	1,629,859	-	519,859	1,110,000	545,000
2001	11,100,000	4.0-5.1	2021	6,420,000	-	370,000	6,050,000	380,000
2001	14,105,000	4.0-5.0	2012	5,000,000	-	1,000,000	4,000,000	1,000,000
2001	34,000,000	4.0-5.5	2016	24,370,000	-	2,200,000	22,170,000	2,295,000
2002	34,250,000	2.5-5.375	2020	27,050,000	-	1,575,000	25,475,000	1,635,000
2003	3,725,000	2.75-5.5	2014	2,041,000	-	310,000	1,731,000	320,000
2003	5,344,000	2.75-5.5	2018	4,213,000	-	201,000	4,012,000	207,000
2003	26,691,000	2.75-5.5	2019	21,430,000	-	929,000	20,501,000	960,000
2003	17,239,000	2.75-5.5	2019	13,912,000	-	592,000	13,320,000	613,000
2004	2,700,000	2.0-4.875	2022	2,335,000	-	130,000	2,205,000	135,000
2005	2,351,650	5.0	2010	1,261,872	-	615,462	646,410	646,410
2005	7,258,477	5.0	2016	5,788,321	-	363,188	5,425,133	743,767
2006	2,483,000	5.0	2020	2,208,000	-	130,000	2,078,000	137,000
2007	5,889,000	5.0	2019	5,457,000	-	365,000	5,092,000	383,000
2008	8,920,000	3.0-5.25	2023	-	8,920,000	595,000	8,325,000	435,000
2009	3,530,000	2.5-5.0	2024	-	3,530,000	-	3,530,000	215,000
Total				<u>132,928,552</u>	<u>12,450,000</u>	<u>11,430,509</u>	<u>133,948,043</u>	<u>11,050,177</u>
Less bonds issued by City to BFSA:								
2005A	\$ 26,167,250	5.0	2025	(21,964,246)	-	(2,331,351)	(19,632,895)	(2,368,868)
2005B	2,351,650	5.0	2010	(1,261,872)	-	(615,462)	(646,410)	(646,410)
2005BC	41,605,310	5.0	2010	(35,736,690)	-	(2,630,687)	(33,106,003)	(4,898,872)
2006A	27,758,917	5.0	2022	(24,673,466)	-	(1,456,027)	(23,217,439)	(1,528,228)
2007A	28,115,126	5.0	2023	(26,499,674)	-	(1,275,166)	(25,224,508)	(1,338,725)
Total mirror bonds				<u>(110,135,948)</u>	<u>-</u>	<u>(8,308,693)</u>	<u>(101,827,255)</u>	<u>(10,781,103)</u>
Net governmental activities general obligation bonds issued by the City of Buffalo				<u>209,253,000</u>	<u>55,950,000</u>	<u>27,169,000</u>	<u>238,034,000</u>	<u>26,244,823</u>
<b>Governmental activities general obligations bonds issued by Buffalo Fiscal Stability Authority:</b>								
2004	\$ 25,745,000	4.0-5.25	2015	\$ 19,350,000	\$ -	\$ 2,350,000	\$ 17,000,000	\$ 2,475,000
2005	28,030,000	4.0-5.0	2025	25,760,000	-	2,320,000	23,440,000	2,975,000
2005BC	47,065,000	5.0	2019	43,990,000	-	3,950,000	40,040,000	3,385,000
2006A	27,270,000	5.0	2021	26,290,000	-	1,460,000	24,830,000	1,515,000
2007A	28,470,000	5.0	2023	28,470,000	-	930,000	27,540,000	1,380,000
Total				<u>143,860,000</u>	<u>-</u>	<u>11,010,000</u>	<u>132,850,000</u>	<u>11,730,000</u>
Total governmental activities bonds - net				<u>353,113,000</u>	<u>55,950,000</u>	<u>38,179,000</u>	<u>370,884,000</u>	<u>37,295,000</u>

(continued)

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
Other noncurrent liabilities:								
Nittec loan				\$ 2,257,387	\$ 14,296	\$ 232,882	\$ 2,038,801	\$ 237,540
Capital leases				3,929,338	-	541,089	3,388,249	563,860
Compensated absences				22,161,772	25,604,538	25,371,184	22,395,126	880,639
Workers' compensation				11,662,629	3,911,496	5,031,353	10,542,772	4,016,300
Landfill post-closure monitoring				-	1,900,000	-	1,900,000	100,000
Other postemployment benefits				108,494,500	39,806,635	-	148,301,135	-
Judgments and claims				<u>8,611,500</u>	<u>16,796,742</u>	<u>6,328,242</u>	<u>19,080,000</u>	<u>2,000,000</u>
Total				<u>157,117,126</u>	<u>88,033,707</u>	<u>37,504,750</u>	<u>207,646,083</u>	<u>7,798,339</u>
Total noncurrent liabilities—governmental activities				<u>\$ 510,230,126</u>	<u>\$ 143,983,707</u>	<u>\$ 75,683,750</u>	<u>\$ 578,530,083</u>	<u>\$ 45,093,339</u>

**Business-type activities — General Obligation Bonds:**

1971	\$ 3,000,000	5.1	2010	\$ 180,000	\$ -	\$ 90,000	\$ 90,000	\$ 90,000
1991	25,705,000	4.7-6.3	2009	795,000	-	795,000	-	-
1997	2,900,000	4.0-4.7	2009	225,000	-	225,000	-	-
1998	2,385,000	3.6-5.0	2012	1,018,000	-	283,000	735,000	265,000
2001	11,660,000	4.0-5.3	2017	5,280,000	-	-	5,280,000	-
2002	21,310,000	2.5-5.375	2022	16,335,000	-	1,090,000	15,245,000	1,130,000
2005	6,552,147	5.0	2018	<u>4,303,311</u>	-	<u>754,313</u>	<u>3,548,998</u>	<u>811,128</u>
Total				<u>28,136,311</u>	<u>-</u>	<u>3,237,313</u>	<u>24,898,998</u>	<u>2,296,128</u>

**Business-type activities — Water System Revenue Bonds:**

1996	11,105,000	4.8-6.5	2009	270,000	-	270,000	-	-
1998	16,325,000	4.0-4.75	2013	1,320,000	-	240,000	1,080,000	250,000
1998	49,715,000	4.0-5.0	2013	13,990,000	-	2,485,000	11,505,000	2,605,000
2002	11,785,000	2.5-4.75	2018	2,855,000	-	235,000	2,620,000	245,000
2002	4,379,279	1.53-5.12	2022	3,320,000	-	195,000	3,125,000	200,000
2003	3,901,741	5.6-6.31	2031	3,435,000	-	95,000	3,340,000	100,000
2006	19,917,236	3.6-4.84	2028	18,412,236	-	700,000	17,712,236	712,236
2007	13,010,000	3.6-4.375	2038	13,010,000	-	230,000	12,780,000	235,000
2007	29,220,000	5	2027	29,220,000	-	320,000	28,900,000	-
2008	62,020,000	3.7-5.07	2036	<u>62,020,000</u>	-	<u>75,000</u>	<u>61,945,000</u>	<u>1,235,000</u>
Total				<u>147,852,236</u>	<u>-</u>	<u>4,845,000</u>	<u>143,007,236</u>	<u>5,582,236</u>
Total business-type activities bonds				<u>175,988,547</u>	<u>-</u>	<u>8,082,313</u>	<u>167,906,234</u>	<u>7,878,364</u>

(continued)

	Balance July 1, 2008	Additions and Reclassifications	Deductions and Reclassifications	Balance June 30, 2009	Due Within One Year
Unamortized bond premium	\$ 1,823,486	\$ 90,892	\$ 66,085	\$ 1,848,293	\$ -
Unamortized bond discount	(181,703)	-	(6,266)	(175,437)	-
Unamortized refunding costs	-	(6,145,772)	(301,474)	(5,844,298)	-
Total business-type activities bonds—net	<u>177,630,330</u>	<u>(6,054,880)</u>	<u>7,840,658</u>	<u>163,734,792</u>	<u>7,878,364</u>
Other noncurrent liabilities:					
Compensated absences	1,505,934	1,831,916	1,542,160	1,795,690	61,964
Other postemployment benefits	1,985,100	2,931,645	-	4,916,745	-
Workers' compensation	<u>1,436,175</u>	<u>1,320,936</u>	<u>841,892</u>	<u>1,915,219</u>	<u>609,431</u>
Total	<u>4,927,209</u>	<u>6,084,497</u>	<u>2,384,052</u>	<u>8,627,654</u>	<u>671,395</u>
Total noncurrent liabilities—business-type activities	<u>\$ 182,557,539</u>	<u>\$ 29,617</u>	<u>\$ 10,224,710</u>	<u>\$ 172,362,446</u>	<u>\$8,549,759</u>

The City's debt service requirements for bonds in the aggregate and for each of the five succeeding fiscal years are as follows:

#### Governmental Activities — City of Buffalo, New York

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 25,295,926	\$ 9,567,925	\$ 34,863,851
2011	23,629,359	8,653,806	32,283,165
2012	22,017,991	7,505,402	29,523,393
2013	20,671,915	6,457,900	27,129,815
2014	19,420,149	5,511,527	24,931,676
2015-2019	60,903,629	16,378,491	77,282,120
2020-2024	32,882,285	4,491,187	37,373,472
2025-2029	<u>1,091,958</u>	<u>58,730</u>	<u>1,150,688</u>
Total	<u>\$ 205,913,212</u>	<u>\$ 58,624,968</u>	<u>\$ 264,538,180</u>

#### Governmental Activities — Buffalo Fiscal Stability Authority

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 11,730,000	\$ 6,232,880	\$ 17,962,880
2011	14,360,000	5,687,593	20,047,593
2012	15,525,000	5,007,552	20,532,552
2013	14,535,000	4,244,397	18,779,397
2014	13,540,000	3,513,517	17,053,517
2015-2019	43,960,000	9,154,442	53,114,442
2020-2024	18,605,000	603,081	19,208,081
2025-2029	<u>595,000</u>	<u>21,853</u>	<u>616,853</u>
Total	<u>\$ 132,850,000</u>	<u>\$ 34,465,315</u>	<u>\$ 167,315,315</u>

### Component Unit — Board of Education

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 11,050,177	\$ 6,544,990	\$ 17,595,167
2011	10,717,306	6,086,759	16,804,065
2012	10,936,239	5,599,657	16,535,896
2013	11,223,006	5,080,341	16,303,347
2014	10,834,371	4,518,436	15,352,807
2015-2019	48,604,944	14,231,670	62,836,614
2020-2024	30,026,500	3,791,138	33,817,638
2025-2029	555,500	13,888	569,388
Total	<u>\$ 133,948,043</u>	<u>\$ 45,866,879</u>	<u>\$ 179,814,922</u>

### Business-Type Activities

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 7,878,364	\$ 7,163,397	\$ 15,041,761
2011	8,748,777	6,802,884	15,551,661
2012	8,863,935	6,390,797	15,254,732
2013	8,616,753	5,991,211	14,607,964
2014	8,861,137	5,605,656	14,466,793
2015-2019	46,382,268	21,620,499	68,002,767
2020-2024	33,050,000	12,365,979	45,415,979
2025-2029	30,350,000	6,129,436	36,479,436
2030-2034	11,390,000	1,559,742	12,949,742
2035-2038	3,765,000	289,512	4,054,512
Total	<u>\$ 167,906,234</u>	<u>\$ 73,919,113</u>	<u>\$ 241,825,347</u>

**Water Authority 2008 Refunding Bonds** — On May 9, 2008, the Water System issued \$62,020,000 par revenue bonds to currently refund \$62,300,000 of existing debt and cover issuance costs. The bonds have an average interest rate of 3.8%. The interest rate on the \$520,000 term bond is 5.07% and the interest rate on the \$61,500,000 synthetic rate bonds is 3.7%, which is the same rate as the refunded Series 2005B bonds. The net proceeds of \$62,351,363, including existing debt service funds of \$874,888 and after payment of \$543,525 in issuance costs, were used to redeem the Series 2005B bonds on May 16, 2008. The Water System refunded the Series 2005B auction rate security bonds because of the increased costs and uncertainty of the auction rate market and the downgrade of the bond insurer on the issue. The Series 2008A bonds are variable rate demand obligations backed by a direct pay letter of credit.

Of the \$62,020,000 variable bonds issued, \$61,500,000 are hedged by an interest rate swap agreement between the Water System and Citibank, N.A, NY (“Swap Provider”) that converts the Water System’s variable-rate exposure relating to the Series 2008-A Bonds to a fixed rate. The Swap Provider is an affiliate of the Underwriter and remarketing agent for the Series 2008-A Bonds.

Under the terms of the Swap Agreement, the Water System will pay the Swap Provider a fixed rate of 3.7% and the Swap Provider will pay the Water System a variable rate equal to 70% of one-month LIBOR. The obligation of the Swap Provider to make payments to the System under the Swap Agreement does not affect the Water System's obligation to pay, when due, the principal and interest on the Series 2008-A Bonds. The coupon is reset weekly and paid monthly. The Swap Agreement will expire by its terms on the final maturity of the Series 2005-B Bonds on July 1, 2035. The Water System entered into this swap agreement to hedge its interest rate exposure over the life of the bonds.

Upon the occurrence of certain events of default or termination events identified in the Swap Agreement, either the Water System or the Swap Provider may terminate the Swap Agreement in accordance with its terms. Such termination will require the payment of a termination amount by one party that attempts to compensate the other party for its economic losses at the time of termination. The Water System shall have the right to terminate the swap at par beginning on and after July 1, 2015.

At June 30, 2009, the amount that the Water System received from the Swap Provider (a variable rate payment equal to 70% of one-month LIBOR), \$640,220, was exceeded by the variable rate paid by the Water System (variable rate demand obligation) to the Swap Provider, \$743,183, by \$102,963. The fair value of the SWAP at June 30, 2009 based on quoted market prices is negative \$2,782,280.

*Nittec Loan* — The Niagara International Transportation Technology Coalition and Management Council (NITTEC) provided a \$2,500,000 loan at 2% for 10 years to the City toward the installation of controllers to standardize the signal system and improve traffic flow on designated corridors. The outstanding balance at June 30, 2009, was \$2,038,801. The loan repayment schedule at June 30, 2009, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 237,540	\$ 40,776	\$ 278,316
2011	242,291	36,025	278,316
2012	247,137	31,179	278,316
2013	252,080	26,237	278,317
2014	257,121	21,195	278,316
2015-2018	802,632	32,317	834,949
Total	<u>\$ 2,038,801</u>	<u>\$ 187,729</u>	<u>\$ 2,226,530</u>

*Capital Leases* — Refer to Note 7 for information related to the City's capital leases.

*Compensated Absences* — As described in Note 1, the liability for compensated absences, which totals \$22,395,126 for governmental activities and \$1,795,690 for business-type activities, represents amounts relating to sick and personal leave for employees. Payments of these liabilities are dependent upon many factors (including retirement, termination, or employees leaving service) and, therefore, payments of such are not readily determinable. The City has estimated that \$880,639 and \$61,964 for governmental activities and business-type activities, respectively, will be paid in the next fiscal year.

*Workers' Compensation* — Accrued workers' compensation, which totals \$10,542,772 and \$1,915,219 for governmental activities and business-type activities, respectively, represents the City's best estimate of both asserted and unasserted workers' compensation losses. The payments related to these liabilities are dependent upon many factors and, therefore, payments are not readily determinable. The City has estimated that \$4,016,300 and \$609,431 for governmental activities and business-type activities, respectively, will be paid in the next fiscal year. Refer to Note 10 for information related to workers' compensation.

*Landfill Postclosure Monitoring Costs* — In accordance with the Environmental Conservation Law of the State of New York, the City is complying with postclosure monitoring of Squaw Island. The City is still required to monitor the site for another 19 years, with an estimated annual cost of \$100,000 per year. The estimate for the outstanding liability at June 30, 2009 was \$1,900,000.

*Other Postemployment Benefits* — Liabilities related to other postemployment benefits include the accrued liability for both medical and firefighters' disability, as discussed in Note 12.

*Judgments and Claims* — The City's judgments and claims liability, which totals \$19,080,000 at June 30, 2009, represent estimated amounts due for various outstanding claims. Payment of these estimated amounts are dependent upon many factors (including outstanding litigation). The City has estimated that \$2,000,000 will be paid in the next fiscal year.

**Debt Contracting Limitation and Unissued Bonds** — The City's debt contracting limitation under its legal debt margin at July 1, 2009, was approximately \$565.4 million. The effective borrowing capacity is \$259.6 million.

The list of the City's authorized and unissued bonds at June 30, 2009, is as follows:

Project	Total Authorized and Unissued
General Improvement Bonds —City of Buffalo	\$ 7,163,856
General Improvement Bonds —Board of Education	820,000
Total	<u>\$ 7,983,856</u>

**Board of Education** — A summary of changes in Board's long-term liabilities for the year ended June 30, 2009, is as follows:

	Balance July 1, 2008	New issues/ Additions	Maturities/ Reductions	Balance June 30, 2009	Due Within One Year
Governmental activities:					
Due to other governments	\$ 15,973,333	\$ -	\$ 713,333	\$ 15,260,000	\$ 713,334
Revenue bonds payable	30,170,000	-	1,525,000	28,645,000	1,585,000
JSCB bonds payable	801,660,000	-	20,830,000	780,830,000	25,075,000
Compensated absences	19,004,704	3,691,002	3,416,456	19,279,250	5,360,000
Other long-term debt EPC	4,838,578	-	752,296	4,086,282	793,000
Other postemployment benefits	137,548,000	119,358,000	48,527,000	208,379,000	-
Judgments, claims and contingencies	2,552,000	-	-	2,552,000	-
Total	<u>\$ 1,011,746,615</u>	<u>\$ 123,049,002</u>	<u>\$ 75,764,085</u>	<u>\$ 1,059,031,532</u>	<u>\$ 33,526,334</u>

**Source of Funding** — Amounts due to other governments, revenue bonds payable, other long-term debt — Energy Performance Contracts (“EPC”), and judgments, claims, and contingencies are repaid through annual appropriation of the Board’s General Fund. Payments to the retirement systems for early retirement incentives and other related items and payments for compensated absences are charged to the fund where employees’ normal payroll is charged, except for grant funded employees, whose payments would be charged to the Board’s General Fund.

*Due to Other Governments* — In June 2000, the State Legislature passed special legislation to advance the Board \$20,000,000 in lottery aid to help pay for litigation settlement with the Buffalo Teachers Federation. In June 2006, the Board received an additional lottery advance of \$1,400,000. The advances are recorded as long-term interest-free loans with annual maturities as follows:

Fiscal Year Ending June 30,	Principal
2010	\$ 713,334
2011	713,334
2012	713,332
2013	713,334
2014	713,334
2015-2019	3,566,666
2020-2024	3,566,666
2025-2029	3,566,668
2030-2034	899,999
2035-2037	93,333
	<u>\$ 15,260,000</u>

*Revenue Bonds Payable*—Represents amounts due for Municipal Bond Agency Revenue Bonds issued pursuant to the State of New York Municipal Bond Agency (the “Agency”) Act and a General Resolution and a Series Resolution to provide funds to (i) finance a portion of the cost of settling litigation involving the Board and the Buffalo Teachers Federation (ii) fund the Debt Service Reserve Fund to at least the Debt Service Reserve Fund Requirement and (iii) pay legal, accounting, financing, and other fees and expenses relating to the issuance of the Bonds.

The Bonds are special revenue obligations of the Agency and are secured by Annual Payments payable by the City from all monies legally available (which availability is, in general, dependent upon annual appropriations by the City), and amounts received by the Agency pursuant to the Agency’s statutory right to intercept State School Aid payable to the City and all funds and accounts established by the General Resolution described in the Official Statement.

The Board’s Joint Schools Construction Board (“JSCB”) bonds payable represents bonds issued by the Erie County Industrial Development Agency (the “Issuer”) to provide money to finance the renovation and/or equipping of certain public school facilities for use by the Board. The bonds are special limited obligations of the Issuer payable from amounts due from the Board under an installment sale agreement

The remaining annual maturities of revenue bonds payable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 1,585,000	\$ 1,407,753	\$ 2,992,753
2011	1,645,000	1,345,478	2,990,478
2012	1,715,000	1,278,031	2,993,031
2013	1,790,000	1,203,828	2,993,828
2014	1,270,000	1,123,956	2,393,956
2015-2019	3,965,000	4,997,344	8,962,344
2020-2024	5,095,000	3,868,100	8,963,100
2025-2029	6,585,000	2,383,500	8,968,500
2030-2031	4,995,000	444,150	5,439,150
Total	<u>\$ 28,645,000</u>	<u>\$ 18,052,140</u>	<u>\$ 46,697,140</u>

*Joint Schools Construction Board Bonds Payable* — The Board’s Joint Schools Construction Board (“JSCB”) bonds payable represents bonds issued by the Erie County Industrial Development Agency (the “Issuer”) to provide money to finance the renovation and/or equipping of certain public school facilities for use by the Board. The bonds are special limited obligations of the Issuer payable from amounts due from the Board under an installment sale agreement

Remaining annual maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 25,075,000	\$ 43,354,400	\$ 68,429,400
2011	26,720,000	42,300,650	69,020,650
2012	28,095,000	40,964,650	69,059,650
2013	29,535,000	39,559,900	69,094,900
2014	31,075,000	38,083,150	69,158,150
2015-2019	183,520,000	163,352,388	346,872,388
2020-2024	257,225,000	104,896,675	362,121,675
2025-2029	199,585,000	30,877,500	230,462,500
Total	<u>\$ 780,830,000</u>	<u>\$ 503,389,313</u>	<u>\$ 1,284,219,313</u>

*Compensated Absences* — Compensated absences, which totaled \$19,279,250 at June 30, 2009, represent amounts relating to sick and personal leave for employees. Payment of these liabilities is dependent upon many factors (including retirement, termination, or employees leaving service), and, therefore, payment of such is not readily determinable. The Board has estimated that \$5,360,000 will be paid in the next fiscal year.

*Other Long-Term Debt* — EPC — The other long-term debt represents amounts due for equipment installed at school facilities to improve energy efficiency. Payments totaled \$752,296 during the year leaving a balance of \$4,086,282 at year-end. The remaining annual maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2010	\$ 793,000	\$ 73,512	\$ 866,512
2011	807,783	58,163	865,946
2012	823,431	42,516	865,947
2013	839,380	26,567	865,947
2014	822,688	10,423	833,111
Total	<u>\$ 4,086,282</u>	<u>\$ 211,181</u>	<u>\$ 4,297,463</u>

*Judgments, Claims, and Contingencies* — Judgments, claims, and contingencies, which totaled \$2,552,000 at June 30, 2009, represent estimated amounts due for various outstanding claims. Payment of these estimated amounts are dependent upon many factors (including outstanding litigation).

*Other Postemployment Benefits* — Refer to Note 12.

**Buffalo Urban Renewal Agency** — The summary of changes in long-term liabilities for the year ended June 30, 2009, is as follows:

	Balance July 1, 2008	Additions	Deductions	Balance June 30, 2009	Due Within One Year
Governmental activities:					
Section 108 loans	\$ 13,397,391	\$ -	\$ 262,391	\$ 13,135,000	\$ 1,920,000
Other postemployment benefits	1,303,696	2,048,818	354,573	2,997,941	-
Fannie Mae	3,600,000	-	1,200,000	2,400,000	1,200,000
Total	<u>\$ 18,301,087</u>	<u>\$ 2,048,818</u>	<u>\$ 1,816,964</u>	<u>\$ 18,532,941</u>	<u>\$ 3,120,000</u>

*Section 108 Loans* — BURA is indebted to the Federal Financing Bank under promissory notes for advances received under HUD Section 108 Loan Guarantee Program. There are two types of HUD Section 108 programs. Under the first type, promissory notes are payable in 20 annual installments of principal and interest beginning in August 1983. Under the second type, effective on October 30, 1986, interest on promissory notes is payable in 12 semiannual installments, starting with the first February and August after loan issuance. The entire principal amount of the loan is due at the same time as the 12th semiannual interest payment is due. Interest rates vary on each loan and are determined by HUD based on prevailing market rates at the time of loan issuance.

As of June 30, 2009, future maturities of the Section 108 loans are as follows:

Fiscal Year Ending June 30,	
2010	\$ 1,920,000
2011	1,405,000
2012	1,255,000
2013	1,265,000
2014	1,265,000
Thereafter	<u>6,025,000</u>
	13,135,000
Less current portion	<u>(1,920,000)</u>
Total long-term obligations	<u>\$ 11,215,000</u>

*Fannie Mae* — During the year ended June 30, 2006, BURA established a nonrevolving line of credit in the amount of \$6 million with Fannie Mae. Interest is at LIBOR rate, plus 125 basis points. The agreement, along with other stipulations, requires a cash collateral account of \$600,000 and includes a covenant requiring an annual line item with the CDBG program budget in the amount of \$1.2 million for the past two and next two years. The annual budget allocations totaling \$6,000,000 will be used to repay the line of credit. The funds have been designated for various revitalization projects in downtown Buffalo and other specified areas of the City. BURA initially borrowed \$2,000,000 from Fannie Mae on March 31, 2006. Another \$2,000,000 was borrowed on March 23, 2007. These funds were in turn loaned to private developers. The first annual principal amount of \$1,200,000, plus interest was paid on June 26, 2007. BURA made a second principal repayment of \$1,200,000 on June 30, 2008. BURA borrowed another \$2,000,000 during the year ended June 30, 2008. These funds are being used for construction financing for a new 24-unit housing development known as Sycamore Village.

The future maturities of the Fannie Mae term loan at June 30, 2009, are as follows:

Fiscal Year Ending June 30,	Amount
2010	\$ 1,200,000
2011	<u>1,200,000</u>
	2,400,000
Less current portion	<u>(1,200,000)</u>
Total long-term obligations	<u>\$ 1,200,000</u>

*Other Postemployment Benefits* — Refer to Note 12

## 9. OPERATING LEASES

Operating lease obligations are primarily for rental of space and equipment. Lease expenditures/ expenses for the year were approximately \$362,412. The future minimum rental payments required by the primary government for noncancelable operating leases are as follows:

Fiscal Year Ending June 30,	
2010	\$ 209,779
2011	66,532
2012	53,772
2013	17,547
2014	3,192
Total	<u>\$ 350,822</u>

**Buffalo Fiscal Stability Authority** — The BFSA leases its office space from a City-related entity under the terms of an operating lease which includes renewal options through May 31, 2010. Rental expense amounted to \$37,702 for the year ended June 30, 2009. Future minimum rental requirements for the year ending June 30, 2010 is \$35,780.

**Board of Education** — Operating lease obligations are primarily for rental of space and equipment. Lease expenses for the year were approximately \$5,355,598. The future minimum rental payments required for noncancelable leases are as follows:

Fiscal Year Ending June 30,	
2010	\$ 5,296,756
2011	5,124,522
2012	4,204,565
2013	3,704,395
2014	2,732,779
2015-2019	10,231,382
2020-2024	1,875,559
2025	379,511
Total	<u>\$ 33,549,469</u>

## 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries insurance coverage for Coca Cola Field, public employee liability, and data processing equipment. There have been no significant reduction in the levels of this commercial insurance from the prior year, nor have there been any settlements which exceeded insurance coverage for each of the past three fiscal years.

The City is self-insured for general liability risk. The City is self-insured for workers' compensation and has accrued its best estimate of both asserted and unasserted workers' compensation losses. The reserve for workers' compensation is recorded at an estimated percent value using a discount rate of 5%. For the fiscal years ended June 30, 2007, 2008, and 2009, the City incurred expenditures of, \$1,448,236, \$12,146,974 and \$7,536,421 respectively, for property damage and personal injury claims. For the fiscal years ended June 30, 2007, 2008, and 2009, the City expensed \$5,082,617, \$5,746,433 and \$6,343,330 respectively, for workers' compensation claims, including medical payments for fire fighters and police officers. The estimated liabilities for business-type activities are recorded as liabilities of the individual enterprise funds, whereas general liabilities are only recorded in the government-wide financial statements. At June 30, 2009, the City estimated the following general liabilities:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Workers' compensation —fire and police medical	\$ 6,526,472	\$ -
Workers' compensation — other employees	<u>4,016,300</u>	<u>1,915,219</u>
	<u>\$ 10,542,772</u>	<u>\$ 1,915,219</u>

The proprietary-type funds claims and judgments applicable to self-insurance claims are recorded as expenses and liabilities in the appropriate enterprise fund.

Changes in the reported liability in the proprietary fund since June 30, 2007, are shown in the following chart:

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</u>
Estimated claims —June 30, 2007	\$ 1,044,736	\$ -	\$ 1,044,736
Claims incurred	1,274,206	3,412	1,277,618
Payments 2007-2008	<u>(882,767)</u>	<u>(3,412)</u>	<u>(886,179)</u>
Estimated claims —June 30, 2008	1,436,175	-	1,436,175
Claims incurred	1,320,936	-	1,320,936
Payments 2008-2009	<u>(841,892)</u>	<u>-</u>	<u>(841,892)</u>
Estimated claims —June 30, 2009	<u>\$ 1,915,219</u>	<u>\$ -</u>	<u>\$ 1,915,219</u>

The City has estimated claims arising during the ordinary course of its operation which are probable of a future loss to total \$19,080,000 and has been included within the City's liabilities. Additionally, management has identified claims judged to be reasonably possible of a negative impact. Such claims have been estimated to total \$42,610,000.

**Board of Education:**

*Judgments, Claims, and Contingencies* — Various types of claims have been asserted against the Board by various claimants. Claims probable of resulting in an unfavorable outcome to the Board have been reasonably estimated and recorded as a liability. The claims are in various stages of processing and some may ultimately be brought to trial. Claims are paid and ultimately funded by the fund associated with the loss. For claims not accrued, the ultimate outcome of the suits cannot presently be determined and no provision for loss, if any, has been made in the accompanying

financial statements. It is the opinion of management that there will not be any material adverse effects on the Board's financial statements as a result of these actions.

*State Aid* — The State periodically reviews its distribution of aid to school boards throughout the State. Thus, revenues recorded as of June 30, 2009, are subject to potential revision.

*Health Insurance Litigation* — On September 1, 2005, following a competitive bid process, the Board selected one insurance carrier to provide four health care plans to Board employees — three HMO plans and one traditional indemnity plan. Prior to September 1, 2005, the Board paid three insurance carriers to provide the same four plans. Some of the Board's unions, including the Buffalo Teachers' Federation (BTF), challenged the Board's decision to go to a single carrier in arbitration. On October 21, 2006, the arbitrator in the BTF arbitration ruled that the Board must return to multiple carriers effective January 1, 2007, and reinstate all teachers laid off effective September 1, 2005, with "make whole" monetary damages, including back pay and benefits with interest at the statutory judgment rate. The arbitrator also retained jurisdiction to decide any unresolved claims for reimbursement of out-of-pocket expenses incurred by individual teachers under the signed carrier arrangement. The Board appealed the decision and the Appellate Division ruled that while the Board violated the contract in moving to a single carrier for health care, the Board is not required to reinstate all laid off teachers. The BTF moved and the Board cross-moved to appear to the Court of Appeals. The leave to appeal was denied. Subsequently, BTF commenced a contempt proceeding in the Supreme Court, which remains pending. The Court has agreed to several continuances of the return date with the expectation that negotiation of a successor collective bargaining agreement may resolve the health insurance issue. Contract negotiations are continuing.

**Buffalo Urban Renewal Agency** —BURA has been named under a New York State Department of Environmental Conservation (NYSDEC) order to remediate subsoil contaminants on vacant property held by BURA. The complete remedy proposed by NYSDEC and adopted in record of decision will cost approximately \$7.5 million. NYSDEC has not commenced any action against BURA for implementation of the remedy.

BURA has received a "Notice of Claim" on a personal injury matter at property not owned by BURA. The project had been funded under a grant provided by BURA. Under the original contract with the contractor, the contractor agreed to defend and indemnify BURA. BURA believes that it is not a proper party to the underlying claim and any action will be vigorously defended.

BURA has been named as a defendant in a personal injury matter in which the claimant incurred an injury on the land leased by BURA. This matter will be vigorously defended and BURA's rights to a defense and indemnification will be pursued.

BURA participates in numerous federal and state grant programs. These programs are subject to program compliance audits pursuant to the Single Audit Act of 1984 and the Single Audit Act Amendments of 1996. This examination is currently in process and the report will be issued under separate cover. Additionally, grantors reserve the right to conduct separate grant audits as deemed necessary. Under such audits, grant expenditures may be questioned and ultimately deemed unallowable. The amount, if any, of expenditures, which may be disallowed by grantor, agencies cannot be determined at this time.

## 11. LABOR RELATIONS

Approximately 2,650 of the City's employees are covered by a total of eight collective bargaining agreements. The building inspectors negotiated a contract through June 30, 2012. The white-collar and blue collar unions have negotiated contracts through June 30, 2011, and the crossing guards have settled through June 30, 2010. The agreements for the firefighters and pipe caulkers expired on June 30, 2004, the operating engineers' agreement expired on June 30, 2002, and the police agreement expired on June 30, 2007. All unsettled union contracts are currently being negotiated.

## 12. OTHER POSTEMPLOYMENT BENEFITS

In adopting the provisions of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, the City has opted to implement this statement prospectively. GASB Statement No. 45 states that postemployment benefits are part of an exchange of salaries and benefits for employee services rendered, and from an accrual perspective, the cost of OPEB should be recognized when the related services are received by the employer. In conjunction with the implementation of GASB Statement No. 45, the City recognizes the cost of postemployment health care in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the health insurance liability accumulated prior to July 1, 2007 will be amortized over 30 years, commencing with the 2008 liability, while the entire liability for firefighters' disability has been recognized.

Plan Description — The City provides continuation of medical insurance coverage to employees that retire under the New York State Retirement Systems at the same time such service is ended, if such employees have been continuously employed by the City for the equivalent of at least 10 years at the date of retirement. Based on collective bargaining agreements, the retiree and/or his beneficiaries receive health care coverage for the life of the retiree. The retiree's share of premium costs depends on the employee group and length of service. Health care benefits for nonunion employees are similar to those of union employees pursuant to City Charter. Additionally, under requirements of state and local law, the City compensates firefighters that retire due to disability before the mandatory retirement age of 70. This compensation is equal to the differential between the retiree's pension and the salary that he/she would receive if still in active service. There are currently 180 firefighters that receive such compensation.

The number of participants as of July 1, 2008, the effective date of the biannual OPEB valuation, is as follows. There have been no significant changes in the number of employees covered.

Active employees	2,760
Retired employees	2,795
Spouses of retirees	<u>1,837</u>
Total	<u><u>7,392</u></u>

**Funding Policy** — Postemployment benefits are financed on a pay-as-you-go basis.

**Annual OPEB Benefit Cost** — For the year ended June 30, 2009, the City's annual OPEB cost (expense) is \$83,695,100 while the Annual Required Contribution (ARC) is \$167,649,600. Considering the annual expense, as well as payment for current health insurance premiums which totaled approximately \$40,956,500 for retirees and their beneficiaries, the result was an increase in the net OPEB obligation of approximately \$42,738,600 for the year ended June 30, 2009.

	Governmental Activities Medical	Governmental Activities Disability	Business-Type Activities	Primary Government
(000's omitted)				
<b>Annual OPEB Cost and Net OPEB Obligation</b>				
Actuarial accrued liability (AAL)	\$ 1,073,466	\$ 92,413	\$ 62,088	\$ 1,227,967
Unfunded actuarial accrued liability (UAAL)	\$ 1,073,466	\$ 92,413	\$ 62,088	\$ 1,227,967
Normal cost — beginning of the year	\$ 40,967	\$ 92,413	\$ 2,370	\$ 135,750
Amortization factor based on 30 years	26.2	26.2	26.2	26.2
Annual covered payroll	\$ 163,104	\$ 2,812	\$ 13,372	\$ 179,288
UAAL as a percentage of covered payroll	658.1%	3286.4%	464.3%	684.9%

### Level Dollar Amortization

#### Calculation of ARC Under Projected Unit Credit Method

ARC normal cost with interest — end of year	\$ 25,559	\$ 333	\$ 1,919	\$ 27,811
UAAL over 30 years with interest — end of year	40,967	92,413	2,370	135,750
Interest	<u>1,663</u>	<u>2,319</u>	<u>107</u>	<u>4,089</u>
Annual required contribution (ARC)	68,189	95,065	4,396	167,650
Interest on net OPEB obligation	993	4,432	99	5,524
Adjustment to ARC	<u>(758)</u>	<u>(88,645)</u>	<u>(77)</u>	<u>(89,480)</u>
Annual OPEB cost (expense)	68,424	10,852	4,418	83,694
Contribution for the year ended June 30, 2009	<u>(32,743)</u>	<u>(6,727)</u>	<u>(1,486)</u>	<u>(40,956)</u>
Increase in net OPEB obligation	35,681	4,125	2,932	42,738
Net OPEB obligation — June 30, 2008	<u>19,849</u>	<u>88,645</u>	<u>1,985</u>	<u>110,479</u>
Net OPEB obligation — June 30, 2009	<u>\$ 55,530</u>	<u>\$ 92,770</u>	<u>\$ 4,917</u>	<u>\$ 153,217</u>
Percent of annual OPEB cost contributed	48.0%	7.1%	33.8%	24.4%

**Funded Status and Funding Progress** — As of July 1, 2008, the most recent actuarial valuation date, the OPEB plan was unfunded, resulting in an unfunded accrued liability of \$1,227,966,500.

The City's schedule of funding progress for the most recent two actuarial valuations is presented below:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability ("AAL")	Unfunded AAL ("UAAL")	Funded Ratio	Covered Payroll	Ratio of UAAL to Budget Covered Payroll
(000's omitted)						
As of July 1, 2006	\$ -	\$ 945,599	\$ 945,599	-	\$ 328,472	2.88
As of July 1, 2008	-	1,227,967	1,227,967	-	179,288	6.85

The schedule of the City’s contributions for the two most recent fiscal years is shown below:

Year Ended June 30,	Annual Required Contribution	Contributions Made	Percentage Contributed
(000's omitted)			
2008	\$ 57,158	\$ 35,324	61.8%
2009	167,650	40,956	24.4%

**Actuarial Methods and Assumptions** — Projections of benefits for financial reporting purposes are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) and on the historical pattern of cost sharing between the employer and plan members at that point. The actuarial methods and assumption used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations. Included coverage plans are “experience-rated” and annual premiums for experience-rated coverage plans were used as a proxy for claims costs with age adjustment for pre-65 and post-65 participants. The unfunded actuarial accrued liability is being amortized over 30 years on a level percentage of pay. Retiree contributions were assumed to increase in the future in accordance with the assumed increases in pre-65 medical costs.

In the July 1, 2008, actuarial valuation, the liability was computed using the projected unit credit method. The actuarial assumptions utilized a 5% investment rate of return for both governmental and business-type activities. The rate is based on the projected long-term earning rate of the assets expected to be available-to-pay benefits. The valuation assumes health care cost trends as follows: both pre-65 and post-65 medical and prescriptions, 9.0%; all reduced by decrements to reach a rate of 5.0% in 2037.

**Medical Reimbursements** — The City’s Medicare Part D prescription drug subsidy, which reduces the cost of retiree health care premiums, is accrued as revenue only in the current year. Projected subsidies for future years cannot be recognized as a reduction to the actuarial accrued liabilities.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

**Board of Education:**

**Plan Description** —The Board administers the Board of Education, City of Buffalo, New York’s Retiree Medical and Prescriptions Drug (the “Board’s Plan”) as a single-employer defined benefit other postemployment benefits plan (OPEB). The Board’s Plan provides for the continuation of medical insurance benefits for certain retirees and their spouses and can be amended by action of the Board subject to applicable collective bargaining and employment agreements. The Board’s Plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose for paying benefits under the Board’s Plan.

**Funding Policy** — The obligations of the plan members, employers, and other entities are established by action of the Board pursuant to applicable collective bargaining and employment agreements. The required contribution rates of the employer and the members, varies depending on the applicable agreement. The Board currently contributes enough money to the plan to satisfy current obligations on a pay-as-you-go basis. The costs of administering the Board’s Plan are paid by the Board.

**Accounting Policy** — The accrual basis of accounting is used. The fair market value of assets, if any, is determined by the market value of assets, if any, and paid by a willing buyer or a willing seller.

**Annual OPEB Costs and Net OPEB Obligation** — The Board’s OPEB cost (expense) is calculated based on the annual required contribution of the employer. The Board has engaged an actuary to calculate the ARC and related information per the provisions of GASB Statement No. 45 for employers in plans with more than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The components of the Board’s annual OPEB cost for the year, the amount actually contributed to the Board’s Plan, and the Board’s net OPEB obligation to the Board’s Plan at June 30, 2009, are as follows:

<b>Annual OPEB Cost</b>	(000's omitted)
ARC normal cost with interest — end of year	\$ 42,944
Amortization of UAAL	78,468
Interest	-
Annual required contribution (ARC)	121,412
Interest on net OPEB obligation	6,821
Adjustment to ARC	(8,875)
Annual OPEB cost (expense)	119,358
Contribution for the year ended June 30, 2009	(48,527)
Increase in net OPEB obligation	70,831
Net OPEB obligation — June 30, 2008	137,548
Net OPEB obligation — June 30, 2009	\$ 208,379
Percent of annual OPEB cost contributed	40.7%

**Funded Status and Funding Progress** — As of June 30, 2009, the accrued liability for benefits was \$1,206,245,000, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was not available, and the ratio of the unfunded actuarial accrued liability to the covered payroll was not available.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

	Actuarial Valuation Date June 30, 2009 <u>(000's omitted)</u>
<b>Schedule of Funding Progress</b>	
Actuarial accrued liability	\$ 1,206,245
Actuarial value of assets	-
Unfunded actuarial accrued liability	<u>\$ 1,206,245</u>
Funded ratio	0%
	Fiscal Year Ended June 30, 2009 <u></u>
Employer contributions	<u>\$ 48,527</u>

**Methods and Assumptions** — Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided and the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members up to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following assumptions were made:

The June 30, 2009, actuarial valuation, utilized the projected unit cost method. The actuarial assumptions include a 5% investment rate of return (net of administrative expenses), which is the expected short-term investment rate of the Board’s own assets since currently the plan has no assets at the valuation date in order to establish a plan investment rate, and an annual healthcare cost trend of 8.5% initially, reduced by decrements to an ultimate rate of 5% after 5 years. Both rates include a 3% inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The amortization period at June 30, 2009 was 29 years.

**Buffalo Urban Renewal Agency:**

**Plan Description** — BURA provides continuation of medical insurance coverage to employees that retire under the New York Retirement Systems at the same time they end their service to BURA. Based on the collective bargaining agreement, the retiree and his or her beneficiaries receive this coverage for the life of the retiree. Healthcare benefits for nonunion employees are similar to those of union employees. The retiree’s share of premium cost range from 0% to 25%, depending on the employee length of service.

The number of participants as of June 30, 2009, was as follows:

Active employees	53
Retired employees	36
Spouses of retired employees	<u>20</u>
	<u>109</u>

**Funding Policy** — BURA currently pays for postemployment health insurance care benefits on a pay-as-you-go basis. Although BURA is studying the establishment of a trust that would be used to accumulate and invest assets necessary to pay for the accumulated liability, these financial statements assume that pay-as-you-go funding will continue.

**Annual Other Postemployment Benefit Cost** — For the fiscal year ended June 30, 2009, BURA’s annual OPEB cost of \$2,028,394 was equal to the Annual Required Contribution. The payment of current health insurance premiums, which totaled \$354,373 for retirees and their beneficiaries, resulted in a NET OPEB cost of \$2,997,941 for the year ended June 30, 2009.

**Annual OPEB Cost and Net OPEB Obligation** — BURA’s annual other postemployment benefit (OPEB) cost is calculated based on the ARC of the employer. BURA has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than 100 total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed 30 years. The components of BURA’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in BURA’s net OPEB obligation to the Retiree Health Plan at June 30, 2008, are as follows:

Annual required contribution—including interest	\$ 2,049
Contributions made	<u>(355)</u>
Increase in net OPEB obligation	1,694
Net OPEB obligation — beginning of year	<u>1,304</u>
Net OPEB obligation — end of year	<u>\$ 2,998</u>

BURA is required to report the annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year June 30, 2009 and the two preceding fiscal years. BURA did not begin implementing GASB 45 until the fiscal year ending June 30, 2008; therefore there were no prior obligations.

Fiscal year ended June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2007	\$ -	-	\$ -
2008	2,028,394	35.73%	1,303,696
2009	2,028,394	17.31%	2,997,941

**Funded Status and Funding Progress** — As of June 30, 2008, the actuarial accrued liability for benefits was \$25,032,240, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$2,421,778, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1033.63%.

The projection of future benefit payments for an ongoing plan involves estimated of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the health care cost trend.

Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities of benefits.

**Methods and Assumptions** — Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and includes the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

**Retirement Age for Active Employees** — Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 55, or at the first subsequent year in which the member would qualify for benefits.

**Marital Status** — Marital status of members at the calculation date were assumed to continue throughout retirement

**Mortality** — Life expectancies were based on the RP 2000 Mortality Life Tables for males and for females

**Turnover** — Nongroup-specific-age-based turnover data from GASB Statement No. 45 were used as the basis for assigning active members a probability of remaining employees until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

**Health Care Cost Trend Rate** — The expected rate of increase in healthcare insurance premiums was based on projections of the Health and Human Services Office of the Actuary. A rate of 9 percent initially, reduced to an ultimate rate of 5 percent after six years, was used.

**Health Insurance Premiums** — The June 30, 2008, health insurance premiums for retirees were used as the basis for the calculation of the present value of total benefits to be paid.

**Inflation Rate** — The expected long-term inflation assumption of 3 percent was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability insurance Trust Funds for an intermediate growth scenario.

**Payroll Growth Rate** — The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of BURA's short-term investment portfolio, a discount rate of 4.9% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2009, was 29 years.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
June 30, 2008	\$ -	\$ 25,032,240	\$ 25,032,240	0.0%	\$ 2,028,394	1020.59%
June 30, 2009	-	25,032,240	25,032,240	0.0%	2,421,778	1033.63%

### 13. EMPLOYEE RETIREMENT BENEFITS

**Plan Description** — The City participates in the Employee Retirement System (ERS), the State and Local Police and Fire Retirement System (PFRS), and the Public Employees’ Group Life Insurance Plan (the “Systems”). These are cost-sharing multiple-employer retirement systems. The Systems provide retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in the NYSRSSL, the Comptroller of the State of New York (“Comptroller”) serves as sole trustee and administrative head of the Systems. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of the business of the Systems and for the custody and control of their funds. The Systems issue a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State and Local Retirement Systems, 110 State Street, Albany, NY 12244.

**Funding Policy** — The Systems are noncontributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary. The State Legislature passed legislation in 2000 that suspends the 3% contribution for employees who have 10 years or more of credited service. Additionally, members who meet certain eligibility requirements will receive one month additional service credit for each completed year of service up to a maximum of two additional years of service credit. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employees to the pension accumulation fund.

The City is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were as follows:

	ERS	PFRS
2009	\$ 4,252,841	\$ 17,635,667
2008	5,295,133	16,817,788
2007	5,911,258	18,167,876

The City’s contributions made to the Systems were equal to 100% of the contributions required for each year.

The BFSAs made 100% of its required contributions for the year ended June 30, 2009, which amounted to \$39,842, and is not included in the table above.

**Board of Education:**

The Board participates in the ERS and the Teachers' Retirement System (TRS).

The Board's required contributions to ERS for the current and preceding two years are as follows:

2009	\$ 3,676,006
2008	4,568,445
2007	5,168,955

The Board's contributions made to the ERS were equal to 100% of the contributions required for each year.

Teachers' Retirement System:

**Plan Description** — The Board makes contributions to the TRS, a cost-sharing, multiple employer-defined benefit pension plan administered by the State Teachers' Retirement Board. The TRS provides retirement, disability, withdrawal, and death benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State. The TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report may be obtained by writing to the State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395.

**Funding Policy** — Plan members who joined the System before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976, who have less than 10 years of service are required to contribute 3% of their annual salary. Employers are required to contribute at an actuarially determined rate.

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

2009	\$ 21,303,123
2008	21,819,496
2007	21,492,071

The Board's contribution made to the TRS was equal to 100% of the contributions required for each year.

**Buffalo Urban Renewal Agency** —BURA also participates in the ERS. The payroll for all employees covered by the System for the year ended June 30, 2009, was \$2,421,778. All full-time BURA employees at June 30, 2009, were covered by the pension plan.

BURA's required contributions for the current and preceding two years are as follows:

	<u>ERS</u>
2009	\$ 168,263
2008	183,883
2007	161,935

#### **14. NET ASSETS DEFICIT**

The Solid Waste and Recycling Enterprise Fund has a total net deficit of \$17,074,100 at June 30, 2009. Although the City anticipates the deficit to be remedied by future rate increase or through General Fund subsidies, no formal plan exists.

The Board has a total net deficit of \$1,629,748 at June 30, 2009 which is caused primarily by its recognition of long-term liabilities including other postemployment benefits.

\* \* \* \* \*

# **SUPPLEMENTAL SCHEDULES**

# NONMAJOR GOVERNMENTAL FUNDS

## SPECIAL REVENUE FUND

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Federal and State Grant Fund—This fund is used to account for all the special Federal and State grants that are restricted for noncapital purposes by the grant award.

## BFSA DEBT SERVICE FUND

Debt Service Funds are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Buffalo Fiscal Stability Authority Debt Service Fund—This fund is used to account for debt issued by the BFSA.

## PERMANENT FUND

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

Forsyth Park Permanent Fund—This fund is used to purchase objects to enhance the beauty of the Park System in the City of Buffalo.

**CITY OF BUFFALO, NEW YORK**  
**Combining Balance Sheet—**  
**Other Governmental Funds**  
**June 30, 2009**

	<u>Special Revenue Fund</u>	<u>BFSA Debt Service Fund</u>	<u>Permanent Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 6,122,527	\$ -	\$ 74,443	\$ 6,196,970
Investments	-	15,156,013	61,472	15,217,485
Receivables				
Other receivables	-	-	794	794
Due from other funds	189,600	-	-	189,600
Due from other governments	1,130,643	-	-	1,130,643
Total assets	<u>\$ 7,442,770</u>	<u>\$15,156,013</u>	<u>\$ 136,709</u>	<u>\$ 22,735,492</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 907,871	\$ -	\$ -	\$ 907,871
Due to other governments	2,896	-	-	2,896
Due to other funds	1,396,276	183,653	-	1,579,929
Accrued liabilities	-	2,179,552	-	2,179,552
Total liabilities	<u>2,307,043</u>	<u>2,363,205</u>	<u>-</u>	<u>4,670,248</u>
Fund balances:				
Reserved for encumbrances	2,348,402	-	-	2,348,402
Reserved for Federal and State programs	2,787,325	-	-	2,787,325
Reserved for debt service	-	12,792,808	-	12,792,808
Reserved—other	-	-	136,709	136,709
Total fund balances	<u>5,135,727</u>	<u>12,792,808</u>	<u>136,709</u>	<u>18,065,244</u>
Total liabilities and fund balances	<u>\$ 7,442,770</u>	<u>\$15,156,013</u>	<u>\$ 136,709</u>	<u>\$ 22,735,492</u>

**CITY OF BUFFALO, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—**  
**Other Governmental Funds**  
**Year Ended June 30, 2009**

	<b>Special Revenue Fund</b>	<b>BFSA Debt Service Fund</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Intergovernmental	\$ 5,267,176	\$ -	\$ -	\$ 5,267,176
Use of money and property	70,885	897,591	1,479	969,955
Miscellaneous	7,500	-	-	7,500
Total revenues	<u>5,345,561</u>	<u>897,591</u>	<u>1,479</u>	<u>6,244,631</u>
<b>EXPENDITURES</b>				
Current:				
General government support	1,297,415	-	-	1,297,415
Public safety	3,614,803	-	-	3,614,803
Streets and sanitation	130,714	-	-	130,714
Economic assistance and opportunity	1,673,699	-	-	1,673,699
Culture and recreation	17,910	-	-	17,910
Health and community services	92,751	-	-	92,751
Debt service:				
Principal	-	11,010,000	-	11,010,000
Interest and fiscal charges	-	6,504,948	-	6,504,948
Total expenditures	<u>6,827,292</u>	<u>17,514,948</u>	<u>-</u>	<u>24,342,240</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,481,731)</u>	<u>(16,617,357)</u>	<u>1,479</u>	<u>(18,097,609)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	189,600	17,179,079	-	17,368,679
Total other financing sources (uses)	<u>189,600</u>	<u>17,179,079</u>	<u>-</u>	<u>17,368,679</u>
Net change in fund balances	(1,292,131)	561,722	1,479	(728,930)
Fund balances—beginning	<u>6,427,858</u>	<u>12,231,086</u>	<u>135,230</u>	<u>18,794,174</u>
Fund balances—ending	<u>\$ 5,135,727</u>	<u>\$ 12,792,808</u>	<u>\$ 136,709</u>	<u>\$ 18,065,244</u>

## AGENCY FUND

The Agency Fund is used to account for money and property received and held in the capacity of custodian or agent. The Agency Fund is custodial in nature and does not involve measurement of results of operations. Agency funds, such as payroll withholdings, are reported as liabilities.

**CITY OF BUFFALO, NEW YORK**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Fund**  
**June 30, 2009**

	<u>Agency Fund</u>						<u>Total</u>
	<u>Surety Bonds and Deposits</u>	<u>Prisoner Property</u>	<u>Payroll Revolving</u>	<u>Fire Insurance Revolving</u>	<u>Medical Revolving</u>	<u>Miscellaneous Revolving</u>	
<b>ASSETS</b>							
Cash and cash equivalents	\$ 15,178	\$989,739	\$ 22,094	\$ 185,292	\$282,870	\$ 8,579	\$1,503,752
Investments	10,000	-	-	-	-	-	10,000
Total assets	<u>\$ 25,178</u>	<u>\$989,739</u>	<u>\$ 22,094</u>	<u>\$ 185,292</u>	<u>\$282,870</u>	<u>\$ 8,579</u>	<u>\$1,513,752</u>
<b>LIABILITIES</b>							
Due to other governments	\$ -	\$ -	\$ 22,094	\$ -	\$ -	\$ -	\$ 22,094
Amount held in custody for others	25,178	989,739	-	185,292	282,870	8,579	1,491,658
Total liabilities	<u>\$ 25,178</u>	<u>\$989,739</u>	<u>\$ 22,094</u>	<u>\$ 185,292</u>	<u>\$282,870</u>	<u>\$ 8,579</u>	<u>\$1,513,752</u>

**CITY OF BUFFALO, NEW YORK**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**Year Ended June 30, 2009**

---

	<u>Balance</u> <u>June 30, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2009</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,264,384	\$ 10,508,240	\$(10,268,872)	\$ 1,503,752
Investments	10,000	-	-	10,000
Total assets	<u>\$ 1,274,384</u>	<u>\$ 10,508,240</u>	<u>\$(10,268,872)</u>	<u>\$ 1,513,752</u>
<b>Liabilities</b>				
Accounts payable	\$ 2,696	\$ 14,336,976	\$(14,339,672)	\$ -
Due to other governments	20,344	58,156	(56,406)	22,094
Held in custody for others:				
Surety bonds and deposits	41,897	47,123	(63,842)	25,178
Prisoner property	958,125	353,450	(321,836)	989,739
Fire insurance proceeds	191,348	159,783	(165,839)	185,292
Medical reimbursements	47,773	519,644	(284,547)	282,870
Miscellaneous - other	12,201	4,693	(8,315)	8,579
Total amounts held in custody for others	<u>1,251,344</u>	<u>1,084,693</u>	<u>(844,379)</u>	<u>1,491,658</u>
Total liabilities	<u>\$ 1,274,384</u>	<u>\$ 15,479,825</u>	<u>\$(15,240,457)</u>	<u>\$ 1,513,752</u>

# **STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the City of Buffalo’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b>Contents</b>	<b>Page</b>
Capital Projects.....	86
<i>This schedule contains information to help the reader understand the City’s use of resources for individual capital projects for the year ended June 30, 2009.</i>	
Financial Trends .....	102
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
Revenue Capacity.....	111
<i>These schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.</i>	
Debt Capacity.....	115
<i>These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information .....	121
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.</i>	
Operating Information.....	123
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

**CITY OF BUFFALO, NEW YORK**  
**Table I—Capital Project Fund**  
**Schedule of Additions, Expenditures, and Unreserved Fund Balance**  
**Year Ended June 30, 2009**

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF ADMINISTRATION & FINANCE — Division of Budget —								
Planning for Capital Projects	\$ 130,006	\$ 930,552	\$ 1,060,558	\$ 10,201	\$ 1,050,357	\$ 237,405	\$ -	\$ 812,952
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Multi-Modal Program	580,160	(200,000)	380,160	-	380,160	80,160	-	300,000
New York State Chips 1998-99	1,964,391	3,053,705	5,018,096	2,069,376	2,948,720	1,594,043	-	1,354,677
Hillary Park Academy	(14,350)	-	(14,350)	-	(14,350)	-	-	(14,350)
Storm Damage FEMA Reimbursement 12/01	532	-	532	-	532	-	-	532
Total Division of Engineering	2,530,733	2,853,705	5,384,438	2,069,376	3,315,062	1,674,203	-	1,640,859
Division of Buildings:								
Cleaning and Restortn of City Monument	1,600	-	1,600	1,600	-	-	-	-
Squaw Island Remediation	3,061	-	3,061	3,061	-	-	-	-
Reconstr City Swimming & Diving Pools	5,691	-	5,691	3,549	2,142	-	-	2,142
Renovation of City Hall Dome & Tower	4,038	-	4,038	4,038	-	-	-	-
Pratt-Willard Community Center	12,970	-	12,970	3,426	9,544	-	-	9,544
Reconstruction 118 East Utica	201	-	201	201	-	-	-	-
Constr East Side Transfer Station	156,978	(156,978)	-	-	-	-	-	-
Delavan/Filmore Fire Station	118,882	-	118,882	-	118,882	-	-	118,882
Elmwood/Hertel Fire Station	192,780	-	192,780	-	192,780	-	-	192,780
Bailey Abbott Fire Station	220,000	-	220,000	12,000	208,000	-	-	208,000
Bailey Kensington Fire Station	250,000	-	250,000	-	250,000	-	-	250,000
Total Division of Buildings	966,201	(156,978)	809,223	27,875	781,348	-	-	781,348

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF INSPECTION AND LICENSES — Division of Housing and Bldg Inspection:								
Neighborhood Redevelopment Site Prep	<u>103,203</u>	<u>-</u>	<u>103,203</u>	<u>-</u>	<u>103,203</u>	<u>-</u>	<u>-</u>	<u>103,203</u>
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:								
Reconstr of Exchange Street	45,204	-	45,204	45,204	-	-	-	-
Restoration of Monuments	3,556	-	3,556	3,556	-	-	-	-
Restoration of City Monuments	1,814	-	1,814	1,814	-	-	-	-
Reconstruction/Renovations Mem Aud	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total Division of Development	<u>50,574</u>	<u>50,000</u>	<u>100,574</u>	<u>50,574</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Reconstruction Seneca Street Garage	<u>(1,137)</u>	<u>-</u>	<u>(1,137)</u>	<u>-</u>	<u>(1,137)</u>	<u>-</u>	<u>-</u>	<u>(1,137)</u>
Division of Buildings — Reconstruction Various Elevators								
	<u>67,314</u>	<u>-</u>	<u>67,314</u>	<u>-</u>	<u>67,314</u>	<u>-</u>	<u>-</u>	<u>67,314</u>
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development — Reconstruction N.I.C. Facade								
	<u>11,884</u>	<u>-</u>	<u>11,884</u>	<u>11,884</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF AUDIT & CONTROL — Purchase of Data Systems								
	<u>3,781</u>	<u>-</u>	<u>3,781</u>	<u>3,781</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Local Match-Recon Bridges & Streets	611,604	(325,000)	286,604	-	286,604	-	-	286,604
Reconstruction Curbs, Sidewalks	(115,536)	-	(115,536)	-	(115,536)	-	-	(115,536)
Installation of Lighting Allentown	6,376	-	6,376	6,376	-	-	-	-
Squaw Island Remediation	550	-	550	550	-	-	-	-
Reconstruction Exchange Street-Phase II	<u>148,732</u>	<u>-</u>	<u>148,732</u>	<u>148,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Engineering	<u>651,726</u>	<u>(325,000)</u>	<u>326,726</u>	<u>155,658</u>	<u>171,068</u>	<u>-</u>	<u>-</u>	<u>171,068</u>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Division of Buildings:								
Restoration of Monuments	5,523	21,000	26,523	-	26,523	7,360	-	19,163
Restoration of Kleinhans Music Hall	<u>5,175</u>	<u>-</u>	<u>5,175</u>	<u>5,175</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Buildings	<u>10,698</u>	<u>21,000</u>	<u>31,698</u>	<u>5,175</u>	<u>26,523</u>	<u>7,360</u>	<u>-</u>	<u>19,163</u>
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development — Neighborhood Information Center	<u>23,660</u>	<u>-</u>	<u>23,660</u>	<u>23,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Erie Basin Marina Rehab Phase IV	1,060	-	1,060	1,060	-	-	-	-
Squaw Island Remediation, 98-99	175,831	-	175,831	87,622	88,209	22,378	-	65,831
Local Match Reserve-Bridges, 98-99	181,529	(26,510)	155,019	-	155,019	-	-	155,019
Local Match Reserve-Roads, 98-99	1,648,516	(150,000)	1,498,516	-	1,498,516	7	-	1,498,509
Traffic Calming Project, 98-99	<u>27,980</u>	<u>-</u>	<u>27,980</u>	<u>26,286</u>	<u>1,694</u>	<u>-</u>	<u>-</u>	<u>1,694</u>
Total Division of Engineering	<u>2,034,916</u>	<u>(176,510)</u>	<u>1,858,406</u>	<u>114,968</u>	<u>1,743,438</u>	<u>22,385</u>	<u>-</u>	<u>1,721,053</u>
Division of Buildings:								
Improvements to Library — Various	4,127	-	4,127	4,127	-	-	-	-
Cazenovia Ice Rink	102,363	-	102,363	16,337	86,026	27,314	-	58,712
City Hall Fire Safety Systems	16,693	-	16,693	16,693	-	-	-	-
Kleinhans Music Hall Restoration 98-99	13,793	-	13,793	-	13,793	-	-	13,793
Cazenovia Park Casino, 98-99	37,136	-	37,136	9,688	27,448	-	-	27,448
Friends of Elderly, Acq. & Expansion, 98-99	1,434	-	1,434	1,434	-	-	-	-
City Demolitions	19,791	-	19,791	-	19,791	-	-	19,791
Improvements to Various Community Ctrs	(46,663)	-	(46,663)	-	(46,663)	-	-	(46,663)
S. District Buildings-Okell Field House	<u>22,406</u>	<u>-</u>	<u>22,406</u>	<u>15,722</u>	<u>6,684</u>	<u>4,112</u>	<u>-</u>	<u>2,572</u>
Total Division of Buildings	<u>171,080</u>	<u>-</u>	<u>171,080</u>	<u>64,001</u>	<u>107,079</u>	<u>31,426</u>	<u>-</u>	<u>75,653</u>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF COMMUNITY								
DEVELOPMENT — Division of Development:								
Neighborhood Development, Demolitions	27,940	-	27,940	-	27,940	27,540	-	400
South Ellicott — Demolitions	5,355	-	5,355	-	5,355	5,355	-	-
Improvements Seneca Babcock, 91-92	98,930	-	98,930	4,779	94,151	-	-	94,151
Broadway Market Renovation, 98-99	10,769	-	10,769	10,769	-	-	-	-
Improvements Niagara Square, 97-98	30,452	-	30,452	6,523	23,929	11,600	-	12,329
<b>Total Division of Development</b>	<b>173,446</b>	<b>-</b>	<b>173,446</b>	<b>22,071</b>	<b>151,375</b>	<b>44,495</b>	<b>-</b>	<b>106,880</b>
DEPARTMENT OF FIRE:								
Purchase Pumper Truck 99-00	(917)	-	(917)	-	(917)	-	-	(917)
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Citywide Tree Removal 98-99	9	-	9	-	9	9	-	-
Lovejoy Bldg (Seneca/Babcock CC) 98-99	32,715	-	32,715	-	32,715	-	-	32,715
Reconst Marine Drive 99-00	15,481	-	15,481	15,481	-	-	-	-
Infrastructure Improve 99-00	3	-	3	3	-	-	-	-
Infrastructure Impr/North & Niagara 99-00	100,758	-	100,758	-	100,758	-	-	100,758
<b>Total Division of Engineering</b>	<b>148,966</b>	<b>-</b>	<b>148,966</b>	<b>15,484</b>	<b>133,482</b>	<b>9</b>	<b>-</b>	<b>133,473</b>
Division of Buildings:								
Rehab Underground Tanks 98-99	34,964	-	34,964	34,045	919	-	-	919
Monument Restoration 98-99	31,911	-	31,911	-	31,911	-	-	31,911
Handicapped Access Improvements 99-00	14,679	-	14,679	13,148	1,531	1,531	-	-
Zoo Improvements 99-00	1,598	-	1,598	1,598	-	-	-	-
Restoration-Council Chamber 99-00	(40,711)	-	(40,711)	-	(40,711)	-	-	(40,711)
Neighborhood Redevelopment 98-99	(63,326)	-	(63,326)	-	(63,326)	-	-	(63,326)
<b>Total Division of Buildings</b>	<b>(20,885)</b>	<b>-</b>	<b>(20,885)</b>	<b>48,791</b>	<b>(69,676)</b>	<b>1,531</b>	<b>-</b>	<b>(71,207)</b>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:								
Citywide Park Improve 98-99	114	-	114	-	114	-	-	114
Neighborhood Redevelopment 98-99	30,245	-	30,245	-	30,245	22,475	-	7,770
Citywide Playground Renov 98-99	(1,892)	-	(1,892)	-	(1,892)	-	-	(1,892)
Downtown Development 98-99	347,212	-	347,212	347,212	-	-	-	-
Imp Info System/Mapping 99-00	10,749	-	10,749	-	10,749	3,375	-	7,374
School #62 Conversion 99-00	65,914	-	65,914	3,620	62,294	7,410	-	54,884
	-	-	-	-	-	-	-	-
Total Division of Development	452,342	-	452,342	350,832	101,510	33,260	-	68,250
EXECUTIVE DEPARTMENT — Division of Strategic Planning — Environmental Testing and Remediation 00-01								
	43,345	-	43,345	43,238	107	-	-	107
DEPARTMENT OF PUBLIC WORKS: Division of Engineering:								
Citywide Tree Trim & Removal	298	-	298	-	298	5,338	-	(5,040)
Reconstruction Clinton Underpass 00-01	10,420	-	10,420	10,420	-	-	-	-
Infrastructure Improvements 00-01	(2,631)	-	(2,631)	-	(2,631)	-	-	(2,631)
Total Division of Engineering	8,087	-	8,087	10,420	(2,333)	5,338	-	(7,671)
Division of Buildings:								
Precinct #11 Renovation 99-00	38	-	38	30,000	(29,962)	-	-	(29,962)
“B” Dist -Main/Tupper 99-00	27,290	-	27,290	27,290	-	-	-	-
Bailey-Kensington CC 93-94	183,798	-	183,798	-	183,798	-	-	183,798
Apollo Center Equipment 00-01	57,100	-	57,100	57,026	74	-	-	74
Expansion Tosh Collins Center 00-01	257,763	-	257,763	5,510	252,253	-	-	252,253
Reconstruction City Court 00-01	452,906	-	452,906	103,421	349,485	333,876	-	15,609
Reconstruction City Hall 00-01	10,115	-	10,115	10,115	-	-	-	-
Shea’s Theatre Exterior Expansion 00-01	41,346	-	41,346	1,130	40,216	30,595	-	9,621
Total Division of Buildings	1,030,356	-	1,030,356	234,492	795,864	364,471	-	431,393

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Division of Demolitions — Demolition of City Buildings 00-01	122,399	-	122,399	-	122,399	58,000	-	64,399
DEPARTMENT OF COMMUNITY								
DEVELOPMENT — Division of Development:								
Citywide Parks & Playgrounds	900	-	900	900	-	-	-	-
Neighborhood Redevelopment 99-00	40,500	-	40,500	-	40,500	35,525	-	4,975
Total Division of Development	41,400	-	41,400	900	40,500	35,525	-	4,975
EXECUTIVE DEPARTMENT — Enviro								
Test & Remediation 00-01	144,814	(66,000)	78,814	22,252	56,562	35,861	-	20,701
DEPARTMENT OF PUBLIC								
WORKS — Division of Engineering:								
60 Hedley Place 00-01	47,058	-	47,058	-	47,058	23,714	-	23,344
Recons Elmwood Ave 00-01	43,567	-	43,567	43,567	-	-	-	-
Neighborhood Redev/CI 00-01	89,701	-	89,701	-	89,701	-	-	89,701
Total Division of Engineering	180,326	-	180,326	43,567	136,759	23,714	-	113,045
DEPARTMENT OF PUBLIC								
WORKS — Division of Building								
McKinley Monument Analysis	9,451	-	9,451	-	9,451	-	-	9,451
Broadway Garage Study	7,500	-	7,500	6,319	1,181	-	-	1,181
Cogenerating District Heating Plan	8,939	-	8,939	8,939	-	-	-	-
Handicap Access Improvements 00-01	72,564	-	72,564	18,227	54,337	54,337	-	-
Fire Alarms Various Libraries 99-00	52,930	-	52,930	-	52,930	-	-	52,930
Museum of Science Improvements	12,388	-	12,388	400	11,988	11,940	-	48
Restoration of Monuments 99-00	26,848	-	26,848	1,799	25,049	18,200	-	6,849
Reconstruction of Zoo Facilities 00-01	2,183	-	2,183	2,183	-	-	-	-
Auto Impound Roof 00-01	164,450	-	164,450	-	164,450	-	-	164,450
Reconstruction Delaware Park Casino 00-01	8,309	-	8,309	2,000	6,309	-	-	6,309
Reconstruction JFK Center 00-01	40,009	-	40,009	40,009	-	-	-	-

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Reconstruction Fronczak Library 00-01	57,168	-	57,168	57,168	-	-	-	-
Reconstruction East Clinton Library 00-01	47,900	-	47,900	-	47,900	-	-	47,900
City Blds Improv City Wide 2002	44,286	-	44,286	30,876	13,410	5,050	-	8,360
<b>Total Division of Buildings</b>	<b>554,925</b>	<b>-</b>	<b>554,925</b>	<b>167,920</b>	<b>387,005</b>	<b>89,527</b>	<b>-</b>	<b>297,478</b>
<b>DEPARTMENT OF PARKS:</b>								
Refurbish Cazenovia Pool 00-01	19,159	-	19,159	19,982	(823)	-	-	(823)
City Parks Improv 2001	11,944	-	11,944	6,101	5,843	5,850	-	(7)
<b>Total Division of Parks</b>	<b>31,103</b>	<b>-</b>	<b>31,103</b>	<b>26,083</b>	<b>5,020</b>	<b>5,850</b>	<b>-</b>	<b>(830)</b>
<b>DEPARTMENT OF PERMITS AND INSPECTIONS — Neighborhd</b>								
Redev/Clearance 2001	54,471	-	54,471	-	54,471	7,975	-	46,496
<b>DEPARTMENT OF PUBLIC WORKS:</b>								
Division of Engineering — Citywide Infrastr Improv 2001	61	58,239	58,300	55,385	2,915	2,915	-	-
Division of Buildings:								
City Hall Restor 2003	4,424	-	4,424	-	4,424	-	-	4,424
Jefferson Library 2004	333	-	333	333	-	-	-	-
Fire Fac Assessment 2004	627	-	627	627	-	-	-	-
Recon Fire Hse-Main & Mercr 2004	257	-	257	257	-	-	-	-
Constr Fire Hse-Bailey/Genesee 2004	20,910	-	20,910	20,417	493	493	-	-
<b>Total Division of Buildings</b>	<b>26,551</b>	<b>-</b>	<b>26,551</b>	<b>21,634</b>	<b>4,917</b>	<b>493</b>	<b>-</b>	<b>4,424</b>
<b>DEPARTMENT OF PARKS — Citywide</b>								
Tree Trim & Remov 2001	21,186	-	21,186	1,193	19,993	19,993	-	-

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF PERMITS AND INSPECTIONS:								
Neigh Redev/Clear 2001	(5,004)	-	(5,004)	-	(5,004)	-	-	(5,004)
Citywide Neigh Redev/Clear 2002	<u>33,899</u>	<u>-</u>	<u>33,899</u>	<u>-</u>	<u>33,899</u>	<u>2,175</u>	<u>-</u>	<u>31,724</u>
Total Permits and Inspections	<u>28,895</u>	<u>-</u>	<u>28,895</u>	<u>-</u>	<u>28,895</u>	<u>2,175</u>	<u>-</u>	<u>26,720</u>
DEPARTMENT OF FIRE — Fire Apparatus 04								
	<u>7,517</u>	<u>-</u>	<u>7,517</u>	<u>7,517</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF PUBLIC WORKS:								
Parks and Streets — Purchase Snow Plows 05	<u>381,087</u>	<u>-</u>	<u>381,087</u>	<u>305,813</u>	<u>75,274</u>	<u>-</u>	<u>-</u>	<u>75,274</u>
Division of Engineering:								
Bond Sale Expense	838	-	838	-	838	-	-	838
Enviro Remediation 2005	159,999	-	159,999	126,829	33,170	31,171	-	1,999
Infrastructure Improv-City Wide 2002	18,125	-	18,125	18,000	125	-	-	125
Infrastructure Improv-City Wide 2005	<u>1,281</u>	<u>-</u>	<u>1,281</u>	<u>-</u>	<u>1,281</u>	<u>7</u>	<u>-</u>	<u>1,274</u>
Total Division of Engineering	<u>180,243</u>	<u>-</u>	<u>180,243</u>	<u>144,829</u>	<u>35,414</u>	<u>31,178</u>	<u>-</u>	<u>4,236</u>
Division of Buildings:								
Reconst Fire Station Main & Mercer 04	10,851	-	10,851	10,851	-	-	-	-
60 Hedley Place 00-01	364,000	-	364,000	-	364,000	22,500	-	341,500
City Hall Restor 2005	1,842,198	-	1,842,198	1,326,094	516,104	516,104	-	-
Improv City Bldg 2005	95,345	-	95,345	58,145	37,200	29,958	-	7,242
Jefferson Library 2004	100,072	-	100,072	-	100,072	775	-	99,297
Reconst City Own Bldg 2005	<u>6,400</u>	<u>-</u>	<u>6,400</u>	<u>6,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Buildings	<u>2,418,866</u>	<u>-</u>	<u>2,418,866</u>	<u>1,401,490</u>	<u>1,017,376</u>	<u>569,337</u>	<u>-</u>	<u>448,039</u>
DEPARTMENT OF PARKS:								
Parks/Playground Improv City Wide 02	62,173	-	62,173	23,372	38,801	38,761	-	40
City Wide Tree Trim & Removal 2001	<u>88,773</u>	<u>-</u>	<u>88,773</u>	<u>-</u>	<u>88,773</u>	<u>88,764</u>	<u>-</u>	<u>9</u>
Total Division of Parks	<u>150,946</u>	<u>-</u>	<u>150,946</u>	<u>23,372</u>	<u>127,574</u>	<u>127,525</u>	<u>-</u>	<u>49</u>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF PERMITS AND INSPECTIONS:								
City Wide Neighborhood Redv & Clrg 2002	4,251	-	4,251	(71,954)	76,205	-	-	76,205
Neighborhood Redv & Clrg City Wide 2005	<u>5,584</u>	<u>-</u>	<u>5,584</u>	<u>(463,149)</u>	<u>468,733</u>	<u>-</u>	<u>-</u>	<u>468,733</u>
Total Permits and Inspections	<u>9,835</u>	<u>-</u>	<u>9,835</u>	<u>(535,103)</u>	<u>544,938</u>	<u>-</u>	<u>-</u>	<u>544,938</u>
DEPARTMENT OF FIRE:								
Fire Apparatus 04	<u>18,011</u>	<u>-</u>	<u>18,011</u>	<u>18,011</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Division of Engineering:								
Bond Sale Expense	382	-	382	-	382	-	-	382
Monument Restoration 02	250,000	-	250,000	-	250,000	-	-	250,000
Rehab Sts/Curbs/Sdwlk Citywide 06	3,415	-	3,415	-	3,415	3,393	-	22
Rehab Sts/Curbs/Sdwlk Homezone 06	830,000	-	830,000	-	830,000	-	-	830,000
Tree Trimming/Removal Citywide 06	171,266	-	171,266	131,708	39,558	-	-	39,558
Constr Outer Harbor Trail Ph II 06	240,000	-	240,000	-	240,000	-	-	240,000
Improv Ellicott Gateway 06	<u>435,000</u>	<u>-</u>	<u>435,000</u>	<u>-</u>	<u>435,000</u>	<u>-</u>	<u>-</u>	<u>435,000</u>
Total Division of Engineering	<u>1,930,063</u>	<u>-</u>	<u>1,930,063</u>	<u>131,708</u>	<u>1,798,355</u>	<u>3,393</u>	<u>-</u>	<u>1,794,962</u>
Division of Buildings:								
Improve City Libraries 06	167,762	-	167,762	167,731	31	-	-	31
Improv Historical Society 06	147,827	-	147,827	1,017	146,810	-	-	146,810
Improve Museum of Science 06	158,301	-	158,301	-	158,301	84,150	-	74,151
Reconstr Firehouses 06	1,370,000	-	1,370,000	689,074	680,926	105,229	-	575,697
Improve Mass Ave CC 06	162,129	-	162,129	20,263	141,866	25,834	-	116,032
Improve Northwest CC 06	1,691	-	1,691	1,691	-	-	-	-
Improve Marcy Casino 06	94,461	-	94,461	32,535	61,926	22,000	-	39,926
Improve City Bldg/Fac Citywide 06	<u>807,832</u>	<u>35,780</u>	<u>843,612</u>	<u>565,413</u>	<u>278,199</u>	<u>199,095</u>	<u>-</u>	<u>79,104</u>
Total Division of Buildings	<u>2,910,003</u>	<u>35,780</u>	<u>2,945,783</u>	<u>1,477,724</u>	<u>1,468,059</u>	<u>436,308</u>	<u>-</u>	<u>1,031,751</u>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
DEPARTMENT OF PARKS:								
Improve Parks/Playground Citywide 06	17,018	-	17,018	2,405	14,613	7,670	-	6,943
Centennial Pool Splash Pad 06	<u>592,750</u>	<u>2,500,000</u>	<u>3,092,750</u>	<u>757,558</u>	<u>2,335,192</u>	<u>1,852,709</u>	<u>-</u>	<u>482,483</u>
Total Division of Parks	<u>609,768</u>	<u>2,500,000</u>	<u>3,109,768</u>	<u>759,963</u>	<u>2,349,805</u>	<u>1,860,379</u>	<u>-</u>	<u>489,426</u>
DEPARTMENT OF PERMITS AND INSPECTIONS:								
Demo Private Bldg/Structures 06	-	-	-	(37,775)	37,775	-	-	37,775
Demo City Bldgs/Structures 06	<u>241,941</u>	<u>-</u>	<u>241,941</u>	<u>229,946</u>	<u>11,995</u>	<u>9,785</u>	<u>-</u>	<u>2,210</u>
Total Permits and Inspections	<u>241,941</u>	<u>-</u>	<u>241,941</u>	<u>192,171</u>	<u>49,770</u>	<u>9,785</u>	<u>-</u>	<u>39,985</u>
DEPARTMENT OF FIRE:								
Purch Fire Apparatus 07	<u>1,558,418</u>	<u>-</u>	<u>1,558,418</u>	<u>-</u>	<u>1,558,418</u>	<u>1,558,418</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Bond Sale Expense	191	-	191	-	191	-	-	191
C/W Arterial Pavement 07	112,001	(47,600)	64,401	-	64,401	-	-	64,401
C/W Infrastructure Repair & Replace 07	1,352,514	-	1,352,514	1,198,607	153,907	57,713	-	96,194
Porter Ave Observ Pnt Impr 07	96,001	-	96,001	-	96,001	-	-	96,001
Sycamore Village Infrastr 07	1,176,956	3,060	1,180,016	266,318	913,698	44,153	-	869,545
Improv W/W Parks 07	464,849	-	464,849	292,947	171,902	161,533	-	10,369
C/W Tree Removal & Plant 07	<u>141,171</u>	<u>-</u>	<u>141,171</u>	<u>18,099</u>	<u>123,072</u>	<u>123,072</u>	<u>-</u>	<u>-</u>
Total Division of Engineering	<u>3,343,683</u>	<u>(44,540)</u>	<u>3,299,143</u>	<u>1,775,971</u>	<u>1,523,172</u>	<u>386,471</u>	<u>-</u>	<u>1,136,701</u>
Division of Buildings:								
Bailey/Gen Fire Station 07	2,933,784	250,000	3,183,784	2,845,622	338,162	220,514	-	117,648
Bailey/Kensington Fire Station 07	266,670	-	266,670	141,824	124,846	57,329	-	67,517
City Court Fire Alarm 07	533,340	-	533,340	37,815	495,525	244,644	-	250,881
City Hall Fire Alarm 07	1,019,954	-	1,019,954	-	1,019,954	-	-	1,019,954
City Hall Reconstruction 07	2,007,131	-	2,007,131	713,255	1,293,876	904,564	-	389,312
Improv Buildings & Facilities C/W 07	549,636	-	549,636	495,838	53,798	35,986	-	17,812
Improv Kleinhans Electric 07	<u>99,734</u>	<u>-</u>	<u>99,734</u>	<u>1,026</u>	<u>98,708</u>	<u>89,200</u>	<u>-</u>	<u>9,508</u>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Museum of Science Ph I Plumbing 07	106,668	-	106,668	77,934	28,734	-	-	28,734
New Streets Garage 07	266,670	-	266,670	-	266,670	-	-	266,670
NW Comm Center Air Condition 07	160,002	-	160,002	70,121	89,881	-	-	89,881
Police Garage Car Wash 07	123,735	-	123,735	25,005	98,730	18,292	-	80,438
<b>Total Division of Buildings</b>	<b>8,067,324</b>	<b>250,000</b>	<b>8,317,324</b>	<b>4,408,440</b>	<b>3,908,884</b>	<b>1,570,529</b>	<b>-</b>	<b>2,338,355</b>
Street Sanitation — Vehicle Purch PW 07	84,451	-	84,451	64,080	20,371	-	-	20,371
<b>DEPARTMENT OF PERMITS AND INSPECTIONS — Emer Demo Bldg &amp; Str 07</b>	<b>60,367</b>	<b>-</b>	<b>60,367</b>	<b>-</b>	<b>60,367</b>	<b>-</b>	<b>-</b>	<b>60,367</b>
<b>DEPARTMENT OF FIRE:</b>								
Purch Fire Apparatus 08	-	2,930,998	2,930,998	57,347	2,873,651	2,864,109	-	9,542
<b>DEPARTMENT OF PUBLIC WORKS:</b>								
Division of Engineering:								-
Signal Improvements 99-00	-	42,777	42,777	10,619	32,158	-	-	32,158
C/W Infrastructure Repair & Replace 08	-	626,629	626,629	595,681	30,948	18,719	-	12,229
Bailey Ave Bridge Reconstruction 08	-	2,859	2,859	2,859	-	-	-	-
C/W Infrastructure Repair & Replace 08	-	3,818,258	3,818,258	3,580,516	237,742	168,805	-	68,937
C/W Arterial Pavement Mill & Res 08	-	597,055	597,055	11,681	585,374	-	-	585,374
Emergency Bridge Repair 08	-	542,777	542,777	273,876	268,901	11,821	-	257,080
Humboldt Parkway Streetscape 08	-	760,903	760,903	14,887	746,016	-	-	746,016
Bridge EIS 08	-	271,389	271,389	5,311	266,078	-	-	266,078
C/W Environmental Remediation 08	-	1,628,332	1,628,332	51,948	1,576,384	-	-	1,576,384
Streets Vehilces 08	-	862,356	862,356	784,197	78,159	-	-	78,159
Planning Neighborhood Infrastructure 08	-	1,085,555	1,085,555	189,128	896,427	587,200	-	309,227
<b>Total Division of Engineering</b>	<b>-</b>	<b>10,238,890</b>	<b>10,238,890</b>	<b>5,520,703</b>	<b>4,718,187</b>	<b>786,545</b>	<b>-</b>	<b>3,931,642</b>
Division of Buildings:								
Bailey/Kensington Fire Station 08	-	4,884,996	4,884,996	380,455	4,504,541	3,218,493	-	1,286,048
Marcy Casino Reconstruction 08	-	446,396	446,396	8,734	437,662	415,000	-	22,662
District Heating System Replacement 08	-	217,111	217,111	71,141	145,970	-	-	145,970
<b>Total Division of Buildings</b>	<b>-</b>	<b>5,548,503</b>	<b>5,548,503</b>	<b>460,330</b>	<b>5,088,173</b>	<b>3,633,493</b>	<b>-</b>	<b>1,454,680</b>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Division of Parks:								
C/W Parks Improvements 08	-	1,085,555	1,085,555	497,090	588,465	439,049	-	149,416
			-					
DEPARTMENT OF PERMITS AND INSPECTIONS — Demo Bldg & Struct 08	-	2,029,074	2,029,074	1,673,549	355,525	334,242	-	21,283
			-					
DEPARTMENT OF POLICE:								
Radio System Upgrade 09	-	1,793,017	1,793,017	49,279	1,743,738	-	-	1,743,738
			-					
DEPARTMENT OF FIRE:								
Purch Fire Apparatus 09	-	1,971,814	1,971,814	54,193	1,917,621	-	-	1,917,621
			-					
DEPARTMENT OF PUBLIC WORKS:								
Division of Streets:								
Streets Vehilces 09	-	505,075	505,075	13,882	491,193	-	-	491,193
			-					
Division of Engineering:								
Bridge Repair 09	-	540,431	540,431	14,853	525,578	-	-	525,578
Fargo/D'youville Streetscape 09	-	97,985	97,985	2,693	95,292	-	-	95,292
Fillmore Resurface & Streetscape 09	-	85,863	85,863	2,360	83,503	-	-	83,503
Franklin, Linwood, N.Pearl Infrast 09	-	324,258	324,258	8,912	315,346	-	-	315,346
Humboldt Pkwy Streetscape 09	-	810,141	810,141	22,266	787,875	-	-	787,875
Middlesex Ave Reonstuction 09	-	232,335	232,335	6,385	225,950	-	-	225,950
Niagara Gateway Project 09	-	111,116	111,116	3,054	108,062	-	-	108,062
Seneca Street Resurf & Streetscape 09	-	505,075	505,075	13,881	491,194	-	-	491,194
South Park Resurf & Streetscape 09	-	125,259	125,259	3,443	121,816	-	-	121,816
C/W Infrastructure Repair & Replace 09	-	3,449,665	3,449,665	94,811	3,354,854	-	-	3,354,854
Signal Improvements 99-00	-	1,787,967	1,787,967	49,140	1,738,827	-	-	1,738,827
			-					
Total Division of Engineering	-	8,070,095	8,070,095	221,798	7,848,297	-	-	7,848,297
			-					
Division of Buildings:								
Broadway Market Rehab 99-00	-	1,010,151	1,010,151	36,393	973,758	-	-	973,758
Autumnwood Sr Ctr Recon 09	-	108,086	108,086	2,971	105,115	-	-	105,115
Historical Society Electrical System 09	-	648,517	648,517	17,824	630,693	-	-	630,693
Cazenovia Casino Rehab 09	-	151,523	151,523	4,165	147,358	-	-	147,358

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
City Hall Improvements 09	-	142,431	142,431	3,914	138,517	16,388	-	122,129
Community Center Improv 09	-	164,655	164,655	17,526	147,129	-	-	147,129
Critical Infra Technical Upgrade 09	-	324,258	324,258	8,912	315,346	-	-	315,346
District Heating System Replacement 09	-	216,172	216,172	5,941	210,231	-	-	210,231
Saunders Comm Ctr Roof	-	26,264	26,264	722	25,542	-	-	25,542
Genesee Moselle Comm Ctr Imprv 09	-	216,172	216,172	5,941	210,231	-	-	210,231
Lafayette Ice Rink Imprv 09	-	169,705	169,705	4,665	165,040	-	-	165,040
Marcy Casino Reconstr 09	-	204,051	204,051	5,608	198,443	-	-	198,443
NW Buffalo Comm Ctr Window Repl 09	-	42,426	42,426	1,166	41,260	-	-	41,260
Roosevelt Park Shelter House Ren 09	-	226,274	226,274	6,219	220,055	-	-	220,055
Service Building Improv 09	-	216,172	216,172	5,941	210,231	-	-	210,231
JB Wiley Sports Complex 09	-	53,538	53,538	1,472	52,066	-	-	52,066
60 Hedley Restoration 07	-	323,248	323,248	8,884	314,364	-	-	314,364
<b>Total Division of Buildings</b>	<b>-</b>	<b>4,243,643</b>	<b>4,243,643</b>	<b>138,264</b>	<b>4,105,379</b>	<b>16,388</b>	<b>-</b>	<b>4,088,991</b>
Division of Parks:								
Centennial Pool and Splashpad 09	-	53,538	53,538	1,472	52,066	-	-	52,066
LaSalle Park Dog Park 09	-	26,264	26,264	722	25,542	-	-	25,542
LaSalle Park Shelter house 09	-	32,325	32,325	888	31,437	-	-	31,437
MLK Park Improvements 09	-	2,053,636	2,053,636	56,442	1,997,194	-	-	1,997,194
C/W Park Improvements 09	-	514,167	514,167	14,131	500,036	-	-	500,036
Riverside Park Lights & Field IMP 09	-	53,538	53,538	1,471	52,067	-	-	52,067
Shoshone Park Field Improv 09	-	26,264	26,264	722	25,542	-	-	25,542
<b>Total Division of Parks</b>	<b>-</b>	<b>2,759,732</b>	<b>2,759,732</b>	<b>75,848</b>	<b>2,683,884</b>	<b>-</b>	<b>-</b>	<b>2,683,884</b>
DEPARTMENT OF PERMITS AND INSPECTIONS — Emergency Demo 09								
	-	2,374,864	2,374,864	65,271	2,309,593	-	-	2,309,593
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Marine Midland Arena-Phase I	177,078	-	177,078	-	177,078	59,400	-	117,678
BMC Streetscape Imp PH2	198,288	417,024	615,312	391,022	224,290	37,014	-	187,276
Porter Ave. Reconstr	307,500	-	307,500	150,524	156,976	59,895	-	97,081

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Niagara St. Gateway Project	279,921	-	279,921	-	279,921	-	-	279,921
Bridge Washing Project	12,539	114,510	127,049	2,557	124,492	114,510	-	9,982
Fuhrmann Blvd Project	316,087	-	316,087	295,014	21,073	15,208	-	5,865
JB Wiley sports complex Sv\	2,000,000	-	2,000,000	54,200	1,945,800	1,945,800	-	-
Cars on Main St - 700 Block	306,326	1,720,000	2,026,326	1,407,697	618,629	546,227	-	72,402
Recon Genesee St-Bailey/City Line	624,342	-	624,342	25,302	599,040	78,977	-	520,063
Reconstruction of Hertel Ave	940,418	-	940,418	940,418	-	-	-	-
Kleinhans Music Hall Restoration	35	-	35	35	-	-	-	-
Intermodal Trans Center Project	10,178	-	10,178	-	10,178	-	-	10,178
Squaw Island Remediation Grant	150,423	-	150,423	-	150,423	-	-	150,423
GIS Development	216,200	-	216,200	-	216,200	172,145	-	44,055
Ferry St Lift Bridge Rehab	804,510	-	804,510	-	804,510	460,304	-	344,206
Emerson Playgrd Ftbll Field	400	-	400	-	400	-	-	400
So Park Lift Bridge Rehab	800,386	-	800,386	63,101	737,285	188,719	-	548,566
Classific Study Rt 198 Study Scaj	41,475	-	41,475	-	41,475	-	-	41,475
Bflo Corridor Mgt Proj	54,865	-	54,865	51,479	3,386	2,499	-	887
Recon Main St	6,556,832	-	6,556,832	910,127	5,646,705	580,526	-	5,066,179
Recon Main St. Ph II	16,239,457	-	16,239,457	8,801,329	7,438,128	5,198,756	129,637	2,109,735
Recon Fuhrmann Blvd	48,098	-	48,098	-	48,098	-	-	48,098
Signal Improv-Sycamore & Walden	477,194	(258,610)	218,584	-	218,584	-	-	218,584
Signal Improv-Filmore-Best/Main	194,422	-	194,422	-	194,422	4,829	-	189,593
Signal Improv-Michigan	38,176	(38,176)	-	-	-	-	-	-
Signal Improv-Bailey	2,535,825	(140,000)	2,395,825	1,459,371	936,454	588,873	-	347,581
Signal Improv-Elmwd/Chip	107,978	-	107,978	16,000	91,978	17,810	-	74,168
Signal Improv-Amherst	105,549	1,429,651	1,535,200	421,626	1,113,574	1,053,806	-	59,768
Signal Improv-Genesee	414,460	-	414,460	107,981	306,479	196,193	-	110,286
Signal Improv-Buffalo Citywide	914,214	(399,749)	514,465	108,340	406,125	-	-	406,125
Signal Improv-Masten	51,475	(51,475)	-	-	-	-	-	-
Replace Babcock St Bridge	826,128	6,651,880	7,478,008	1,624,317	5,853,691	3,320,086	-	2,533,605
Inner Harbor Transport Infrac Fac	198,010	77,802	275,812	77,802	198,010	28,103	-	169,907
Elmwood-Delavan to Rt 198	1,516,100	-	1,516,100	-	1,516,100	70,416	-	1,445,684
N. Bflo Rails to Trails	97,324	4,562	101,886	5,703	96,183	11,595	-	84,588
Tifft St Greenway	482,338	-	482,338	-	482,338	408	-	481,930
Grider St Reconstr	3,789,972	995,180	4,785,152	2,852,959	1,932,193	426,476	-	1,505,717
Seneca-Caz Instrastr Proj	100,000	-	100,000	-	100,000	-	-	100,000
Cars on Main St	124,917	-	124,917	-	124,917	335	-	124,582
Bailey Ave Bridge — Caz Creek	60,797	218,397	279,194	79,929	199,265	16,555	-	182,710

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2009
Peace Bridge Area Improvements	328,641	-	328,641	-	328,641	-	-	328,641
Erie Canal Harbor St-Coml Ph I	912,928	(900,164)	12,764	12,764	-	-	-	-
Delavan Signal Removal	-	60,000	60,000	-	60,000	59,500	-	500
CN Rail Road Bridge over Rt I-190	296,743	-	296,743	293,696	3,047	3,047	-	-
Michican Ave Streetscape	172,015	975,019	1,147,034	423,211	723,823	592,274	-	131,549
Fargo/D'Youville College Gateway	178,566	18,432	196,998	20,018	176,980	82,909	-	94,071
North Buffalo Paving Project	-	47,600	47,600	47,183	417	417	-	-
South Park Avenue Improvements	-	374,000	374,000	243,251	130,749	61,467	-	69,282
Stimulus - Mill and Overlay	-	125,000	125,000	68,250	56,750	31,750	-	25,000
Stimulus - Curb and Sidewalk	-	100,000	100,000	-	100,000	85,000	-	15,000
Franklin/Linwood/North Project	-	100,000	100,000	-	100,000	-	-	100,000
Erie Canal Harbor Phase 2	-	910,374	910,374	220,636	689,738	10,849	-	678,889
Kenmore Ave-Starin to Main	312,790	-	312,790	-	312,790	-	-	312,790
Traffic Signal & Controllers	856,101	118	856,219	485,598	370,621	200,215	-	170,406
<b>Total Division of Engineering</b>	<b>45,178,021</b>	<b>12,551,375</b>	<b>57,729,396</b>	<b>21,661,440</b>	<b>36,067,956</b>	<b>16,322,893</b>	<b>129,637</b>	<b>19,615,426</b>
Division of Buildings:								
Historical Society Building	59,661	-	59,661	-	59,661	-	-	59,661
Parkside Lodge	2,416	(8,269)	(5,853)	-	(5,853)	-	-	(5,853)
Energy Services Ph 6	8,831	-	8,831	6,250	2,581	-	-	2,581
Renovations Buffalo Zoo	7	-	7	-	7	-	-	7
Renovation Zoo Camp Conserv	4,097	-	4,097	-	4,097	-	-	4,097
City Court Chiller	215,296	-	215,296	64,862	150,434	1,716	-	148,718
Shea Buffalo Improvements	2,933	-	2,933	1,900	1,033	-	-	1,033
Historical Society Ext Restor	52,916	-	52,916	6,360	46,556	2,400	-	44,156
Shea's Improvement HVAC	147,836	-	147,836	137,945	9,891	-	-	9,891
<b>Total Division of Buildings</b>	<b>493,993</b>	<b>(8,269)</b>	<b>485,724</b>	<b>217,317</b>	<b>268,407</b>	<b>4,116</b>	<b>-</b>	<b>264,291</b>
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:								
Scajaquada Pathway-Phase II	243,082	-	243,082	-	243,082	3,301	-	239,781
Scajaquada Pathway-Phase III	255,566	-	255,566	36,758	218,808	-	-	218,808
Remediation Brownfields	56,139	22,594	78,733	-	78,733	-	-	78,733
<b>Total Division of Development</b>	<b>554,787</b>	<b>22,594</b>	<b>577,381</b>	<b>36,758</b>	<b>540,623</b>	<b>3,301</b>	<b>-</b>	<b>537,322</b>

(continued)

	Fund Balance July 1, 2008	Revenues and Other Financing Sources (Uses)	Total Available	Expenditure and Other Financing Uses	Fund Balance June 30, 2009	Encumbrances	Reserves	(concluded) Unreserved, Designated Fund Balance June 30, 2009
EXECUTIVE DEPARTMENT:								
Union Ship Canal (03)	166,025	-	166,025	-	166,025	-	-	166,025
Remediation 90 Hopkins	86,085	-	86,085	-	86,085	60,393	-	25,692
Frank L. Wright Boathouse	568,875	-	568,875	568,875	-	-	-	-
Total Executive Department	820,985	-	820,985	568,875	252,110	60,393	-	191,717
DEPARTMENT OF PARKS:								
Massachusetts Ave Park	1,063	-	1,063	-	1,063	-	-	1,063
Franczyk Park Enviro Remediation	1,326,936	-	1,326,936	1,286,245	40,691	40,691	-	-
Total Division of Parks	1,327,999	-	1,327,999	1,286,245	41,754	40,691	-	1,063
DEPARTMENT OF PERMITS AND INSPECTIONS								
Demo Project - Economic Development	2,134,690	142,894	2,277,584	1,888,068	389,516	232,075	-	157,441
Restore NY Comm 06-07	1,163,032	-	1,163,032	1,032,950	130,082	113,214	-	16,868
Restore NY Phase II	-	9,572,000	9,572,000	573,926	8,998,074	4,470,510	-	4,527,564
1318 Niagara Remediation	-	666,000	666,000	-	666,000	70,365	-	595,635
Total Department of Permits & Inspections	3,297,722	10,380,894	13,678,616	3,494,944	10,183,672	4,886,164	-	5,297,508
UNDESIGNATED	137,291	-	137,291	-	137,291	-	-	137,291
GRAND TOTAL (Non-GAAP)	83,578,831	72,428,102	156,006,933	49,870,534	106,136,399	38,648,618	129,637	67,358,144
PRIOR YEAR FINANCING SOURCES REPORTED AS REVENUE AS OF JUNE 30, 2009								
	(33,370,513)	33,370,513		-	-	-	-	-
CURRENT YEAR FINANCING SOURCES NOT REPORTED AS REVENUE AS OF JUNE 30, 2009								
	-	(35,460,578)		-	(35,460,578)	-	-	(35,460,578)
ENCUMBRANCES AT JUNE 30, 2008 REPORTED AS EXPENDITURES AS OF JUNE 30, 2008								
	(3,681,025)	-		(3,681,025)	-	-	-	-
ENCUMBRANCES AT JUNE 30, 2009 NOT REPORTED AS 2009 EXPENDITURES								
	-	-		3,880,669	(3,880,669)	(3,880,669)	-	-
TOTAL ON A GAAP BASIS	<u>\$ 46,527,293</u>	<u>\$70,338,037</u>		<u>\$50,070,178</u>	<u>\$ 66,795,152</u>	<u>\$34,767,949</u>	<u>\$129,637</u>	<u>\$31,897,566</u>

**CITY OF BUFFALO, NEW YORK**  
**Table II—Net Assets by Component**  
**Last Seven Years**  
**(Unaudited, amounts expressed in thousands)**

	June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>GOVERNMENTAL ACTIVITIES:</b>							
Invested in capital assets — net of related debt	\$ 94,802	\$ 139,514	\$ 161,821	\$ 156,122	\$ 176,114	\$ 192,336	\$ 213,493
Restricted	12,585	14,155	19,390	23,093	50,939	58,163	57,782
Unrestricted	<u>(45,862)</u>	<u>(10,286)</u>	<u>(41,596)</u>	<u>(18,878)</u>	<u>(15,446)</u>	<u>(27,307)</u>	<u>(65,703)</u>
Total governmental activities net assets	<u>\$ 61,525</u>	<u>\$ 143,383</u>	<u>\$ 139,615</u>	<u>\$ 160,337</u>	<u>\$ 211,607</u>	<u>\$ 223,192</u>	<u>\$ 205,572</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Invested in capital assets — net of related debt	\$ 41,446	\$ 31,727	\$ 34,945	\$ 40,674	\$ 39,680	\$ 43,550	\$ 45,189
Unrestricted	<u>12,194</u>	<u>(8,813)</u>	<u>(6,659)</u>	<u>(3,178)</u>	<u>6,718</u>	<u>10,201</u>	<u>10,410</u>
Total business-type activities net assets	<u>\$ 53,640</u>	<u>\$ 22,914</u>	<u>\$ 28,286</u>	<u>\$ 37,496</u>	<u>\$ 46,398</u>	<u>\$ 53,751</u>	<u>\$ 55,599</u>
<b>PRIMARY GOVERNMENT:</b>							
Invested in capital assets — net of related debt	\$ 136,248	\$ 171,241	\$ 196,766	\$ 196,796	\$ 215,794	\$ 235,886	\$ 258,682
Restricted	12,585	14,155	19,390	23,093	50,939	58,163	57,782
Unrestricted	<u>(33,668)</u>	<u>(19,099)</u>	<u>(48,255)</u>	<u>(22,056)</u>	<u>(8,728)</u>	<u>(17,106)</u>	<u>(55,293)</u>
<b>TOTAL PRIMARY GOVERNMENT NET ASSETS</b>	<u>\$ 115,165</u>	<u>\$ 166,297</u>	<u>\$ 167,901</u>	<u>\$ 197,833</u>	<u>\$ 258,005</u>	<u>\$ 276,943</u>	<u>\$ 261,171</u>

Note: The City began to report net asset information when it implemented GASB Statement No. 34 in the year ended June 30, 2003.

**CITY OF BUFFALO, NEW YORK**  
**Table III—Changes in Net Assets**  
**Last Seven Years**  
**(Unaudited, amounts expressed in thousands)**

	Year end June 30,						
	2003	2004	2005	2006	2007	2008	2009
<b>EXPENSES:</b>							
<b>Governmental activities:</b>							
General governmental	\$ 111,367	\$ 139,917	\$ 147,731	\$ 172,605	\$ 173,843	\$ 207,031	\$ 233,026
Public safety	136,642	131,927	128,972	124,879	130,179	142,437	155,265
Streets and sanitation	20,129	19,271	20,451	14,045	50,666	22,532	24,346
Economic assistance and opportunity	9,171	3,951	6,016	5,536	5,886	10,649	9,328
Culture and recreation	4,965	3,954	3,076	4,994	555	3,121	4,448
Health and community services	3,187	2,816	3,205	4,709	3,219	3,469	3,605
Education (1)	-	61,409	68,936	62,416	70,955	70,323	70,323
Interest on long-term debt	23,005	22,665	25,072	26,371	24,251	19,659	18,995
Total governmental activities expenses	<u>308,466</u>	<u>385,910</u>	<u>403,459</u>	<u>415,555</u>	<u>459,554</u>	<u>479,221</u>	<u>519,336</u>
<b>Business-type activities:</b>							
Dunn Tire Park (2)	2,045	-	-	-	-	-	-
Solid waste and recycling	17,300	18,385	16,366	18,810	18,937	21,758	23,368
Parking	3,378	3,398	4,286	5,028	4,406	2,913	2,842
Water	33,014	31,052	29,737	29,179	28,191	27,780	32,094
Total business-type activities expenses	<u>55,737</u>	<u>52,835</u>	<u>50,389</u>	<u>53,017</u>	<u>51,534</u>	<u>52,451</u>	<u>58,304</u>
Total primary government expenses	<u>364,203</u>	<u>438,745</u>	<u>453,848</u>	<u>468,572</u>	<u>511,088</u>	<u>531,672</u>	<u>577,640</u>
<b>PROGRAM REVENUES:</b>							
<b>Governmental activities:</b>							
<b>Charges for services:</b>							
General governmental	10,932	7,373	8,585	8,853	8,834	8,643	8,889
Public safety	7,045	7,559	7,812	9,007	8,620	7,597	9,137
Streets and sanitation	220	1,339	1,063	1,138	1,120	1,282	1,199
Economic assistance and opportunity	2,258	3,495	3,441	3,778	3,654	3,628	4,354
Culture and recreation	750	732	1	-	-	-	-
Health and community services	317	735	532	502	634	622	727
Operating grants and contributions	9,159	13,528	12,285	8,110	45,122	12,277	8,334
Capital grants and contributions	13,768	12,809	14,178	25,176	20,785	18,562	22,555
Total governmental activities program revenues	<u>44,449</u>	<u>47,570</u>	<u>47,897</u>	<u>56,564</u>	<u>88,769</u>	<u>52,611</u>	<u>55,195</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table III—Changes in Net Assets**  
**Last Seven Years**  
**(Unaudited, amounts expressed in thousands)**

	Year end June 30,						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Charges for services:							
Dunn Tire Park (2)	669	-	-	-	-	-	-
Solid waste and recycling	15,096	15,572	18,969	18,928	18,564	18,431	19,526
Parking	5,233	4,890	5,578	6,145	6,862	7,397	7,435
Water	34,849	34,578	37,783	41,738	38,658	37,230	35,615
Total business-type activities program revenues	<u>55,847</u>	<u>55,040</u>	<u>62,330</u>	<u>66,811</u>	<u>64,084</u>	<u>63,058</u>	<u>62,576</u>
Total primary government program revenues	<u>100,296</u>	<u>102,610</u>	<u>110,227</u>	<u>123,375</u>	<u>152,853</u>	<u>115,669</u>	<u>117,771</u>
NET (EXPENSE) REVENUE:							
Governmental activities	(264,017)	(338,340)	(355,562)	(358,991)	(370,785)	(426,610)	(464,141)
Business-type activities	110	2,205	11,941	13,794	12,550	10,607	4,272
Total primary government net assets	<u>(263,907)</u>	<u>(336,135)</u>	<u>(343,621)</u>	<u>(345,197)</u>	<u>(358,235)</u>	<u>(416,003)</u>	<u>(459,869)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Governmental activities:							
Taxes:							
Property taxes	127,758	127,766	128,382	127,150	128,721	131,240	127,027
Sales taxes (3)	59,542	-	-	-	-	-	-
Gross utility tax (4)	-	-	-	-	-	-	10,555
Other taxes	16,286	28,716	28,836	28,128	27,156	25,756	13,705
State aid	138,949	120,083	136,817	139,591	132,968	158,356	173,583
Intergovernmental (3)		88,508	70,743	63,687	111,652	101,242	104,570
Unrestricted grants and contributions	1,171	867	553	460	399	412	407
Investment earnings	2,159	1,686	3,696	10,605	12,722	11,482	6,353
Allocation to school district (1)	(59,849)	-	-	-	-	-	-
Miscellaneous	3,889	4,118	2,416	4,061	2,689	4,234	6,935
Transfers	1,845	3,800	7,215	6,034	5,747	5,473	3,386
Total governmental activities	<u>291,750</u>	<u>375,544</u>	<u>378,658</u>	<u>379,716</u>	<u>422,054</u>	<u>438,195</u>	<u>446,521</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table III—Changes in Net Assets**  
**Last Seven Years**  
**(Unaudited, amounts expressed in thousands)**

(concluded)

	Year end June 30,						
	2003	2004	2005	2006	2007	2008	2009
Business-type activities:							
Investment earnings	958	467	576	1,450	2,100	2,219	962
Miscellaneous	370	4,031	70	-	-	-	-
Transfers	(1,524)	(3,733)	(7,215)	(6,034)	(5,747)	(5,473)	(3,386)
Total business-type activities	(196)	765	(6,569)	(4,584)	(3,647)	(3,254)	(2,424)
Total primary government	291,554	376,309	372,089	375,132	418,407	434,941	444,097
CHANGE IN NET ASSETS:							
Governmental activities	27,733	37,204	23,096	20,725	51,269	11,585	(17,620)
Business-type activities	(86)	2,970	5,372	9,210	8,903	7,353	1,848
TOTAL PRIMARY GOVERNMENT	<u>\$ 27,647</u>	<u>\$ 40,174</u>	<u>\$ 28,468</u>	<u>\$ 29,935</u>	<u>\$ 60,172</u>	<u>\$ 18,938</u>	<u>\$ (15,772)</u>

- (1) Tax levy for school purposes reclassified from transfers to education.
- (2) Operation of Dunn Tire Park transferred to County on January 1, 2003.
- (3) Intergovernmental includes sales tax, transfers from school district for debt service and BFSAs deficit borrowings.
- (4) Included in Other taxes prior to 2009.

Note: The City began to report net asset information when it implemented GASB Statement No. 34 in the year ended June 30, 2003.

**CITY OF BUFFALO, NEW YORK**  
**Table IV—Governmental Activities Tax Revenues by Source**  
**Last Eight Years**  
**(Unaudited, amounts expressed in thousands)**

	Year ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
PROPERTY TAX (1)	\$ 114,581	\$ 115,482	\$ 127,766	\$ 128,382	\$ 127,149	\$ 128,721	\$ 131,240	\$ 127,027
GROSS UTILITY TAX	12,144	13,652	13,558	12,887	13,455	12,050	12,033	10,555
COB FRANCHISE TAX	3,005	2,280	2,416	2,646	2,576	2,491	2,244	2,485
MORTGAGE TAX	2,037	2,022	2,606	2,701	2,716	2,704	2,431	1,944
FOREIGN FIRE INSURANCE TAX	324	354	346	353	343	340	-	-
OCCUPANCY TAX	<u>8</u>	<u>7</u>	<u>8</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>8</u>	<u>5</u>
	<u>\$ 132,099</u>	<u>\$ 133,797</u>	<u>\$ 146,700</u>	<u>\$ 146,980</u>	<u>\$ 146,250</u>	<u>\$ 146,315</u>	<u>\$ 147,956</u>	<u>\$ 142,016</u>

(1) Does not include property tax levy paid by New York State as STAR Aid.

Note: Data is not available for years prior to the year ended June 30, 2002.

**CITY OF BUFFALO, NEW YORK**  
**Table V—Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

	June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>GENERAL FUND:</b>										
Reserved	\$ 6,809	\$ 6,761	\$ 8,138	\$ 9,262	\$ 6,630	\$ 7,663	\$ 9,204	\$ 11,936	\$ 19,815	\$ 37,674
Unreserved	<u>15,655</u>	<u>23,441</u>	<u>9,678</u>	<u>26,744</u>	<u>47,365</u>	<u>69,369</u>	<u>86,457</u>	<u>105,421</u>	<u>113,480</u>	<u>100,923</u>
<b>TOTAL</b>	<u>\$ 22,464</u>	<u>\$ 30,202</u>	<u>\$ 17,816</u>	<u>\$ 36,006</u>	<u>\$ 53,995</u>	<u>\$ 77,032</u>	<u>\$ 95,661</u>	<u>\$ 117,357</u>	<u>\$ 133,295</u>	<u>\$ 138,597</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved	\$ 43,405	\$ 21,692	\$ 31,602	\$ 23,106	\$ 40,139	\$ 52,250	\$ 44,251	\$ 56,723	\$ 77,078	\$ 85,076
Unreserved — reported in:										
Capital debt service fund (1)	18,672	18,878	-	-	19,054	2,798	-	-	-	-
Capital projects funds	35,652	33,670	43,308	23,836	11,404	18,752	26,894	45,171	12,040	31,897
Fiduciary funds	179	177	-	-	-	-	-	-	-	-
Special revenue funds	<u>-</u>	<u>-</u>	<u>2,408</u>	<u>-</u>	<u>420</u>	<u>61</u>	<u>1,599</u>	<u>1,952</u>	<u>1,619</u>	<u>2,030</u>
<b>TOTAL</b>	<u>\$ 97,908</u>	<u>\$ 74,417</u>	<u>\$ 77,318</u>	<u>\$ 46,942</u>	<u>\$ 71,017</u>	<u>\$ 73,861</u>	<u>\$ 72,744</u>	<u>\$ 103,846</u>	<u>\$ 90,737</u>	<u>\$ 119,003</u>

(1) Fund balance categories for the capital debt service fund were shifted from unreserved to reserved with the adoption of GASB Statement No. 34.

**CITY OF BUFFALO, NEW YORK**  
**Table VI—Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

	Year ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<b>REVENUES:</b>										
Property taxes, assessments, and other tax items	\$ 152,930	\$ 140,451	\$ 127,479	\$ 128,653	\$ 139,562	\$ 141,272	\$ 140,347	\$ 140,457	\$ 143,045	\$ 138,824
Utility and other non-property tax items	73,181	75,244	72,269	75,829	16,320	15,886	16,841	14,881	14,277	13,040
Intergovernmental	98,256	126,075	149,226	163,047	224,110	246,582	255,805	320,309	301,038	320,916
Investment Interest	9,960	7,548	4,869	2,998	1,697	3,818	8,842	11,642	10,756	5,552
Licenses, permits, rentals, fines, and service charges	18,157	18,526	16,761	18,215	19,014	18,853	19,570	19,632	18,587	21,404
Miscellaneous	19,380	12,930	8,053	6,341	9,172	4,956	6,863	6,834	7,571	9,769
Total revenues	<u>371,864</u>	<u>380,774</u>	<u>378,657</u>	<u>395,083</u>	<u>409,875</u>	<u>431,367</u>	<u>448,268</u>	<u>513,755</u>	<u>495,274</u>	<u>509,505</u>
<b>EXPENDITURES:</b>										
General government	45,004	44,160	49,819	50,146	49,599	53,162	56,924	63,735	65,225	66,282
Public safety	125,398	134,711	141,791	138,673	131,860	133,372	136,140	136,496	150,004	158,351
Streets and sanitation	10,963	11,487	30,796	27,322	18,682	23,199	34,682	58,047	28,081	38,024
Economic assistance and opportunity	2,101	1,753	8,575	9,075	3,422	5,704	5,488	5,880	10,671	9,315
Culture and recreation	6,279	5,692	11,585	5,218	5,279	1,985	3,825	2,650	2,177	3,982
Health and community services	3,987	5,609	4,666	3,127	2,790	3,205	4,694	2,655	3,141	2,973
Education	-	-	-	-	68,733	71,288	71,238	76,844	70,323	70,323
Fringe benefits	50,188	61,088	62,982	64,514	82,525	85,246	87,900	90,484	100,785	107,352
Other	8,710	6,691	1,802	6,713	5,577	7,675	3,618	4,972	17,695	9,368
Capital outlay	55,990	61,502	-	-	-	-	-	-	-	-
Debt service:										
Principal Retirement	26,463	29,570	30,598	31,125	35,312	35,818	35,564	32,608	31,836	38,179
Interest and other fiscal charges	20,439	22,233	25,275	30,220	22,350	26,828	28,525	23,614	18,909	19,225
Total expenditures	<u>355,522</u>	<u>384,496</u>	<u>367,889</u>	<u>366,133</u>	<u>426,129</u>	<u>447,482</u>	<u>468,598</u>	<u>497,985</u>	<u>498,847</u>	<u>523,374</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table VI—Changes in Fund Balances of Governmental Funds**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

(concluded)

	Year ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,342</u>	<u>(3,722)</u>	<u>10,768</u>	<u>28,950</u>	<u>(16,254)</u>	<u>(16,115)</u>	<u>(20,330)</u>	<u>15,770</u>	<u>(3,573)</u>	<u>(13,869)</u>
OTHER FINANCING SOURCES (USES):										
Transfers in	\$ 43,316	\$ 45,961	\$ 31,527	\$ 31,399	\$ 38,914	\$ 76,738	\$ 46,008	\$ 74,467	\$ 50,994	\$ 57,600
Transfers out	(90,746)	(98,738)	(29,343)	(29,554)	(35,064)	(69,523)	(39,974)	(68,720)	(45,521)	(54,214)
Disbursement of bond proceeds	-	-	-	-	-	-	(42,819)	-	-	-
Disbursement of bond proceeds to Enterprise Funds	-	-	-	-	-	-	(6,761)	-	-	-
Refunding bonds issued	-	19,901	-	52,999	10,285	-	-	-	-	-
Capital Notes	-	-	-	-	-	-	-	1,557	929	14
Bonds issued	37,217	21,686	25,479	-	40,990	28,030	74,335	28,470	-	43,500
Premium on bonds/BANs issued	-	-	-	1,504	2,038	2,656	5,968	1,254	-	538
Payments to refunded bond escrow agent	-	(20,006)	-	(48,515)	(9,802)	-	1,084	-	-	-
Allocation to/from school district	-	-	(51,876)	(49,491)	-	-	-	-	-	-
Proceeds of capital lease	-	-	-	-	-	4,095	-	-	-	-
Total other financing sources (uses)	<u>(10,213)</u>	<u>(31,196)</u>	<u>(24,213)</u>	<u>(41,658)</u>	<u>47,361</u>	<u>41,996</u>	<u>37,841</u>	<u>37,028</u>	<u>6,402</u>	<u>47,438</u>
NET CHANGE IN FUND BALANCES	<u>\$ 6,129</u>	<u>\$ (34,918)</u>	<u>\$ (13,445)</u>	<u>\$ (12,708)</u>	<u>\$ 31,107</u>	<u>\$ 25,881</u>	<u>\$ 17,511</u>	<u>\$ 52,798</u>	<u>\$ 2,829</u>	<u>\$ 33,569</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>15.66%</u>	<u>16.04%</u>	<u>17.02%</u>	<u>18.72%</u>	<u>14.31%</u>	<u>15.35%</u>	<u>15.65%</u>	<u>12.19%</u>	<u>10.86%</u>	<u>11.85%</u>

**CITY OF BUFFALO, NEW YORK**  
**Table VII—General Governmental Activities Tax Revenues by Source**  
**Last Eight Years**  
**(Unaudited, amounts expressed in thousands)**

	Year ended June 30,							
	2002	2003	2004	2005	2006	2007	2008	2009
PROPERTY TAX (1)	\$ 115,369	\$ 116,376	\$ 126,820	\$ 127,969	\$ 128,250	\$ 128,183	\$ 131,565	\$ 127,604
GROSS UTILITY TAX	12,144	13,652	13,558	12,887	13,455	12,050	12,033	10,556
COB FRANCHISE TAX	3,005	2,280	2,416	2,646	2,576	2,491	2,244	2,485
MORTGAGE TAX	2,037	2,022	2,606	2,701	2,716	2,704	2,431	1,944
FOREIGN FIRE INSURANCE TAX	324	354	346	353	343	340	-	-
OCCUPANCY TAX	<u>8</u>	<u>7</u>	<u>8</u>	<u>11</u>	<u>11</u>	<u>9</u>	<u>8</u>	<u>5</u>
	<u>\$ 132,887</u>	<u>\$ 134,691</u>	<u>\$ 145,754</u>	<u>\$ 146,567</u>	<u>\$ 147,351</u>	<u>\$ 145,777</u>	<u>\$ 148,281</u>	<u>\$ 142,594</u>

(1) Does not include property tax levy paid by New York State as STAR Aid.

Note: Data is not available for years prior to the year ended June 30, 2002.

**CITY OF BUFFALO, NEW YORK**  
**Table VIII—Assessed Value and Estimated Actual Value of Taxable Real Property**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

Fiscal Year Ended June 30,	Real Property Residential Property	Real Property Commercial Property	Special Franchise	Less Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)	Assessed Value as a Percentage of Actual Value
2000	\$ 4,460,067	\$ 4,477,943	\$ 332,062	\$ 3,303,951	\$ 5,966,121	\$ 24.73	\$ 5,358,952	172.98%
2001	4,550,284	4,285,218	313,710	3,298,835	5,850,377	24.08	5,269,660	173.62%
2002	3,984,045	4,196,745	322,376	3,172,192	5,330,974	24.55	5,320,333	159.82%
2003	4,136,457	4,070,799	333,981	3,165,997	5,375,240	24.53	5,436,674	157.10%
2004	4,350,924	3,931,817	328,224	3,196,397	5,414,568	26.10	5,430,316	158.57%
2005	4,405,889	3,886,173	312,129	3,189,036	5,415,155	27.02	5,604,591	153.52%
2006	4,511,611	3,989,602	341,763	3,249,728	5,593,248	26.16	5,788,315	152.77%
2007	4,626,173	4,025,731	330,093	3,275,707	5,706,290	25.64	6,168,296	145.62%
2008	4,936,090	4,285,076	348,041	3,483,436	6,085,771	24.04	6,322,880	151.34%
2009	4,911,903	4,451,237	347,704	3,578,736	6,132,108	23.42	6,536,035	148.57%

(1) Taxable assessed value adjusted by special equalization ratios established by New York State Office of Real Property Services.

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table IX—General Governmental Activities Tax Revenues by Source**  
**Last Ten Years**  
**(Unaudited, per \$1000 of assessed valuation)**

Fiscal Year	(3) Class	City of Buffalo (1)			School District			City Direct Blended Rate (5)	(2) (4) Total County of Erie	(1) (4) Total Sewer Authority	Direct and Overlapping Rates
		Operating	Debt Service	Total City	Operating	Debt Service	Total School				
2000	H	\$ 7.25	\$ 3.00	\$ 10.25	\$ 6.92	\$ 1.12	\$ 8.04	\$ 24.73	\$ 5.74	\$ 1.55	\$ 32.02
2000	NH	15.53	6.41	21.94	15.29	2.46	17.75				
2001	H	6.31	3.47	9.78	7.27	1.24	8.51	24.08	4.52	1.76	30.36
2001	NH	12.82	7.05	19.87	15.20	2.60	17.80				
2002	H	5.29	3.70	8.99	7.97	1.33	9.30	24.55	5.00	1.57	31.12
2002	NH	10.68	7.46	18.14	16.58	2.78	19.36				
2003	H	5.91	3.64	9.55	8.09	1.40	9.49	24.53	4.81	1.73	31.07
2003	NH	10.91	6.71	17.62	15.38	2.66	18.04				
2004	H	6.57	4.29	10.86	7.61	2.38	9.99	26.10	4.68	2.06	32.84
2004	NH	11.59	7.56	19.15	13.79	4.32	18.11				
2005	H	6.92	4.72	11.64	7.97	2.08	10.05	27.02	4.59	2.06	33.67
2005	NH	12.15	8.30	20.45	14.37	3.74	18.11				
2006	H	6.75	4.49	11.25	8.41	1.30	9.71	26.16	5.13	1.99	33.28
2006	NH	11.91	7.92	19.84	15.21	2.36	17.57				
2007	H	6.63	4.21	10.84	8.33	1.58	9.91	25.64	5.10	1.94	32.68
2007	NH	11.40	7.23	18.63	14.68	2.77	17.45				
2008	H	6.67	3.72	10.39	7.94	1.44	9.38	24.04	5.19	1.80	31.03
2008	NH	10.92	6.10	17.02	13.33	2.42	15.75				
2009	H	5.90	3.82	9.72	7.71	1.40	9.11	23.42	5.40	1.78	30.60
2009	NH	10.15	6.57	16.72	13.58	2.47	16.05				

(1) The City of Buffalo and Buffalo Sewer Authority fiscal year begins on July 1.

(2) The County of Erie fiscal year begins on January 1.

(3) H — Homestead class NH — Non-homestead class.

(4) The County of Erie and the Buffalo Sewer Authority do not differentiate between Homestead and Non-homestead classes.

(5) The blended rate is calculated using the total tax levy and total taxable assessed valuation.

**CITY OF BUFFALO, NEW YORK**  
**Table X—Principal Property Taxpayers**  
**Years Ended June 30, 2009 and June 30, 2000**  
**(Unaudited, amounts expressed in thousands)**

Taxpayer	Year ended June 30,					
	2009			2000		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
National Grid	\$ 253,150	1	4.13 %	\$ 212,891	1	3.57 %
National Fuel Gas	142,956	2	2.33 %	123,197	2	2.06 %
Seneca One Realty LLC	80,472	3	1.31 %			
Verizon New York Inc	74,621	4	1.22 %	74,727	4	1.25 %
Manufacturers & Traders Trust Co.	48,976	5	0.80 %	30,540	6	0.51 %
Con-Rail Corporation	27,342	6	0.45 %	98,673	3	1.65 %
Violet Realty	25,075	7	0.41 %	15,100	8	0.25 %
WNY Lodging LLC	24,000	8	0.39 %			
General Mills	11,472	9	0.19 %	12,729	9	0.21 %
Main-Seneca Corporation	11,182	10	0.18 %			
One HSBC Center				50,768	5	0.85 %
Rich Products Corporation				17,201	7	0.29 %
Benderson Development				11,821	10	0.20 %

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table XI—Property Tax Levies and Collections**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

Fiscal Year Ended June 30,	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Interest Added to Levy (1)	Final Tax Levy for Fiscal Year	Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage				Amount	Percentage of Levy
2000	\$ 139,478	\$ 129,207	92.64 %	\$ 1,849	\$ 141,327	\$ 10,966	\$ 140,173	99.18 %
2001	128,895	119,370	92.61	1,719	130,614	10,499	129,869	99.43
2002	116,054	108,237	93.26	1,407	117,461	8,803	117,040	99.64
2003	116,465	108,771	93.39	1,385	117,850	7,436	116,207	98.61
2004	124,716	116,714	93.58	1,440	126,156	7,874	124,588	98.76
2005	129,365	121,485	93.91	1,418	130,783	7,373	128,858	98.53
2006	129,260	121,415	93.93	1,413	130,673	7,639	129,054	98.76
2007	129,631	121,849	94.00	1,401	131,032	7,456	129,305	98.68
2008	130,108	123,394	94.84	1,209	131,317	5,083	128,477	97.84
2009	128,689	121,873	94.70	1,227	129,916	441	122,314	94.15

(1) Interest of 18% for one year is added to tax levy for all properties not paid in current year.

**CITY OF BUFFALO, NEW YORK**  
**Table XII—Ratios of Outstanding Debt by Type**  
**Last Ten Years**

(Unaudited, amounts expressed in thousands, except Total Debt to City Population)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities			Total Primary Government	Component Unit				Total Entity Debt	Total Debt to Personal Income (2)	Total Debt per Capita (2)
	General Obligation Bonds (1)	BFSAs Revenue Bonds	Capital Leases	General Obligation Bonds (1)	Water Authority Bonds	Capital Leases		General Obligation Bonds (1)	Revenue Bonds	JSCB Lease	Energy Performance Contracts			
2000	\$ 219,202	\$ -	N/A	\$ 38,422	\$111,015	N/A	\$ 368,639	\$ 121,862	\$ -	\$ -	\$ 4,205	\$ 494,706	4.34 %	\$ 1,668
2001	226,952	-	N/A	35,011	112,957	N/A	374,920	124,838	27,415	-	2,907	530,080	4.99	1,796
2002	229,260	-	2,775	52,618	110,367	1,024	396,044	184,007	27,030	-	758	607,839	6.19	2,114
2003	208,494	-	2,283	49,246	123,601	456	384,080	178,133	26,615	-	-	588,828	4.87	2,070
2004	202,015	25,745	1,841	44,739	120,474	149	394,963	168,825	35,860	178,635	-	778,283	7.12	2,741
2005	178,565	53,775	5,658	40,472	117,175	N/A	395,645	156,458	34,490	483,885	7,161	1,077,639	10.19	3,820
2006	126,364	126,075	5,036	28,478	125,260	N/A	411,213	136,648	33,085	475,410	6,287	1,062,643	9.78	3,849
2007	106,611	151,085	4,449	26,188	153,467	N/A	441,800	127,254	31,650	463,100	5,556	1,069,360	9.40	3,922
2008	91,040	143,860	3,929	23,833	147,852	N/A	410,514	118,213	30,170	801,660	4,839	1,365,396	11.55	5,040
2009	117,328	132,850	3,388	21,350	143,007	N/A	417,923	120,707	28,645	780,830	4,086	1,352,191	N/A	N/A

Note: Detail regarding the city's outstanding debt can be found in the notes to the financial statements.

(1) Net of bonds issued by City to BFSAs starting in 2005.

(2) Population and income data can be found in the schedule of demographic and economic statistics.

**CITY OF BUFFALO, NEW YORK**  
**Table XIII—Ratios of General Bonded Debt Outstanding**  
**Last Ten Years**

(Unaudited, amounts expressed in thousands, except Total Debt to City Population)

Fiscal Year Ended	General Bonded Debt			Less Amounts Available in		Total Bonded Debt to Assessed Value (1)	Total Bonded Debt to Equalized Full Value (1)	Total Bonded Debt Per Capita (2)
	City	Schools	Total	Debt Service Fund	Total			
2000	\$ 219,202	\$ 121,862	\$ 341,064	\$ 3,617	\$ 337,447	5.66 %	6.30 %	\$ 1,138
2001	226,952	124,838	351,790	3,617	348,173	5.95	6.61	1,179
2002	229,260	184,007	413,267	2,755	410,512	7.70	7.72	1,428
2003	208,494	178,133	386,627	2,347	384,280	7.15	7.07	1,351
2004	202,015	168,825	370,840	6,225	364,615	6.73	6.71	1,284
2005	204,732	158,809	363,541	5,054	358,487	6.62	6.40	1,271
2006	210,771	147,822	358,593	4,152	354,441	6.34	6.12	1,284
2007	209,193	143,339	352,532	5,029	347,503	6.09	5.63	1,275
2008	186,460	132,929	319,389	4,329	315,060	5.18	4.98	1,163
2009	205,913	133,948	339,861	5,687	334,174	5.45	5.11	N/A

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

- (1) See the schedule of assessed value and estimated actual value of taxable real property for property value data.
- (2) Population data can be found in the schedule of demographic and economic statistics.

**CITY OF BUFFALO, NEW YORK**  
**Table XIV—Direct and Overlapping Debt**  
**As of June 30, 2009**  
**(Unaudited, amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding (1)</u>	<u>Estimated Percentage Applicable (2)</u>	<u>Estimated Share of Overlapping Debt</u>
Erie County	\$ 429,248	13.90 %	\$ 59,666
Buffalo Sewer Authority	72,088	21.90	<u>15,787</u>
Subtotal — overlapping debt			75,453
City of Buffalo general bonded debt			<u>337,647</u>
Total direct and overlapping debt			<u>\$ 413,100</u>

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Buffalo. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

- (1) Excludes County general obligations sold for sewer districts in the County payable from assessments on property outside the City.
- (2) The percentage of overlapping debt applicable is estimated using the ratio of City to total County full valuation as equalized by the County Commissioner of Finance. The Sewer Authority percentage is the amount of operating fund revenues derived from a sewer rent on the assessed value of real property within the City.

**CITY OF BUFFALO, NEW YORK**  
**Table XV—2009 Legal Debt Margin**  
**As of June 30, 2009**  
**(Unaudited, amounts expressed in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2009	
Average Full Valuation of Taxable Real Property and Special Franchises as Determined by the Last Completed Roll and the Four Preceding Rolls	<u>\$ 6,282,342</u>
Debt Contracting Limitation — Nine percent of average full valuation — Article VIII, Section 4 of the Constitution of the State of New York	\$ 565,411
Gross indebtedness:	
Borrowings:	
Serial bonds	\$ 325,196
DASNY refunding	<u>39,564</u>
Total gross debt	<u>364,760</u>
Exclusions:	
Exempt debt:	
Water supply bonds	2,891
Parking facilities bonds	22,008
Reserve to pay non-exempt debt	5,688
Appropriation in current budget to pay non-exempt debt maturing during remainder of fiscal year	<u>36,351</u>
Total exclusions	<u>66,938</u>
Net indebtedness	<u>297,822</u>
Debt contracting margin	267,589
Authorized but unissued non-exempt debt	<u>7,983</u>
Effective borrowing capacity — July 1, 2009	<u>\$ 259,606</u>

Note: Under Article VIII, Section 4 of the Constitution of the State of New York, the City of Buffalo's outstanding general obligation debt should not exceed 9 percent of average full valuation of taxable property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**CITY OF BUFFALO, NEW YORK**  
**Table XVI—Legal Debt Margin Information**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

	As of June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 492,836	\$ 483,392	\$ 475,097	\$ 478,212	\$ 483,162	\$ 494,603	\$ 502,572	\$ 518,985	\$ 547,562	\$ 565,411
Total net debt applicable to limit	<u>308,011</u>	<u>301,036</u>	<u>385,113</u>	<u>349,434</u>	<u>333,049</u>	<u>341,786</u>	<u>320,264</u>	<u>314,275</u>	<u>279,302</u>	<u>297,822</u>
Debt Contracting Margin	184,825	182,356	89,984	128,778	150,113	152,817	182,308	204,710	268,260	267,589
Authorized but unissued non-exempt debt	<u>79,483</u>	<u>138,754</u>	<u>74,752</u>	<u>80,988</u>	<u>80,063</u>	<u>61,178</u>	<u>12,750</u>	<u>13,322</u>	<u>13,322</u>	<u>7,983</u>
Effective borrowing capacity — July 1	<u>\$ 105,342</u>	<u>\$ 43,602</u>	<u>\$ 15,232</u>	<u>\$ 47,790</u>	<u>\$ 70,050</u>	<u>\$ 91,639</u>	<u>\$ 169,558</u>	<u>\$ 191,388</u>	<u>\$ 254,938</u>	<u>\$ 259,606</u>
Total net debt applicable to the limit as a percentage of debt limit	62.50 %	62.28 %	81.06 %	73.07 %	68.93 %	69.10 %	63.72 %	60.56 %	51.01 %	48.63 %

Note: Under Article VIII, Section 4 of the Constitution of the State of New York, the City of Buffalo's outstanding general obligation debt should not exceed 9 percent of average full valuation of taxable property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table XVII—Debt Service Coverage for Buffalo Municipal Water Finance Authority Revenue Bonds**  
**Last Ten Years**  
**(Unaudited, amounts expressed in thousands)**

Fiscal Year	Cash Receipts	Cash Disbursements for Operations	Net Available Revenue	Debt Service Payment	Debt Coverage
2000	\$ 27,077	\$ 17,852	\$ 9,225	\$ 7,235	\$ 127.51
2001	26,960	17,267	9,693	8,121	119.36
2002	27,127	17,358	9,769	8,317	117.46
2003	26,912	16,270	10,642	9,202	115.65
2004	31,519	20,676	10,843	9,270	116.97
2005	35,817	25,080	10,737	9,234	116.28
2006	40,352	25,566	14,786	9,542	154.96
2007	39,673	22,681	16,992	10,526	161.43
2008	40,785	22,388	18,397	11,477	160.29
2009	41,456	24,032	17,424	11,405	152.78

Note: The Buffalo Water Board is required to set rates such that excess reserves and revenues collected in a fiscal year will be equal to 115% of the debt service payable in the fiscal year and 100% of the operating expenses and required deposits payable in the fiscal year.

**CITY OF BUFFALO, NEW YORK**  
**Table XVIII—Demographic and Economic Statistics**  
**Last Ten Years**  
**(Unaudited)**

	Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Population (1)	296,600	295,200	287,500	284,500	283,900	282,100	276,059	272,632	270,919	N/A
Total personal income (In thousands)(2)	\$ 11,393,889	\$ 10,628,086	\$ 9,823,013	\$ 12,096,371	\$ 10,933,273	\$ 10,572,826	\$ 10,861,541	\$ 11,381,023	\$ 11,820,196	N/A
Per capita Personal income (2)	\$ 38,415	\$ 36,003	\$ 34,167	\$ 42,518	\$ 38,511	\$ 37,479	\$ 39,345	\$ 41,745	\$ 43,630	N/A
School district Enrollment (3)	46,243	45,618	44,831	43,146	41,101	38,479	36,706	36,563	35,677	34,478
Unemployment Rate (4)	5.1 %	5.8 %	6.8 %	7.2 %	7.3 %	6.5 %	6.2 %	5.8 %	7.1 %	10.8 %
Employed (4)	118,600	116,300	116,400	115,400	115,500	115,400	115,000	114,100	113,700	112,400

Source

- (1) Population figures from “Survey of Buying Power“ Sales and Marketing Management Magazine 1999–2005 and U.S. Census Bureau ([www.factfinder.census.gov](http://www.factfinder.census.gov)) 2006-2008.  
(2) U.S. Census Bureau ([www.factfinder.census.gov](http://www.factfinder.census.gov)) .  
(3) Buffalo City School District’s Department of Research and Evaluation.  
(4) [www.labor.state.ny.us](http://www.labor.state.ny.us). See "Buffalo, City of".

**CITY OF BUFFALO, NEW YORK**  
**Table XIX—Principal Employers in the Buffalo Metropolitan Area**  
**Years Ended June 30, 2009 and June 30, 2000**  
**(Unaudited)**

Employer	2009 (1)		2000 (2)	
	Employees	Rank	Employees	Rank
State of New York	16,755	1	13,073	1
University at Buffalo	10,066	2	5,034	8
Kaleida Health	10,000	3	6,441	5
United States of America	10,000	3	11,716	2
HSBC Bank, USA	5,848	5	5,300	7
Wegmans Food Markets Inc.	5,532	6	n/a	
Buffalo City School District	5,389	7	6,898	4
Catholic Health System	5,191	8	4,258	10
Employer Services Corp	5,033	9	n/a	
Erie County	4,775	10	7,721	3
Delphi Harrison Thermal Systems	n/a		6,100	6
U.S Post Office	n/a		4,637	9
Total	<u>78,589</u>		<u>71,178</u>	

(1) From the 10/23/08 issue of “Business First.” Western New York’s weekly business newspaper.

(2) From the 10/23/00 issue of “Business First.”

**CITY OF BUFFALO, NEW YORK**  
**Table XX—Full-time Equivalent Employees by Function**  
**Last Ten Years**  
**(Unaudited)**

Function	As of June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	-	-	-	436	388	379	391	381	384	395
Public safety:										
Police:	841	934	917							
Officers and exempt	-	-	-	832	787	730	722	658	715	713
Civilians	-	-	-	198	148	150	151	144	142	139
Fire:	877	950	928							
Firefighters and officers	-	-	-	770	725	685	653	630	611	601
Civilians	-	-	-	42	42	38	47	38	40	45
Other	-	-	-	170	143	143	136	133	144	147
Streets and sanitation	-	-	-	247	196	177	173	165	202	204
Health and welfare	-	-	-	77	64	56	57	57	53	51
Culture and recreation	-	-	-	156	106	6	8	8	7	14
Economic assistance	-	-	-	36	21	23	23	21	22	20
Business activities:										
Water	141	141	134	124	128	126	129	127	126	122
Solid waste and recycling				120	153	176	177	173	146	149
Parking	-	-	-	-	-	1	1	1	-	-
<b>Total</b>	<b>3,442</b>	<b>3,507</b>	<b>3,429</b>	<b>3,208</b>	<b>2,901</b>	<b>2,690</b>	<b>2,668</b>	<b>2,536</b>	<b>2,592</b>	<b>2,600</b>

Note: Employee count by all functions not available prior to 2003. Detail does not equal total prior to 2003.

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table XXI—Operating Indicators by Function**  
**Last Ten Years**  
**(Unaudited)**

Function	Year Ended June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Administration and finance —										
Parking summons issued	191,152	181,864	202,440	201,521	193,724	195,000	200,757	179,229	142,801	149,531
Police:										
Physical arrests	12,437	11,674	15,005	19,125	17,229	10,132 (1)	18,105	21,483	19,780	17,037
Traffic violations	30,585	27,906	26,698	31,436	24,734	13,904 (1)	29,746	30,914	25,611	27,193
Fire:										
Number of calls answered	32,460	32,406	32,997	32,554	34,208	33,994	32,861	35,900	34,434	33,581
Inspections	5,400 (2)	5,400 (2)	5,800	6,272	6,167	4,350 (2)	2,050 (3)	3,600	2,332 (3)	2,753
Public works:										
Street resurfacing (square yards)	411,573	470,330	409,306	447,434	432,921	436,676	441,025	431,969	232,727	418,998
Pothole material used (in tons)	1,111	1,932	1,603	1,554	1,431	1,632	1,176	1,176	1,800	1,895
Sanitation:										
Refuse collected (tons/day)	N/A	N/A	N/A	428	418	394	525	474	498	478
Recyclables collected (tons/day)	N/A	N/A	N/A	41	37	35	35	26	33	32
Permits and inspections:										
Demolitions completed	549	519	466	347	355	618	238	367	481	765
Inspections	76,678	78,825	74,578	74,499	65,163	62,560	31,274	46,446	59,001	40,574
Water:										
Consumers	83,276	82,257	81,275	80,520	80,267	79,610	79,192	79,019	78,224	76,873
Water main breaks	220	206	166	486	357	263	191	175	184	216
Average daily consumption (thousands of gallons)	100,000	91,932	94,755	98,400	84,320	80,820	80,200	72,130	66,800	64,650

(1) Reflects data for the period January through June 2005.

(2) Numbers are approximates due to lack of source documents.

(3) Number reflects calendar basis.

Source: various City departments

**CITY OF BUFFALO, NEW YORK**  
**Table XXII—Capital Asset Statistics by Function**  
**Last Ten Years**  
**(Unaudited)**

Function	As of June 30,									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety:										
Police:										
Stations (including headquarters)	8	8	8	9	8	8	8	7	6	7
Satellite stations (substations)	6	3	4	5	5	5	5	3	1	-
Fire stations (including headquarters)	28	28	28	28	28	25	23	20	20	23
Sanitation — Collection trucks	45	44	44	38	38	38	39	39	44	44
Highways and streets:										
Streets (miles)	700	700	700	700	700	863	863	673	700	720
Streetlights	32,907	31,709	31,548	34,319	34,339	35,000	35,035	30,429	32,000	32,000
Traffic signals	663	664	660	662	664	660	650	665	665	663
Culture and recreation:										
Parks acreage (including public squares and circles)	1,859	1,859	2,000	2,000	2,000	2,025	2,025	1,500	1,900	1,900
Parks (major)	17	17	19	19	19	20	20	16	16	16
Minor parks and playgrounds	72	72	79	79	79	81	81	81	81	81
Community centers	N/A	N/A	N/A	N/A	N/A	34	34	34	35	35
Education — School buildings	79	79	79	76	76	74	74	74	69	72
Water:										
Water mains (miles)	783	783	783	783	783	783	783	875	875	875
Fire hydrants	7,432	7,432	7,432	7,432	7,432	7,432	7,432	8,004	8,004	8,004
Pumping plant-maximum daily capacity (thousands of gallons)	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000	310,000
Filtration plant-maximum daily capacity (thousands of gallons)	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000	160,000

Source: various City departments