

CITY OF BUFFALO  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT



**BUFFALO**  
New York

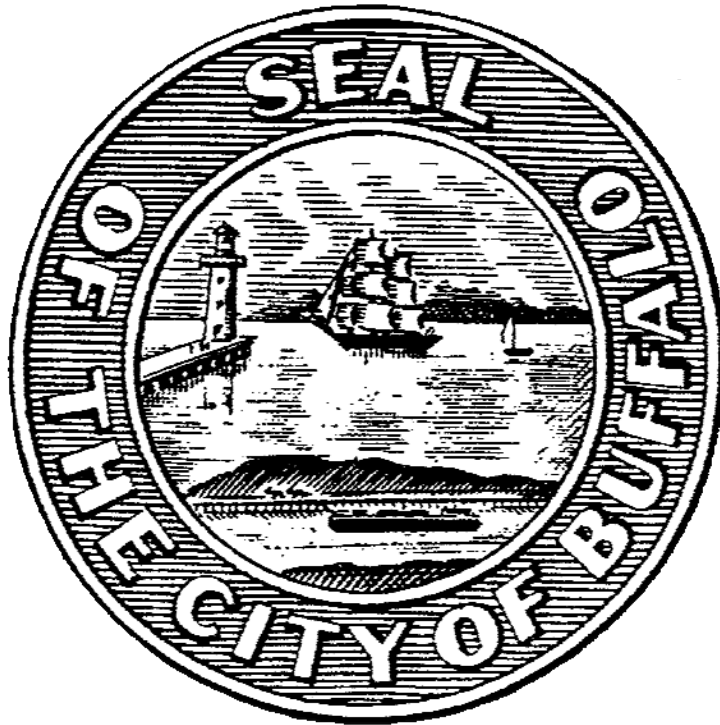
*For fiscal year ended*  
**June 30, 2010**



# **City of Buffalo, New York**

## **Comprehensive Annual Financial Report**

**For the Fiscal Year Ended June 30, 2010**  
**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, 2010**

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**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

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Table of Contents**  
**Year Ended June 30, 2010**

---

(continued)

Statement of Fund Net Assets—Proprietary Funds .....	29
Statement of Revenues, Expenditures and Changes in Fund Net Assets—Proprietary Funds .....	31
Statement of Cash Flows—Proprietary Funds .....	32
Statement of Fiduciary Net Assets—Fiduciary Funds .....	34
Statement of Changes in Fiduciary Net Assets—Fiduciary Funds .....	35
<b>Notes to the Financial Statements .....</b>	<b>36</b>

**SUPPLEMENTAL SCHEDULES**

Combining Balance Sheet—Other Governmental Funds .....	83
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Other Governmental Funds.....	84
Combining Statement of Fiduciary Assets and Liability—Agency Funds.....	85
Statement of Changes in Assets and Liabilities—Agency Funds.....	86

**STATISTICAL SECTION**

Capital Projects:

Table I—Schedule of Additions, Expenditures, and Unreserved Fund Balance—Capital Projects Fund.....	87
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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

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**CITY OF BUFFALO, NEW YORK**  
**Table of Contents**  
**Year Ended June 30, 2010**

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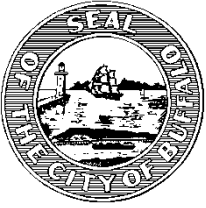
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Table VII—General Governmental Activities Tax Revenues by Source .....	110
Revenue Capacity:	
Table VIII—Assessed Value and Estimated Actual Value of Taxable Real Property.....	111
Table IX—General Governmental Activities Tax Revenues by Source.....	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—2010 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 6, 2010

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

I am pleased to submit the 178th Annual Financial Report of the City of Buffalo, New York (City) for the fiscal year ended June 30, 2010. 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, 2010. 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. Located 20 miles south of Niagara Falls, the City of Buffalo is the second largest city in New York State and serves as the seat of the Erie County government. The Peace Bridge across the Niagara River connects downtown Buffalo with Fort Erie and the Canadian province of Ontario, serving as a major tourist and commercial link between the United States and Canada.

The City operates under a charter adopted in 1927 and revised in 2001, providing for a strong Mayor-Comptroller-Council form of government. The Mayor, elected by general election for a four-year term, serves as the head of the executive department

overseeing all administrative functions. The Mayor of Buffalo has the power to appoint and remove the non-elected leaders of City departments, boards, commissions and agencies, most of which are subject to the approval of the Common Council.

The separately-elected Comptroller serves a four-year term and oversees the fiscal affairs of the City. The specific responsibilities of the Comptroller include auditing 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. The Common Council has the legislative power to adopt ordinances and resolutions, review and approve the operating and capital budgets, approve mayoral appointments, investigate City affairs, subpoena records and administer oaths.

Since July 2, 2003, the Buffalo Fiscal Stability Authority (the "BFSA") has monitored the fiscal affairs of the City; based on a prior 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. 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. However, the BFSA anticipates a move into an advisory status during the current fiscal year, upon the City's submission of audited financial statements for the year ending June 30, 2010 for the City and its non-exempt covered organizations.

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 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 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 5.7%. The reduction in manufacturing jobs is offset by an increase in service providing jobs that grew from 20% to 53.2% over the same period. The major employers in the area include federal, state and local governments, colleges and universities, retail and service industry, banks, and health care professionals. Over the past 10 years, unemployment has ranged from a current high of 9.8% to a low of 5.1% in 2000. The unemployment rate as of March 2010 is 9.8%, down from 10.2% in 2009.

During the past 10 years, the amount of the City's General Fund revenues derived from state aid grew from \$118 million (32% of total revenues) to \$194 million (44% of total revenues). During the same period, property tax revenues declined from 35% 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 was reduced by the City contracting 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 General Fund financial position, evidenced by the year-end fund balance for 2009-2010 of \$142.7 million. It was the eighth straight year of increasing fund balances. 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 \$326.1 million in 2010. While there are clearly concerns about the state's budget challenges, the City has designated a \$34.3 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**

More than 8,000 employees now work within the growing Buffalo Niagara Medical Corridor (BNMC) in the City of Buffalo. BNMC institutions account for \$600 million of annual expenditures and \$300 million of direct regional economic impact.

Approximately \$400 million in new projects are planned for the northern end of the Buffalo Niagara Medical Campus near Buffalo General Hospital; the new development will result in an additional 3,000 employees, 1.2 million sq. ft. of research, clinical and support space, and 60,000 more annual patients and visitors. During 2009, Kaleida Health and the University at Buffalo broke ground on the \$291 million Global Vascular Institute, which will consolidate heart, stroke, and neurosurgery services at one location. Construction of the four-story, 300-bed \$64 million Kaleida Health Skilled Nursing Facility is scheduled for completion during 2012.

Buffalo's downtown urban revival continues with the development of the City's Delaware Avenue corridor; New Era Cap Company, the largest sports-licensed headwear company in the United States, opened its new national headquarters at the recently converted former Federal Reserve Bank at 160 Delaware Avenue. Just down the street, a thirty-year vacant undeveloped downtown property at 285 Delaware was converted into a 117,000 sq. ft. office building by Uniland Development Company. At 349 Delaware, singer Ani DiFranco and Righteous Babe Records recently completed the conversion of a historic former church into a 19,000 sq.ft. multi-venue concert hall, gallery and corporate headquarters. The largest Delaware Avenue project is the new \$120 million, 260,000 sq. ft. Federal Court House under construction at Niagara Square, neighboring City Hall.

This year Forbes magazine rated Buffalo the Tenth Best Place to Raise a Family. Previously Forbes had ranked Buffalo as the top city in American for cost of living standards.

## **Awards and Acknowledgements**

For the fourth consecutive year, 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, 2009. 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 principles 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 will submit this report to the GFOA for consideration once again.

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 letters.

Andrew A. SanFilippo  
Comptroller

**CITY OF BUFFALO, NEW YORK  
Elected City Officials  
June 30, 2010**

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**Byron W. Brown, Mayor**

**Andrew A. SanFilippo, Comptroller**

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

**DISTRICT COUNCIL MEMBERS  
(as of June 30, 2010)**

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**Delaware District—Michael J. LoCurto**

**Ellicott District—Curtis Haynes, Jr.**

**Fillmore District—David A. Franczyk**

**Lovejoy District—Richard A. Fontana**

**Masten District—Demone A. Smith**

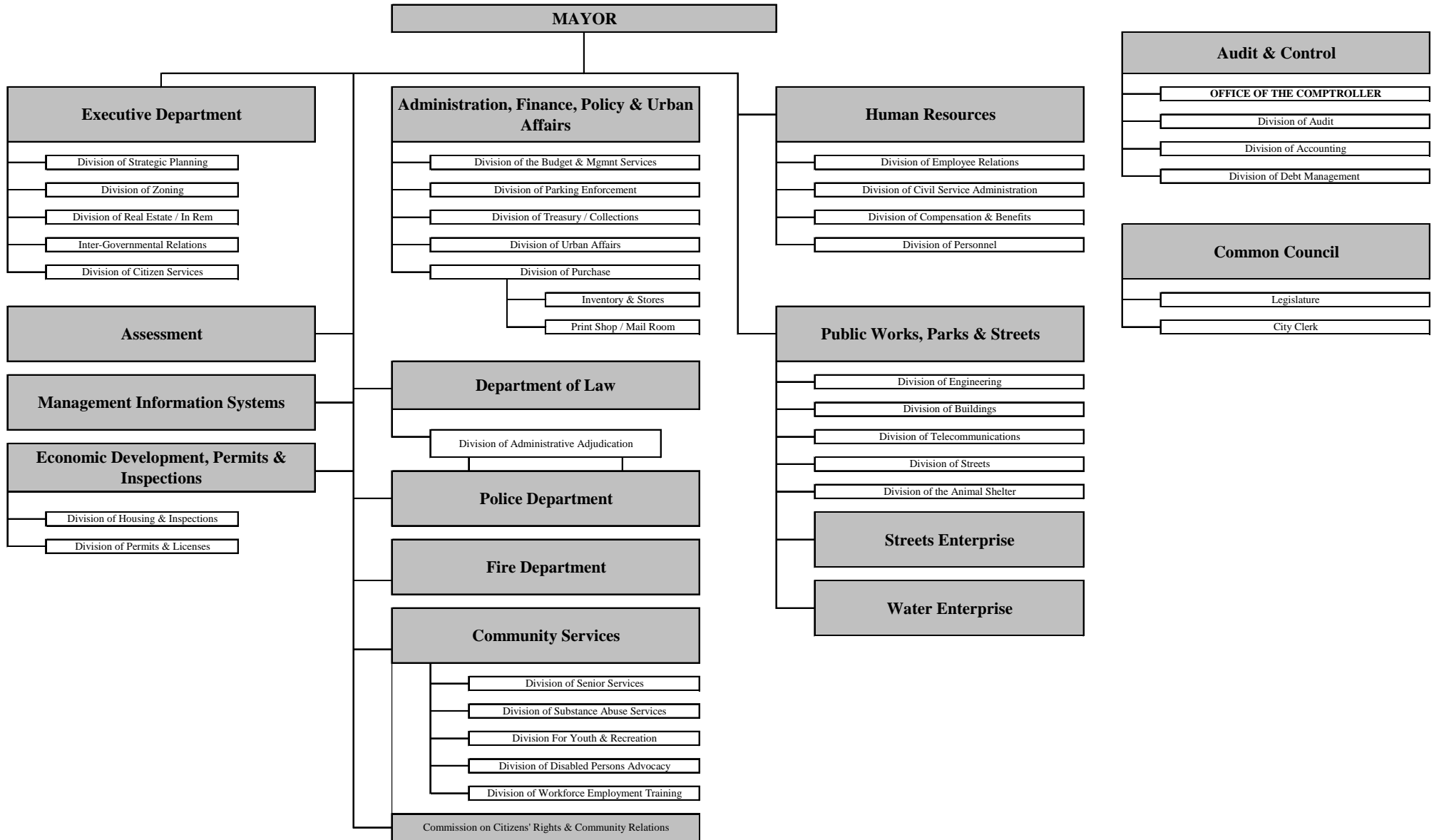
**Niagara District—David A. Rivera**

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

**South District—Michael P. Kearns**

**University District—Bonnie E. Russell**

**CITY OF BUFFALO, NEW YORK**  
**Organizational Chart**  
**June 30, 2010**



# 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, 2009

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.



President

Executive Director



# **FINANCIAL SECTION**

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*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, 2010, 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 6% and 0%, respectively, of the assets and revenues of the governmental activities, and 11% 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General 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 & Mahesh LLP*

November 30, 2010

**CITY OF BUFFALO, NEW YORK**  
**Management's Discussion and Analysis**  
**Year Ended June 30, 2010**

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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, 2010. 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, 2010 by \$243,895 (net assets). This consists of \$283,885 invested in capital assets, net of related debt, \$48,409 restricted for specific purposes, and deficit unrestricted net assets of \$88,399.
- ◆ The City's total net assets decreased by \$17,276 for the year ended June 30, 2010. Net assets decreased \$15,067 for governmental activities and decreased \$2,209 for business-type activities.
- ◆ As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$236,910.
- ◆ At the end of the current fiscal year, the unreserved fund balance for the General Fund was \$110,481, or 24.5%, of total General Fund expenditures and transfers out. The unreserved, undesignated fund balance for the General Fund was \$49,952, or 11.1%, of total General Fund expenditures and 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 Buffalo Fiscal Stability Authority's ("BFSA") is \$235,072 (\$212,469 net governmental activities general obligation bonds issued by the City and \$22,603 business-type activities general obligation bonds). The City did not issue general obligation bonds during the current year.
- ◆ The total Buffalo Municipal Water Finance Authority revenue bonds outstanding within the Water System at the end of the current fiscal year were \$161,400. The Buffalo Municipal Water Authority issued revenue bonds in the amount of \$23,975 for capital projects during the year.
- ◆ BFSA total bonded debt outstanding is \$121,120.

**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 BFSA 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 BFSA, 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 system, 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 2010. 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 Statements 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 Statements 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 \$243,895 at the close of the most recent fiscal year.

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

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 675,496	\$ 658,227	\$ 82,288	\$ 62,873	\$ 757,784	\$ 721,100
Capital assets	404,245	391,281	177,202	173,882	581,447	565,163
Total assets	<u>\$1,079,741</u>	<u>\$1,049,508</u>	<u>\$ 259,490</u>	<u>\$ 236,755</u>	<u>\$1,339,231</u>	<u>\$1,286,263</u>
Current and other liabilities	\$ 307,060	\$ 265,406	\$ 9,354	\$ 8,793	\$ 316,414	\$ 274,199
Long-term liabilities	582,176	578,530	196,746	172,363	778,922	750,893
Total liabilities	<u>889,236</u>	<u>843,936</u>	<u>206,100</u>	<u>181,156</u>	<u>1,095,336</u>	<u>1,025,092</u>
Net assets (deficit):						
Invested in capital assets, net of related debt	\$ 236,923	\$ 213,493	\$ 46,962	\$ 45,189	\$ 283,885	\$ 258,682
Restricted	48,409	57,781	-	-	48,409	57,781
Unrestricted	(94,827)	(65,702)	6,428	10,410	(88,399)	(55,292)
Total net assets	<u>\$ 190,505</u>	<u>\$ 205,572</u>	<u>\$ 53,390</u>	<u>\$ 55,599</u>	<u>\$ 243,895</u>	<u>\$ 261,171</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, 19.8% 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 \$88,399, 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 \$190,927 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 \$17,726 as a result of current year activities. Significant changes from 2009 to 2010 in the Statement of Net Assets and reasons for such changes are:

- ◆ Current and other assets increased by \$36,684. The primary reason for the increase is the overall increase in cash and cash equivalents of \$37,841 and restricted cash of \$13,346, which is offset by decreases in investments, and due from other governments. Cash and cash equivalents increased primarily due to results of operations of the City and the Board of Education. Restricted cash increased as a result of bond proceeds received at the end of the year. Due from component units decreased \$11,086 due to principal repayment on outstanding debt.
- ◆ Capital assets increased by \$16,284. A significant portion of the increase was due additions to infrastructure and building improvements.
- ◆ Current and other liabilities increased \$42,215 from June 30, 2009 to June 30, 2010. There are two major fluctuations that account for this difference. Firstly, accounts payable and accrued liabilities increased \$10,301 primarily due to the accrual for unpaid union salary increases. Secondly, the amount due to component units, primarily cash held for the Board of Education, increased by \$40,235.
- ◆ Long-term liabilities increased by \$28,029. There was one debt issuance during fiscal year 2010, totaling \$23,975 as well as a \$37,808 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 \$15,068 thereby accounting for the majority of the decrease in the net assets of the City. Key elements of this decrease 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>	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues:						
Charges for services	\$ 25,061	\$ 24,306	\$ 63,188	\$ 62,576	\$ 88,249	\$ 86,882
Operating grants and contributions	13,059	8,334	-	-	13,059	8,334
Capital grants and contributions	34,053	22,555	-	-	34,053	22,555
General revenues:						
Property taxes	125,431	127,027	-	-	125,431	127,027
Other taxes	23,359	24,260	-	-	23,359	24,260
State aid	174,479	173,583	-	-	174,479	173,583
Intergovernmental	92,742	104,570	-	-	92,742	104,570
Grants and contributions	382	407	-	-	382	407
Unrestricted investment earnings	4,189	6,353	412	962	4,601	7,315
Miscellaneous	3,257	6,935	-	-	3,257	6,935
Total revenues	<u>496,012</u>	<u>498,330</u>	<u>63,600</u>	<u>63,538</u>	<u>559,612</u>	<u>561,868</u>
Expenses:						
General government support	227,798	233,026	-	-	227,798	233,026
Public safety	152,629	155,265	-	-	152,629	155,265
Streets and sanitation	24,863	24,347	-	-	24,863	24,347
Economic assist. and opportunity	12,771	9,328	-	-	12,771	9,328
Culture and recreation	6,581	4,448	-	-	6,581	4,448
Health and community services	1,690	3,605	-	-	1,690	3,605
Education	70,323	70,323	-	-	70,323	70,323
Interest and fiscal charges	18,179	18,994	-	-	18,179	18,994
Solid Waste and Recycling	-	-	22,283	23,368	22,283	23,368
Parking	-	-	2,932	2,843	2,932	2,843
Water System	-	-	36,839	32,093	36,839	32,093
Total expenses	<u>514,834</u>	<u>519,336</u>	<u>62,054</u>	<u>58,304</u>	<u>576,888</u>	<u>577,640</u>
Excess of revenues over expenses	(18,822)	(21,006)	1,546	5,234	(17,276)	(15,772)
Transfers	<u>3,754</u>	<u>3,386</u>	<u>(3,754)</u>	<u>(3,386)</u>	-	-
Increase (decrease) in net assets	(15,068)	(17,620)	(2,208)	1,848	(17,276)	(15,772)
Net assets — beginning	<u>205,572</u>	<u>223,192</u>	<u>55,599</u>	<u>53,751</u>	<u>261,171</u>	<u>276,943</u>
Net assets — ending	<u>\$ 190,504</u>	<u>\$ 205,572</u>	<u>\$ 53,391</u>	<u>\$ 55,599</u>	<u>\$ 243,895</u>	<u>\$ 261,171</u>

The largest funding sources for the City's governmental activities, as a percent of total revenues, are state aid (35.2%), property taxes (25.3%), and intergovernmental (18.7%).

The largest expense categories for the City's governmental activities are general government (44.2%), public safety (29.6%), and education (13.7%). The general government category includes fringe benefit costs for all employees. The education category represents the City allocation to the Board.

Significant changes from 2009 to 2010 in revenues and expenses for the City include the following:

- ◆ Operating grants and contributions increased \$4,725 due primarily to more federal and state aid funds for public safety received in 2010 as opposed to 2009 capital grants and contributions increased \$11,498 due to increases in grants for infrastructure.
- ◆ The net decline in state aid and intergovernmental revenue was \$10,932. \$12,443 in Aid to Municipalities (AIM) funds were received by the BFSA and remitted to the City in 2009. There were no AIM funds recognized in 2010.
- ◆ General government expenses decreased \$5,228 primarily due to a decrease in 2010 judgment and claims from 2009.

**Business-type activities.** Business-type activities decreased the City's net assets by \$2,209. Overall, revenues and expenses remained relatively consistent from 2009 to 2010. The overall decrease in net assets is due to the following:

- ◆ The Water System's net assets decreased by \$5,431. This is largely attributable to recognition of the fair value of the derivative liability in accordance with GASB 53, *Accounting and Financial Reporting for Derivative Instruments*.
- ◆ The net assets of the Parking fund increased \$3,630. 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 \$408 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 \$236,910 a decrease of \$20,691 in comparison with the prior year. Approximately 59.6% of this total amount, or \$141,203, 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 \$29,850 to liquidate contracts and purchase orders of the period, \$21,327 to pay debt service, \$14,069 to cover the deficit in the solid waste fund and \$30,461 for a variety of other restricted purposes. Unreserved fund balance, in the amount of \$89,137, has been designated in the amount of \$28,607 to finance specific capital projects, \$13,988 for future obligations, \$12,194 for the subsequent year's budget and \$34,348 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 \$110,481 while total fund balance reached \$142,740. 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 26.5% of total fund expenditures (excluding other financing uses), while total fund balance represents 34.2% of that same amount. The fund balance of the City's general fund increased by \$4,142 during the current fiscal year. The increase is attributed to greater than anticipated revenues for State Aid of \$2,470, Federal Aid of \$1,830 and \$1,463 from local sources, primarily related to sales tax. Additionally, expenditures were \$10,244 less than budget.

**Debt service fund.** The debt service fund has a total fund balance of \$5,986, which is reserved solely for the purpose of payment of debt service. The net decrease in fund balance during the current year in the debt service fund of \$3,491 is due to both a budget shortage of \$1,334 in interest earning and the appropriation of \$3,054 fund balance.

**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 \$50,391, of which \$21,768 was encumbered for contracts underway, \$15 reserved for prepaid items and \$28,067 was designated for subsequent years' expenditures. The decrease in fund balance of \$16,405 is the result of expenditures of proceeds from prior capital bond sales. No new bonds were issued in 2010.

**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 \$19,831. Of this amount, \$17,699 is reserved by enabling legislation for state aid received on behalf of the City, \$17 is reserved for prepaid items and \$2,115 is undesignated. The decrease in fund balance of \$4,835 is attributed to the distribution of funds received from the State for aid and incentives to municipalities in prior years and transferred to the City in the current year because 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 \$2,484. This balance includes \$1,193 encumbered for contracts underway. The remaining balance will be used for future expenditures. The fund balance of the special revenue fund decreased by \$2,652 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. The BFSA debt service fund has a total fund balance of \$15,341, which is reserved to pay debt service. The positive change of \$2,548 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 \$138. 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 \$53,390. The balance includes \$45,543 for parking, \$25,330 for the water system, and a deficit balance of \$17,482 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 \$182. This represents a decrease of \$25, 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 and enterprise funds. 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 \$8,965 and other unexpected costs, primarily from health insurance costs, the City's 2009-10 General Fund operating budget was increased during the year by approximately \$5,622. Transfers from the Capital Projects Fund of \$2,035 were used for demolition of unsafe structures, building repairs and other budget shortfalls. Prior year fund balance of \$1,374 was used to settle prior year claims and \$2,200 was used to purchase vehicles and equipment; the majority of which was used for the parks maintenance. Actual revenues were \$3,416 greater than the final budget. Major positive variances included state aid for \$2,470, federal aid of \$1,830 for Medicare reimbursements and \$1,463 of sales tax. Actual expenditures were \$10,244 less than the final budget. Major positive variances within general government support included savings of \$3,766 in other costs, of which the majority is for utility costs under budget, and \$2,466 in police personnel costs. Additionally, general government support administrative costs were \$2,389 under budget. This was due to lower than anticipated gasoline costs. Positive variances within public safety of \$1,206 in fire and \$1,622 public works, parks and streets resulted from a reduction in service and equipment purchases. The variance of \$1,414 in other was due to lower than budgeted claims paid and write-off for uncollectible accounts. The negative variance in fringe benefits of \$7,088 is the result of estimating retroactive wage payments attributable to 2009-10 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, 2010, amounted to \$581,447 (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 2.9%.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>June 30,</b>		<b>June 30,</b>		<b>June 30,</b>	
	2010	2009	2010	2009	2010	2009
Land	\$ 12,579	\$ 12,579	\$ 3,362	\$ 3,362	\$ 15,941	\$ 15,941
Buildings	163,418	162,941	115,862	113,564	279,280	276,505
Improvements other than buildings	15,466	14,049	139	158	15,605	14,207
Machinery and equipment	17,860	17,889	1,777	1,475	19,637	19,364
Infrastructure	183,950	174,555	55,349	54,294	239,299	228,849
Construction in progress	<u>10,972</u>	<u>9,268</u>	<u>713</u>	<u>1,029</u>	<u>11,685</u>	<u>10,297</u>
Total	<u>\$ 404,245</u>	<u>\$ 391,281</u>	<u>\$ 177,202</u>	<u>\$ 173,882</u>	<u>\$ 581,447</u>	<u>\$ 565,163</u>

Significant changes from 2009 to 2010 in capital assets include:

- ◆ Infrastructure increased \$10,450 due to completion of various road projects.
- ◆ Buildings increased \$2,775. The completion of the Centennial pool house was the major building addition in governmental activities while the addition of emergency back up generators at the water system pumping station increased the business-type assets.

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 \$212,469, excluding bonds issued by BFSA. This entire amount is backed by the full faith and credit of the City. The City did not issue 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 \$121,120.

The bonds outstanding for business-type activities at June 30, 2010 consisted of \$22,603 in general obligation bonds issued by the City and \$161,400 of revenue bonds issued by the Water Authority reported within the Water System. The Water Authority issued \$23,975 in revenue bonds for water system improvements during the current year.

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

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>June 30,</b>		<b>June 30,</b>		<b>June 30,</b>	
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
General obligation bonds	\$ 333,589	\$ 370,884	\$ 22,603	\$ 24,899	\$ 356,192	\$ 395,783
Revenue bonds	-	-	161,400	143,007	161,400	143,007
<b>Total</b>	<b>\$ 333,589</b>	<b>\$ 370,884</b>	<b>\$ 184,003</b>	<b>\$ 167,906</b>	<b>\$ 517,592</b>	<b>\$ 538,790</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 \$579,416. The City had a debt-contracting margin of \$316,658 on July 1, 2010.

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 2011 budget. The total budgeted appropriations for the City’s general fund operations are \$355,228. This budget reflects an increase of 2.7% to cover anticipated increased costs. 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, 2010**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	BOE	BURA
<b>ASSETS</b>					
Cash and cash equivalents	\$ 443,803,301	\$39,588,028	\$ 483,391,329	\$ 263,559	\$ 2,404,515
Investments	17,629,050	-	17,629,050	-	673,874
Receivables (net of allowance for uncollectibles)	3,669,250	10,095,571	13,764,821	2,315,301	12,605,222
Due from other governments/agencies	51,212,634	371,420	51,584,054	67,477,450	548,003
Due from component units/ primary government	123,512,645	-	123,512,645	224,704,144	198,593
Internal balances	14,072,802	(14,072,802)	-	-	-
Prepaid expenses and other assets	32,345	-	32,345	1,731,543	44,942
Deferred financing costs	4,615,757	3,117,412	7,733,169	24,745,354	-
Real estate acquired for resale	7,214,664	-	7,214,664	-	790,857
Restricted assets:					
Cash and cash equivalents	9,733,584	43,188,334	52,921,918	347,177,489	-
Capital assets:					
Land and construction in progress	23,551,545	4,075,345	27,626,890	107,486,027	652,081
Other capital assets (net of accumulated depreciation)	<u>380,693,143</u>	<u>173,126,571</u>	<u>553,819,714</u>	<u>875,136,618</u>	<u>10,583,781</u>
Total assets	<u>1,079,740,720</u>	<u>259,489,879</u>	<u>1,339,230,599</u>	<u>1,651,037,485</u>	<u>28,501,868</u>
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	73,724,840	8,610,103	82,334,943	53,115,038	2,864,256
Due to component units/primary government	224,902,737	-	224,902,737	123,223,295	289,350
Due to other governments	406,517	-	406,517	19,962,600	340,008
Unearned revenue	8,026,370	743,691	8,770,061	-	3,198,487
Noncurrent liabilities:					
Due within one year	44,966,173	9,468,758	54,434,931	41,327,334	2,605,000
Due in more than one year	<u>537,209,405</u>	<u>187,277,284</u>	<u>724,486,689</u>	<u>1,448,470,837</u>	<u>14,520,599</u>
Total liabilities	<u>889,236,042</u>	<u>206,099,836</u>	<u>1,095,335,878</u>	<u>1,686,099,104</u>	<u>23,817,700</u>
<b>NET ASSETS (DEFICITS)</b>					
Invested in capital assets, net of related debt	236,922,842	46,962,077	283,884,919	152,752,411	10,964,151
Restricted for:					
Capital projects	2,825,458	-	2,825,458	2,134,143	-
Debt service	16,787,571	-	16,787,571	135,143,119	-
Grants	2,483,891	-	2,483,891	-	-
State mandated initiatives	17,699,013	-	17,699,013	-	-
Real estate	7,214,664	-	7,214,664	-	-
Judgments and claims	350,248	-	350,248	23,500,000	-
Unemployment insurance	-	-	-	3,156,044	-
Joint Schools Construction Board projects	-	-	-	209,286,878	-
Other purposes	910,326	-	910,326	531,219	-
Perpetual care:					
Expendable	107,826	-	107,826	-	-
Unexpendable	30,000	-	30,000	-	-
Stabilization	-	-	-	8,924,238	-
Unrestricted	<u>(94,827,161)</u>	<u>6,427,966</u>	<u>(88,399,195)</u>	<u>(570,489,671)</u>	<u>(6,279,983)</u>
Total net assets (deficits)	<u>\$ 190,504,678</u>	<u>\$53,390,043</u>	<u>\$ 243,894,721</u>	<u>\$ (35,061,619)</u>	<u>\$ 4,684,168</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, 2010**

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	\$ 227,797,966	\$ 9,971,327	\$ 1,888,080	\$ 1,914,569	\$ (214,023,990)	\$ -	\$ (214,023,990)	\$ -	\$ -
Public safety	152,629,088	9,149,687	9,541,570	1,386,070	(132,551,761)	-	(132,551,761)	-	-
Streets and sanitation	24,863,178	1,236,723	625,698	20,306,790	(2,693,967)	-	(2,693,967)	-	-
Economic assistance and opportunity	12,771,284	4,166,141	218,276	8,789,079	402,212	-	402,212	-	-
Culture and recreation	6,581,256	-	-	1,656,725	(4,924,531)	-	(4,924,531)	-	-
Home and community services	1,690,788	536,721	785,494	-	(368,573)	-	(368,573)	-	-
Education	70,322,758	-	-	-	(70,322,758)	-	(70,322,758)	-	-
Interest and fiscal charges	18,178,668	-	-	-	(18,178,668)	-	(18,178,668)	-	-
Total governmental activities	<u>514,834,986</u>	<u>25,060,599</u>	<u>13,059,118</u>	<u>34,053,233</u>	<u>(442,662,036)</u>	<u>-</u>	<u>(442,662,036)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste and Recycling	22,282,948	19,634,022	-	-	-	(2,648,926)	(2,648,926)	-	-
Parking	2,931,921	7,835,172	-	-	-	4,903,251	4,903,251	-	-
Water System	36,838,976	35,718,517	-	-	-	(1,120,459)	(1,120,459)	-	-
Total business-type activities	<u>62,053,845</u>	<u>63,187,711</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,133,866</u>	<u>1,133,866</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 576,888,831</u>	<u>\$ 88,248,310</u>	<u>\$ 13,059,118</u>	<u>\$ 34,053,233</u>	<u>(442,662,036)</u>	<u>1,133,866</u>	<u>(441,528,170)</u>	<u>-</u>	<u>-</u>
<b>Component Units:</b>									
BOE	\$ 896,657,805	\$ 3,568,480	\$ 149,127,823	\$ -				(743,961,502)	-
BURA	54,043,620	-	52,402,070	-				-	(1,641,550)
Total component units	<u>\$ 950,701,425</u>	<u>\$ 3,568,480</u>	<u>\$ 201,529,893</u>	<u>\$ -</u>				<u>(743,961,502)</u>	<u>(1,641,550)</u>
General revenues:									
Taxes:									
Property taxes					125,431,068	-	125,431,068	-	-
Other tax items					13,665,434	-	13,665,434	-	-
Gross utility tax					9,693,741	-	9,693,741	-	-
State aid (unrestricted)					174,478,953	-	174,478,953	583,654,367	-
Intergovernmental (unrestricted)					92,742,138	-	92,742,138	32,754,438	-
Grants and contributions not restricted to specific programs					382,358	-	382,358	-	-
Unrestricted investment earnings					4,189,138	411,610	4,600,748	11,757,115	-
Contribution from City of Buffalo					-	-	-	70,322,758	-
Miscellaneous					3,257,248	-	3,257,248	12,040,953	-
Total general revenues					<u>423,840,078</u>	<u>411,610</u>	<u>424,251,688</u>	<u>710,529,631</u>	<u>-</u>
Transfers					<u>3,754,427</u>	<u>(3,754,427)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net assets (deficit)					<u>(15,067,531)</u>	<u>(2,208,951)</u>	<u>(17,276,482)</u>	<u>(33,431,871)</u>	<u>(1,641,550)</u>
Net assets (deficit)—beginning					<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>
Net assets (deficit)—ending					<u>\$ 190,504,678</u>	<u>\$ 53,390,043</u>	<u>\$ 243,894,721</u>	<u>\$ (35,061,619)</u>	<u>\$ 4,684,168</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, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>BFSA Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$344,082,251	\$ 5,873,262	\$ 72,622,939	\$17,807,470	\$ 3,237,255	\$443,623,177
Investments	-	-	-	-	17,629,050	17,629,050
Receivables:						
Delinquent taxes and assessments	17,348,456	-	-	-	-	17,348,456
Accounts receivable	9,777,390	-	11,808	-	-	9,789,198
Other receivables	53	1,146	-	-	1,574	2,773
Due from other agencies	2,032,906	-	-	-	-	2,032,906
Due from other funds	47,085,590	101,882	-	253,885	10,000	47,451,357
Due from other governments	11,127,122	-	5,873,515	30,081,783	1,857,503	48,939,923
Due from component units	325,429	-	289,350	-	-	614,779
Allowance for uncollectibles	<u>(23,479,270)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,479,270)</u>
Net receivables	64,217,676	103,028	6,174,673	30,335,668	1,869,077	102,700,122
Real estate acquired for resale	7,214,664	-	-	-	-	7,214,664
Prepaid items	-	-	15,155	17,190	-	32,345
Restricted cash and cash equivalents	<u>9,724,238</u>	<u>9,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,733,584</u>
Total assets	<u>\$425,238,829</u>	<u>\$ 5,985,636</u>	<u>\$ 78,812,767</u>	<u>\$48,160,328</u>	<u>\$22,735,382</u>	<u>\$580,932,942</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 13,162,137	\$ -	\$ 7,243,160	\$ 29,077	\$ 1,375,734	\$ 21,810,108
Due to other governments and agencies	405,634	-	883	-	-	406,517
Due to other funds	326,904	-	7,118,727	24,623,571	1,305,189	33,374,391
Due to component units	208,958,513	-	12,311,357	3,632,867	-	224,902,737
Accrued liabilities	37,201,620	-	-	43,847	1,985,770	39,231,237
Deferred revenues	16,155,470	-	-	-	-	16,155,470
Retentions payable	25,760	-	1,748,089	-	105,879	1,879,728
Accrued pension	<u>6,262,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,262,846</u>
Total liabilities	<u>282,498,884</u>	<u>-</u>	<u>28,422,216</u>	<u>28,329,362</u>	<u>4,772,572</u>	<u>344,023,034</u>
Fund balances:						
Reserved for:						
Encumbrances	6,889,247	-	21,768,005	-	1,192,995	29,850,247
Federal and State programs	-	-	-	-	1,290,896	1,290,896
Debt service	-	5,985,636	-	-	15,341,093	21,326,729
Permanent fund	-	-	-	-	137,826	137,826
Land and capital	10,040,122	-	-	-	-	10,040,122
Enabling legislation	-	-	-	17,699,013	-	17,699,013
Long-term receivable	14,068,927	-	-	-	-	14,068,927
Prepaid items	-	-	15,155	17,190	-	32,345
Other	1,260,574	-	-	-	-	1,260,574
Unreserved, designated	60,529,376	-	28,607,391	-	-	89,136,767
Unreserved, undesignated	<u>49,951,699</u>	<u>-</u>	<u>-</u>	<u>2,114,763</u>	<u>-</u>	<u>52,066,462</u>
Total fund balances	<u>142,739,945</u>	<u>5,985,636</u>	<u>50,390,551</u>	<u>19,830,966</u>	<u>17,962,810</u>	<u>236,909,908</u>
Total liabilities and fund balances	<u>\$425,238,829</u>	<u>\$ 5,985,636</u>	<u>\$ 78,812,767</u>	<u>\$48,160,328</u>	<u>\$22,735,382</u>	<u>\$580,932,942</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, 2010**

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

Fund balances—total governmental funds		\$236,909,908
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 \$700,894,814 and the accumulated depreciation is \$296,652,196.		404,242,618
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 \$79,249 and the accumulated depreciation is \$77,179.		2,070
To recognize interest accrual on long-term debt. Accrued interest for general obligation bonds is \$4,539,157 at year-end.		(4,539,157)
Property taxes are not available to pay for current period expenditures and therefore are deferred in the funds.		8,129,100
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.		182,290
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)	(89,571,135)	
Notes payable	(1,801,261)	
Capital leases	(2,824,389)	
Deferred financing costs	2,756,533	
Unamortized premiums	(480,863)	
Compensated absences	(26,426,491)	
Workers' compensation	(11,413,670)	
Landfill post-closure monitoring	(1,800,000)	
Other postemployment benefits payable	(183,042,270)	
Judgments and claims	<u>(13,987,500)</u>	(328,591,046)
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	(121,120,000)	
Deferred financing costs	1,859,224	
Unamortized premiums	(6,530,507)	
Other postemployment benefits payable	<u>(279,627)</u>	(126,070,910)
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>239,805</u>
Net assets of governmental activities		<u><u>\$190,504,678</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, 2010**

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>BFSA Special Revenue</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>						
Property taxes, assessments, and other tax items	\$ 136,329,040	\$ -	\$ -	\$ -	\$ -	\$ 136,329,040
Utility and other nonproperty tax items	12,407,400	-	-	-	-	12,407,400
Intergovernmental charges	267,080,965	17,423,568	33,663,683	-	7,308,100	325,476,316
Investment interest	2,068,644	473,526	-	-	1,020,979	3,563,149
License, permit, rentals, fines, and other service charges	20,549,156	95,236	-	-	-	20,644,392
Miscellaneous	7,501,747	9,222	389,550	-	1,170	7,901,689
Total revenues	<u>445,936,952</u>	<u>18,001,552</u>	<u>34,053,233</u>	<u>-</u>	<u>8,330,249</u>	<u>506,321,986</u>
<b>EXPENDITURES</b>						
Current:						
General government support	56,613,310	-	9,835,237	604,664	325,132	67,378,343
Public safety	145,563,881	-	2,289,447	-	7,853,639	155,706,967
Streets and sanitation	11,402,057	-	21,285,334	-	112,225	32,799,616
Economic assistance and opportunity	1,241,810	-	9,909,237	-	1,611,853	12,762,900
Culture and recreation	3,176,719	-	4,459,564	-	2,967	7,639,250
Health and community services	2,973,637	-	-	-	66,230	3,039,867
Education	70,322,758	-	-	-	-	70,322,758
Fringe benefits	116,784,827	-	-	106,133	-	116,890,960
Other	8,284,754	-	-	773,407	-	9,058,161
Debt service:						
Principal	-	25,565,000	-	-	11,730,000	37,295,000
Interest and fiscal charges	897,612	11,021,552	-	-	5,954,255	17,873,419
Total expenditures	<u>417,261,365</u>	<u>36,586,552</u>	<u>47,778,819</u>	<u>1,484,204</u>	<u>27,656,301</u>	<u>530,767,241</u>
Excess (deficiency) of revenues over (under) expenditures	<u>28,675,587</u>	<u>(18,585,000)</u>	<u>(13,725,586)</u>	<u>(1,484,204)</u>	<u>(19,326,052)</u>	<u>(24,445,255)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	8,656,801	30,966,231	400,000	-	19,223,618	59,246,650
Transfers out	<u>(33,190,043)</u>	<u>(15,872,466)</u>	<u>(3,079,015)</u>	<u>(3,350,699)</u>	-	<u>(55,492,223)</u>
Total other financing sources (uses)	<u>(24,533,242)</u>	<u>15,093,765</u>	<u>(2,679,015)</u>	<u>(3,350,699)</u>	<u>19,223,618</u>	<u>3,754,427</u>
Net change in fund balances	4,142,345	(3,491,235)	(16,404,601)	(4,834,903)	(102,434)	(20,690,828)
Fund balances—beginning	138,597,600	9,476,871	66,795,152	24,665,869	18,065,244	257,600,736
Fund balances—ending	<u>\$ 142,739,945</u>	<u>\$ 5,985,636</u>	<u>\$ 50,390,551</u>	<u>\$ 19,830,966</u>	<u>\$ 17,962,810</u>	<u>\$ 236,909,908</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, 2010**

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

Net change in fund balances—total governmental funds		\$(20,690,828)
<p>The City's governmental funds report capital outlays as expenditures of \$36,351,172. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense of \$23,385,083. This is the amount by which capital outlays exceeded depreciation.</p>		
		12,966,089
<p>Revenues in the statement of activities that do not provide current financial resources and are not reported as revenues in the funds.</p>		
		53,802
<p>Change in accrual of interest payable on notes and bonds payable.</p>		
		346,367
<p>Change in net assets of the internal service fund reported in governmental activities.</p>		
		24,852
<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>		
Contribution from Board	(11,050,177)	
Bond principal payments	25,565,000	
Note principal payments, net of proceeds of \$14,296	237,540	
Lease payments	<u>563,860</u>	15,316,223
<p>Buffalo Fiscal Stability Authority governmental funds report capital outlays as expenditures of \$600. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense of \$2,778. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		(2,178)
<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	11,730,000	
Amortization of bond premiums	713,163	
Amortization of deferred financing costs	<u>(235,008)</u>	12,208,155
<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	(4,031,365)	
Workers' compensation	(870,898)	
Judgments and claims	5,092,500	
Landfill post-closure monitoring	100,000	
Other postemployment benefits	(34,838,927)	
Amortization of debt premium	35,870	
Amortization of deferred financing costs	<u>(690,018)</u>	<u>(35,202,838)</u>
Change in net assets of governmental activities		<u><u>\$(15,067,531)</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, 2010**

	<u>Budgeted Amounts</u>		<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Real property taxes	\$ 137,035,391	\$ 137,035,391	\$ 136,329,040	\$ (706,351)
Other taxes	13,610,000	13,610,000	12,407,400	(1,202,600)
Charges for services	9,883,007	9,883,007	10,358,669	475,662
Interest	1,100,000	1,100,000	2,068,644	968,644
Federal aid	369,052	369,052	2,199,302	1,830,250
State aid	191,843,376	191,843,376	194,313,873	2,470,497
Local sources and other	69,104,632	69,104,632	70,567,790	1,463,158
Licenses and permits	3,308,315	3,308,315	3,597,694	289,379
Fines	7,045,230	7,045,230	6,592,793	(452,437)
Miscellaneous	9,189,898	9,222,388	7,501,747	(1,720,641)
Total revenues	<u>442,488,901</u>	<u>442,521,391</u>	<u>445,936,952</u>	<u>3,415,561</u>
<b>EXPENDITURES</b>				
Current:				
General government support:				
Legislative	4,297,894	4,329,466	3,930,517	398,949
Executive	1,583,670	1,672,304	1,531,781	140,523
Audit and control	2,896,547	2,897,028	2,648,930	248,098
Law	3,207,357	3,408,051	3,156,940	251,111
Assessment	2,078,865	2,101,971	1,894,012	207,959
Public works, parks and streets	11,972,487	11,658,072	11,272,309	385,763
Management information systems	3,714,404	3,993,059	3,379,130	613,929
Administration and finance	10,953,725	10,978,112	8,682,465	2,295,647
Human resources	5,240,502	5,786,787	5,561,804	224,983
Other	20,685,530	20,903,530	17,186,946	3,716,584
Public safety:				
Administration and finance	1,469,806	1,509,992	1,215,733	294,259
Police	80,148,634	80,408,279	77,942,755	2,465,524
Fire	56,251,068	56,493,392	55,287,744	1,205,648
Public works, parks and streets	1,804,989	1,819,823	1,519,416	300,407
Permit and inspection services	6,180,693	11,375,004	11,156,096	218,908
Streets and sanitation:				
Public works, parks and streets	13,037,099	13,421,613	11,799,654	1,621,959
Health and community services:				
Public works, parks and streets	810,641	966,299	825,020	141,279
Community services	2,410,443	2,414,972	2,177,790	237,182
Culture and recreation:				
Public works, parks and streets	28,485	3,590,723	3,057,182	533,541
Community services	1,957,430	1,774,341	1,734,180	40,161
Economic assistance and opportunity:				
Executive	1,148,481	2,006,367	1,630,730	375,637
Community services	123,604	123,604	123,327	277
Education	70,322,758	70,322,758	70,322,758	-
Fringe benefits	106,967,237	109,796,888	116,885,111	(7,088,223)
Other	5,105,000	9,744,589	8,330,670	1,413,919
Debt service	1,908,900	897,900	897,612	288
Total expenditures	<u>416,306,249</u>	<u>434,394,925</u>	<u>424,150,612</u>	<u>10,244,313</u>
Excess of revenues over expenditures	<u>26,182,652</u>	<u>8,126,466</u>	<u>21,786,340</u>	<u>13,659,874</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	6,595,223	8,630,223	8,656,801	26,578
Transfers out	<u>(32,777,875)</u>	<u>(32,777,875)</u>	<u>(33,190,043)</u>	<u>(412,168)</u>
Total other financing sources (uses)	<u>(26,182,652)</u>	<u>(24,147,652)</u>	<u>(24,533,242)</u>	<u>(385,590)</u>
Net change in fund balances	-	(16,021,186)	(2,746,902)	13,274,284
Fund balances—beginning	<u>138,597,600</u>	<u>138,597,600</u>	<u>138,597,600</u>	<u>-</u>
Fund balances—ending	<u>\$ 138,597,600</u>	<u>\$ 122,576,414</u>	<u>\$ 135,850,698</u>	<u>\$ 13,274,284</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, 2010**

	<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	\$ 758,783	\$ 8,509,159	\$ 30,320,086	\$ 39,588,028	\$ 180,124
Receivables:					
Accounts receivable	11,038,782	4,699,770	15,988,442	31,726,994	8,093
Other receivables	293,685	81	991,112	1,284,878	-
Due from other agencies	-	-	127,425	127,425	-
Due from other funds	-	-	222,595	222,595	-
Due from other governments	-	-	243,995	243,995	-
Allowance for uncollectibles	<u>(10,630,718)</u>	<u>-</u>	<u>(12,285,583)</u>	<u>(22,916,301)</u>	<u>-</u>
Net receivables	<u>701,749</u>	<u>4,699,851</u>	<u>5,287,986</u>	<u>10,689,586</u>	<u>8,093</u>
Total current assets	<u>1,460,532</u>	<u>13,209,010</u>	<u>35,608,072</u>	<u>50,277,614</u>	<u>188,217</u>
Noncurrent assets:					
Restricted assets:					
Cash and cash equivalents	-	40,752	43,147,582	43,188,334	-
Capital assets not being depreciated:					
Land	1	3,217,093	145,116	3,362,210	-
Construction in progress	-	-	713,135	713,135	-
Capital assets being depreciated:					
Buildings and system	4,037,092	73,478,642	170,803,999	248,319,733	-
Improvements other than buildings	175,071	3,320	236,746	415,137	-
Machinery and equipment	7,529,431	109,762	1,438,760	9,077,953	-
Accumulated depreciation	<u>(8,104,078)</u>	<u>(24,224,049)</u>	<u>(52,358,125)</u>	<u>(84,686,252)</u>	<u>-</u>
Total capital assets being depreciated	<u>3,637,516</u>	<u>49,367,675</u>	<u>120,121,380</u>	<u>173,126,571</u>	<u>-</u>
Deferred financing costs, net	<u>-</u>	<u>421,772</u>	<u>2,695,640</u>	<u>3,117,412</u>	<u>-</u>
Total noncurrent assets	<u>3,637,517</u>	<u>53,047,292</u>	<u>166,822,853</u>	<u>223,507,662</u>	<u>-</u>
Total assets	<u>\$ 5,098,049</u>	<u>\$ 66,256,302</u>	<u>\$ 202,430,925</u>	<u>\$ 273,785,276</u>	<u>\$ 188,217</u>
<b>LIABILITIES AND NET ASSETS (DEFICIT)</b>					
Current liabilities:					
Accounts payable	\$ 984,272	\$ 9,841	\$ 2,696,662	\$ 3,690,775	\$ 1,763
Due to other funds	14,068,927	77,883	148,587	14,295,397	4,164
Other accrued liabilities	320,109	344,179	3,593,116	4,257,404	-
Retainages payable	-	-	281,063	281,063	-
Deferred revenues	221,725	14,486	507,480	743,691	-
Accrued compensated absences	28,301	-	26,394	54,695	-
Accrued workers' compensation	417,226	-	248,060	665,286	-
Due to retirement systems	191,499	-	189,362	380,861	-
Notes, serial bonds, and revenue bonds payable within one year	<u>-</u>	<u>2,482,108</u>	<u>6,266,669</u>	<u>8,748,777</u>	<u>-</u>
Total current liabilities	<u>16,232,059</u>	<u>2,928,497</u>	<u>13,957,393</u>	<u>33,117,949</u>	<u>5,927</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Statement of Fund Net Assets (Deficit)**  
**Proprietary Funds**  
**June 30, 2010**

(concluded)

	<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>	
Noncurrent liabilities:					
Accrued compensated absences	1,019,640	-	961,692	1,981,332	-
Accrued workers' compensation	1,242,893	-	100,971	1,343,864	-
Accrued post employment benefits	4,085,887	25,184	3,774,457	7,885,528	-
Accrued derivative liability	-	-	4,759,671	4,759,671	-
General obligation bonds payable	-	17,759,772	1,975,936	19,735,708	-
Revenue bonds payable	-	-	151,571,181	151,571,181	-
Total noncurrent liabilities	<u>6,348,420</u>	<u>17,784,956</u>	<u>163,143,908</u>	<u>187,277,284</u>	<u>-</u>
Total liabilities	<u>22,580,479</u>	<u>20,713,453</u>	<u>177,101,301</u>	<u>220,395,233</u>	<u>5,927</u>
Net assets (deficit):					
Invested in capital assets, net of related debt	3,637,517	32,805,412	10,519,148	46,962,077	-
Unrestricted	<u>(21,119,947)</u>	<u>12,737,437</u>	<u>14,810,476</u>	<u>6,427,966</u>	<u>182,290</u>
Total net assets (deficit)	<u>(17,482,430)</u>	<u>45,542,849</u>	<u>25,329,624</u>	<u>53,390,043</u>	<u>182,290</u>
Total liabilities and net assets (deficit)	<u>\$ 5,098,049</u>	<u>\$ 66,256,302</u>	<u>\$202,430,925</u>	<u>\$273,785,276</u>	<u>\$ 188,217</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, 2010**

	<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	\$ 19,219,497	\$ -	\$ 35,260,941	\$ 54,480,438	\$ 61,429
Other	414,525	-	457,576	872,101	-
Rent	-	7,835,172	-	7,835,172	-
Total operating revenues	<u>19,634,022</u>	<u>7,835,172</u>	<u>35,718,517</u>	<u>63,187,711</u>	<u>61,429</u>
Operating expenses:					
Services and supplies	17,103,696	45,380	16,494,416	33,643,492	36,577
Depreciation	350,047	1,594,416	3,981,523	5,925,986	-
Fringe benefits	4,829,205	17,238	4,818,668	9,665,111	-
Other	-	25,500	933,969	959,469	-
Total operating expenses	<u>22,282,948</u>	<u>1,682,534</u>	<u>26,228,576</u>	<u>50,194,058</u>	<u>36,577</u>
Operating income (loss)	<u>(2,648,926)</u>	<u>6,152,638</u>	<u>9,489,941</u>	<u>12,993,653</u>	<u>24,852</u>
Nonoperating revenues (expenses):					
Interest earnings	1,785	47,993	361,832	411,610	-
Interest expense	-	(1,249,387)	(5,800,687)	(7,050,074)	-
Unrealized loss on derivative	-	-	(4,809,713)	(4,809,713)	-
Total nonoperating revenues (expenses)	<u>1,785</u>	<u>(1,201,394)</u>	<u>(10,248,568)</u>	<u>(11,448,177)</u>	<u>-</u>
Income (loss) before transfers	(2,647,141)	4,951,244	(758,627)	1,545,476	24,852
Transfers in	2,911,859	-	-	2,911,859	-
Transfers out	<u>(673,048)</u>	<u>(1,321,064)</u>	<u>(4,672,174)</u>	<u>(6,666,286)</u>	<u>-</u>
Change in net assets (deficit)	(408,330)	3,630,180	(5,430,801)	(2,208,951)	24,852
Total net assets (deficit)—beginning	<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 net assets (deficit)—ending	<u><u>\$(17,482,430)</u></u>	<u><u>\$ 45,542,849</u></u>	<u><u>\$ 25,329,624</u></u>	<u><u>\$ 53,390,043</u></u>	<u><u>\$ 182,290</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, 2010**

	<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	\$ 20,159,794	\$ 6,574,047	\$ 36,486,531	\$ 63,220,372	\$ 53,989
Payments to suppliers for goods and services	(10,124,573)	(37,462)	(16,877,091)	(27,039,126)	(35,177)
Payments to employees for services	(10,008,324)	(8,364)	(2,983,161)	(12,999,849)	-
Net cash provided by operating activities	<u>26,897</u>	<u>6,528,221</u>	<u>16,626,279</u>	<u>23,181,397</u>	<u>18,812</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	2,911,859	-	12,042,452	14,954,311	-
Transfers to other funds	(673,048)	(1,321,064)	(5,069,966)	(7,064,078)	-
Advances from other funds	(1,732,365)	(442,520)	(9,152,824)	(11,327,709)	(2,216)
Net cash provided (used) by noncapital financing activities	<u>506,446</u>	<u>(1,763,584)</u>	<u>(2,180,338)</u>	<u>(3,437,476)</u>	<u>(2,216)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition/construction of capital assets	(411,858)	-	(9,110,453)	(9,522,311)	-
Principal payments on bonds	-	(1,776,791)	18,273,103	16,496,312	-
Interest payments	-	(1,012,072)	(6,447,139)	(7,459,211)	-
Proceeds from the Environmental Facilities Corporation	-	-	644,339	644,339	-
Net cash provided (used) by capital and related financing activities	<u>(411,858)</u>	<u>(2,788,863)</u>	<u>3,359,850</u>	<u>159,129</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received on short-term investments	1,809	47,989	361,749	411,547	-
Net cash provided by investing activities	<u>1,809</u>	<u>47,989</u>	<u>361,749</u>	<u>411,547</u>	<u>-</u>
Net increase in cash and cash equivalents	123,294	2,023,763	14,607,540	16,754,597	16,596
Cash and cash equivalents—beginning	635,489	6,526,148	58,860,128	66,021,765	163,528
Cash and cash equivalents—ending	<u>\$ 758,783</u>	<u>\$ 8,549,911</u>	<u>\$ 73,467,668</u>	<u>\$ 82,776,362</u>	<u>\$ 180,124</u>

(continued)

**CITY OF BUFFALO, NEW YORK**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2010**

(concluded)

	<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>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (2,648,926)	\$ 6,152,638	\$ 9,489,941	\$ 12,993,653	\$ 24,852
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	350,047	1,594,416	3,981,523	5,925,986	-
Other expenses	-	-	276,204	276,204	-
Change in assets and liabilities:					
Accounts receivable	544,249	(1,235,625)	768,014	76,638	(7,440)
Due from other agencies	-	-	(62,313)	(62,313)	-
Accounts payable	(128,437)	7,918	204,133	83,614	1,400
Other accrued liabilities	27,148	-	464,384	491,532	-
Due to retirement systems	69,841	-	41,669	111,510	-
Deferred revenue	(18,479)	-	-	(18,479)	-
Accrued compensated absences	127,887	-	112,451	240,338	-
Accrued workers' compensation	194,096	-	(100,165)	93,931	-
Accrued other postemployment benefits	1,509,471	8,874	1,450,438	2,968,783	-
Total adjustments	<u>2,675,823</u>	<u>375,583</u>	<u>7,136,338</u>	<u>10,187,744</u>	<u>(6,040)</u>
Net cash provided by operating activities	<u>\$ 26,897</u>	<u>\$ 6,528,221</u>	<u>\$ 16,626,279</u>	<u>\$ 23,181,397</u>	<u>\$ 18,812</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, 2010**

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	<b>Private Purpose Trust</b>	<b>Agency</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 26,402	\$ 1,437,166
Investments	32,912	-
Receivables	3,900	-
Total assets	\$ 63,214	\$ 1,437,166
<b>LIABILITIES</b>		
Due to other governments	\$ -	\$ 23,031
Amount held in custody for others	-	1,414,135
Total liabilities	-	1,437,166
<b>NET ASSETS</b>		
Unrestricted	63,214	-
Total net assets	63,214	-
Total liabilities and net assets	\$ 63,214	\$ 1,437,166

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, 2010**

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	<b>Private Purpose Trust</b>
<b>ADDITIONS</b>	
Investment earnings:	
Interest	\$ 652
Total additions	652
<b>DEDUCTIONS</b>	
Awards	255
Total deductions	255
 Change in net assets	 397
 Net assets - beginning	 <u>62,817</u>
Net assets - ending	<u>\$ 63,214</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, 2010**

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**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 BFSA 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 BFSA 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. BFSA special revenue fund nonexchange transactions, in which the BFSA receives value directly without giving equal value in exchange, include State aid and sales taxes and are recognized in the fiscal year for which stated aid and taxes are earned or designated.

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.

**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 BFSA 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.

**BFSA Debt Service Fund** — This fund accounts for the state aid and sales tax resources that the BFSA intercepts from the City to pay principal and interest on general obligations bonds issued by the BFSA 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: refuse collection charges for the Solid Waste and Recycling Fund, parking fees for the Parking Fund and sale of water for the Water System. 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, 2010, the City had a legal tax margin of approximately \$32.7 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, 2010. 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 refunding bonds 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 \$48,408,997 of restricted net assets, of which \$17,699,013 is restricted by enabling legislation.

*Unrestricted Net Assets (Deficit)* — 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 appropriable 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, 2010, include:

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

Reserved for Federal and State Programs — This category includes \$1,290,896 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 \$7,214,664 of real estate acquired for resale and \$2,825,458 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 BFSAs on behalf of the City. At June 30, 2010, \$17,699,013 of fund balance was reserved for state aid that did not meet the BFSAs special revenue fund revenue recognition criteria.

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 \$350,248 for motor vehicle self-insurance and \$910,326 for emergency medical services.

Unreserved, Designated Fund Balance — Unreserved, designated fund balance in the General Fund consists of \$60,529,376 of which \$13,987,500 is designated to cover the settlement of various claims and litigations, and \$12,194,257 is appropriated in the 2010-11 budget. Additionally, the City has designated \$34,347,619 for funds held in a “Rainy Day Fund” to cover unanticipated and extraordinary operating or capital needs. Unreserved, designated fund balance in the Capital Projects Fund consists of \$28,607,391, which is intended to be used for future capital projects.

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.

*Accrued Pension* — Amounts owed to the State Retirement Systems for wages paid to employees of the City but not yet billed are reported as liabilities in the 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, \$3,632,867 was reclassified from due to City of Buffalo to due to component units 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, \$273,779,668 in investment income and intergovernmental revenue offset other distributions 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, 2010, the City adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 53 *Accounting and Financial Reporting for Derivative Instruments*, which requires that changes in fair value of derivative instruments be reported as deferrals; concluding, the overall impact to the financial statements for the year ended June 30, 2010 was a loss on derivative of \$4,809,713 and a derivative liability in the amount of \$4,759,671 recorded within the Water System enterprise fund.

Additionally, during the year, the City completed the process of evaluating the impact that will result from adopting GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets, Instruments* and GASB Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. GASB Statement No. 51, and 58 did not have a material impact on the City's financial position or results of operations.

*Future Impacts of Accounting Pronouncements* — The City has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 59, *Financial Instruments Omnibus* effective for the year ending June 30, 2011; and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, effective for the year ending June 30, 2012. The City is, therefore, unable to disclose the impact that adopting GASB Statements Nos. 54, 57 and 59 will have on its financial position and results of operations.

## 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	\$ 4,142,345
Prior year fund balance used a budgetary resource	16,021,186
Less encumbrances	<u>(6,889,247)</u>
Excess of revenues and other financing sources over expenditures and other financial uses — basis of budgeting	<u>\$ 13,274,284</u>

**Excess of Expenditures Over Appropriations** — For the year ended June 30, 2010, expenditures exceeded appropriations in fringe benefits.

The unfavorable variance of \$7,088,224 for fringe benefits is the result of an estimate for the cost of retroactive wages from July 1, 2009 for unsettled union contracts which were not included in the budget.

### 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, 2010, of which the bank carrying balance at June 30, 2010, was \$524,740,326.

At June 30, 2010, cash and cash equivalents and investments consisted of the following:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash on hand (uncollateralized)	\$ 12,750	\$ -	\$ -	\$ 12,750
Deposits	453,524,135	82,776,362	1,463,568	537,764,065
Investments	17,629,050	-	32,912	17,661,962
Total	<u>\$ 471,165,935</u>	<u>\$ 82,776,362</u>	<u>\$ 1,496,480</u>	<u>\$ 555,438,777</u>

**Investments** — At June 30, 2010, total investments of \$17,661,962 consisted of investments held by the BFSA of \$17,567,578, held by the City of \$61,472 and maintained in fiduciary funds of \$32,912. Investments at June 30, 2010, consist of the following:

	Carrying Value	Fair Value
Governmental activities:		
Certificates of deposit	\$ 94,384	\$ 94,384
U.S. Treasury slugs	2,235,659	2,235,659
U.S. Treasury bills	353,648	353,648
Federal Home Loan Mortgage corporate discount paper	6,104,430	6,104,430
Federal National Mortgage Association discount notes	8,683,590	8,686,364
Accrued interest	190,251	189,009
Total	<u>\$ 17,661,962</u>	<u>\$ 17,663,494</u>

Investments in fiduciary funds consist solely of certificates of deposit at June 30, 2010.

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, 2010, the restricted cash amounted to \$9,724,238 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 \$9,346 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, 2010, \$757,340 of the Water System's restricted cash consisted of U.S. government securities recorded in the Water System's name and held in a bank custodial account. The Water System also maintains money market accounts with fair values totaling \$42,257,962 at June 30, 2010. Restricted cash in the Parking Fund of \$40,752 consisted of cash and cash equivalents and is held in a bank account.

**Board of Education** — At June 30, 2010, cash in banks was \$263,559. This amount was fully collateralized.

**Restricted Cash** — The Board has restricted cash of \$347,177,489 at June 30, 2010, 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.
- ◆ \$536,624 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.
- ◆ \$123,309,684 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 \$211,366,520 at June 30, 2010, are held in trust and can only be utilized for approved project costs.
- ◆ \$9,563,284 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.
- ◆ \$353,910 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 \$3,078,389 of which \$673,874 was fully collateralized at June 30, 2010

#### 4. RECEIVABLES

Receivables at June 30, 2010, 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	\$ 17,348,456	\$ (8,026,801)	\$ 9,321,655
Accounts receivable	9,777,390	(5,315,483)	4,461,907
Other receivables	53	-	53
Due from other agencies	2,032,906	(1,355,598)	677,308
Due from other funds	47,085,590	-	47,085,590
Due from other governments	11,127,122	(8,781,388)	2,345,734
Due from component unit	325,429	-	325,429
	<u>\$ 87,696,946</u>	<u>\$ (23,479,270)</u>	<u>\$ 64,217,676</u>
Debt Service Fund:			
Other receivables	\$ 1,146	\$ -	\$ 1,146
Due from other funds	101,882	-	101,882
	<u>\$ 103,028</u>	<u>\$ -</u>	<u>\$ 103,028</u>
Capital Projects Fund:			
Accounts receivable	\$ 11,808	\$ -	\$ 11,808
Due from component unit	289,350	-	289,350
Due from other governments	5,873,515	-	5,873,515
	<u>\$ 6,174,673</u>	<u>\$ -</u>	<u>\$ 6,174,673</u>
BFSA Special Revenue Fund:			
Due from other funds	\$ 253,885	\$ -	\$ 253,885
Due from other governments	30,081,783	-	30,081,783
	<u>\$ 30,335,668</u>	<u>\$ -</u>	<u>\$ 30,335,668</u>
Other Governmental Funds:			
Other receivables	\$ 1,574	\$ -	\$ 1,574
Due from other funds	10,000	-	10,000
Due from other governments	1,857,503	-	1,857,503
	<u>\$ 1,869,077</u>	<u>\$ -</u>	<u>\$ 1,869,077</u>

(continued)

<b>Accounts Receivable:</b>	<u>Receivable</u>	<u>Allowance</u>	<u>Net</u>
<b>Proprietary Funds:</b>			
Solid Waste and Recycling Fund:			
Accounts receivable	\$ 11,038,782	\$ (10,602,275)	\$ 436,507
Other receivables	<u>293,685</u>	<u>(28,443)</u>	<u>265,242</u>
	<u>\$ 11,332,467</u>	<u>\$ (10,630,718)</u>	<u>\$ 701,749</u>
Parking Fund:			
Accounts receivable	\$ 4,699,770	\$ -	\$ 4,699,770
Other receivables	<u>81</u>	<u>-</u>	<u>81</u>
	<u>\$ 4,699,851</u>	<u>\$ -</u>	<u>\$ 4,699,851</u>
Water System Fund:			
Accounts receivable	\$ 15,988,442	\$ (12,285,583)	\$ 3,702,859
Other receivables	991,112	-	991,112
Due from other governments	243,995	-	243,995
Due from other funds	222,595	-	222,595
Due from other agencies	<u>127,425</u>	<u>-</u>	<u>127,425</u>
	<u>\$ 17,573,569</u>	<u>\$ (12,285,583)</u>	<u>\$ 5,287,986</u>
Internal Service Fund:			
Accounts receivable	<u>\$ 8,093</u>	<u>\$ -</u>	<u>\$ 8,093</u>

Due from other governments at June 30, 2010, consists of the following:

**Due from other governments:**

**Governmental Funds:**

General Fund:

Due from Erie County	\$ 8,966,834
Due from New York State	2,141,113
Due from federal government	<u>19,175</u>
	<u>\$ 11,127,122</u>

Capital Projects Fund:

Due from New York State	\$ 5,632,850
Due from federal government	187,427
Due from Erie County	<u>53,238</u>
	<u>\$ 5,873,515</u>

BFSA Special Revenue Fund:

Due from New York State	<u>\$ 30,081,783</u>
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Other Governmental Funds:

Special Revenue Fund:

Due from New York State	\$ 1,068,159
Due from federal government	<u>789,344</u>
	<u>\$ 1,857,503</u>

**Proprietary Funds:**

Water System:

Due from New York State	<u>\$ 243,995</u>
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**Board of Education**

*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	14,506,092
State aid — ARRA	1,986,798
Federal and state grants	36,896,219
Federal and state aid - Food Service Fund	1,702,871
Miscellaneous	<u>902,709</u>
Total	<u>\$ 67,477,450</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 consist of several economic development loans made directly by BURA or indirectly through Buffalo Economic Renaissance Corporation (BERC) to qualifying developers. As of June 30, 2010, program loans receivable consist of Community

Development Block Grant (“CDBG”) funds advanced by BURA to BERC for Section 108 program loans due within on year in the amount of \$325,000.

*Notes Receivable* — Various notes from individuals, businesses, and other organizations were outstanding at June 30, 2010, representing funds advanced by BURA for projects designed to stimulate economic development and housing improvements 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 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 advances 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 the Department of Housing and Urban Development’s 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, 2009	Additions and Reclassifications	Deductions and Reclassifications	Balance June 30, 2010
Capital assets — not being depreciated:				
Land	\$ 12,579,280	\$ -	\$ -	\$ 12,579,280
Construction in progress	9,268,413	6,526,889	4,823,037	10,972,265
Total capital assets — not being depreciated	<u>21,847,693</u>	<u>6,526,889</u>	<u>4,823,037</u>	<u>23,551,545</u>
Capital assets — being depreciated:				
Buildings	250,158,857	5,324,894	-	255,483,751
Improvements other than buildings	37,729,971	2,959,024	-	40,688,995
Machinery and equipment	47,881,141	4,330,989	-	52,212,130
Infrastructure	307,004,629	22,033,013	-	329,037,642
Total capital assets — being depreciated	<u>642,774,598</u>	<u>34,647,920</u>	<u>-</u>	<u>677,422,518</u>
Less accumulated depreciation for:				
Buildings	87,218,276	4,846,761	-	92,065,037
Improvements other than buildings	23,680,709	1,542,551	-	25,223,260
Machinery and equipment	29,992,677	4,360,060	-	34,352,737
Infrastructure	132,449,852	12,638,489	-	145,088,341
Total accumulated depreciation	<u>273,341,514</u>	<u>23,387,861</u>	<u>-</u>	<u>296,729,375</u>
Total capital assets being depreciated — net	<u>369,433,084</u>	<u>11,260,059</u>	<u>-</u>	<u>380,693,143</u>
Governmental activities’ capital assets — net	<u>\$ 391,280,777</u>	<u>\$ 17,786,948</u>	<u>\$ 4,823,037</u>	<u>\$ 404,244,688</u>

### Business-Type Activities

Class	Balance July 1, 2009	Additions and Reclassifications	Deductions and Reclassifications	Balance June 30, 2010
Capital assets —not being depreciated:				
Land	\$ 3,362,210	\$ -	\$ -	\$ 3,362,210
Construction in progress	1,029,439	9,807,972	10,124,276	713,135
Total capital assets — not being depreciated	<u>4,391,649</u>	<u>9,807,972</u>	<u>10,124,276</u>	<u>4,075,345</u>
Capital assets — being depreciated:				
Buildings	151,242,547	5,443,020	-	156,685,567
Improvements other than buildings	415,137	-	-	415,137
Machinery and equipment	8,573,519	761,470	257,036	9,077,953
Infrastructure	88,276,244	3,357,922	-	91,634,166
Total capital assets — being depreciated	<u>248,507,447</u>	<u>9,562,412</u>	<u>257,036</u>	<u>257,812,823</u>
Less accumulated depreciation for:				
Buildings	37,678,462	3,145,492	-	40,823,954
Improvements other than buildings	257,023	19,308	-	276,331
Machinery and equipment	7,099,359	458,413	257,036	7,300,736
Infrastructure	33,982,458	2,302,773	-	36,285,231
Total accumulated depreciation	<u>79,017,302</u>	<u>5,925,986</u>	<u>257,036</u>	<u>84,686,252</u>
Total capital assets being depreciated — net	<u>169,490,145</u>	<u>3,636,426</u>	<u>-</u>	<u>173,126,571</u>
Business-type activities' capital assets — net	<u>\$ 173,881,794</u>	<u>\$ 13,444,398</u>	<u>\$ 10,124,276</u>	<u>\$ 177,201,916</u>

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

Governmental activities:	
General government	\$ 2,667,618
Public safety	5,286,114
Streets and sanitation	12,298,025
Economic assistance and opportunity	8,384
Culture and recreation	2,710,980
Health and community services	<u>416,740</u>
Total depreciation expense — governmental activities	<u>\$ 23,387,861</u>
Business-type activities:	
Water	\$ 3,981,523
Parking	1,594,416
Solid waste and recycling	<u>350,047</u>
Total depreciation expense — business-type activities	<u>\$ 5,925,986</u>

The carrying value of idle impaired assets at June 30, 2010, totaling \$580,022, 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, 2010, was as follows:

Class	Balance July 1, 2009	Additions and Reclassifications	Deductions and Reclassifications	Balance June 30, 2010
<b>Capital assets —not being depreciated:</b>				
Land	\$ 3,725,598	\$ -	\$ -	\$ 3,725,598
Construction in progress	110,323,524	86,810,195	93,373,290	103,760,429
Total capital assets — not being depreciated	<u>114,049,122</u>	<u>86,810,195</u>	<u>93,373,290</u>	<u>107,486,027</u>
<b>Capital assets — being depreciated:</b>				
Land improvements	4,540,785	190,000	-	4,730,785
Buildings and building improvement	1,057,978,045	151,097,490	-	1,209,075,535
Equipment	22,929,889	1,501,155	1,792,762	22,638,282
Total capital assets — being depreciated	<u>1,085,448,719</u>	<u>152,788,645</u>	<u>1,792,762</u>	<u>1,236,444,602</u>
<b>Less accumulated depreciation for:</b>				
Land improvements	4,305,714	31,906	-	4,337,620
Buildings and building improvement	293,255,398	45,438,785	-	338,694,183
Equipment	19,269,812	793,013	1,786,644	18,276,181
Total accumulated depreciation	<u>316,830,924</u>	<u>46,263,704</u>	<u>1,786,644</u>	<u>361,307,984</u>
Total capital assets being depreciated — net	<u>768,617,795</u>	<u>106,524,941</u>	<u>6,118</u>	<u>875,136,618</u>
Government activities' capital assets — net	<u>\$ 882,666,917</u>	<u>\$ 193,335,136</u>	<u>\$ 93,379,408</u>	<u>\$ 982,622,645</u>

**Buffalo Urban Renewal Agency** — BURA's governmental capital assets, recorded at cost, as of June 30, 2010, are summarized as follows:

Function and Activity	Construction					Total
	Land	In Progress	Building	Equipment	Vehicles	
Economic development administration	\$ 380,370	\$ 271,711	\$ 14,706,007	\$ 787,938	\$ 105,558	\$ 16,251,584
General administration	-	-	-	23,686	-	23,686
Subtotal	380,370	271,711	14,706,007	811,624	105,558	16,275,270
Accumulated depreciation	-	-	4,296,676	637,174	105,558	5,039,408
Capital assets — net	<u>\$ 380,370</u>	<u>\$ 271,711</u>	<u>\$ 10,409,331</u>	<u>\$ 174,450</u>	<u>\$ -</u>	<u>\$ 11,235,862</u>

For the year ended June 30, 2010, depreciation in the amount of \$345,565 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 \$271,711 of construction in progress at June 30, 2010.



**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, 2010, a schedule summarizing individual fund interfund receivables and payables is as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Governmental Activities:		
General Fund	\$ 47,085,590	\$ 326,904
Debt Service Fund	101,882	-
Capital Projects Fund	-	7,118,727
BFSA Special Revenue Fund	253,885	24,623,571
Other governmental funds	<u>10,000</u>	<u>1,305,189</u>
	<u>47,451,357</u>	<u>33,374,391</u>
Business-type Activities:		
Solid Waste and Recycling Fund	-	14,068,927
Parking Fund	-	77,883
Water System	222,595	148,587
Internal Service Fund	<u>-</u>	<u>4,164</u>
	<u>222,595</u>	<u>14,299,561</u>
Total government-wide	<u>\$ 47,673,952</u>	<u>\$ 47,673,952</u>

The long-term portion in the amount of \$14,068,927 included within the General Fund's due from other funds totaling \$47,085,590 has been set aside as a reservation of fund balance.

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.

A schedule summarizing interfund transfers during the year ended June 30, 2010 is as follows:

Transfer Out	Transfer In					Total
	General	Debt Service	Capital Projects	Other Governmental	Solid Waste & Recycling	
General	\$ -	\$ 30,277,875	\$ 400,000	\$ 453	\$ 2,511,715	\$ 33,190,043
Debt Service	-	-	-	15,872,466	-	15,872,466
Capital Projects	2,061,579	617,292	-	-	400,144	3,079,015
BFSA	-	-	-	3,350,699	-	3,350,699
Solid Waste	673,048	-	-	-	-	673,048
Parking	1,250,000	71,064	-	-	-	1,321,064
Water System	4,672,174	-	-	-	-	4,672,174
<b>Total</b>	<b>\$ 8,656,801</b>	<b>\$ 30,966,231</b>	<b>\$ 400,000</b>	<b>\$ 19,223,618</b>	<b>\$ 2,911,859</b>	<b>\$ 62,158,509</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, 2010, are as follows:

Fiscal Year Ending June 30,	Governmental Activities
2011	\$ 690,324
2012	690,324
2013	690,324
2014	537,519
2015	<u>486,584</u>
Total minimum lease payments	3,095,075
Less: amount representing interest	<u>(270,686)</u>
Present value of minimum lease payments	<u>\$ 2,824,389</u>

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Building improvements	\$ 4,094,136
Infrastructure	<u>3,813,868</u>
	7,908,004
Less: accumulated depreciation	<u>(982,654)</u>
	<u>\$ 6,925,350</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.

The City did not issue general obligation bonds during the fiscal year ended June 30, 2010. Principal and interest are paid semiannually, generally in equal installments. Noncurrent liabilities at June 30, 2010, are as follows:

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due Within One Year
<b>Governmental activities general obligations bonds issued by City Buffalo:</b>								
1974	\$ 4,200,000	5.6	2014	\$ 620,000	\$ -	\$ 120,000	\$ 500,000	\$ 125,000
1998	35,980,000	3.7-4.75	2010	2,130,000	-	2,130,000	-	-
1998	14,000,000	3.6-5.25	2025	3,497,500	-	990,000	2,507,500	730,000
1999	45,758,000	2.84-3.9	2019	15,605,000	-	2,745,000	12,860,000	2,795,000
1999	36,996,000	5.0	2014	8,170,000	-	2,300,000	5,870,000	1,905,000
2001	28,686,000	4.0-5.38	2021	10,195,000	-	1,705,000	8,490,000	1,750,000
2001	5,605,000	4-5.25	2020	4,655,000	-	840,000	3,815,000	-
2002	23,825,000	2.5-5	2022	11,480,000	-	1,545,000	9,935,000	1,610,000
2004	10,285,000	1.5-5.6	2025	8,600,000	-	370,000	8,230,000	385,000
2004	15,245,000	2-4.2	2016	10,330,000	-	1,320,000	9,010,000	1,365,000
2005	26,167,250	5.0	2025	19,632,895	-	2,368,868	17,264,027	1,944,542
2005	34,346,833	5.0	2019	27,680,869	-	4,155,105	23,525,764	6,230,916
2006	25,275,917	5.0	2022	21,139,439	-	1,391,228	19,748,211	1,572,639
2007	22,226,126	5.0	2023	20,132,509	-	955,725	19,176,784	1,001,261
2008	22,000,000	3.0-5.25	2023	20,545,000	-	1,055,000	19,490,000	1,110,000
2009	21,500,000	1.35-6.0	2024	21,500,000	-	1,305,000	20,195,000	1,105,000
Total				<u>205,913,212</u>	<u>-</u>	<u>25,295,926</u>	<u>180,617,286</u>	<u>23,629,358</u>

(continued)

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due Within One Year
<b>Governmental activities – issued on behalf of Discretely Presented Component Unit – Board – General Obligations Bonds:</b>								
1998	\$ 10,950,000	3.60-5.25	2025	\$ 8,277,500	\$ -	\$ 400,000	\$ 7,877,500	\$ 415,000
1999	7,034,135	3.25-4.50	2011	1,110,000	-	545,000	565,000	565,000
2001	11,100,000	4.0-5.1	2021	6,050,000	-	380,000	5,670,000	410,000
2001	14,105,000	4.0-5.0	2012	4,000,000	-	1,000,000	3,000,000	1,000,000
2001	34,000,000	4.0-5.5	2016	22,170,000	-	2,295,000	19,875,000	2,415,000
2002	34,250,000	2.5-5.375	2020	25,475,000	-	1,635,000	23,840,000	1,700,000
2003	3,725,000	2.75-5.5	2014	1,731,000	-	320,000	1,411,000	331,000
2003	5,344,000	2.75-5.5	2018	4,012,000	-	207,000	3,805,000	214,000
2003	26,691,000	2.75-5.5	2019	20,501,000	-	960,000	19,541,000	995,000
2003	17,239,000	2.75-5.5	2019	13,320,000	-	613,000	12,707,000	636,000
2004	2,700,000	2.0-4.875	2022	2,205,000	-	135,000	2,070,000	135,000
2005	2,351,650	5.0	2010	646,410	-	646,410	-	-
2005	7,258,477	5.0	2016	5,425,133	-	743,767	4,681,366	710,307
2006	2,483,000	5.0	2020	2,078,000	-	137,000	1,941,000	154,000
2007	5,889,000	5.0	2019	5,092,000	-	383,000	4,709,000	402,000
2008	8,920,000	3.0-5.25	2023	8,325,000	-	435,000	7,890,000	450,000
2009	3,530,000	2.5-5.0	2024	3,530,000	-	215,000	3,315,000	185,000
Total				<u>133,948,043</u>	<u>-</u>	<u>11,050,177</u>	<u>122,897,866</u>	<u>10,717,307</u>
Less bonds issued by City to BFSA:								
2005A	\$ 26,167,250	4.0-5.0	2025	(19,632,895)	-	(2,368,868)	(17,264,027)	(1,944,542)
2005B	2,351,650	5.0	2010	(646,410)	-	(646,410)	-	-
2005BC	41,605,310	5.0	2019	(33,106,002)	-	(4,898,872)	(28,207,130)	(6,941,223)
2006A	27,758,917	4.0-5.0	2020	(23,217,439)	-	(1,528,228)	(21,689,211)	(1,726,639)
2007A	28,115,126	4.0-5.0	2023	(25,224,508)	-	(1,338,725)	(23,885,783)	(1,403,261)
Total mirror bonds				<u>(101,827,254)</u>	<u>-</u>	<u>(10,781,103)</u>	<u>(91,046,151)</u>	<u>(12,015,665)</u>
Net governmental activities general obligation bonds issued by the City of Buffalo				<u>238,034,001</u>	<u>-</u>	<u>25,565,000</u>	<u>212,469,000</u>	<u>22,331,001</u>
<b>Governmental activities general obligations bonds issued by Buffalo Fiscal Stability Authority:</b>								
2004	\$ 25,745,000	4.0-5.25	2015	\$ 17,000,000	\$ -	\$ 2,475,000	\$ 14,525,000	\$ 2,610,000
2005A	28,030,000	4.0-5.0	2025	23,440,000	-	2,975,000	20,465,000	3,030,000
2005BC	47,065,000	5.0	2019	40,040,000	-	3,385,000	36,655,000	5,710,000
2006A	27,270,000	4.0-5.0	2020	24,830,000	-	1,515,000	23,315,000	1,575,000
2007A	28,470,000	4.0-5.0	2023	27,540,000	-	1,380,000	26,160,000	1,435,000
Total				<u>132,850,000</u>	<u>-</u>	<u>11,730,000</u>	<u>121,120,000</u>	<u>14,360,000</u>
Total governmental activities bonds				<u>370,884,001</u>	<u>-</u>	<u>37,295,000</u>	<u>333,589,000</u>	<u>36,691,001</u>
Unamortized premium - City				516,733	-	35,870	480,863	-
Unamortized premium - BFSA				7,243,670	-	713,163	6,530,507	-
Total governmental activities bonds - net				<u>378,644,404</u>	<u>-</u>	<u>38,044,033</u>	<u>340,600,370</u>	<u>36,691,001</u>

(continued)

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due Within One Year
<b>Other noncurrent liabilities:</b>					
Nittec loan	\$ 2,038,801	\$ -	\$ 237,540	\$ 1,801,261	\$ 242,291
Capital leases	3,388,249	-	563,860	2,824,389	587,708
Compensated absences	22,395,126	28,802,903	24,771,538	26,426,491	862,154
Workers' compensation	10,542,772	2,909,458	2,038,560	11,413,670	4,483,020
Landfill post-closure monitoring	1,900,000	-	100,000	1,800,000	100,000
Other postemployment benefits	148,301,135	34,741,135	-	183,042,270	-
Other postemployment benefits-BFSA	181,835	97,792	-	279,627	-
Judgments and claims	19,080,000	1,192,500	6,285,000	13,987,500	2,000,000
<b>Total</b>	<b>207,827,918</b>	<b>67,743,788</b>	<b>33,996,498</b>	<b>241,575,208</b>	<b>8,275,173</b>
<b>Total noncurrent liabilities—governmental activities</b>	<b>\$ 586,472,322</b>	<b>\$ 67,743,788</b>	<b>\$ 72,040,531</b>	<b>\$ 582,175,578</b>	<b>\$ 44,966,173</b>

Calendar Year Issued	Original Amount	Interest Rate	Fiscal Year of Last Installment	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due Within One Year
<b>Business-type activities — General Obligation Bonds:</b>								
1971	\$ 3,000,000	5.1	2010	\$ 90,000	\$ -	\$ 90,000	\$ -	\$ -
1998	2,385,000	3.6-5.0	2012	735,000	-	265,000	470,000	270,000
2001	11,660,000	4.0-5.3	2017	5,280,000	-	-	5,280,000	840,000
2002	21,310,000	2.5-5.375	2022	15,245,000	-	1,130,000	14,115,000	1,180,000
2005	6,552,147	5.0	2018	3,548,998	-	811,128	2,737,870	623,777
<b>Total</b>				<b>24,898,998</b>	<b>-</b>	<b>2,296,128</b>	<b>22,602,870</b>	<b>2,913,777</b>

<b>Business-type activities — Water System Revenue Bonds:</b>								
1998	\$ 16,325,000	4.0-4.75	2013	\$ 1,080,000	\$ -	\$ 250,000	\$ 830,000	\$ 265,000
1998	49,715,000	4.0-5.0	2013	11,505,000	-	2,605,000	8,900,000	2,720,000
2002	11,785,000	2.5-4.75	2018	2,620,000	-	245,000	2,375,000	255,000
2002	4,379,279	1.53-5.12	2022	3,125,000	-	200,000	2,925,000	205,000
2003	3,901,741	5.6-6.31	2031	3,340,000	-	100,000	3,240,000	100,000
2006	19,917,236	3.6-4.84	2028	17,712,236	-	712,236	17,000,000	735,000
2007	13,010,000	3.6-4.375	2038	12,780,000	-	235,000	12,545,000	245,000
2007	29,220,000	5	2027	28,900,000	-	-	28,900,000	-
2008	62,020,000	3.7-5.07	2036	61,945,000	-	1,235,000	60,710,000	1,310,000
2010	23,975,000	2.0-6.89	2040	-	23,975,000	-	23,975,000	-
<b>Total</b>				<b>143,007,236</b>	<b>23,975,000</b>	<b>5,582,236</b>	<b>161,400,000</b>	<b>5,835,000</b>
<b>Total business-type activities bonds</b>				<b>167,906,234</b>	<b>23,975,000</b>	<b>7,878,364</b>	<b>184,002,870</b>	<b>8,748,777</b>

(continued)

	Balance July 1, 2009	Additions and Reclassifications	Deductions and Reclassifications	Balance June 30, 2010	Due Within One Year
Unamortized bond premium	\$ 1,848,293	\$ 46,496	\$ 259,062	\$ 1,635,727	\$ -
Unamortized bond discount	(175,437)	-	(6,265)	(169,172)	-
Unamortized refunding costs	(5,844,298)	-	(430,539)	(5,413,759)	-
Total business-type activities bonds—net	<u>163,734,792</u>	<u>24,021,496</u>	<u>7,700,622</u>	<u>180,055,666</u>	<u>8,748,777</u>
Other noncurrent liabilities:					
Compensated absences	1,795,690	1,759,903	1,519,566	2,036,027	54,695
Workers' compensation	1,915,219	401,394	307,463	2,009,150	665,286
Other postemployment benefits	4,916,745	2,968,783	-	7,885,528	-
Accrued derivative liability	<u>2,782,280</u>	<u>1,977,391</u>	<u>-</u>	<u>4,759,671</u>	<u>-</u>
Total	<u>11,409,934</u>	<u>7,107,471</u>	<u>1,827,029</u>	<u>16,690,376</u>	<u>719,981</u>
Total noncurrent liabilities—business-type activities	<u>\$ 175,144,726</u>	<u>\$ 31,128,967</u>	<u>\$ 9,527,651</u>	<u>\$ 196,746,042</u>	<u>\$ 9,468,758</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
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	16,150,504	4,534,358	20,684,862
2016-2020	54,893,306	13,524,795	68,418,101
2021-2025	<u>23,834,062</u>	<u>2,869,255</u>	<u>26,703,317</u>
Total	<u>\$ 180,617,286</u>	<u>\$ 49,057,043</u>	<u>\$ 229,674,329</u>

#### Governmental Activities — Buffalo Fiscal Stability Authority

Fiscal Year Ending June 30,	Principal	Interest	Total
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	14,265,000	2,814,503	17,079,503
2016-2020	36,095,000	7,054,394	43,149,394
2021-2025	12,495,000	907,188	13,402,188
2026	<u>305,000</u>	<u>3,291</u>	<u>308,291</u>
Total	<u>\$ 121,120,000</u>	<u>\$ 29,232,435</u>	<u>\$ 150,352,435</u>

**Issued by City on behalf of Component Unit — Board of Education**

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 10,717,307	\$ 6,086,759	\$ 16,804,066
2012	10,936,238	5,599,657	16,535,895
2013	11,223,006	5,080,341	16,303,347
2014	10,834,371	4,518,436	15,352,807
2015	10,888,083	3,936,665	14,824,748
2016-2020	45,684,861	11,744,976	57,429,837
2021-2025	22,614,000	2,355,054	24,969,054
Total	<u>\$ 122,897,866</u>	<u>\$ 39,321,888</u>	<u>\$ 162,219,754</u>

**Business-Type Activities**

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 8,748,777	\$ 7,529,337	\$ 16,278,114
2012	9,323,935	7,823,133	17,147,068
2013	9,086,753	7,414,247	16,501,000
2014	9,341,137	7,019,182	16,360,319
2015	9,985,852	6,588,734	16,574,586
2016-2020	48,956,416	26,220,468	75,176,884
2021-2025	32,660,000	17,012,169	49,672,169
2026-2030	34,315,000	9,776,865	44,091,865
2031-2035	11,500,000	4,600,368	16,100,368
2036-2040	8,700,000	1,709,317	10,409,317
2041-2045	1,385,000	47,692	1,432,692
Total	<u>\$ 184,002,870</u>	<u>\$ 95,741,512</u>	<u>\$ 279,744,382</u>

**Water Authority 2010 Refunding Bonds** — On June 25, 2010, the Water System issued \$23,975,000 revenue bonds, of which \$2,925,000 was issued as tax-exempt bonds and \$21,050,000 was issued as taxable Build America Bonds. These bonds mature in 2040 and bear an interest rate ranging between 2.0% and 6.887%.

On May 9, 2008, the Water System issued \$62,020,000 par revenue bonds to currently refund \$62,300,000 of existing debt. 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.

The Swap was deemed effective using the synthetic instrument method. At June 30, 2010, the notional amount of the bonds is \$60,200,000. The amount that the Water System received from the Swap Provider (a variable rate payment equal to 70% of one-month LIBOR), \$111,690, was exceeded by the variable rate paid by the Water System (variable rate demand obligation) to the Swap Provider, \$125,678, by \$13,998. The fair value of the SWAP at June 30, 2010 based on quoted market prices is negative \$4,759,671 and is recorded as a derivative liability within the noncurrent liabilities on the Statement of Assets.

*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, 2010, was \$1,801,261. The loan repayment schedule at June 30, 2010, is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	262,264	16,053	278,317
2016-2017	540,368	16,264	556,632
Total	<u>\$ 1,801,261</u>	<u>\$ 146,953</u>	<u>\$ 1,948,214</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 \$26,426,491 for governmental activities and \$2,036,028 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 \$862,154 and \$54,695 for governmental activities and business-type activities, respectively, will be paid in the next fiscal year.



*Workers' Compensation* — Accrued workers' compensation, which totals \$11,413,670 and \$2,009,151 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 \$4,483,020 and \$665,286 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 cost of postclosure is based on the percentage of the landfill's total capacity used to date, which is 100%. The City is still required to monitor the site for another 18 years, with an estimated annual cost of \$100,000 per year. The estimate, which is subject to various changes resulting from inflation, deflation, technology or changes in the applicable laws or regulations, for the outstanding liability at June 30, 2010 was \$1,800,000.

*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 \$13,987,500 at June 30, 2010, 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, 2010, was approximately \$579.4 million. The effective borrowing capacity is \$310.5 million.

The list of the City's authorized and unissued bonds at June 30, 2010, is as follows:

Project	Total Authorized and Unissued
General Improvement Bonds —City of Buffalo	\$ 5,350,000
General Improvement Bonds —Board of Education	820,000
Total	<u>\$ 6,170,000</u>

**Board of Education** — A summary of changes in Board's long-term liabilities for the year ended June 30, 2010, is as follows:

	Balance July 1, 2009	New issues/ Additions	Maturities/ Reductions	Balance June 30, 2010	Due Within One Year
Governmental activities:					
Due to other governments	\$ 15,260,000	\$ -	\$ 713,333	\$ 14,546,667	\$ 713,334
Revenue bonds payable	28,645,000	-	1,585,000	27,060,000	1,645,000
JSCB bonds payable	780,830,000	294,905,000	25,075,000	1,050,660,000	32,805,000
Deferred bond premium	76,724,491	15,061,152	5,090,703	86,694,940	-
Compensated absences	19,279,250	8,872,833	6,477,504	21,674,579	5,360,000
Other long-term debt EPC	4,086,282	-	786,353	3,299,929	804,000
Other postemployment benefits	208,379,000	124,228,000	51,422,000	281,185,000	-
Judgments, claims and contingencies	2,552,000	-	874,944	1,677,056	-
Total	<u>\$ 1,135,756,023</u>	<u>\$ 443,066,985</u>	<u>\$ 92,024,837</u>	<u>\$ 1,486,798,171</u>	<u>\$ 41,327,334</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
2011	\$ 713,334
2012	713,334
2013	713,332
2014	713,334
2015	713,332
2016-2020	3,566,668
2021-2025	3,566,666
2026-2030	3,566,666
2031-2035	233,334
2036	46,666
	<u>\$ 14,546,666</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
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	715,000	1,076,456	1,791,456
2016-2020	4,170,000	4,795,175	8,965,175
2021-2025	5,360,000	3,601,763	8,961,763
2026-2030	6,930,000	2,037,788	8,967,788
2031	3,465,000	181,913	3,646,913
Total	<u>\$ 27,060,000</u>	<u>\$ 16,644,388</u>	<u>\$ 43,704,388</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
2011	\$ 32,805,000	\$ 57,538,000	\$ 90,343,000
2012	37,180,000	55,897,750	93,077,750
2013	39,090,000	54,038,750	93,128,750
2014	41,115,000	52,084,250	93,199,250
2015	43,335,000	49,972,063	93,307,063
2016-2020	255,555,000	212,161,500	467,716,500
2021-2025	336,645,000	131,966,313	468,611,313
2026-2030	257,840,000	36,173,738	294,013,738
2031	7,095,000	354,750	7,449,750
Total	<u>\$1,050,660,000</u>	<u>\$ 650,187,114</u>	<u>\$ 1,700,847,114</u>

*Compensated Absences* — Compensated absences, which totaled \$21,674,579 at June 30, 2010, 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 \$786,353 during the year leaving a balance of \$3,299,929 at year-end. The remaining annual maturities are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2011	\$ 804,000	\$ 58,163	\$ 862,163
2012	823,431	42,516	865,947
2013	839,380	26,567	865,947
2014	833,118	10,423	845,984
Total	<u>\$ 3,299,929</u>	<u>\$ 137,669</u>	<u>\$ 3,440,041</u>

*Judgments, Claims, and Contingencies* — Judgments, claims, and contingencies, which totaled \$1,677,056 at June 30, 2010, 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, 2010, is as follows:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Due Within One Year
Governmental activities:					
Section 108 loans	\$ 13,135,000	\$ -	\$ 1,920,000	\$ 11,215,000	\$ 1,405,000
Other postemployment benefits	2,997,941	2,095,786	383,128	4,710,599	-
Fannie Mae	2,400,000	-	1,200,000	1,200,000	1,200,000
Total	<u>\$ 18,532,941</u>	<u>\$ 2,095,786</u>	<u>\$ 3,503,128</u>	<u>\$ 17,125,599</u>	<u>\$ 2,605,000</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, 2010, future maturities of the Section 108 loans are as follows:

Fiscal Year Ending June 30,	
2011	\$ 1,405,000
2012	1,255,000
2013	1,265,000
2014	1,265,000
2015	2,155,000
Thereafter	<u>3,870,000</u>
	11,215,000
Less current portion	<u>(1,405,000)</u>
Total long-term obligations	<u>\$ 9,810,000</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 three and next year. The annual budget allocations totaling \$6,000,000 are intended to 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 and second annual principal amount of \$1,200,000, plus interest was paid on June 26, 2007 and June 30, 2008. BURA made a third and fourth annual principal repayment of \$1,200,000 on March 30, 2009 and 2010. 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. These funds will be repaid from a combination of proceeds from the sales of the homes and BURA General Funds.

The future maturities of the Fannie Mae term loan at June 30, 2010, are as follows:

Fiscal Year Ending June 30,	Amount
2011	<u>\$ 1,200,000</u>
	1,200,000
Less current portion	<u>(1,200,000)</u>
Total long-term obligations	<u>\$ -</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 \$340,350. The future minimum rental payments required by the primary government for noncancelable operating leases are as follows:

Fiscal Year Ending June 30,	
2011	\$ 268,365
2012	255,605
2013	219,380
2014	202,244
2015	121,136
Total	<u>\$ 1,066,730</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, 2011. Rental expense amounted to \$39,163 for the year ended June 30, 2010. Future minimum rental requirements for the year ending June 30, 2011 are \$37,543.

**Board of Education** — Operating lease obligations are primarily for rental of space and equipment. Lease expenses for the year were approximately \$5,382,755. The future minimum rental payments required for noncancelable leases are as follows:

Fiscal Year Ending June 30,	
2011	\$ 5,191,384
2012	4,267,688
2013	3,682,658
2014	2,732,779
2015	2,047,200
2016-2020	8,554,294
2021-2025	1,885,158
Total	<u>\$ 28,361,161</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, 2008, 2009, and 2010, the City incurred expenditures of, \$12,146,974, \$7,536,421 and \$6,163,280, respectively, for property damage and personal injury claims. For the fiscal years ended June 30, 2008, 2009, and 2010, the City expensed \$5,746,433, \$6,343,330 and \$6,194,389, 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, 2010, the City estimated the following general liabilities:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Workers' compensation — fire and police medical	\$ 6,930,650	\$ -
Workers' compensation — other employees	<u>4,483,020</u>	<u>2,009,151</u>
	<u>\$ 11,413,670</u>	<u>\$ 2,009,151</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, 2008, are shown in the following chart:

	<u>Workers' Compensation</u>	<u>General Liability</u>	<u>Total</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	1,915,219	-	1,915,219
Claims incurred	401,394	-	401,394
Payments 2009-2010	<u>(307,462)</u>	<u>-</u>	<u>(307,462)</u>
Estimated claims — June 30, 2010	<u>\$ 2,009,151</u>	<u>\$ -</u>	<u>\$ 2,009,151</u>

The City has estimated claims arising during the ordinary course of its operation which are probable of a future loss to total \$13,987,500 and has been included within the City's liabilities. Additionally, management has identified claims judged to be reasonably possible of a negative impact which are not included within the City's liabilities. Such claims have been estimated to total \$60,349,400.

**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, 2010, 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.

Construction Commitment – As of June 30, 2010, the Board has approximately \$7,383,354 committed to various renovations.

**Buffalo Urban Renewal Agency** — BURA owns the land immediately east of the Waterfront School in the City. BURA fully investigated the land to the satisfaction of the New York State Department of Environmental Conservation ("NYSDEC") at the cost of approximately \$250,000. Although the discussions were fruitful, there is not a formal agreement with the NYSDEC to accept BURA's investigation of the sight as full settlement of any obligations it has for this site.

BURA has been named as defendant in a case that involves a claim for contract breach by BURA related to a contract for services for lead testing by the plaintiff. The matter is in the closing stages of pre-trial discovery. BURA has taken the position that the quality of work was in BURA's sole discretion and so no damages under the contract have resulted.

BURA, as one of the grantors of part of the property was named as a third-party defendant in a real property dispute between owners of contiguous parcels. BURA is alleged to have failed to protect a public access right to the parcels. The primary parties to the litigation are attempting to resolve the case without contribution from BURA.

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. The outcome cannot be determined based on the notice of claims alone.

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 2,734 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 is no separate audited GAAP-basis postemployment benefit plan report available. 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>7,392</u>

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

**Annual OPEB Benefit Cost** — For the year ended June 30, 2010, the City’s annual OPEB cost (expense) is \$81,681,000 while the Annual Required Contribution (ARC) is \$79,868,400. Considering the annual expense, as well as payment for current health insurance premiums which totaled approximately \$43,971,000 for retirees and their beneficiaries, the result was an increase in the net OPEB obligation of approximately \$37,710,000 for the year ended June 30, 2010.

	Governmental Activities <u>Medical</u>	Governmental Activities <u>Disability</u>	Business-Type Activities	Primary Government
	(000's omitted)			
<b>Annual OPEB Cost and Net OPEB Obligation</b>				
Actuarial accrued liability (AAL)	\$ 1,120,414	\$ 90,488	\$ 65,683	\$ 1,276,585
Unfunded actuarial accrued liability (UAAL)	\$ 1,120,414	\$ 90,488	\$ 65,683	\$ 1,276,585
Normal cost — beginning of the year	\$ 42,759	\$ 3,453	\$ 2,507	\$ 48,719
Amortization factor based on 30 years	26.2	26.2	26.2	26.2
Annual covered payroll	\$ 168,137	\$ 2,773	\$ 13,217	\$ 184,127
UAAL as a percentage of covered payroll	666.4%	3263.2%	497.0%	693.3%
<b>Level Dollar Amortization</b>				
<b>Calculation of ARC Under Projected Unit Credit Method</b>				
ARC normal cost with interest — end of year	\$ 26,837	\$ 350	\$ 2,014	\$ 29,201
UAAL over 30 years with interest — end of year	42,759	3,453	2,507	48,719
Interest	<u>1,740</u>	<u>95</u>	<u>113</u>	<u>1,948</u>
Annual required contribution (ARC)	71,336	3,898	4,634	79,868
Interest on net OPEB obligation	2,776	4,639	245	7,660
Adjustment to ARC	<u>(2,119)</u>	<u>(3,540)</u>	<u>(187)</u>	<u>(5,846)</u>
Annual OPEB cost (expense)	71,993	4,997	4,692	81,682
Contribution for the year ended June 30, 2010	<u>(35,376)</u>	<u>(6,872)</u>	<u>(1,723)</u>	<u>(43,971)</u>
Increase in net OPEB obligation	36,617	(1,875)	2,969	37,711
Net OPEB obligation — June 30, 2009	<u>55,530</u>	<u>92,770</u>	<u>4,917</u>	<u>153,217</u>
Net OPEB obligation — June 30, 2010	<u>\$ 92,147</u>	<u>\$ 90,895</u>	<u>\$ 7,886</u>	<u>\$ 190,928</u>
Percent of annual OPEB cost contributed	49.1%	137.5%	36.7%	53.8%

**Funded Status and Funding Progress** — As of July 1, 2009, the most recent actuarial valuation date, the OPEB plan was unfunded, resulting in an unfunded accrued liability of \$1,276,585,600.

The City's schedule of funding progress for the most recent three 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
As of July 1, 2009	-	1,276,585	1,276,585	-	184,127	6.93

The schedule of the City's contributions for the three 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%
2010	79,868	43,971	55.1%

**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.

**Buffalo Fiscal Stability Authority:**

**Postemployment Healthcare Benefits** — The BFSA Maintains a single-employer defined benefit healthcare plan ( the “Plan”) providing for lifetime cost sharing of medical, dental, and vision premiums to eligible retirees and spouses.

The Plan does not issue a publicly available financial report. Eligibility is based on covered employees who retire from the BFSA over age 65 and with ten or more years of service. The required contribution is based on projected pay-as-you-go financing requirements, with no current funding of actuarially determined liabilities. For the year ended June 30, 2010 there were no retirees of the BFSA receiving benefits.

The BFSA’s annual other postemployment benefit (“OPEB”) expense is calculated based on the annual required contribution of the BFSA (“ARC”). The BFSA has elected to calculate the ARC and related information using the projected unit credit cost method permitted by GASB. The ARC represents a level funding that, if paid on an ongoing basis, is protected to cover the normal cost each year and to amortize the unfunded actuarial liability over 30 years.

The following table summarizes the BFSA’s annual OPEB for the year ended June 30, 2010.

<b>Annual OPEB Cost and Net OPEB Obligation</b>		(000's omitted)
ARC normal cost with interest — end of year		\$ 80
UAAL over 30 years with interest — end of year		8
Interest		<u>9</u>
Annual required contribution (ARC)		97
Contribution for the year ended June 30, 2010		<u>-</u>
Increase in net OPEB obligation		97
Net OPEB obligation — June 30, 2009		<u>182</u>
Net OPEB obligation — June 30, 2010		<u><u>\$ 279</u></u>

The BFSA’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB for the past three years are as follows:

Year Ended June 30,	Annual Required Contribution	Contributions Made	Percentage Contributed
(000's omitted)			
2010	\$ 97	\$ -	0.0%
2009	93	-	0.0%
2008	89	-	0.0%

As of January 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for future benefits was \$225,100, all of which is unfunded. The annual payroll of employees eligible to be covered by the Plan was \$371,100, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 60.7%.

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 into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and ARC of the BFSA are subject to continual revision as actual results compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the Plan as understood by the BFSA and Plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the BFSA and Plan members. The methods and assumptions used included techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with long-term perspective of the calculations. The following assumptions were made:

*Retirement age for active employees* – assumed employees will not retire before age 65 and ten years of service.

*Marital status* – Assumed 60% of future retirees will be married, with male spouses assumed to be three years older than female spouses.

*Mortality* – RP2000, sex distinct with full generational projections using scale AA for active employees and retirees.

*Turnover* – None assumed.

*Payroll growth* – A 4% growth rate was used.

*Healthcare cost trend rate* – The expected rate of increase in healthcare premiums was based on projections developed by the actuary's healthcare specialists. An initial inflation rate of 9.5%, reduced to an ultimate rate of 5.0% after nine years was used. Vision and dental plans were based on a 5% constant rate.

*Health insurance premiums* – 2008 health insurance premiums were used as the basis for calculation of the present value of total benefits to be paid.

Based on the historical and expected returns of the BFSA's general assets, a discount rate of 5.0% was used. The level percentage of projected payroll of active plan member's method is used to amortize the unfunded actuarial liability. The amortization period is 30 years.

### **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, 2010, are as follows:

<b>Annual OPEB Cost</b>	(000's omitted)
Normal cost	\$ 45,091
Amortization of UAAL	82,273
Interest	-
Annual required contribution (ARC)	127,364
Interest on net OPEB obligation	10,419
Adjustment to ARC	<u>(13,555)</u>
Annual OPEB cost (expense)	124,228
Contribution for the year ended June 30, 2010	<u>(51,422)</u>
Increase in net OPEB obligation	72,806
Net OPEB obligation — June 30, 2009	<u>208,379</u>
Net OPEB obligation — June 30, 2010	<u>\$ 281,185</u>
Percent of annual OPEB cost contributed	41.4%

**Funded Status and Funding Progress** — As of June 30, 2010, the accrued liability for benefits was \$1,264,733,000, 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 total post employment health insurance cost to the Board was \$51,422,000 for the year ended June 30, 2010.

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 on the following page, 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 <u>June 30, 2010</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, 2010, 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, 2010 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, 2010, 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, 2010, BURA's annual OPEB cost of \$2,095,786 was equal to the Annual Required Contribution. The payment of current health insurance premiums, which totaled \$383,128 for retirees and their beneficiaries, resulted in a net OPEB cost of \$1,712,658 for the year ended June 30, 2010.

**Annual OPEB Cost and Net OPEB Obligation** — BURA's annual 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, 2010, are as follows:

	(000's omitted)
Annual required contribution —including interest	\$ 2,096
Contributions made	<u>(383)</u>
Increase in net OPEB obligation	1,713
Net OPEB obligation — beginning of year	<u>2,998</u>
Net OPEB obligation — end of year	<u>\$ 4,711</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, 2010 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.

Year ended <u>June 30,</u>	Annual <u>OPEB Cost</u>	Percentage of <u>Annual OPEB Cost Contributed</u>	Net <u>OPEB Obligation</u>
2008	\$2,028,394	35.73%	\$ 1,303,696
2009	2,028,394	17.48%	2,997,941
2010	2,028,394	18.89%	4,710,599

**Funded Status and Funding Progress** — As of June 30, 2010, 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 \$2,285,350, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1095.34%.



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, 2010, was 28 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%
June 30, 2010	-	25,032,240	25,032,240	0.0%	2,285,350	1095.34%

### 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
2010	\$ 4,473,359	\$ 19,155,816
2009	4,252,841	17,635,667
2008	5,295,133	16,817,788

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

The BFSA made 100% of its required contributions for the year ended June 30, 2010, which amounted to \$18,526, 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:

2010	\$ 2,391,143
2009	3,676,006
2008	4,568,445

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 are required to contribute 3.0% to 3.5% of their annual salary. With the exception of TRS tier V employees, employees in the system more than ten years are no longer required to contribute. Employers are required to contribute at an actuarially determined rate.

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

2010	\$ 21,196,134
2009	21,303,123
2008	21,819,496

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, 2010, was \$2,285,350. All full-time BURA employees at June 30, 2010, were covered by the pension plan.

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

	<u>ERS</u>
2010	\$ 250,946
2009	168,263
2008	183,883

**14. NET ASSETS DEFICIT**

The Solid Waste and Recycling Enterprise Fund has a total net deficit of \$17,482,430 at June 30, 2010. 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 \$35,061,619 at June 30, 2010 which is caused primarily by its recognition of long-term liabilities including other postemployment benefits.

**15. SUBSEQUENT EVENT**

In July 2010, the City issued \$26,885,000 of general obligation bonds, consisting of \$21,985,000 City general improvement serial bonds and \$4,900,000 of Board serial bonds. These bonds mature in 2025 and bear an interest rate ranging between 2.0% and 5.0%.

\* \* \* \* \*

# **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, 2010**

	<b>Special Revenue Fund</b>	<b>BFSA Debt Service Fund</b>	<b>Permanent Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,162,475	\$ -	\$ 74,780	\$ 3,237,255
Investments	-	17,567,578	61,472	17,629,050
Receivables				
Other receivables	-	-	1,574	1,574
Due from other funds	10,000	-	-	10,000
Due from other governments	1,857,503	-	-	1,857,503
Total assets	<u>\$ 5,029,978</u>	<u>\$17,567,578</u>	<u>\$ 137,826</u>	<u>\$ 22,735,382</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 1,375,734	\$ -	\$ -	\$ 1,375,734
Due to other funds	1,064,474	240,715	-	1,305,189
Retainages payable	105,879	-	-	105,879
Accrued liabilities	-	1,985,770	-	1,985,770
Total liabilities	<u>2,546,087</u>	<u>2,226,485</u>	<u>-</u>	<u>4,772,572</u>
Fund balances:				
Reserved for encumbrances	1,192,995	-	-	1,192,995
Reserved for Federal and State programs	1,290,896	-	-	1,290,896
Reserved for debt service	-	15,341,093	-	15,341,093
Reserved—other	-	-	137,826	137,826
Total fund balances	<u>2,483,891</u>	<u>15,341,093</u>	<u>137,826</u>	<u>17,962,810</u>
Total liabilities and fund balances	<u>\$ 5,029,978</u>	<u>\$17,567,578</u>	<u>\$ 137,826</u>	<u>\$ 22,735,382</u>

**CITY OF BUFFALO, NEW YORK**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances—**  
**Other Governmental Funds**  
**Year Ended June 30, 2010**

	<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	\$ 7,308,100	\$ -	\$ -	\$ 7,308,100
Use of money and property	10,487	1,009,375	1,117	1,020,979
Miscellaneous	1,170	-	-	1,170
Total revenues	<u>7,319,757</u>	<u>1,009,375</u>	<u>1,117</u>	<u>8,330,249</u>
<b>EXPENDITURES</b>				
Current:				
General government support	325,132	-	-	325,132
Public safety	7,853,639	-	-	7,853,639
Streets and sanitation	112,225	-	-	112,225
Economic assistance and opportunity	1,611,853	-	-	1,611,853
Culture and recreation	2,967	-	-	2,967
Health and community services	66,230	-	-	66,230
Debt service:				
Principal	-	11,730,000	-	11,730,000
Interest and fiscal charges	-	5,954,255	-	5,954,255
Total expenditures	<u>9,972,046</u>	<u>17,684,255</u>	<u>-</u>	<u>27,656,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,652,289)</u>	<u>(16,674,880)</u>	<u>1,117</u>	<u>(19,326,052)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	453	19,223,165	-	19,223,618
Total other financing sources	<u>453</u>	<u>19,223,165</u>	<u>-</u>	<u>19,223,618</u>
Net change in fund balances	(2,651,836)	2,548,285	1,117	(102,434)
Fund balances—beginning	<u>5,135,727</u>	<u>12,792,808</u>	<u>136,709</u>	<u>18,065,244</u>
Fund balances—ending	<u>\$ 2,483,891</u>	<u>\$ 15,341,093</u>	<u>\$ 137,826</u>	<u>\$ 17,962,810</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, 2010**

**Agency Fund**

	<b>Agency Fund</b>						
	<b>Surety Bonds and Deposits</b>	<b>Prisoner Property</b>	<b>Payroll Revolving</b>	<b>Fire Insurance Revolving</b>	<b>Medical Revolving</b>	<b>Miscellaneous Revolving</b>	<b>Total</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 22,751	\$1,123,164	\$ 23,031	\$ 201,494	\$ 54,211	\$ 12,515	\$1,437,166
Total assets	<u>\$ 22,751</u>	<u>\$1,123,164</u>	<u>\$ 23,031</u>	<u>\$ 201,494</u>	<u>\$ 54,211</u>	<u>\$ 12,515</u>	<u>\$1,437,166</u>
<b>LIABILITIES</b>							
Due to other governments	\$ -	\$ -	\$ 23,031	\$ -	\$ -	\$ -	\$ 23,031
Amount held in custody for others	<u>22,751</u>	<u>1,123,164</u>	<u>-</u>	<u>201,494</u>	<u>54,211</u>	<u>12,515</u>	<u>1,414,135</u>
Total liabilities	<u>\$ 22,751</u>	<u>\$1,123,164</u>	<u>\$ 23,031</u>	<u>\$ 201,494</u>	<u>\$ 54,211</u>	<u>\$ 12,515</u>	<u>\$1,437,166</u>

**CITY OF BUFFALO, NEW YORK**  
**Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**Year Ended June 30, 2010**

	<u>June 30, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2010</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,503,752	\$ 7,553,774	\$ (7,620,360)	\$ 1,437,166
Investments	10,000	-	(10,000)	-
Total assets	<u>\$ 1,513,752</u>	<u>\$ 7,553,774</u>	<u>\$ (7,630,360)</u>	<u>\$ 1,437,166</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 13,994,924	\$(13,994,924)	\$ -
Due to other governments	22,094	40,748	(39,811)	23,031
<b>Held in custody for others:</b>				
Surety bonds and deposits	25,178	28,123	(30,550)	22,751
Prisoner property	989,739	401,481	(268,056)	1,123,164
Fire insurance proceeds	185,292	157,160	(140,958)	201,494
Medical reimbursements	282,870	310,697	(539,356)	54,211
Miscellaneous - other	8,579	7,530	(3,594)	12,515
Total amounts held in custody for others	<u>1,491,658</u>	<u>904,991</u>	<u>(982,514)</u>	<u>1,414,135</u>
Total liabilities	<u>\$ 1,513,752</u>	<u>\$ 14,940,663</u>	<u>\$(15,017,249)</u>	<u>\$ 1,437,166</u>

# 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.....	87
<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, 2010.</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, 2010**

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
<b>DEPARTMENT OF ADMINISTRATION &amp; FINANCE — Division of Budget — Planning for Capital Projects</b>								
	\$ 1,050,357	\$ 60,857	\$ 1,111,214	\$ 47,147	\$ 1,064,067	\$ 190,258	\$ -	\$ 873,809
<b>DEPARTMENT OF PUBLIC WORKS:</b>								
Division of Engineering:								
Multi-Modal Program	380,160	-	380,160	11,514	368,646	-	-	368,646
New York State Chips 1998-99	2,948,720	3,289,903	6,238,623	2,946,356	3,292,267	599,854	-	2,692,413
Hillary Park Academy	(14,350)	-	(14,350)	(14,350)	-	-	-	-
Storm Damage FEMA Reimbursement 12/01	532	-	532	-	532	-	-	532
Total Division of Engineering	<u>3,315,062</u>	<u>3,289,903</u>	<u>6,604,965</u>	<u>2,943,520</u>	<u>3,661,445</u>	<u>599,854</u>	<u>-</u>	<u>3,061,591</u>
Division of Buildings:								
Reconstr City Swimming & Diving Pools	2,142	-	2,142	2,142	-	-	-	-
Pratt-Willard Community Center	9,544	-	9,544	9,544	-	-	-	-
Delavan/Filmore Fire Station	118,882	(118,882)	-	-	-	-	-	-
Elmwood/Hertel Fire Station	192,780	(192,780)	-	-	-	-	-	-
Bailey Abbott Fire Station	208,000	-	208,000	-	208,000	-	-	208,000
Bailey Kensington Fire Station	250,000	-	250,000	-	250,000	-	-	250,000
Monument for Memorial Aud	50,000	-	50,000	-	50,000	-	-	50,000
Total Division of Buildings	<u>831,348</u>	<u>(311,662)</u>	<u>519,686</u>	<u>11,686</u>	<u>508,000</u>	<u>-</u>	<u>-</u>	<u>508,000</u>
<b>DEPARTMENT OF INSPECTION AND LICENSES — Division of Housing and Bldg Inspection:</b>								
Neighborhood Redevelopment Site Prep	103,203	(63,326)	39,877	39,877	-	-	-	-

(continued)

	<u>Fund Balance July 1, 2009</u>	<u>Revenues and Other Financing Sources</u>	<u>Total Available</u>	<u>Expenditures and Other Financing Uses</u>	<u>Fund Balance June 30, 2010</u>	<u>Encumbrances</u>	<u>Reserves</u>	<u>Unreserved, Designated Fund Balance June 30, 2010</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Reconstruction Seneca Street Garage	<u>(1,137)</u>	<u>-</u>	<u>(1,137)</u>	<u>(1,137)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Division of Buildings — Reconstruction Various Elevators	<u>67,314</u>	<u>-</u>	<u>67,314</u>	<u>67,314</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Local Match-Recon Bridges & Streets	286,604	-	286,604	-	286,604	-	-	286,604
Reconstruction Curbs, Sidewalks	<u>(115,536)</u>	<u>-</u>	<u>(115,536)</u>	<u>(115,536)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Engineering	<u>171,068</u>	<u>-</u>	<u>171,068</u>	<u>(115,536)</u>	<u>286,604</u>	<u>-</u>	<u>-</u>	<u>286,604</u>
Division of Buildings - Restoration of Monuments	<u>26,523</u>	<u>-</u>	<u>26,523</u>	<u>7,360</u>	<u>19,163</u>	<u>-</u>	<u>-</u>	<u>19,163</u>
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Squaw Island Remediation, 98-99	88,209	-	88,209	83,555	4,654	4,654	-	-
Local Match Reserve-Bridges, 98-99	155,019	-	155,019	-	155,019	-	-	155,019
Local Match Reserve-Roads, 98-99	1,498,516	(50,000)	1,448,516	-	1,448,516	7	-	1,448,509
Traffic Calming Project, 98-99	<u>1,694</u>	<u>-</u>	<u>1,694</u>	<u>1,694</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Engineering	<u>1,743,438</u>	<u>(50,000)</u>	<u>1,693,438</u>	<u>85,249</u>	<u>1,608,189</u>	<u>4,661</u>	<u>-</u>	<u>1,603,528</u>
Division of Buildings:								
Cazenovia Ice Rink	86,026	-	86,026	56,417	29,609	-	-	29,609
Kleinhans Music Hall Restoration 98-99	13,793	-	13,793	10,271	3,522	3,522	-	-
Cazenovia Park Casino, 98-99	27,448	-	27,448	8,229	19,219	-	-	19,219
City Demolitions	19,791	-	19,791	19,791	-	-	-	-
Improvements to Various Community Ctrs	(46,663)	-	(46,663)	(46,663)	-	-	-	-
S. District Buildings-Okell Field House	<u>6,684</u>	<u>-</u>	<u>6,684</u>	<u>6,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Division of Buildings	<u>107,079</u>	<u>-</u>	<u>107,079</u>	<u>54,729</u>	<u>52,350</u>	<u>3,522</u>	<u>-</u>	<u>48,828</u>

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:								
Neighborhood Development, Demolitions	27,940	-	27,940	27,540	400	-	-	400
South Ellicott — Demolitions	5,355	-	5,355	5,355	-	-	-	-
Improvements Seneca Babcock, 91-92	94,151	-	94,151	-	94,151	20,293	-	73,858
Improvements Niagara Square, 97-98	23,929	-	23,929	23,929	-	-	-	-
Total Division of Development	151,375	-	151,375	56,824	94,551	20,293	-	74,258
DEPARTMENT OF FIRE:								
Purchase Pumper Truck 99-00	(917)	-	(917)	(917)	-	-	-	-
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Citywide Tree Removal 98-99	9	-	9	9	-	-	-	-
Lovejoy Bldg (Seneca/Babcock CC) 98-99	32,715	-	32,715	-	32,715	-	-	32,715
Infrastructure Impr/North & Niagara 99-00	100,758	(100,758)	-	-	-	-	-	-
Total Division of Engineering	133,482	(100,758)	32,724	9	32,715	-	-	32,715
Division of Buildings:								
Rehab Underground Tanks 98-99	919	-	919	919	-	-	-	-
Monument Restoration 98-99	31,911	-	31,911	31,911	-	-	-	-
Handicapped Access Improvements 99-00	1,531	-	1,531	1,531	-	-	-	-
Restoration-Council Chamber 99-00	(40,711)	-	(40,711)	-	(40,711)	-	-	(40,711)
Neighborhood Redevelopment 98-99	(63,326)	63,326	-	-	-	-	-	-
Total Division of Buildings	(69,676)	63,326	(6,350)	34,361	(40,711)	-	-	(40,711)
DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:								
Citywide Park Improve 98-99	114	-	114	114	-	-	-	-
Neighborhood Redevelopment 98-99	30,245	-	30,245	22,476	7,769	-	-	7,769
Citywide Playground Renov 98-99	(1,892)	-	(1,892)	(1,892)	-	-	-	-

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Imp Info System/Mapping 99-00	10,749	-	10,749	3,375	7,374	-	-	7,374
School #62 Conversion 99-00	62,294	-	62,294	62,294	-	-	-	-
<b>Total Division of Development</b>	<b>101,510</b>	<b>-</b>	<b>101,510</b>	<b>86,367</b>	<b>15,143</b>	<b>-</b>	<b>-</b>	<b>15,143</b>
<b>EXECUTIVE DEPARTMENT — Division</b>								
<b>of Strategic Planning — Environmental Testing</b>								
<b>and Remediation 00-01</b>								
	107	-	107	107	-	-	-	-
<b>DEPARTMENT OF PUBLIC WORKS:</b>								
<b>Division of Engineering:</b>								
Citywide Tree Trim & Removal	298	-	298	298	-	-	-	-
Local Match Reserve 99-00	-	24,367	24,367	-	24,367	-	-	24,367
Infrastructure Improvements 00-01	(2,631)	-	(2,631)	(2,631)	-	-	-	-
<b>Total Division of Engineering</b>	<b>(2,333)</b>	<b>24,367</b>	<b>22,034</b>	<b>(2,333)</b>	<b>24,367</b>	<b>-</b>	<b>-</b>	<b>24,367</b>
<b>Division of Buildings:</b>								
Precinct #11 Renovation 99-00	(29,962)	-	(29,962)	(29,962)	-	-	-	-
Bailey-Kensington CC 93-94	183,798	-	183,798	183,798	-	-	-	-
Apollo Center Equipment 00-01	74	-	74	74	-	-	-	-
Expansion Tosh Collins Center 00-01	252,253	-	252,253	-	252,253	8,368	-	243,885
Reconstruction City Court 00-01	349,485	322,433	671,918	379,589	292,329	41,389	-	250,940
Shea's Theatre Exterior Expansion 00-01	40,216	-	40,216	33,756	6,460	6,407	-	53
<b>Total Division of Buildings</b>	<b>795,864</b>	<b>322,433</b>	<b>1,118,297</b>	<b>567,255</b>	<b>551,042</b>	<b>56,164</b>	<b>-</b>	<b>494,878</b>
<b>Division of Demolitions — Demolition of</b>								
<b>City Buildings 00-01</b>								
	122,399	-	122,399	58,000	64,399	-	-	64,399
<b>DEPARTMENT OF COMMUNITY</b>								
<b>DEVELOPMENT — Division of Development:</b>								
Neighborhood Redevelopment 99-00	40,500	-	40,500	35,525	4,975	-	-	4,975

(continued)



	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
EXECUTIVE DEPARTMENT — Enviro Test & Remediation 00-01	56,562	-	56,562	34,382	22,180	14,053	-	8,127
DEPARTMENT OF PUBLIC WORKS — Division of Engineering:								
60 Hedley Place 00-01	47,058	-	47,058	-	47,058	-	-	47,058
Neighborhood Redev/CI 00-01	89,701	-	89,701	-	89,701	-	-	89,701
Total Division of Engineering	136,759	-	136,759	-	136,759	-	-	136,759
DEPARTMENT OF PUBLIC WORKS — Division of Building								
McKinley Monument Analysis	9,451	(9,451)	-	-	-	-	-	-
Broadway Garage Study	1,181	(1,181)	-	-	-	-	-	-
Handicap Access Improvements 00-01	54,337	-	54,337	287	54,050	54,050	-	-
Fire Alarms Various Libraries 99-00	52,930	-	52,930	-	52,930	-	-	52,930
Museum of Science Improvements	11,988	-	11,988	11,988	-	-	-	-
Restoration of Monuments 99-00	25,049	-	25,049	-	25,049	-	-	25,049
Auto Impound Roof 00-01	164,450	-	164,450	164,450	-	-	-	-
Reconstruction Delaware Park Casino 00-01	6,309	-	6,309	6,309	-	-	-	-
Reconstruction East Clinton Library 00-01	47,900	-	47,900	47,900	-	-	-	-
City Blds Improv City Wide 2002	13,410	-	13,410	8,143	5,267	5,050	-	217
Total Division of Buildings	387,005	(10,632)	376,373	239,077	137,296	59,100	-	78,196
DEPARTMENT OF PARKS:								
Refurbish Cazenovia Pool 00-01	(823)	-	(823)	(823)	-	-	-	-
City Parks Improv 2001	5,843	-	5,843	1,711	4,132	-	-	4,132
Total Division of Parks	5,020	-	5,020	888	4,132	-	-	4,132
DEPARTMENT OF PERMITS AND INSPECTIONS — Neighborhd Redev/Clearance 2001	54,471	-	54,471	7,975	46,496	-	-	46,496

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering — Citywide								
Infrastr Improv 2001	2,915	-	2,915	2,915	-	-	-	-
Division of Buildings:								
City Hall Restor 2003	4,424	-	4,424	4,424	-	-	-	-
Constr Fire Hse-Bailey/Genesee 2004	493	-	493	-	493	493	-	-
Total Division of Buildings	4,917	-	4,917	4,424	493	493	-	-
DEPARTMENT OF PARKS — Citywide								
Tree Trim & Remov 2001	19,993	-	19,993	19,993	-	-	-	-
DEPARTMENT OF PERMITS AND INSPECTIONS:								
Neigh Redev/Clear 2001	(5,004)	-	(5,004)	(5,004)	-	-	-	-
Citywide Neigh Redev/Clear 2002	33,899	-	33,899	2,176	31,723	-	-	31,723
Total Permits and Inspections	28,895	-	28,895	(2,828)	31,723	-	-	31,723
DEPARTMENT OF PUBLIC WORKS:								
Parks and Streets — Purchase Snow Plows 05								
	75,274	-	75,274	75,031	243	-	-	243
Division of Engineering:								
Bond Sale Expense	838	-	838	-	838	-	-	838
Enviro Remediation 2005	33,170	-	33,170	26,344	6,826	643	-	6,183
Infrastructure Improv-City Wide 2002	125	-	125	125	-	-	-	-
Infrastructure Improv-City Wide 2005	1,281	-	1,281	1,281	-	-	-	-
Total Division of Engineering	35,414	-	35,414	27,750	7,664	643	-	7,021
Division of Buildings:								
60 Hedley Place 00-01	364,000	-	364,000	-	364,000	22,500	-	341,500
City Hall Restor 2005	516,104	-	516,104	464,009	52,095	52,095	-	-

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Improv City Bldg 2005	37,200		37,200	26,678	10,522	10,522	-	-
Jefferson Library 2004	100,072	-	100,072	32,587	67,485	-	-	67,485
<b>Total Division of Buildings</b>	<b>1,017,376</b>	<b>-</b>	<b>1,017,376</b>	<b>523,274</b>	<b>494,102</b>	<b>85,117</b>	<b>-</b>	<b>408,985</b>
<b>DEPARTMENT OF PARKS:</b>								
Parks/Playground Improv City Wide 02	38,801	-	38,801	16,591	22,210	-	-	22,210
City Wide Tree Trim & Removal 2001	88,773	-	88,773	-	88,773	-	-	88,773
<b>Total Division of Parks</b>	<b>127,574</b>	<b>-</b>	<b>127,574</b>	<b>16,591</b>	<b>110,983</b>	<b>-</b>	<b>-</b>	<b>110,983</b>
<b>DEPARTMENT OF PERMITS AND INSPECTIONS:</b>								
City Wide Neighborhood Redv & Clrg 2002	76,205	-	76,205	71,965	4,240	-	-	4,240
Neighborhood Redv & Clrg City Wide 2005	468,733	-	468,733	396,502	72,231	37,600	-	34,631
<b>Total Permits and Inspections</b>	<b>544,938</b>	<b>-</b>	<b>544,938</b>	<b>468,467</b>	<b>76,471</b>	<b>37,600</b>	<b>-</b>	<b>38,871</b>
<b>Division of Engineering:</b>								
Bond Sale Expense	382	-	382	-	382	-	-	382
Monument Restoration 02	250,000	-	250,000	85,274	164,726	147,115	-	17,611
Rehab Sts/Curbs/Sdwlk Citywide 06	3,415	-	3,415	3,415	-	-	-	-
Rehab Sts/Curbs/Sdwlk Homezone 06	830,000	-	830,000	115,536	714,464	-	-	714,464
Tree Trimming/Removal Citywide 06	39,558	-	39,558	-	39,558	-	-	39,558
Constr Outer Harbor Trail Ph II 06	240,000	-	240,000	-	240,000	-	-	240,000
Improv Ellicott Gateway 06	435,000	(435,000)	-	-	-	-	-	-
<b>Total Division of Engineering</b>	<b>1,798,355</b>	<b>(435,000)</b>	<b>1,363,355</b>	<b>204,225</b>	<b>1,159,130</b>	<b>147,115</b>	<b>-</b>	<b>1,012,015</b>
<b>Division of Buildings:</b>								
Improve City Libraries 06	31	25,400	25,431	31	25,400	-	-	25,400
Improv Historical Society 06	146,810	-	146,810	51,665	95,145	5,785	-	89,360
Improve Museum of Science 06	158,301	-	158,301	10,337	147,964	84,150	-	63,814
Reconstr Firehouses 06	680,926	-	680,926	312,534	368,392	150,787	-	217,605
Improve Mass Ave CC 06	141,866	-	141,866	-	141,866	25,834	-	116,032

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Improve Marcy Casino 06	61,926	-	61,926	35,879	26,047	925	-	25,122
Improve City Bldg/Fac Citywide 06	278,199	9,090	287,289	262,498	24,791	24,791	-	-
<b>Total Division of Buildings</b>	<b>1,468,059</b>	<b>34,490</b>	<b>1,502,549</b>	<b>672,944</b>	<b>829,605</b>	<b>292,272</b>	<b>-</b>	<b>537,333</b>
<b>DEPARTMENT OF PARKS:</b>								
Improve Parks/Playground Citywide 06	14,613	-	14,613	2,714	11,899	-	-	11,899
Centennial Pool Splash Pad 06	2,335,192	-	2,335,192	1,776,527	558,665	140,128	-	418,537
<b>Total Division of Parks</b>	<b>2,349,805</b>	<b>-</b>	<b>2,349,805</b>	<b>1,779,241</b>	<b>570,564</b>	<b>140,128</b>	<b>-</b>	<b>430,436</b>
<b>DEPARTMENT OF PERMITS AND INSPECTIONS:</b>								
Demo Private Bldg/Structures 06	37,775	-	37,775	37,580	195	-	-	195
Demo City Bldgs/Structures 06	11,995	-	11,995	-	11,995	9,785	-	2,210
<b>Total Permits and Inspections</b>	<b>49,770</b>	<b>-</b>	<b>49,770</b>	<b>37,580</b>	<b>12,190</b>	<b>9,785</b>	<b>-</b>	<b>2,405</b>
<b>DEPARTMENT OF FIRE:</b>								
Purch Fire Apparatus 07	1,558,418	-	1,558,418	715,000	843,418	825,085	-	18,333
<b>DEPARTMENT OF PUBLIC WORKS:</b>								
Division of Engineering:								
Bond Sale Expense	191	-	191	-	191	-	-	191
C/W Arterial Pavement 07	64,401	-	64,401	-	64,401	-	-	64,401
C/W Infrastructure Repair & Replace 07	153,907	56,545	210,452	20,119	190,333	23,331	-	167,002
Porter Ave Observ Pnt Impr 07	96,001	-	96,001	66,928	29,073	3,072	-	26,001
Sycamore Village Infrastr 07	913,698	-	913,698	4,715	908,983	12,368	-	896,615
Improv W/W Parks 07	171,902	2,417	174,319	140,581	33,738	28,561	-	5,177
C/W Tree Removal & Plant 07	123,072	18,700	141,772	95,322	46,450	22,749	-	23,701
<b>Total Division of Engineering</b>	<b>1,523,172</b>	<b>77,662</b>	<b>1,600,834</b>	<b>327,665</b>	<b>1,273,169</b>	<b>90,081</b>	<b>-</b>	<b>1,183,088</b>

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Division of Buildings:								
Bailey/Gen Fire Station 07	338,162	-	338,162	251,807	86,355	5,416	-	80,939
Bailey/Kensington Fire Station 07	124,846	-	124,846	64,654	60,192	15,100	-	45,092
City Court Fire Alarm 07	495,525	80,406	575,931	147,459	428,472	97,185	-	331,287
City Hall Fire Alarm 07	1,019,954	-	1,019,954	-	1,019,954	-	-	1,019,954
City Hall Reconstruction 07	1,293,876	-	1,293,876	876,721	417,155	123,369	-	293,786
Improv Buildings & Facilities C/W 07	53,798	306,566	360,364	317,527	42,837	1,518	-	41,319
Improv Kleinhans Electric 07	98,708	-	98,708	96,165	2,543	2,543	-	-
Museum of Science Ph I Plumbing 07	28,734	-	28,734	-	28,734	-	-	28,734
New Streets Garage 07	266,670	-	266,670	-	266,670	-	-	266,670
NW Comm Center Air Condition 07	89,881	-	89,881	-	89,881	-	-	89,881
Police Garage Car Wash 07	98,730	-	98,730	30,792	67,938	-	-	67,938
<b>Total Division of Buildings</b>	<b>3,908,884</b>	<b>386,972</b>	<b>4,295,856</b>	<b>1,785,125</b>	<b>2,510,731</b>	<b>245,131</b>	<b>-</b>	<b>2,265,600</b>
Street Sanitation — Vehicle Purch PW 07	20,371	-	20,371	-	20,371	-	-	20,371
DEPARTMENT OF PERMITS AND INSPECTIONS — Emer Demo Bldg & Str 07								
	60,367	-	60,367	60,278	89	-	-	89
DEPARTMENT OF FIRE:								
Purch Fire Apparatus 08	2,873,651	-	2,873,651	917	2,872,734	2,864,109	-	8,625
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
Signal Improvements 99-00	32,158	-	32,158	-	32,158	-	-	32,158
C/W Infrastructure Repair & Replace 08	30,948	-	30,948	18,664	12,284	-	-	12,284
C/W Infrastructure Repair & Replace 08	237,742	1,015,712	1,253,454	276,781	976,673	161,012	-	815,661
C/W Arterial Pavement Mill & Res 08	585,374	(100,000)	485,374	101,861	383,513	130,139	-	253,374
Emergency Bridge Repair 08	268,901	-	268,901	138,750	130,151	49,768	-	80,383
Humboldt Parkway Streetscape 08	746,016	-	746,016	-	746,016	-	-	746,016
Bridge EIS 08	266,078	-	266,078	-	266,078	-	-	266,078
C/W Environmental Remediation 08	1,576,384	336	1,576,720	95,925	1,480,795	49,480	-	1,431,315
Streets Vehilces 08	78,159	-	78,159	-	78,159	42,324	-	35,835
Planning Neighborhood Infrastructure 08	896,427	-	896,427	823,388	73,039	-	-	73,039
<b>Total Division of Engineering</b>	<b>4,718,187</b>	<b>916,048</b>	<b>5,634,235</b>	<b>1,455,369</b>	<b>4,178,866</b>	<b>432,723</b>	<b>-</b>	<b>3,746,143</b>

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Division of Buildings:								
Bailey/Kensington Fire Station 08	4,504,541	-	4,504,541	3,118,030	1,386,511	218,111	-	1,168,400
Marcy Casino Reconstruction 08	437,662	-	437,662	309,362	128,300	105,638	-	22,662
District Heating System Replacement 08	145,970	-	145,970	144	145,826	-	-	145,826
Total Division of Buildings	5,088,173	-	5,088,173	3,427,536	1,660,637	323,749	-	1,336,888
Division of Parks:								
C/W Parks Improvements 08	588,465	-	588,465	497,069	91,396	89,870	-	1,526
DEPARTMENT OF PERMITS AND INSPECTIONS — Demo Bldg & Struct 08								
	355,525	-	355,525	355,492	33	33	-	-
DEPARTMENT OF POLICE: Radio System Upgrade 09								
	1,743,738	-	1,743,738	34,316	1,709,422	-	-	1,709,422
DEPARTMENT OF FIRE: Purch Fire Apparatus 09								
	1,917,621	-	1,917,621	-	1,917,621	1,904,637	-	12,984
DEPARTMENT OF PUBLIC WORKS: Division of Streets: Streets Vehilces 09								
	491,193	-	491,193	408,874	82,319	-	-	82,319
Division of Engineering:								
Bridge Repair 09	525,578	-	525,578	65,094	460,484	19,906	-	440,578
Fargo/D'youville Streetscape 09	95,292	-	95,292	-	95,292	-	-	95,292
Fillmore Resurface & Streetscape 09	83,503	-	83,503	-	83,503	-	-	83,503
Franklin, Linwood, N.Pearl Infrast 09	315,346	(315,107)	239	-	239	-	-	239
Humboldt Pkwy Streetscape 09	787,875	-	787,875	-	787,875	-	-	787,875
Middlesex Ave Reonstruction 09	225,950	-	225,950	-	225,950	-	-	225,950
Niagara Gateway Project 09	108,062	-	108,062	-	108,062	-	-	108,062
Seneca Street Resurf & Streetscape 09	491,194	(242,989)	248,205	209,969	38,236	-	-	38,236
South Park Resurf & Streetscape 09	121,816	-	121,816	-	121,816	-	-	121,816
C/W Infrastructure Repair & Replace 09	3,354,854	646,441	4,001,295	3,044,730	956,565	865,580	-	90,985
Signal Improvements 99-00	1,738,827	(304,135)	1,434,692	-	1,434,692	-	-	1,434,692
Total Division of Engineering	7,848,297	(215,790)	7,632,507	3,319,793	4,312,714	885,486	-	3,427,228

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Division of Buildings:								
Broadway Market Rehab 99-00	973,758	-	973,758	336,127	637,631	44,206	-	593,425
Autumnwood Sr Ctr Recon 09	105,115	-	105,115	30,504	74,611	10,000	-	64,611
Historical Society Electrical System 09	630,693	-	630,693	2,730	627,963	-	-	627,963
Cazenovia Casino Rehab 09	147,358	-	147,358	-	147,358	-	-	147,358
City Hall Improvements 09	138,517	-	138,517	138,411	106	-	-	106
Community Center Improv 09	147,129	-	147,129	116,907	30,222	-	-	30,222
Critical Infra Technical Upgrade 09	315,346	-	315,346	31,409	283,937	4,400	-	279,537
District Heating System Replacement 09	210,231	-	210,231	30,128	180,103	78,240	-	101,863
Saunders Comm Ctr Roof	25,542	-	25,542	-	25,542	-	-	25,542
Genesee Moselle Comm Ctr Imprv 09	210,231	-	210,231	2,700	207,531	-	-	207,531
Lafayette Ice Rink Imprv 09	165,040	-	165,040	785	164,255	-	-	164,255
Marcy Casino Reconstr 09	198,443	-	198,443	-	198,443	-	-	198,443
NW Buffalo Comm Ctr Window Repl 09	41,260	-	41,260	6,447	34,813	-	-	34,813
Roosevelt Park Shelter House Ren 09	220,055	-	220,055	34,354	185,701	42,629	-	143,072
Service Building Improv 09	210,231	45,612	255,843	230,503	25,340	10,850	-	14,490
JB Wiley Sports Complex 09	52,066	-	52,066	6,725	45,341	-	-	45,341
60 Hedley Restoration 07	314,364	-	314,364	-	314,364	-	-	314,364
<b>Total Division of Buildings</b>	<b>4,105,379</b>	<b>45,612</b>	<b>4,150,991</b>	<b>967,730</b>	<b>3,183,261</b>	<b>190,325</b>	<b>-</b>	<b>2,992,936</b>
Division of Parks:								
Centennial Pool and Splashpad 09	52,066	-	52,066	-	52,066	-	-	52,066
LaSalle Park Dog Park 09	25,542	-	25,542	-	25,542	-	-	25,542
LaSalle Park Shelter house 09	31,437	-	31,437	-	31,437	-	-	31,437
MLK Park Improvements 09	1,997,194	(130,850)	1,866,344	2,485	1,863,859	413,477	-	1,450,382
C/W Park Improvements 09	500,036	-	500,036	143,109	356,927	9,902	-	347,025
Riverside Park Lights & Field IMP 09	52,067	-	52,067	-	52,067	-	-	52,067
Shoshone Park Field Improv 09	25,542	-	25,542	-	25,542	-	-	25,542
<b>Total Division of Parks</b>	<b>2,683,884</b>	<b>(130,850)</b>	<b>2,553,034</b>	<b>145,594</b>	<b>2,407,440</b>	<b>423,379</b>	<b>-</b>	<b>1,984,061</b>
DEPARTMENT OF PERMITS AND INSPECTIONS — Emergency Demo 09								
	2,309,593	-	2,309,593	2,047,616	261,977	244,743	-	17,234

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
DEPARTMENT OF PUBLIC WORKS:								
Division of Buildings:								
Libraries Various 10	-	250,000	250,000	83,395	166,605	130,041	-	36,564
DEPARTMENT OF PUBLIC WORKS:								
Division of Engineering:								
LaSalle Park Phase 1	-	654,830	654,830	-	654,830	-	-	654,830
Marine Midland Arena-Phase I	177,078	-	177,078	58,189	118,889	2,970	-	115,919
BMC Streetscape Imp PH2	224,290	555,376	779,666	270,250	509,416	63,164	-	446,252
Porter Ave. Reconstr	156,976	-	156,976	80,576	76,400	15,827	-	60,573
Niagara St. Gateway Project	279,921	-	279,921	-	279,921	-	-	279,921
Bridge Washing Project	124,492	-	124,492	104,100	20,392	10,410	-	9,982
Fuhrmann Blvd Project	21,073	-	21,073	-	21,073	15,208	-	5,865
JB Wiley sports complex Sv\\	1,945,800	-	1,945,800	1,688,736	257,064	239,064	-	18,000
Cars on Main St - 700 Block	618,629	(29,192)	589,437	520,517	68,920	-	-	68,920
Recon Genesee St-Bailey/City Line	599,040	(599,040)	-	-	-	-	-	-
Intermodal Trans Center Project	10,178	-	10,178	-	10,178	-	-	10,178
Squaw Island Remediation Grant	150,423	17,913	168,336	-	168,336	-	-	168,336
GIS Development	216,200	-	216,200	160,405	55,795	11,740	-	44,055
Ferry St Lift Bridge Rehab	804,510	-	804,510	-	804,510	-	-	804,510
Emerson Playgrd Ftbll Field	400	-	400	-	400	-	-	400
So Park Lift Bridge Rehab	737,285	-	737,285	-	737,285	26,368	-	710,917
Classific Study Rt 198 Study Scaj	41,475	-	41,475	-	41,475	-	-	41,475
Bflo Corridor Mgt Proj	3,386	1,110,391	1,113,777	531	1,113,246	852,500	-	260,746
Bflo Corridor Mgt -Porter Ave	-	300,000	300,000	-	300,000	-	-	300,000
Recon Main St	5,646,705	-	5,646,705	756,290	4,890,415	286,999	-	4,603,416
Recon Main St. Ph II	7,438,128	-	7,438,128	4,025,991	3,412,137	1,948,615	15,155	1,448,367
Recon Fuhrmann Blvd	48,098	-	48,098	-	48,098	-	-	48,098
Signal Improv-Sycamore & Walden	218,584	-	218,584	-	218,584	-	-	218,584
Signal Improv-Filmore-Best/Main	194,422	-	194,422	-	194,422	4,829	-	189,593
Signal Improv-Bailey	936,454	-	936,454	490,753	445,701	5,244	-	440,457
Signal Improv-Elmwd/Chip	91,978	-	91,978	-	91,978	89,963	-	2,015
Signal Improv-Amherst	1,113,574	14,596	1,128,170	744,350	383,820	309,455	-	74,365
Signal Improv-Genesee	306,479	(83,023)	223,456	-	223,456	-	-	223,456
Signal Improv-Buffalo Citywide	406,125	-	406,125	-	406,125	-	-	406,125
Replace Babcock St Bridge	5,853,691	7,940	5,861,631	4,178,829	1,682,802	777,347	-	905,455
Inner Harbor Transport Infrac Fac	198,010	232,505	430,515	232,505	198,010	95,598	-	102,412

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	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Elmwood-Delavan to Rt 198	1,516,100	-	1,516,100	-	1,516,100	70,416	-	1,445,684
N. Bflo Rails to Trails	96,183	3,064	99,247	5,333	93,914	6,262	-	87,652
Tiftt St Greenway	482,338	-	482,338	-	482,338	-	-	482,338
Grider St Reconstr	1,932,193	-	1,932,193	391,737	1,540,456	462,984	-	1,077,472
Seneca-Caz Instrastr Proj	100,000	-	100,000	-	100,000	-	-	100,000
Cars on Main St	124,917	(124,917)	-	-	-	-	-	-
Bailey Ave Bridge — Caz Creek	199,265	29,397	228,662	27,345	201,317	199,191	-	2,126
Peace Bridge Area Improvements	328,641	-	328,641	-	328,641	-	-	328,641
Delavan Signal Removal	60,000	38,080	98,080	56,525	41,555	2,975	-	38,580
CN Rail Road Bridge over Rt I-190	3,047	-	3,047	-	3,047	-	-	3,047
Michican Ave Streetscape	723,823	452,041	1,175,864	1,028,154	147,710	123,348	-	24,362
Fargo/D'Youville College Gateway	176,980	106,528	283,508	117,325	166,183	75,584	-	90,599
North Buffalo Paving Project	417	814,000	814,417	424,203	390,214	387,774	-	2,440
South Park Avenue Improvements	130,749	2,784,400	2,915,149	261,622	2,653,527	2,564,267	-	89,260
Stimulus - Mill and Overlay	56,750	1,250,000	1,306,750	545,395	761,355	618,355	-	143,000
Stimulus - Curb and Sidewalk	100,000	412,666	512,666	300,511	212,155	185,154	-	27,001
Hickory Woods St Improvements	-	625,000	625,000	-	625,000	625,000	-	-
Seneca Street Project	-	280,766	280,766	72,991	207,775	108,873	-	98,902
BURA Projects	-	114,000	114,000	-	114,000	-	-	114,000
Cars on Main St - 600 Block	-	258,175	258,175	-	258,175	-	-	258,175
MLK Shelter House Renovation	-	630,850	630,850	-	630,850	-	-	630,850
Safe Routes to School	-	400,000	400,000	-	400,000	-	-	400,000
Safe Routes to School - Ed Phase	-	150,000	150,000	-	150,000	-	-	150,000
Franklin/Linwood/North Project	100,000	720,000	820,000	-	820,000	93,164	-	726,836
Erie Canal Harbor Phase 2	689,738	3,526,608	4,216,346	1,836,460	2,379,886	1,330,888	-	1,048,998
Kenmore Ave-Starin to Main	312,790	992,747	1,305,537	383,580	921,957	328,420	-	593,537
BURA Project-CW Streets Sidewalk	-	1,000,000	1,000,000	289,350	710,650	710,650	-	-
BURA Project-NRSA Curbs Sidewalks	-	500,000	500,000	-	500,000	431,117	-	68,883
Traffic Signal & Controllers	370,621	-	370,621	17,673	352,948	199,542	-	153,406
<b>Total Division of Engineering</b>	<b>36,067,956</b>	<b>17,145,701</b>	<b>53,213,657</b>	<b>19,070,226</b>	<b>34,143,431</b>	<b>13,279,265</b>	<b>15,155</b>	<b>20,849,011</b>
Division of Buildings:								
Historical Society Building	59,661	-	59,661	-	59,661	-	-	59,661
Parkside Lodge	(5,853)	5,853	-	-	-	-	-	-
Energy Services Ph 6	2,581	-	2,581	-	2,581	-	-	2,581
Renovations Buffalo Zoo	7	-	7	-	7	-	-	7

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	Unreserved, Designated Fund Balance June 30, 2010
Renovation Zoo Camp Conserv	4,097	-	4,097	-	4,097	-	-	4,097
City Court Chiller	150,434	389,498	539,932	46,782	493,150	12,356	-	480,794
Shea Buffalo Improvements	1,033	-	1,033	-	1,033	-	-	1,033
Historical Society Ext Restor	46,556	-	46,556	5,406	41,150	14,450	-	26,700
Shea's Improvement HVAC	9,891	-	9,891	8,980	911	-	-	911
<b>Total Division of Buildings</b>	<b>268,407</b>	<b>395,351</b>	<b>663,758</b>	<b>61,168</b>	<b>602,590</b>	<b>26,806</b>	<b>-</b>	<b>575,784</b>
<b>DEPARTMENT OF COMMUNITY DEVELOPMENT — Division of Development:</b>								
Scajaquada Pathway-Phase II	243,082	-	243,082	-	243,082	3,301	-	239,781
Scajaquada Pathway-Phase III	218,808	-	218,808	2,000	216,808	5,400	-	211,408
Remediation Brownfields	78,733	-	78,733	(160,000)	238,733	-	-	238,733
<b>Total Division of Development</b>	<b>540,623</b>	<b>-</b>	<b>540,623</b>	<b>(158,000)</b>	<b>698,623</b>	<b>8,701</b>	<b>-</b>	<b>689,922</b>
<b>EXECUTIVE DEPARTMENT:</b>								
Union Ship Canal (03)	166,025	-	166,025	-	166,025	-	-	166,025
Remediation 90 Hopkins	86,085	-	86,085	27,865	58,220	46,211	-	12,009
<b>Total Executive Department</b>	<b>252,110</b>	<b>-</b>	<b>252,110</b>	<b>27,865</b>	<b>224,245</b>	<b>46,211</b>	<b>-</b>	<b>178,034</b>
<b>DEPARTMENT OF PARKS:</b>								
Massachusetts Ave Park	1,063	-	1,063	-	1,063	-	-	1,063
Franczyk Park Enviro Remediation	40,691	-	40,691	39,828	863	-	-	863
<b>Total Division of Parks</b>	<b>41,754</b>	<b>-</b>	<b>41,754</b>	<b>39,828</b>	<b>1,926</b>	<b>-</b>	<b>-</b>	<b>1,926</b>
<b>DEPARTMENT OF PERMITS AND INSPECTIONS</b>								
Demo Project - Economic Development	389,516	277,799	667,315	579,545	87,770	25,275	-	62,495
Restore NY Comm 06-07	130,082	-	130,082	122,548	7,534	7,534	-	-
Restore NY Phase II	8,998,074	-	8,998,074	8,088,012	910,062	814,476	-	95,586
1318 Niagara Remediation	666,000	-	666,000	16,711	649,289	420,782	-	228,507
<b>Total Department of Permits &amp; Inspections</b>	<b>10,183,672</b>	<b>277,799</b>	<b>10,461,471</b>	<b>8,806,816</b>	<b>1,654,655</b>	<b>1,268,067</b>	<b>-</b>	<b>386,588</b>

(continued)

	Fund Balance July 1, 2009	Revenues and Other Financing Sources	Total Available	Expenditures and Other Financing Uses	Fund Balance June 30, 2010	Encumbrances	Reserves	(concluded) Unreserved, Designated Fund Balance June 30, 2010
UNDESIGNATED	<u>137,291</u>	<u>-</u>	<u>137,291</u>	<u>-</u>	<u>137,291</u>	<u>-</u>	<u>-</u>	<u>137,291</u>
GRAND TOTAL (Non-GAAP)	106,136,399	21,972,503	128,108,902	51,567,008	76,541,894	24,939,500	15,155	51,587,239
PRIOR YEAR FINANCING SOURCES REPORTED AS REVENUE AS OF JUNE 30, 2010	(35,460,578)	35,460,578		-	-	-	-	-
CURRENT YEAR FINANCING SOURCES NOT REPORTED AS REVENUE AS OF JUNE 30, 2010	-	(22,979,848)		-	(22,979,848)	-	-	(22,979,848)
ENCUMBRANCES AT JUNE 30, 2009 REPORTED AS EXPENDITURES AS OF JUNE 30, 2009	(3,880,669)	-		(3,880,669)	-	-	-	-
ENCUMBRANCES AT JUNE 30, 2010 REPORTED AS EXPENDITURES AS OF JUNE 30, 2010	<u>-</u>	<u>-</u>		<u>3,171,495</u>	<u>(3,171,495)</u>	<u>(3,171,495)</u>	<u>-</u>	<u>-</u>
TOTAL ON A GAAP BASIS	<u>\$ 66,795,152</u>	<u>\$ 34,453,233</u>		<u>\$ 50,857,834</u>	<u>\$ 50,390,551</u>	<u>\$ 21,768,005</u>	<u>\$ 15,155</u>	<u>\$ 28,607,391</u>

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

	June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<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	\$ 236,923
Restricted	12,585	14,155	19,390	23,093	50,939	58,163	57,782	48,409
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>	<u>(94,827)</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>	<u>\$ 190,505</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	\$ 46,962
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>	<u>6,428</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>	<u>\$ 53,390</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	\$ 283,885
Restricted	12,585	14,155	19,390	23,093	50,939	58,163	57,782	48,409
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>	<u>(88,399)</u>
<b>TOTAL PRIMARY GOVERNMENT</b>								
<b>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>	<u>\$ 243,895</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 Eight Years**  
**(Unaudited, amounts expressed in thousands)**

	Year end June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>EXPENSES:</b>								
Governmental activities:								
General government support	\$ 111,367	\$ 139,917	\$ 147,731	\$ 172,605	\$ 173,843	\$ 207,031	\$ 233,026	\$ 227,798
Public safety	136,642	131,927	128,972	124,879	130,179	142,437	155,265	152,629
Streets and sanitation	20,129	19,271	20,451	14,045	50,666	22,532	24,346	24,863
Economic assistance and opportunity	9,171	3,951	6,016	5,536	5,886	10,649	9,328	12,771
Culture and recreation	4,965	3,954	3,076	4,994	555	3,121	4,448	6,581
Health and community services	3,187	2,816	3,205	4,709	3,219	3,469	3,605	1,691
Education (1)	-	61,409	68,936	62,416	70,955	70,323	70,323	70,323
Interest and fiscal charges	23,005	22,665	25,072	26,371	24,251	19,659	18,995	18,179
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>	<u>514,835</u>
Business-type activities:								
Dunn Tire Park (2)	2,045	-	-	-	-	-	-	-
Solid waste and recycling	17,300	18,385	16,366	18,810	18,937	21,758	23,368	22,283
Parking	3,378	3,398	4,286	5,028	4,406	2,913	2,842	2,932
Water	33,014	31,052	29,737	29,179	28,191	27,780	32,094	36,839
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>	<u>62,054</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>	<u>576,889</u>
<b>PROGRAM REVENUES:</b>								
Governmental activities:								
Charges for services:								
General government support	10,932	7,373	8,585	8,853	8,834	8,643	8,889	9,971
Public safety	7,045	7,559	7,812	9,007	8,620	7,597	9,137	9,150
Streets and sanitation	220	1,339	1,063	1,138	1,120	1,282	1,199	1,237
Economic assistance and opportunity	2,258	3,495	3,441	3,778	3,654	3,628	4,354	4,166
Culture and recreation	750	732	1	-	-	-	-	-
Health and community services	317	735	532	502	634	622	727	537
Operating grants and contributions	9,159	13,528	12,285	8,110	45,122	12,277	8,334	13,059
Capital grants and contributions	13,768	12,809	14,178	25,176	20,785	18,562	22,555	34,053
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>	<u>72,173</u>

(continued)

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

	Year end June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
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	19,634
Parking	5,233	4,890	5,578	6,145	6,862	7,397	7,435	7,835
Water	34,849	34,578	37,783	41,738	38,658	37,230	35,615	35,719
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>	<u>63,188</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>	<u>135,361</u>
NET (EXPENSE) REVENUE:								
Governmental activities	(264,017)	(338,340)	(355,562)	(358,991)	(370,785)	(426,610)	(464,141)	(442,662)
Business-type activities	<u>110</u>	<u>2,205</u>	<u>11,941</u>	<u>13,794</u>	<u>12,550</u>	<u>10,607</u>	<u>4,272</u>	<u>1,134</u>
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>	<u>(441,528)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental activities:								
General revenues:								
Taxes:								
Property taxes	127,758	127,766	128,382	127,150	128,721	131,240	127,027	125,431
Sales taxes (3)	59,542	-	-	-	-	-	-	-
Other tax items	16,286	28,716	28,836	28,128	27,156	25,756	13,705	13,666
Gross utility tax (4)	-	-	-	-	-	-	10,555	9,694
State aid	138,949	120,083	136,817	139,591	132,968	158,356	173,583	174,479
Intergovernmental (3)		88,508	70,743	63,687	111,652	101,242	104,570	92,742
Unrestricted grants and contributions	1,171	867	553	460	399	412	407	382
Investment earnings	2,159	1,686	3,696	10,605	12,722	11,482	6,353	4,189
Allocation to school district (1)	(59,849)	-	-	-	-	-	-	-
Miscellaneous	3,889	4,118	2,416	4,061	2,689	4,234	6,935	3,257
Transfers	<u>1,845</u>	<u>3,800</u>	<u>7,215</u>	<u>6,034</u>	<u>5,747</u>	<u>5,473</u>	<u>3,386</u>	<u>3,755</u>
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>	<u>427,595</u>

(continued)

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

(concluded)

	Year end June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Business-type activities:								
General revenues:								
Investment earnings	958	467	576	1,450	2,100	2,219	962	412
Miscellaneous	370	4,031	70	-	-	-	-	-
Transfers	(1,524)	(3,733)	(7,215)	(6,034)	(5,747)	(5,473)	(3,386)	(3,755)
Total business-type activities	(196)	765	(6,569)	(4,584)	(3,647)	(3,254)	(2,424)	(3,343)
Total primary government	291,554	376,309	372,089	375,132	418,407	434,941	444,097	424,252
CHANGE IN NET ASSETS:								
Governmental activities	27,733	37,204	23,096	20,725	51,269	11,585	(17,620)	(15,067)
Business-type activities	(86)	2,970	5,372	9,210	8,903	7,353	1,848	(2,209)
<b>TOTAL PRIMARY GOVERNMENT</b>	<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>	<u>\$ (17,276)</u>

- (1) Tax levy for school purposes reclassified from transfers to education.
- (2) Operation of Dunn Tire Park transferred back from County to City on January 1, 2003.
- (3) Intergovernmental includes sales tax, transfers from school district for debt service and BFSAs deficit borrowings.
- (4) Included in "other tax items" 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 Nine Years**  
**(Unaudited, amounts expressed in thousands)**

	Year ended June 30,								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
PROPERTY TAX (1)	\$ 114,581	\$ 115,482	\$ 127,766	\$ 128,382	\$ 127,149	\$ 128,721	\$ 131,240	\$ 127,027	\$ 125,431
GROSS UTILITY TAX	12,144	13,652	13,558	12,887	13,455	12,050	12,033	10,555	9,693
COB FRANCHISE TAX	3,005	2,280	2,416	2,646	2,576	2,491	2,244	2,485	2,714
MORTGAGE TAX	2,037	2,022	2,606	2,701	2,716	2,704	2,431	1,944	1,810
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>70</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>	<u>\$ 139,718</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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>GENERAL FUND:</b>										
Reserved	\$ 6,761	\$ 8,138	\$ 9,262	\$ 6,630	\$ 7,663	\$ 9,204	\$ 11,936	\$ 19,815	\$ 37,674	\$ 32,259
Unreserved	<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>	<u>110,481</u>
<b>TOTAL</b>	<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>	<u>\$ 142,740</u>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved	\$ 21,692	\$ 31,602	\$ 23,106	\$ 40,139	\$ 52,250	\$ 44,251	\$ 56,723	\$ 77,078	\$ 85,076	\$ 63,448
Unreserved — reported in:										
Capital debt service fund (1)	18,878	-	-	19,054	2,798	-	-	-	-	-
Capital projects funds	33,670	43,308	23,836	11,404	18,752	26,894	45,171	12,040	31,897	28,607
Fiduciary funds	177	-	-	-	-	-	-	-	-	-
Special revenue funds	<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>	<u>2,115</u>
<b>TOTAL</b>	<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>	<u>\$ 94,170</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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>REVENUES:</b>										
Property taxes, assessments, and other tax items	\$ 140,451	\$ 127,479	\$ 128,653	\$ 139,562	\$ 141,272	\$ 140,347	\$ 140,457	\$ 143,045	\$ 138,824	\$ 136,329
Utility and other non-property tax items	75,244	72,269	75,829	16,320	15,886	16,841	14,881	14,277	13,040	12,408
Intergovernmental	126,075	149,226	163,047	224,110	246,582	255,805	320,309	301,038	320,916	325,476
Investment Interest	7,548	4,869	2,998	1,697	3,818	8,842	11,642	10,756	5,552	3,563
Licenses, permits, rentals, fines, and service charges	18,526	16,761	18,215	19,014	18,853	19,570	19,632	18,587	21,404	20,644
Miscellaneous	12,930	8,053	6,341	9,172	4,956	6,863	6,834	7,571	9,769	7,902
Total revenues	<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>	<u>506,322</u>
<b>EXPENDITURES:</b>										
General government	44,160	49,819	50,146	49,599	53,162	56,924	63,735	65,225	66,282	67,378
Public safety	134,711	141,791	138,673	131,860	133,372	136,140	136,496	150,004	158,351	155,707
Streets and sanitation	11,487	30,796	27,322	18,682	23,199	34,682	58,047	28,081	38,024	32,800
Economic assistance and opportunity	1,753	8,575	9,075	3,422	5,704	5,488	5,880	10,671	9,315	12,763
Culture and recreation	5,692	11,585	5,218	5,279	1,985	3,825	2,650	2,177	3,982	7,639
Health and community services	5,609	4,666	3,127	2,790	3,205	4,694	2,655	3,141	2,973	3,040
Education	-	-	-	68,733	71,288	71,238	76,844	70,323	70,323	70,323
Fringe benefits	61,088	62,982	64,514	82,525	85,246	87,900	90,484	100,785	107,352	116,891
Other	6,691	1,802	6,713	5,577	7,675	3,618	4,972	17,695	9,368	9,058
Capital outlay	61,502	-	-	-	-	-	-	-	-	-
Debt service:										
Principal Retirement	29,570	30,598	31,125	35,312	35,818	35,564	32,608	31,836	38,179	37,295
Interest and other fiscal charges	22,233	25,275	30,220	22,350	26,828	28,525	23,614	18,909	19,225	17,873
Total expenditures	<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>	<u>530,767</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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<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>	<u>(24,445)</u>
OTHER FINANCING SOURCES (USES):										
Transfers in	\$ 45,961	\$ 31,527	\$ 31,399	\$ 38,914	\$ 76,738	\$ 46,008	\$ 74,467	\$ 50,994	\$ 57,600	\$ 59,246
Transfers out	(98,738)	(29,343)	(29,554)	(35,064)	(69,523)	(39,974)	(68,720)	(45,521)	(54,214)	(55,492)
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	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>(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>	<u>3,754</u>
NET CHANGE IN FUND BALANCES	<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>	<u>\$ (20,691)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<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>	<u>11.16%</u>

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

	Year ended June 30,								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
PROPERTY TAX (1)	\$ 115,369	\$ 116,376	\$ 126,820	\$ 127,969	\$ 128,250	\$ 128,183	\$ 131,565	\$ 127,604	\$ 125,377
GROSS UTILITY TAX	12,144	13,652	13,558	12,887	13,455	12,050	12,033	10,556	9,693
COB FRANCHISE TAX	3,005	2,280	2,416	2,646	2,576	2,491	2,244	2,485	2,714
MORTGAGE TAX	2,037	2,022	2,606	2,701	2,716	2,704	2,431	1,944	1,810
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>70</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>	<u>\$ 139,664</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
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	5,806,341	152.30%
2007	4,626,173	4,025,731	330,093	3,275,707	5,706,290	25.64	6,187,693	145.16%
2008	4,936,090	4,285,076	348,041	3,483,436	6,085,771	24.04	6,265,594	152.73%
2009	4,911,903	4,451,237	347,704	3,578,736	6,132,108	23.42	6,429,808	151.03%
2010	4,984,712	4,488,325	360,679	3,530,987	6,302,729	22.92	6,722,274	146.28%

(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	Class (3)	City of Buffalo (1)			School District			City Direct Blended Rate (5)	City Total of Erie (2) (4)	Total Sewer Authority (1) (4)	Direct and Overlapping Rates
		Operating	Debt Service	Total City	Operating	Debt Service	Total School				
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				
2010	H	5.47	3.97	9.44	7.63	1.38	9.01	22.92	5.25	1.75	29.92
2010	NH	9.41	6.82	16.23	13.40	2.43	15.83				

(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, 2010 and June 30, 2001**  
**(Unaudited, amounts expressed in thousands)**

Taxpayer	Year ended June 30,					
	2010		2001			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
National Grid	\$ 287,340	1	4.63 %	\$ 209,184	1	3.58 %
National Fuel Gas	143,512	2	2.31 %	121,053	2	2.07 %
Seneca One Realty LLC	80,150	3	1.29 %	51,158	4	0.87 %
Verizon New York Inc	69,868	4	1.12 %	59,479	3	1.02 %
Manufacturers & Traders Trust Co.	49,395	5	0.80 %	33,745	5	0.58 %
Con-Rail Corporation	30,478	6	0.49 %	33,466	6	0.57 %
WNY Lodging LLC	16,200	7	0.26 %			
Violet Realty	16,993	8	0.27 %	17,000	7	0.29 %
General Mills	11,571	9	0.19 %	11,472	8	0.20 %
Main-Seneca Corporation	10,750	10	0.17 %			
Benderson Development				10,848	9	0.19 %
Hyperion Telecommunications				8,989	10	0.15 %

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		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
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
2010	126,219	119,932	95.02	1,260	127,479	464	120,396	94.44

(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 Debt	Total Debt to Personal Income (2)	Total Debt per Capita (2)
	City General Obligation Bonds (1)	Plus BFSAs Mirror Bonds City	City General Obligation Bonds Total	Schools Obligation Bonds (1)	Plus BFSAs Mirror Bonds Schools	General Obligation Total Schools	Total Governmental Bonded Debt	BFSAs Revenue Bonds	Capital Leases	General Obligation Bonds (1)	Water Authority Bonds	Capital Leases			
2001	\$ 226,952	\$ -	\$ 226,952	\$ 124,838	\$ -	\$ 124,838	\$ 351,790	\$ -	\$ -	\$ 35,011	\$ 112,957	\$ -	\$ 499,758	4.70 %	\$ 1,693
2002	229,260	-	229,260	184,007	-	184,007	413,267	-	2,775	52,618	110,367	1,024	580,051	5.91	2,018
2003	208,494	-	208,494	178,133	-	178,133	386,627	-	2,283	49,246	123,601	456	562,213	4.65	1,976
2004	202,015	-	202,015	168,825	-	168,825	370,840	25,745	1,841	44,739	120,474	149	563,788	5.16	1,986
2005	178,565	26,167	204,732	156,458	2,351	158,809	363,541	53,775	5,658	40,472	117,175	-	580,621	5.49	2,058
2006	126,364	84,407	210,771	136,648	11,174	147,822	358,593	126,075	5,036	28,478	125,260	-	643,442	5.92	2,331
2007	106,611	102,582	209,193	127,254	16,085	143,339	352,532	151,085	4,449	26,188	153,467	-	687,721	6.04	2,523
2008	91,040	95,420	186,460	118,213	14,716	132,929	319,389	143,860	3,929	23,833	147,852	-	638,863	5.40	2,358
2009	117,328	88,585	205,913	120,707	13,241	133,948	339,861	132,850	3,388	21,350	143,007	-	640,456	5.38	2,370
2010	100,902	79,715	180,617	111,567	11,331	122,898	303,515	121,120	2,824	19,865	161,400	-	608,724	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 June 30,	General Bonded Debt (1)			Less Amounts Available in		Total Bonded Debt to Assessed Value (2)	Total Bonded Debt to Equalized Full Value (2)	Total Bonded Debt Per Capita (3)
	City	Schools	Total	Debt Service Fund	Total			
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	1,237
2010	180,617	122,898	305,515	4,830	298,685	5.17	4.93	N/A

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

- (1) This represents general obligations of the City and Schools including mirror bonds outstanding between the City and BFSAs, which are necessary to compute the City's legal debt ratios.
- (2) See the schedule of assessed value and estimated actual value of taxable real property for property value data.
- (3) Population data can be found in the schedule of demographic and economic statistics.

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table XIV—Direct and Overlapping Debt**  
**As of June 30, 2010**  
**(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	\$ 537,120	13.50 %	\$ 72,511
Buffalo Sewer Authority	57,335	22.00	<u>12,614</u>
Subtotal — overlapping debt			85,125
City of Buffalo general bonded debt			<u>326,118</u>
Total direct and overlapping debt			<u>\$ 411,243</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.

Source: City of Buffalo, Division of Accounting

**CITY OF BUFFALO, NEW YORK**  
**Table XV—2010 Legal Debt Margin**  
**As of June 30, 2010**  
**(Unaudited, amounts expressed in thousands)**

Legal Debt Margin Calculation for Fiscal Year 2010	
Average Full Valuation of Taxable Real Property and Special Franchises as Determined by the Last Completed Roll and the Four Preceding Rolls	<u>\$ 6,437,950</u>
Debt Contracting Limitation — Nine percent of average full valuation — Article VIII, Section 4 of the Constitution of the State of New York	\$ 579,415
Gross indebtedness:	
Borrowings:	
Serial bonds	\$ 288,654
DASNY refunding	<u>37,464</u>
Total gross debt	<u>326,118</u>
Exclusions:	
Exempt debt:	
Water supply bonds	2,366
Parking facilities bonds	20,237
Reserve to pay non-exempt debt	4,830
Appropriation in current budget to pay non-exempt debt maturing during remainder of fiscal year	<u>35,927</u>
Total exclusions	<u>63,360</u>
Net indebtedness	<u>262,758</u>
Debt contracting margin	316,657
Authorized but unissued non-exempt debt	<u>6,170</u>
Effective borrowing capacity — July 1, 2010	<u>\$ 310,487</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)**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit	\$ 483,392	\$ 475,097	\$ 478,212	\$ 483,162	\$ 494,603	\$ 502,572	\$ 518,985	\$ 547,562	\$ 565,411	\$ 579,415
Total net debt applicable to limit	<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>	<u>262,758</u>
Debt Contracting Margin	182,356	89,984	128,778	150,113	152,817	182,308	204,710	268,260	267,589	316,657
Authorized but unissued non-exempt debt	<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>	<u>6,170</u>
Effective borrowing capacity — July 1	<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>	<u>\$ 310,487</u>
Total net debt applicable to the limit as a percentage of debt limit	62.28 %	81.06 %	73.07 %	68.93 %	69.10 %	63.72 %	60.56 %	51.01 %	52.68 %	45.35 %

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
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	41,840	23,521	18,319	11,789	155.39
2010	41,403	22,982	18,421	11,795	156.18

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.

Source: City of Buffalo, Division of Accounting

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

	Year Ended June 30,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Population (1)	295,200	287,500	284,500	283,900	282,100	276,059	272,632	270,919	270,240	N/A
Total personal income (In thousands)(2)	\$ 10,628,086	\$ 9,823,013	\$ 12,096,371	\$ 10,933,273	\$ 10,572,826	\$ 10,861,541	\$ 11,381,023	\$ 11,820,196	\$ 11,908,666	N/A
Per capita Personal income (2)	\$ 36,003	\$ 34,167	\$ 42,518	\$ 38,511	\$ 37,479	\$ 39,345	\$ 41,745	\$ 43,630	\$ 44,067	N/A
School district Enrollment (3)	45,618	44,831	43,146	41,101	38,479	36,706	36,563	35,677	34,478	34,636
Unemployment Rate (4)	5.8 %	6.8 %	7.2 %	7.3 %	6.5 %	6.3 %	5.9 %	6.9 %	10.0 %	N/A
Employed (4)	116,300	116,400	115,400	115,600	115,500	115,100	114,100	114,300	110,800	N/A

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)).

(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, 2010 and June 30, 2001**  
**(Unaudited)**

Employer	2010 (1)			2001 (2)		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
State of New York	16,755	1	3.87 %	15,608	1	3.53 %
University at Buffalo	10,010	2	2.31	6,010	5	1.36
Kaleida Health	10,000	3	2.31	5,243	7	1.19
United States of America	10,000	3	2.31	11,482	2	2.60
HSBC Bank, USA	5,848	5	1.35	5,500	6	1.24
Buffalo City School District	5,389	6	1.24	7,000	4	1.58
Employer Services Corp	5,380	7	1.24			
Catholic Health System	5,191	8	1.20	4,314	10	0.98
Erie County	4,775	9	1.10	7,857	3	1.78
M & T Bank	4,640	10	1.07			
Delphi Harrison Thermal Systems	n/a			5,000	8	1.13
U.S Post Office	n/a			4,475	9	1.01
Total	<u>77,988</u>			<u>72,489</u>		

(1) From the 10/22/09 issue of “Business First.” Western New York’s weekly business newspaper.

(2) From the 10/22/01 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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government	-	-	436	388	379	391	381	384	395	393
Public safety:										
Police:	934	917								
Officers and exempt	-	-	832	787	730	722	658	715	713	695
Civilians	-	-	198	148	150	151	144	142	139	142
Fire:	950	928								
Firefighters and officers	-	-	770	725	685	653	630	611	601	614
Civilians	-	-	42	42	38	47	38	40	45	34
Other	-	-	170	143	143	136	133	144	147	145
Streets and sanitation	-	-	247	196	177	173	165	202	204	194
Health and welfare	-	-	77	64	56	57	57	53	51	54
Culture and recreation	-	-	156	106	6	8	8	7	14	64
Economic assistance	-	-	36	21	23	23	21	22	20	21
Business activities:										
Water	141	134	124	128	126	129	127	126	122	112
Solid waste and recycling			120	153	176	177	173	146	149	140
Parking	-	-	-	-	1	1	1	-	-	-
<b>Total</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>	<b>2,608</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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Administration and finance —										
Parking summons issued	181,864	202,440	201,521	193,724	195,000	200,757	179,229	142,801	149,531	176,192
Police:										
Physical arrests	11,674	15,005	19,125	17,229	10,132 (1)	18,105	21,483	19,780	17,037	15,791
Traffic violations	27,906	26,698	31,436	24,734	13,904 (1)	29,746	30,914	25,611	27,193	23,578
Fire:										
Number of calls answered	32,406	32,997	32,554	34,208	33,994	32,861	35,900	34,434	33,581	34,928
Inspections	5,400 (2)	5,800	6,272	6,167	4,350 (2)	2,050 (3)	3,600	2,332 (3)	2,753 (3)	4,670
Public works:										
Street resurfacing (square yards)	470,330	409,306	447,434	432,921	436,676	441,025	431,969	232,727	418,998	418,998
Pothole material used (in tons)	1,932	1,603	1,554	1,431	1,632	1,176	1,176	1,800	1,895	1,545
Sanitation:										
Refuse collected (tons/day)	N/A	N/A	428	418	394	525	474	498	478	415
Recyclables collected (tons/day)	N/A	N/A	41	37	35	35	26	33	32	32
Permits and inspections:										
Demolitions completed	519	466	347	355	618	238	367	481	765	693
Inspections	78,825	74,578	74,499	65,163	62,560	31,274	46,446	59,001	40,574	37,545
Water:										
Consumers	82,257	81,275	80,520	80,267	79,610	79,192	79,019	78,224	76,873	73,531
Water main breaks	206	166	486	357	263	191	175	184	216	246
Average daily consumption (thousands of gallons)	91,932	94,755	98,400	84,320	80,820	80,200	72,130	66,800	64,650	58,997

(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,									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Public safety:										
Police:										
Stations (including headquarters)	8	8	9	8	8	8	7	6	7	7
Satellite stations (substations)	3	4	5	5	5	5	3	1	-	1
Fire stations (including headquarters)	28	28	28	28	25	23	20	20	23	20
Sanitation — Collection trucks	44	44	38	38	38	39	39	44	44	39
Highways and streets:										
Streets (miles)	700	700	700	700	863	863	673	700	720	637
Streetlights	31,709	31,548	34,319	34,339	35,000	35,035	30,429	32,000	32,000	31,285
Traffic signals	664	660	662	664	660	650	665	665	663	663
Culture and recreation:										
Parks acreage (including public squares and circles)	1,859	2,000	2,000	2,000	2,025	2,025	1,500	1,900	1,900	1,800
Parks (major)	17	19	19	19	20	20	16	16	16	29
Minor parks and playgrounds	72	79	79	79	81	81	81	81	81	60
Community centers	N/A	N/A	N/A	N/A	34	34	34	35	35	38
Education — School buildings	79	79	76	76	74	74	74	69	72	71
Water:										
Water mains (miles)	783	783	783	783	783	783	875	875	875	875
Fire hydrants	7,432	7,432	7,432	7,432	7,432	7,432	8,004	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