

**CITY OF BUFFALO,
NEW YORK**

*Basic Financial Statements, Required Supplementary
Information, Supplementary Information and Federal
Awards Information for the Year Ended
June 30, 2022 and Independent Auditors' Reports*

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Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our report and the report of other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position 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, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Buffalo Fiscal Stability Authority ("BFSA"), which represents 1.3% and 0.1%, respectively, of the assets and revenues of the governmental activities. We also did not audit the financial statements of the Buffalo Board of Education ("BBOE"), which is shown as a discretely presented component unit. 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 BFSA and BBOE, is based solely on the reports of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

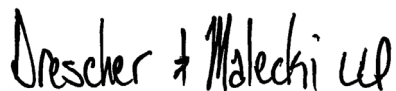
Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City’s basic financial statements. The Supplementary Information, as listed in the table of contents, and the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (“CFR”) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated October 28, 2022 on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.



October 28, 2022

CITY OF BUFFALO, NEW YORK
Management's Discussion and Analysis
Year Ended June 30, 2022

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, 2022. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in the City's financial statements, which follow this narrative. For comparative purposes, certain items from the prior year have been reclassified to conform with the current year presentation. All amounts are expressed in thousands of dollars, unless otherwise indicated.

Financial Highlights

- The liabilities and deferred inflows of resources of the City's primary government exceeded assets and deferred outflows of resources at the close of the fiscal year ended June 30, 2022 by \$724,168. This consists of \$556,365 net investment in capital assets, \$30,467 restricted for specific purposes, and unrestricted net position of \$(1,311,000).
- The City's total primary government net position increased \$90,118 during the year ended June 30, 2022. Net position increased \$86,403 for governmental activities and increased \$3,715 for business-type activities.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$193,655, an increase of \$22,130 from June 30, 2021.
- At the end of the current fiscal year, the combined committed, assigned and unassigned fund balance for the General Fund was \$82,722, or 15.7 percent of total General Fund expenditures and transfers out. Committed fund balance for the Emergency Stabilization Fund is \$41,145, or 7.8 percent of total General Fund expenditures and transfers out, assigned fund balance is \$17,527, or 3.3 percent of total General Fund expenditures and transfers out, and unassigned fund balance is \$24,050, or 4.6 percent of total General Fund expenditures and transfers out.
- The City's total general obligation bonded debt outstanding, including notes that have been refinanced but have not yet matured, and bonds issued by the Buffalo Fiscal Stability Authority ("BFSA"), is \$165,110 (\$155,523 net governmental activities general obligation bonds issued by the City, \$4,480 governmental activities general obligation bonds issued by BFSA, and \$5,107 business-type activities general obligation bonds). During the year, the City issued \$22,875 of public improvement serial bonds within governmental activities and made total scheduled principal payments of \$33,000 (\$29,387 for net governmental activities general obligation bonds issued by the City, \$1,960 for governmental activities general obligation bonds issued by BFSA, and \$1,653 for business-type activities general obligation bonds) during the year ended June 30, 2022.
- The total Buffalo Municipal Water Finance Authority revenue bonds outstanding within the Water System at the end of the current fiscal year were \$122,660, as compared to \$117,455 at the beginning of the year as a result of the issuance of Water System Revenue Bonds of \$13,435, the issuance of Water System Revenue Refunding Bonds of \$11,835, which along with premiums and cash contributions, refunded \$14,070 of previously outstanding water system revenue bonds and made scheduled principal payments on water system revenue bonds of \$5,995.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contained other supplementary information in addition to the basic financial statements themselves.

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

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position 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).

Both of the government-wide financial statements distinguish 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 support, public safety, streets and sanitation, economic assistance and opportunity, culture and recreation, health and community services, education and interest and fiscal charges. The business-type activities of the City include parking ramps, refuse collection services, and a water system.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also the Buffalo Board of Education, 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 15-16 of this report.

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 funds' balance sheet and the governmental funds' 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 seven 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. Data from the City's Special Revenue and Permanent Funds, as well as the BFA General Fund and the BFA Debt Service Fund are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is presented in the form of combining statements in the Supplementary Information section of this report.

The basic governmental fund financial statements can be found on pages 17-20 of this report.

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 solid waste and recycling collection, parking ramps, and water system operations. An *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.

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 Solid Waste and Recycling Fund, Parking Fund and Water System Fund. In addition, the Internal Service Fund is presented in the proprietary fund financial statements.

The proprietary fund financial statements can be found on pages 21-25 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City maintains two fiduciary funds, the Private Purpose Trust Fund and the Custodial Fund.

The fiduciary fund financial statements can be found on pages 26-27 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 on pages 28-86 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information* concerning the City's net pension liability/(asset), the City's total other postemployment benefits liability, and the City's budgetary comparison for the General Fund. Required supplementary information and related notes to the required supplementary information can be found on pages 87-100 of this report.

The combining statements referred to earlier in connection with the nonmajor governmental funds are presented along with other supplementary information immediately following the required supplementary information in the Supplementary Information section of this report on pages 101-108.

Finally, the Federal Awards can be found on pages 109-118 of this report.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$724,168 at the close of the most recent fiscal year, as compared to \$814,285 at the close of the fiscal year ended June 30, 2021.

Table 1, shown below, presents a condensed statement of net position compared to the prior year.

Table 1—Condensed Statements of Net Position—Primary Government (000's omitted)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	June 30,		June 30,		June 30,	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 911,738	\$ 674,522	\$ 61,716	\$ 50,915	\$ 973,454	\$ 725,437
Noncurrent assets	595,271	527,241	196,424	198,147	791,695	725,388
Total assets	<u>1,507,009</u>	<u>1,201,763</u>	<u>258,140</u>	<u>249,062</u>	<u>1,765,149</u>	<u>1,450,825</u>
Total deferred outflows of resources	<u>280,916</u>	<u>361,824</u>	<u>14,163</u>	<u>19,898</u>	<u>295,079</u>	<u>381,722</u>
Current and other liabilities	683,044	461,017	8,410	7,830	691,454	468,847
Noncurrent liabilities	<u>1,497,723</u>	<u>1,615,202</u>	<u>208,635</u>	<u>207,008</u>	<u>1,706,358</u>	<u>1,822,210</u>
Total liabilities	<u>2,180,767</u>	<u>2,076,219</u>	<u>217,045</u>	<u>214,838</u>	<u>2,397,812</u>	<u>2,291,057</u>
Total deferred inflows of resources	<u>363,835</u>	<u>351,448</u>	<u>22,748</u>	<u>25,328</u>	<u>386,583</u>	<u>376,776</u>
Net position:						
Net investment in capital assets	458,624	419,187	97,741	96,408	556,365	515,595
Restricted	30,467	41,250	-	-	30,467	41,250
Unrestricted	<u>(1,245,768)</u>	<u>(1,303,517)</u>	<u>(65,232)</u>	<u>(67,613)</u>	<u>(1,311,000)</u>	<u>(1,371,130)</u>
Total net position	<u>\$ (756,677)</u>	<u>\$ (843,080)</u>	<u>\$ 32,509</u>	<u>\$ 28,795</u>	<u>\$ (724,168)</u>	<u>\$ (814,285)</u>

The largest portion of the City's net position, \$556,365, reflects its investment in capital assets (e.g. land, buildings, machinery, equipment, infrastructure and right-to-use leased assets), net of accumulated depreciation/amortization and less any related debt used to acquire those assets. The City uses these capital assets to provide services to citizens. Accordingly, 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 position, \$30,467, represents resources that are subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

The remaining component of the City's net position, \$(1,311,000), represents unrestricted net position which reflects liabilities not related to the City's capital assets and not expected to be repaid from current resources. Long-term liabilities are funded annually within the funds. Of note, the long-term liability associated with other postemployment benefits ("OPEB") obligations totals \$1,312,274. 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 position of the City's primary government increased \$90,117. Significant changes from 2021 to 2022 in the Statement of Net Position and reasons for such changes are:

- Current and other assets increased by \$248,017. The primary reasons for the increase are an increase in restricted cash and cash equivalents of \$173,633 related to the receipt of the American Rescue Plan Act ("ARPA") funding received in advance of the services to be performed.
- Deferred outflows of resources decreased \$86,643, due primarily to a decrease in deferred outflows of resources relating to pensions and OPEB.
- Current and other liabilities increased \$222,607, due primarily to a \$150,393 increase in unearned revenues related to ARPA.
- Noncurrent liabilities decreased by \$115,852, primarily due to a \$42,496 decrease in net pension liabilities and a \$71,723 decrease in total other postemployment benefits ("OPEB") liabilities.
- Deferred inflows of resources increased \$9,807, due primarily to an increase in deferred inflows of resources relating to OPEB.

Table 2, as presented below, shows the changes in net position for the years ended June 30, 2022 and June 30, 2021.

Table 2—Condensed Statements of Changes in Net Position—Primary Government (000's omitted)

	Governmental		Business-Type		Total	
	Activities		Activities			
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 28,873	\$ 27,404	\$ 74,826	\$ 72,577	\$ 103,699	\$ 99,981
Operating grants and contributions	50,558	35,183	-	-	50,558	35,183
Capital grants and contributions	44,754	23,265	-	-	44,754	23,265
General revenues:						
Property taxes	146,960	141,488	-	-	146,960	141,488
Other taxes	27,407	19,489	-	-	27,407	19,489
Intergovernmental	148,107	155,617	133	581	148,240	156,198
Investment earnings	297	722	41	58	338	780
State aid	160,945	172,103	-	-	160,945	172,103
Miscellaneous	4,622	3,889	-	-	4,622	3,889
Total revenues	<u>612,523</u>	<u>579,160</u>	<u>75,000</u>	<u>73,216</u>	<u>687,523</u>	<u>652,376</u>
Expenses:						
General government support	85,101	81,077	-	-	85,101	81,077
Public safety	281,064	287,868	-	-	281,064	287,868
Streets and sanitation	45,282	43,532	-	-	45,282	43,532
Economic assist. and opportunity	31,335	24,239	-	-	31,335	24,239
Culture and recreation	13,694	13,677	-	-	13,694	13,677
Health and community services	3,581	3,555	-	-	3,581	3,555
Education	70,823	70,823	-	-	70,823	70,823
Interest and fiscal charges	3,826	7,342	-	-	3,826	7,342
Solid Waste and Recycling	-	-	23,512	22,499	23,512	22,499
Parking	-	-	1,945	2,218	1,945	2,218
Water System	-	-	37,244	37,463	37,244	37,463
Total expenses	<u>534,706</u>	<u>532,113</u>	<u>62,701</u>	<u>62,180</u>	<u>597,407</u>	<u>594,292</u>
Excess of revenues over expenses	77,818	47,048	12,299	11,036	90,117	58,083
Transfers	8,585	10,280	(8,585)	(10,280)	-	-
Change in net position	86,403	57,328	3,714	756	90,117	58,083
Net position—beginning	(843,080)	(900,408)	28,795	28,039	(814,285)	(848,147)
Net position—ending	<u>\$ (756,677)</u>	<u>\$ (843,080)</u>	<u>\$ 32,509</u>	<u>\$ 28,795</u>	<u>\$ (724,168)</u>	<u>\$ (790,063)</u>

Governmental activities—The largest funding sources for the City’s governmental activities, as a percent of total revenues, are state aid (26.3%), intergovernmental (24.2%) and property taxes (24.0%).

The largest expense categories for the City’s governmental activities are public safety (52.6%), general government support (15.9%) and education (13.2%). The education category represents the City allocation to the Buffalo Board of Education (the “Board”).

The City’s governmental activities did not incur significant changes in expenses from 2021 to 2022. However, significant changes in revenues for the City include the following:

- Total revenues increased \$33,363 in the current year as compared to last year, mainly due to increase in operating and capital grants and contributions of \$36,863 due to new programs and projects underway following the pandemic.

Business-type activities—Business-type activities increased the City’s net position by \$3,715. Overall, revenues increased \$1,784, expenses increased \$521, and transfers out decreased \$1,695 from 2021 to 2022. The overall increase in net position is due to the following:

- The Solid Waste and Recycling Fund recorded a decrease in net position of \$889 as a result of normal operations where operating expenses and transfers out exceeding operating revenues.
- The net position of the Parking Fund decreased \$244, which was primarily a result of operating expenses, interest expense and transfers out exceeding operating and nonoperating revenues.
- The Water System’s net position increased by \$4,848 as a result of normal operations where operating revenues exceed combined operating and nonoperating expenses and transfers out.

Financial Analysis of Governmental 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, unassigned fund balance may serve as a useful measure of a government’s net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the Common Council.

At June 30, 2022, the City’s governmental funds reported combined ending fund balances of \$193,655, an increase of \$22,130 from the prior year. Approximately 12.4 percent of this amount, \$24,050, constitutes *unassigned fund balance*, which is available for spending at the City’s discretion. The remainder of fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: (1) not in spendable form, \$26,572, (2) restricted for particular purposes, \$83,802, (3) committed to particular purposes, \$41,145, or (4) assigned for particular purposes, \$18,085.

Nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance totaling \$26,572 consists of \$9,599 of real estate acquired for resale, \$15,651 to cover the deficit in the Solid Waste and Recycling Fund, \$1,291 for prepaid items and \$30 for Permanent Fund principal.

Restricted fund balance in the amount of \$83,802 are amounts constrained to specific purposes and consist of \$53,365 to finance specific capital projects, \$15,225 for future capital outlay, \$5,591 to pay debt service, \$8,914 for federal and state programs, \$596 for emergency medical services and \$111 for compliance of the Permanent Fund.

Commitments are amounts that are subject to a purpose constraint imposed by a formal action of the City's highest level of decision-making authority. \$41,145 of fund balance is committed for the City's Emergency Stabilization fund. Assigned fund balance in the amount of \$18,085 consists of \$11,702 to liquidate contracts and purchase orders, \$824 for motor vehicle self-insurance, \$5,000 for judgments and claims, and \$559 in funds held by the BFSAs. These assignments indicate management's intention to utilize these funds for the stated purposes.

The General Fund is the chief operating fund of the City. During the current fiscal year, total fund balance increased to \$125,060, an increase of \$20,719 from the prior year ended June 30, 2021 due primarily to increased sales tax. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 4.6 percent of total General Fund expenditures and transfers out, while total fund balance represents approximately 23.7 percent of that same amount.

The Debt Service Fund has a total fund balance of \$3,101, which is restricted solely for the purpose of payment of future debt service. The decrease in fund balance during the current year in the Debt Service Fund of \$3,939 was mainly from the planned use of fund balance.

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, Capital Projects Fund fund balance was \$53,365, all of which is restricted for encumbrances and future projects. The increase in fund balance of \$3,118 is due to the intergovernmental and other revenues, as well as the issuance of serial bonds and related premiums, in excess of capital outlay.

Proprietary funds—Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The net position of the enterprise funds at the end of the current fiscal year totaled \$32,509. The balance includes a net position of \$(59,184) for the Solid Waste and Recycling Fund, and net position balances of \$35,096 for the Parking Fund and \$56,598 for the Water System Fund. The underlying reasons for any changes were described under the aforementioned heading Business-type activities.

The Internal Service Fund is used to account for the central print shop. The total net position at the end of the fiscal year was \$123. This represents a decrease of \$1 from the prior year.

General Fund Budgetary Highlights

The City adopts an annual appropriated budget for the General Fund. The budget is allowed to be amended upward (increased) for prior year's encumbrances since the funds were allocated under the previous year's budget, and the City has appropriately assigned an equal amount of fund balance at year-end for this purpose. The budgetary comparison schedule for the General Fund, a major fund, is provided in the Required Supplementary Information section of this report to demonstrate compliance with the budget.

A summary of the General Fund results of operations for the year ended June 30, 2022 is presented below in Table 3.

Table 3—General Fund Budget

	Budgeted Amounts		Budgetary	Variance with
	Adopted	Final	Actual Amounts	Final Budget
Revenues and other financing sources	\$ 534,577	\$ 538,915	\$ 548,085	\$ 9,170
Expenditures and other financing uses	534,577	546,910	539,068	7,842
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ (7,995)	\$ 9,017	\$ 17,012

Adopted budget compared to final budget—During the year, the City amended appropriations for various purposes. The primary increases were \$4,355 within public works, parks and streets to cover additional maintenance and equipment, as well as \$3,075 within other expenditures for legal settlements. These increases were supported by the use of fund balance.

Final budget compared to actual results—A review of actual revenues and expenditures compared to the estimated revenues and appropriations indicate that actual revenues and transfers in were \$9,170 above the final budget, due primarily to unanticipated sales tax somewhat offset by less federal aid than anticipated. Actual expenditures and other financing uses were lower than the final budget by \$7,841, due primarily to budgetary savings within employee benefits offset by overspending certain personal services due to unanticipated overtime.

Capital Assets and Debt Administration

Capital assets—The City's capital assets for its governmental activities and business-type activities as of June 30, 2022 amounted to \$775,865 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and building improvements, improvements other than buildings, machinery and equipment, infrastructure, right-to-use leased assets and construction in progress.

All depreciable/amortizable capital assets were depreciated/amortized from acquisition date to the end of the current year as outlined in the City's capital asset policy.

Capital assets, net of depreciation/amortization for governmental activities and business-type activities as of June 30, 2022 and June 30, 2021 are presented in Table 4 below.

Table 4—Summary of Capital Assets (Net of Depreciation) (000's omitted)

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2022	2021 (as adjusted)	2022	2021	2022	2021 (as adjusted)
Land	\$ 9,792	\$ 9,792	\$ 3,308	\$ 3,308	\$ 13,100	\$ 13,100
Buildings and improvements	179,807	186,410	113,242	115,781	293,049	302,191
Improvements other than buildings	25,370	25,598	10	19	25,380	25,617
Machinery and equipment	9,840	10,855	1,406	1,988	11,246	12,843
Infrastructure	283,331	275,463	74,454	73,738	357,785	349,201
Right-to-use leased assets	1,873	2,555	-	-	1,873	2,555
Construction in progress	69,428	37,568	4,004	3,313	73,432	40,881
Total	<u>\$ 579,441</u>	<u>\$ 548,241</u>	<u>\$ 196,424</u>	<u>\$ 198,147</u>	<u>\$ 775,865</u>	<u>\$ 746,388</u>

Significant changes from 2021 to 2022 in capital assets include:

- Construction in progress increased \$32,551 largely due to major street infrastructure capital projects underway during the year during the year.

The City's infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide and proprietary fund financial statements. The City has elected to depreciate their infrastructure assets. Additional information on the City's capital assets can be found in Note 4 to the financial statements.

Long-term debt—At June 30, 2022, the City had total bonded debt outstanding for governmental activities of \$160,003, including bonds issued by BFSA, as compared to \$168,475 in the prior year as a result of schedule principal payments and a serial bond issuance of \$22,875. The amount attributed to BFSA's total bonded debt outstanding at the end of the current fiscal year is \$4,480.

The bonds outstanding for business-type activities at June 30, 2022 consisted of \$5,107 in general obligation bonds issued by the City for parking and \$122,660 of revenue bonds issued by the Water Authority reported within the Water System. During the year, the Authority made principal payments on water system revenue refunding bonds of \$5,995, issued a refunding bond of \$11,835, which along with premiums and cash contributions, refunded \$14,070 of previously outstanding water system revenue bonds and issued additional bonds of \$13,435.

A summary of the City's long-term liabilities at June 30, 2022 and June 30, 2021 is presented in Table 5 on the following page.

Table 5—Summary of Long-Term Liabilities (000's omitted)

	Governmental Activities		Business-Type Activities		Total	
	June 30,		June 30,		June 30,	
	2022	2021 (as adjusted)	2022	2021 (as adjusted)	2022	2021 (as adjusted)
Bonds payable, net of premiums and discounts	\$ 183,711	\$ 193,498	\$ 142,184	\$ 135,982	\$ 325,895	\$ 329,480
Lease liability	1,895	2,555	-	-	1,895	2,555
Compensated absences	30,508	26,561	1,207	1,370	31,715	27,931
Workers' compensation	7,907	8,530	1,525	1,801	9,432	10,331
Landfill post-closure monitoring	420	490	-	-	420	490
OPEB obligation	1,248,555	1,316,189	63,719	67,809	1,312,274	1,383,998
Judgments and claims	5,000	5,200	-	-	5,000	5,200
Net pension liability	19,727	62,179	-	45	19,727	62,224
Total	\$ 1,497,723	\$ 1,615,202	\$ 208,635	\$ 207,007	\$ 1,706,358	\$ 1,822,209

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 New York State Constitution also provides that the City may not contract indebtedness in an amount greater than nine percent 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 \$1,228,701. The City had a debt-contracting margin of \$1,105,276 on June 30, 2022. During the year ended June 30, 2022 the City had no changes in their bond ratings. Additional information on the City's long-term debt can be found in Note 10 to the financial statements.

Next Year's Budget

The City considered current year operational expenses and estimated increases based on economic factors when establishing the fiscal year 2023 budget. The total budgeted appropriations for the City's General Fund operations are \$566,729. This budget is a \$32,152 increase from the fiscal year 2022 total budgeted appropriations of \$534,577. The 2022-2023 budget does not include an appropriation of fund balance. This budget was approved by the BFSA.

The unemployment rate, not seasonally adjusted, for the region at June 30, 2022 was 3.6 percent. This compares to New York State's average unemployment rate of 4.4 percent. These factors, as well as others, are considered in preparing the City's budget.

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.

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BASIC FINANCIAL STATEMENTS

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CITY OF BUFFALO, NEW YORK
Statement of Net Position
June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Board	BURA
ASSETS					
Cash and cash equivalents	\$ 406,985,387	\$ 20,591,162	\$ 427,576,549	\$ 10,544,938	\$ 3,731,533
Restricted cash and cash equivalents	394,789,673	40,896,422	435,686,095	22,806,788	962,908
Restricted investments	2,201,351	5,285,037	7,486,388	-	-
Receivables (net of allowances)	18,216,970	8,102,055	26,319,025	13,452,229	1,150,030
Leases receivable	21,440,011	-	21,440,011	-	455,666
Intergovernmental receivables	28,955,696	-	28,955,696	147,064,345	2,753,406
Due from component units/ primary government	11,495,000	-	11,495,000	344,834,118	781,752
Internal balances	16,762,999	(16,762,999)	-	-	-
Prepaid items and other assets	1,291,217	-	1,291,217	1,842,972	16,640
Real estate acquired for resale	9,599,208	-	9,599,208	-	3,154,389
Noncurrent net pension asset	15,830,070	3,604,201	19,434,271	320,208,560	507,377
Capital assets not being depreciated/amortized	79,219,767	7,312,393	86,532,160	46,395,344	-
Capital assets, net of accumulated depreciation/amortization	<u>500,221,165</u>	<u>189,111,422</u>	<u>689,332,587</u>	<u>662,141,063</u>	<u>431,756</u>
Total assets	<u>1,507,008,514</u>	<u>258,139,693</u>	<u>1,765,148,207</u>	<u>1,569,290,357</u>	<u>13,945,457</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	2,605,081	2,605,081	17,598,604	-
Deferred outflows—relating to pensions	168,057,539	6,811,937	174,869,476	201,348,665	1,084,460
Deferred outflows—relating to OPEB	112,858,249	4,745,609	117,603,858	478,550,000	-
Total deferred outflows of resources	<u>280,915,788</u>	<u>14,162,627</u>	<u>295,078,415</u>	<u>697,497,269</u>	<u>1,084,460</u>
LIABILITIES					
Accounts payable and accrued liabilities	50,530,650	7,503,764	58,034,414	93,224,491	2,861,481
Retainages payable	1,338,327	-	1,338,327	675,087	-
Intergovernmental payables	9,504,757	384,288	9,889,045	37,171,906	-
Due to component units/primary government	345,615,870	-	345,615,870	11,495,000	-
Unearned revenue	276,054,395	522,020	276,576,415	4,537,787	500
Noncurrent liabilities:					
Due within one year	48,177,053	8,590,044	56,767,097	88,249,749	36,530
Due in more than one year	1,449,545,742	200,045,048	1,649,590,790	2,327,500,719	9,061,676
Total liabilities	<u>2,180,766,794</u>	<u>217,045,164</u>	<u>2,397,811,958</u>	<u>2,562,854,739</u>	<u>11,960,187</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	71,010	-	71,010	17,247,413	-
Deferred inflows—relating to leases	21,020,089	-	21,020,089	-	443,092
Deferred inflows—relating to pensions	229,993,125	12,381,702	242,374,827	387,827,258	1,845,770
Deferred inflows—relating to OPEB	112,750,302	10,366,013	123,116,315	1,452,126,000	-
Total deferred inflows of resources	<u>363,834,526</u>	<u>22,747,715</u>	<u>386,582,241</u>	<u>1,857,200,671</u>	<u>2,288,862</u>
NET POSITION					
Net investment in capital assets	458,623,742	97,741,042	556,364,784	114,005,961	414,620
Restricted for:					
Capital outlay	15,225,054	-	15,225,054	-	11,991
Debt service	5,590,527	-	5,590,527	21,901,527	-
Grants	8,914,872	-	8,914,872	-	915,824
Judgments and claims	-	-	-	17,750,000	-
Unemployment insurance	-	-	-	9,156,044	-
Perpetual care—Expendable	111,187	-	111,187	-	-
Perpetual care—Unexpendable	30,000	-	30,000	-	-
Other purposes	595,803	-	595,803	4,392,423	-
Unrestricted	<u>(1,245,768,203)</u>	<u>(65,231,601)</u>	<u>(1,310,999,804)</u>	<u>(2,320,473,739)</u>	<u>(561,567)</u>
Total net position	<u>\$ (756,677,018)</u>	<u>\$ 32,509,441</u>	<u>\$ (724,167,577)</u>	<u>\$ (2,153,267,784)</u>	<u>\$ 780,868</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, 2022

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	BOE	BURA
Primary government:									
Governmental activities:									
General government support	\$ 85,101,086	\$ 9,277,163	\$ 2,210,784	\$ 703,462	\$ (72,909,677)	\$ -	\$ (72,909,677)	\$ -	\$ -
Public safety	281,064,363	10,312,179	5,162,316	641,397	(264,948,471)	-	(264,948,471)	-	-
Streets and sanitation	45,281,761	3,356,503	46,353	35,351,164	(6,527,741)	-	(6,527,741)	-	-
Economic assistance and opportunity	31,334,878	5,353,620	29,634,506	2,995,989	6,649,237	-	6,649,237	-	-
Culture and recreation	13,693,782	349,247	1,375,000	5,062,403	(6,907,132)	-	(6,907,132)	-	-
Health and community services	3,580,577	224,698	12,128,590	-	8,772,711	-	8,772,711	-	-
Education	70,822,758	-	-	-	(70,822,758)	-	(70,822,758)	-	-
Interest and fiscal charges	3,826,110	-	-	-	(3,826,110)	-	(3,826,110)	-	-
Total governmental activities	<u>534,705,315</u>	<u>28,873,410</u>	<u>50,557,549</u>	<u>44,754,415</u>	<u>(410,519,941)</u>	<u>-</u>	<u>(410,519,941)</u>	<u>-</u>	<u>-</u>
Business-type activities:									
Solid Waste and Recycling	23,511,661	23,295,302	-	-	-	(216,359)	(216,359)	-	-
Parking	1,944,687	4,468,038	-	-	-	2,523,351	2,523,351	-	-
Water System	37,244,427	47,062,504	-	-	-	9,818,077	9,818,077	-	-
Total business-type activities	<u>62,700,775</u>	<u>74,825,844</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,125,069</u>	<u>12,125,069</u>	<u>-</u>	<u>-</u>
Total primary government	<u>\$ 597,406,090</u>	<u>\$ 103,699,254</u>	<u>\$ 50,557,549</u>	<u>\$ 44,754,415</u>	<u>(410,519,941)</u>	<u>12,125,069</u>	<u>(398,394,872)</u>	<u>-</u>	<u>-</u>
Component units:									
Board	\$ 850,366,618	\$ 4,973,233	\$ 174,418,636	\$ 3,406,408				(667,568,341)	-
BURA	53,580,463	927,169	53,220,813	-				-	567,519
Total component units	<u>\$ 903,947,081</u>	<u>\$ 5,900,402</u>	<u>\$ 227,639,449</u>	<u>\$ 3,406,408</u>				<u>(667,568,341)</u>	<u>567,519</u>
General revenues:									
Taxes:									
Property taxes					146,959,746	-	146,959,746	-	-
Interest and penalties					2,273,869	-	2,273,869	-	-
Mortgage taxes					6,774,792	-	6,774,792	-	-
Payments in lieu of taxes					4,535,556	-	4,535,556	-	-
Gross utility tax					13,822,653	-	13,822,653	-	-
Intergovernmental-unrestricted					148,107,243	132,726	148,239,969	56,938,685	-
Investment earnings					296,642	41,346	337,988	-	207,710
Contribution from City of Buffalo					-	-	-	70,822,903	-
State aid-unrestricted					160,945,338	-	160,945,338	793,628,788	-
Miscellaneous					4,622,648	-	4,622,648	10,691,884	450,974
Transfers					8,584,641	(8,584,641)	-	-	-
Total general revenues and transfers					<u>496,923,128</u>	<u>(8,410,569)</u>	<u>488,512,559</u>	<u>932,082,260</u>	<u>658,684</u>
Change in net position					86,403,187	3,714,500	90,117,687	264,513,919	1,226,203
Net position—beginning, as restated					(843,080,205)	28,794,941	(814,285,264)	(2,417,781,703)	(445,335)
Net position—ending					<u>\$ (756,677,018)</u>	<u>\$ 32,509,441</u>	<u>\$ (724,167,577)</u>	<u>\$(2,153,267,784)</u>	<u>\$ 780,868</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, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 406,542,156	\$ -	\$ -	\$ 346,850	\$ 406,889,006
Restricted cash and cash equivalents	295,698,206	2,948,569	86,540,241	9,602,657	394,789,673
Restricted investments	-	-	-	2,201,351	2,201,351
Receivables:					
Delinquent taxes and assessments	13,033,260	-	-	-	13,033,260
Accounts receivable	19,679,663	-	-	-	19,679,663
Other receivables	-	-	-	24,452	24,452
Due from other agencies	1,366,345	-	-	-	1,366,345
Allowances	<u>(15,912,177)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,912,177)</u>
Net receivables	18,167,091	-	-	24,452	18,191,543
Leases receivable	21,440,011	-	-	-	21,440,011
Intergovernmental receivables	2,957,835	-	8,291,887	17,705,974	28,955,696
Due from other funds	46,368,261	152,907	-	185,446	46,706,614
Prepaid items	1,266,500	-	-	24,717	1,291,217
Real estate acquired for resale	9,599,208	-	-	-	9,599,208
Total assets	<u>\$ 802,039,268</u>	<u>\$ 3,101,476</u>	<u>\$ 94,832,128</u>	<u>\$ 30,091,447</u>	<u>\$ 930,064,319</u>
LIABILITIES					
Accounts payable	\$ 8,851,649	\$ -	\$ 6,928,896	\$ 324,749	\$ 16,105,294
Accrued liabilities	32,997,532	-	-	114,460	33,111,992
Intergovernmental payables	109,043	-	40,072	4,785	153,900
Due to other funds	-	-	19,058,525	10,888,591	29,947,116
Due to component units	323,622,824	-	15,362,677	6,630,369	345,615,870
Due to retirement systems	9,350,857	-	-	-	9,350,857
Unearned revenue	<u>275,977,370</u>	<u>-</u>	<u>77,025</u>	<u>-</u>	<u>276,054,395</u>
Total liabilities	<u>650,909,275</u>	<u>-</u>	<u>41,467,195</u>	<u>17,962,954</u>	<u>710,339,424</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to leases	21,020,089	-	-	-	21,020,089
Unavailable revenue—property taxes	<u>5,049,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,049,998</u>
Total deferred inflows of resources	<u>26,070,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,070,087</u>
FUND BALANCES					
Nonspendable	26,517,077	-	-	54,717	26,571,794
Restricted	15,820,857	3,101,476	53,364,933	11,515,110	83,802,376
Committed	41,145,318	-	-	-	41,145,318
Assigned	17,526,774	-	-	558,666	18,085,440
Unassigned	<u>24,049,880</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,049,880</u>
Total fund balances	<u>125,059,906</u>	<u>3,101,476</u>	<u>53,364,933</u>	<u>12,128,493</u>	<u>193,654,808</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 802,039,268</u>	<u>\$ 3,101,476</u>	<u>\$ 94,832,128</u>	<u>\$ 30,091,447</u>	<u>\$ 930,064,319</u>

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

CITY OF BUFFALO, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
June 30, 2022

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Total fund balances—governmental funds (page 17)	\$ 193,654,808
Net pension assets (including BFSA) are not financial resources and, therefore, are not reported in the funds.	15,830,070
City capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. The cost of these assets is \$1,239,838,590 and the accumulated depreciation/amortization is \$660,397,658.	579,440,932
Property taxes are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the funds.	5,049,998
Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.	11,495,000
Deferred outflows and inflows of resources related to pensions (including BFSA) and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to pensions employer contributions	\$ 9,373,822
Deferred outflows related to pensions experience, changes of assumptions, investment earnings, and changes in proportion	158,683,717
Deferred outflows related to OPEB liability	112,858,249
Deferred inflows related to pension plans	(229,993,125)
Deferred inflows related to OPEB liability	<u>(112,750,302)</u>
	(61,827,639)
Deferred gains associated with refunding of bonds are not reported in the governmental funds. The gain is reported as a deferred inflow of resources on the statement of net position and is recognized as a component of interest expense over the life of the related debt.	(71,010)
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 position.	123,271
Net accrued interest expense for serial bonds is not reported in the funds.	(1,311,326)
To recognize retainages payable on outstanding capital projects not recorded in the fund financial statements.	(1,338,327)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:	
General obligations bonds—City	\$ (155,522,915)
General obligations bonds—BFSA	(4,480,000)
Unamortized premiums on bonds—City	(23,109,695)
Unamortized premiums on bonds—BFSA	(598,580)
Lease liability	(1,894,923)
Compensated absences	(30,507,969)
Workers' compensation	(7,907,075)
Landfill post-closure monitoring costs	(420,000)
OPEB obligation—City	(1,247,537,593)
OPEB obligation—BFSA	(1,017,350)
Judgments and claims	(5,000,000)
Net pension liability—City	<u>(19,726,695)</u>
	<u>(1,497,722,795)</u>
Net position of governmental activities	<u>\$ (756,677,018)</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, 2022

	<u>General</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property taxes, assessments, and other tax items	\$ 160,543,963	\$ -	\$ -	\$ -	\$ 160,543,963
Utility and other nonproperty tax items	14,388,634	-	-	-	14,388,634
Intergovernmental	329,682,736	5,630,161	43,968,396	29,883,911	409,165,204
Investment interest	258,290	38,352	-	163	296,805
License, permit, rentals, fines, and other service charges	25,041,206	220,267	763,938	-	26,025,411
Miscellaneous	6,605,982	140,797	1,700,000	51,937	8,498,716
Total revenues	<u>536,520,811</u>	<u>6,029,577</u>	<u>46,432,334</u>	<u>29,936,011</u>	<u>618,918,733</u>
EXPENDITURES					
Current:					
General government support	66,312,600	-	-	882,453	67,195,053
Public safety	178,031,272	-	-	1,563,459	179,594,731
Streets and sanitation	14,948,268	-	-	30,488	14,978,756
Economic assistance and opportunity	2,923,802	-	-	26,628,534	29,552,336
Culture and recreation	8,460,408	-	-	45,450	8,505,858
Health and community services	2,252,226	-	-	159,648	2,411,874
Education	70,822,758	-	-	-	70,822,758
Fringe benefits	145,775,754	-	-	-	145,775,754
Other	3,508,096	-	-	-	3,508,096
Debt service:					
Principal	660,133	29,386,722	-	1,960,000	32,006,855
Interest and fiscal charges	48,500	7,058,842	115,478	199,795	7,422,615
Capital outlay:					
General government support	-	-	6,733,180	-	6,733,180
Public safety	-	-	3,167,136	-	3,167,136
Streets and sanitation	-	-	52,211,649	-	52,211,649
Economic assistance and opportunity	-	-	619,965	-	619,965
Culture and recreation	-	-	5,901,184	-	5,901,184
Total expenditures	<u>493,743,817</u>	<u>36,445,564</u>	<u>68,748,592</u>	<u>31,469,827</u>	<u>630,407,800</u>
Excess (deficiency) of revenues over expenditures	<u>42,776,994</u>	<u>(30,415,987)</u>	<u>(22,316,258)</u>	<u>(1,533,816)</u>	<u>(11,489,067)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	11,564,084	28,842,667	400,000	6,745,705	47,552,456
Transfers out	(33,622,228)	(2,366,144)	-	(2,979,443)	(38,967,815)
Serial bonds issued	-	-	22,875,000	-	22,875,000
Premium on serial bonds issued	-	-	2,159,650	-	2,159,650
Total other financing sources (uses)	<u>(22,058,144)</u>	<u>26,476,523</u>	<u>25,434,650</u>	<u>3,766,262</u>	<u>33,619,291</u>
Net change in fund balances	20,718,850	(3,939,464)	3,118,392	2,232,446	22,130,224
Fund balances—beginning	<u>104,341,056</u>	<u>7,040,940</u>	<u>50,246,541</u>	<u>9,896,047</u>	<u>171,524,584</u>
Fund balances—ending	<u>\$ 125,059,906</u>	<u>\$ 3,101,476</u>	<u>\$ 53,364,933</u>	<u>\$ 12,128,493</u>	<u>\$ 193,654,808</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—Governmental Funds to the Government-wide Statement of Activities
Year Ended June 30, 2022

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances—total governmental funds (page 19)		\$ 22,130,224
<p>City governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and loss on disposals in the current period.</p>		
Capital asset additions, net	\$ 70,593,151	
Depreciation/amortization expense	(38,765,747)	
Loss on disposal of capital assets	(627,519)	31,199,885
<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 the governmental funds.</p>		
		(198,763)
<p>Revenues reported in the statement of activities that do not provide current financial resources and, therefore, are not reported as revenues in the funds.</p>		
		(7,062,863)
<p>Net differences between pension contributions and OPEB changes recognized on the fund financial statements and the government-wide financial statements are as follows:</p>		
Direct pension contributions	\$ 42,361,322	
Cost of benefits earned net of employee contributions	(19,944,539)	
Changes in OPEB assumptions	(57,210,077)	(34,793,294)
<p>The internal service funds are used by management to charge the costs of internal print services. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		(518)
<p>In the statement of activities, interest expense and retainages payable are recognized as they accrue, regardless of when they are paid.</p>		
		101,369
<p>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:</p>		
Proceeds from general obligations bonds—City	\$ (22,875,000)	
Repayment of general obligations bonds—City	29,386,722	
Repayment of general obligations bonds—BFSA	1,960,000	
Premium on refunding bonds issued—City	(2,159,650)	
Amortization of bond premiums—City	3,266,002	
Amortization of bond premiums—BFSA	208,874	
Repayment of lease liability	660,133	
Change in compensated absences	(3,946,779)	
Change in workers' compensation	622,851	
Change in landfill post-closure monitoring costs	70,000	
Change in other postemployment benefits obligation—City	67,369,612	
Change in other postemployment benefits obligation—BFSA	264,382	
Change in judgments and claims	200,000	75,027,147
Change in net position of governmental activities		\$ 86,403,187

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

CITY OF BUFFALO, NEW YORK
Statement of Net Position—
Proprietary Funds
June 30, 2022

	Business-type Activities—Enterprise Funds				Internal Service Fund
	Solid Waste and Recycling	Parking	Water System	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 93,202	\$ 5,278,009	\$ 15,219,951	\$ 20,591,162	\$ 96,381
Restricted cash and cash equivalents	-	2,143	40,894,279	40,896,422	-
Restricted investments	-	-	5,285,037	5,285,037	-
Receivables:					
Accounts receivable	11,585,674	949,017	29,689,082	42,223,773	25,427
Other receivables	126,627	-	1,445,616	1,572,243	-
Due from other agencies	-	-	127,425	127,425	-
Allowances	(10,886,476)	-	(24,934,910)	(35,821,386)	-
Net receivables	825,825	949,017	6,327,213	8,102,055	25,427
Due from other funds	184,505	-	123,295	307,800	3,501
Total current assets	<u>1,103,532</u>	<u>6,229,169</u>	<u>67,849,775</u>	<u>75,182,476</u>	<u>125,309</u>
Noncurrent assets:					
Net pension asset	1,906,049	-	1,698,152	3,604,201	-
Capital assets not being depreciated:					
Land	1	3,162,773	145,116	3,307,890	-
Construction in progress	-	299,535	3,704,968	4,004,503	-
Total capital assets not being depreciated	<u>1</u>	<u>3,462,308</u>	<u>3,850,084</u>	<u>7,312,393</u>	<u>-</u>
Capital assets being depreciated:					
Buildings, building improvements, and infrastructure	4,231,308	62,254,598	270,102,244	336,588,150	-
Improvements other than buildings	201,071	(20,418)	252,393	433,046	-
Machinery and equipment	9,795,825	240,540	1,913,140	11,949,505	-
Accumulated depreciation	(12,102,211)	(29,404,890)	(118,352,178)	(159,859,279)	-
Total capital assets being depreciated	<u>2,125,993</u>	<u>33,069,830</u>	<u>153,915,599</u>	<u>189,111,422</u>	<u>-</u>
Total noncurrent assets	<u>4,032,043</u>	<u>36,532,138</u>	<u>159,463,835</u>	<u>200,028,016</u>	<u>-</u>
Total assets	<u>5,135,575</u>	<u>42,761,307</u>	<u>227,313,610</u>	<u>275,210,492</u>	<u>125,309</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	2,605,081	2,605,081	-
Deferred outflows—relating to pensions	3,602,429	-	3,209,508	6,811,937	-
Deferred outflows—relating to OPEB	2,197,337	7,208	2,541,064	4,745,609	-
Total deferred outflows of resources	<u>5,799,766</u>	<u>7,208</u>	<u>8,355,653</u>	<u>14,162,627</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	590,792	-	2,162,599	2,753,391	2,038
Other accrued liabilities	1,367,921	64,364	3,318,088	4,750,373	-
Due to other funds	-	1,419,430	-	1,419,430	-
Due to retirement systems	202,638	1,114	180,536	384,288	-
Unearned revenue	522,020	-	-	522,020	-
Accrued compensated absences	30,615	-	51,681	82,296	-
Accrued workers' compensation	152,598	-	300,281	452,879	-
General obligation and revenue bonds payable within one year, net	-	771,992	7,282,877	8,054,869	-
Total current liabilities	<u>2,866,584</u>	<u>2,256,900</u>	<u>13,296,062</u>	<u>18,419,546</u>	<u>2,038</u>

(continued)

CITY OF BUFFALO, NEW YORK
Statement of Net Position—
Proprietary Funds
June 30, 2022

(concluded)

	Business-type Activities—Enterprise Funds				Internal Service Fund
	Solid Waste and Recycling	Parking	Water System	Total	
Noncurrent liabilities:					
Due to other funds	15,651,369	-	-	15,651,369	-
Accrued compensated absences	448,118	-	676,377	1,124,495	-
Accrued workers' compensation	378,776	-	692,887	1,071,663	-
Accrued other postemployment benefits obligation	38,340,119	119,324	25,260,040	63,719,483	-
General obligation and revenue bonds payable, net	-	5,273,037	128,856,370	134,129,407	-
Total noncurrent liabilities	<u>54,818,382</u>	<u>5,392,361</u>	<u>155,485,674</u>	<u>215,696,417</u>	<u>-</u>
Total liabilities	<u>57,684,966</u>	<u>7,649,261</u>	<u>168,781,736</u>	<u>234,115,963</u>	<u>2,038</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	6,547,948	-	5,833,754	12,381,702	-
Deferred inflows—relating to OPEB	5,886,883	23,574	4,455,556	10,366,013	-
Total deferred inflows of resources	<u>12,434,831</u>	<u>23,574</u>	<u>10,289,310</u>	<u>22,747,715</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	2,125,994	30,489,252	65,125,796	97,741,042	-
Unrestricted	<u>(61,310,450)</u>	<u>4,606,428</u>	<u>(8,527,579)</u>	<u>(65,231,601)</u>	<u>123,271</u>
Total net position	<u>\$ (59,184,456)</u>	<u>\$ 35,095,680</u>	<u>\$ 56,598,217</u>	<u>\$ 32,509,441</u>	<u>\$ 123,271</u>

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

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CITY OF BUFFALO, NEW YORK
Statement of Revenues, Expenses, and Changes in Net Position—
Proprietary Funds
Year Ended June 30, 2022

	Business-type Activities—Enterprise Funds				Internal Service Fund
	Solid Waste and Recycling	Parking	Water System	Total	
Operating revenues:					
Charges for services	\$ 22,816,224	\$ -	\$ 47,008,945	\$ 69,825,169	\$ 39,795
Rent	-	4,468,038	-	4,468,038	-
Other	479,078	-	53,559	532,637	-
Total operating revenues	<u>23,295,302</u>	<u>4,468,038</u>	<u>47,062,504</u>	<u>74,825,844</u>	<u>39,795</u>
Operating expenses:					
Services and supplies	19,977,502	61,446	24,439,300	44,478,248	40,313
Fringe benefits	3,131,648	21,391	462,847	3,615,886	-
Depreciation	402,511	1,547,532	7,381,562	9,331,605	-
Other	-	-	532,437	532,437	-
Total operating expenses	<u>23,511,661</u>	<u>1,630,369</u>	<u>32,816,146</u>	<u>57,958,176</u>	<u>40,313</u>
Operating income (loss)	<u>(216,359)</u>	<u>2,837,669</u>	<u>14,246,358</u>	<u>16,867,668</u>	<u>(518)</u>
Nonoperating revenues (expenses):					
Interest earnings	-	220	41,126	41,346	-
Interest expense	-	(314,318)	(4,428,281)	(4,742,599)	-
Other	-	132,726	-	132,726	-
Total nonoperating revenues (expenses)	<u>-</u>	<u>(181,372)</u>	<u>(4,387,155)</u>	<u>(4,568,527)</u>	<u>-</u>
Income (loss) before transfers	<u>(216,359)</u>	<u>2,656,297</u>	<u>9,859,203</u>	<u>12,299,141</u>	<u>(518)</u>
Transfers out	<u>(673,078)</u>	<u>(2,900,000)</u>	<u>(5,011,563)</u>	<u>(8,584,641)</u>	<u>-</u>
Change in net position	<u>(889,437)</u>	<u>(243,703)</u>	<u>4,847,640</u>	<u>3,714,500</u>	<u>(518)</u>
Total net position—beginning	<u>(58,295,019)</u>	<u>35,339,383</u>	<u>51,750,577</u>	<u>28,794,941</u>	<u>123,789</u>
Total net position—ending	<u>\$ (59,184,456)</u>	<u>\$ 35,095,680</u>	<u>\$ 56,598,217</u>	<u>\$ 32,509,441</u>	<u>\$ 123,271</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, 2022

	Business-type Activities—Enterprise Funds				Internal Service Fund
	Solid Waste and Recycling	Parking	Water System	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 23,085,424	\$ 4,473,073	\$ 46,680,840	\$ 74,239,337	\$ 38,845
Payments to suppliers and employees for goods and services	<u>(25,616,003)</u>	<u>(163,277)</u>	<u>(28,118,691)</u>	<u>(53,897,971)</u>	<u>(38,275)</u>
Net cash provided by (used for) operating activities	<u>(2,530,579)</u>	<u>4,309,796</u>	<u>18,562,149</u>	<u>20,341,366</u>	<u>570</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers to other funds	(673,078)	(2,900,000)	(5,011,563)	(8,584,641)	-
Repayment of advances from other funds	-	-	(3,714,056)	(3,714,056)	-
Advances from other funds	<u>3,210,578</u>	<u>3,021,112</u>	<u>4,122,179</u>	<u>10,353,869</u>	<u>20</u>
Net cash provided by (used for) noncapital financing activities	<u>2,537,500</u>	<u>121,112</u>	<u>(4,603,440)</u>	<u>(1,944,828)</u>	<u>20</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Sale (acquisition/construction) of capital assets	-	(434,051)	(7,174,730)	(7,608,781)	-
Principal payments on bonds	-	(1,653,278)	(5,995,000)	(7,648,278)	-
Payment to escrow agent	-	-	(14,070,000)	(14,070,000)	-
Proceeds from issuance of debt and premium	-	-	28,522,195	28,522,195	-
Interest payments and other fiscal charges	<u>-</u>	<u>(298,753)</u>	<u>(4,924,168)</u>	<u>(5,222,921)</u>	<u>-</u>
Net cash (used for) capital and related financing activities	<u>-</u>	<u>(2,386,082)</u>	<u>(3,641,703)</u>	<u>(6,027,785)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Changes in fair value of investments	-	-	1,430	1,430	-
Interest received on short-term investments	<u>-</u>	<u>220</u>	<u>39,696</u>	<u>39,916</u>	<u>-</u>
Net cash provided by investing activities	<u>-</u>	<u>220</u>	<u>41,126</u>	<u>41,346</u>	<u>-</u>
Net increase in cash and cash equivalents	6,921	2,045,046	10,358,132	12,410,099	590
Cash, cash equivalents and investments—beginning	<u>86,281</u>	<u>3,235,106</u>	<u>51,041,135</u>	<u>54,362,522</u>	<u>95,791</u>
Cash, cash equivalents and investments—ending	<u>\$ 93,202</u>	<u>\$ 5,280,152</u>	<u>\$ 61,399,267</u>	<u>\$ 66,772,621</u>	<u>\$ 96,381</u>

(continued)

CITY OF BUFFALO, NEW YORK
Statement of Cash Flows—
Proprietary Funds
Year Ended June 30, 2022

(concluded)

	Business-type Activities—Enterprise Funds				Internal Service Fund
	Solid Waste and Recycling	Parking	Water System	Total	
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ (216,359)	\$ 2,837,669	\$ 14,246,358	\$ 16,867,668	\$ (518)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	402,511	1,547,532	7,381,562	9,331,605	-
Pension expense	-	-	(861,586)	(861,586)	-
(Increase) decrease in receivables	(209,878)	5,035	(381,664)	(586,507)	(950)
(Increase) in net pension asset	(1,906,049)	-	(1,698,152)	-	-
Decrease in deferred outflow—relating to pensions	1,423,896	2,899	1,532,378	2,959,173	-
Decrease in deferred outflow—relating to OPEB	1,306,753	-	1,481,293	2,788,046	-
Increase (decrease) in payables	(244,285)	(86,294)	480,706	150,127	2,038
Increase (decrease) in other accrued liabilities	463,936	(1,121)	74,206	537,021	-
(Decrease) in due to retirement systems	(89,529)	(493)	(101,675)	(191,697)	-
Increase in unearned revenue	84,280	-	-	84,280	-
(Decrease) in compensated absences	(60,327)	-	(102,803)	(163,130)	-
(Decrease) in workers' compensation	(180,483)	-	(96,577)	(277,060)	-
Increase (decrease) in accrued other postemployment benefits obligation	(2,128,852)	2,434	(1,962,867)	(4,089,285)	-
(Decrease) in net pension liability	(22,906)	-	-	(22,906)	-
(Decrease) in deferred inflows—relating to pensions	(189,075)	-	(673,685)	(862,760)	-
Increase (decrease) in deferred inflows—relating to OPEB	(964,212)	2,135	(755,345)	(1,717,422)	-
Total adjustments	<u>(2,314,220)</u>	<u>1,472,127</u>	<u>4,315,791</u>	<u>3,473,698</u>	<u>1,088</u>
Net cash provided by (used for) operating activities	<u>\$ (2,530,579)</u>	<u>\$ 4,309,796</u>	<u>\$ 18,562,149</u>	<u>\$ 20,341,366</u>	<u>\$ 570</u>

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

CITY OF BUFFALO, NEW YORK
Statement of Fiduciary Net Position—
Fiduciary Funds
June 30, 2022

	Private Purpose Trust	Custodial
ASSETS		
Restricted cash and cash equivalents	\$ 23,912	\$ 1,558,403
Restricted investments	32,912	-
Receivables	6,105	-
Total assets	62,929	1,558,403
NET POSITION		
Restricted for:		
Trust arrangements	\$ 62,929	\$ -
Prisoner property	-	1,558,403
Total net position	\$ 62,929	\$ 1,558,403

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

CITY OF BUFFALO, NEW YORK
Statement of Changes in Fiduciary Net Position—
Fiduciary Funds
Year Ended June 30, 2022

	Private Purpose Trust	Custodial
ADDITIONS		
Funds received on behalf of individuals	\$ -	\$ 149,865
Interest earnings	<u>7</u>	<u>-</u>
Total additions	<u>7</u>	<u>149,865</u>
DEDUCTIONS		
Funds distributed to individuals	<u>-</u>	<u>42,892</u>
Total deductions	<u>-</u>	<u>42,892</u>
Change in fiduciary net position	7	106,973
Net position—beginning	<u>62,922</u>	<u>1,451,430</u>
Net position—ending	<u>\$ 62,929</u>	<u>\$ 1,558,403</u>

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

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CITY OF BUFFALO, NEW YORK
Notes to the Financial Statements
Year Ended June 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Buffalo, New York (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (the "GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Reporting Entity

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").

The City's financial statements include those entities for which the City has clear oversight responsibility. This responsibility is determined through a review of such factors as the selecting of governing boards, financial interdependency and the ability to influence management and operations on a continuing basis. The accompanying financial statements present the City (the "primary government") and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Units—The component unit columns in the government-wide financial statements include the financial data of the City's discretely presented component units. These component units are reported in a separate column to emphasize that they are legally separate from the City and that they are not simply an extension of the primary government.

Board of Education—The Board of Education, City of Buffalo, New York (the "Board") is a unit of local government created under the Constitution of the State, whose members are elected by the voters of the City in accordance with State statutes. 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 12). The Board's Joint Schools

Construction Board (“JSCB”) bonds payable represent 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.

Buffalo Urban Renewal Agency—The Buffalo Urban Renewal Agency (“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, representing an ongoing relationship with both financial benefit and burden to the City. Additionally, the majority of the governing body is composed of City officials and the City has the ability to remove appointed members and to approve BURA’s budget.

Blended Component Units—The following blended component units are legally separate entities from the City, but are, in substance, part of the City’s operations and therefore data from these units are combined with data of the primary government.

Buffalo Municipal Water Finance Authority (the “Authority”) and the Buffalo Water Board (the “Water Board”)—The Authority and 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.

Buffalo Fiscal Stability Authority—The Buffalo Fiscal Stability Authority (the “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.

Buffalo Fiscal Stability Authority Act—In May 2003, the State enacted the BFSA Act, pursuant to Chapter 122 of the State Laws of 2003. 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 or an advisory period. The BFSA Act defined and established a control period to be in effect as of the date of the BFSA Act and continue until specific conditions were met regarding the stability of the City’s finances. In May 2012, the BFSA determined that such conditions had been met and resolved to enter into an advisory period effective July 1, 2012. An advisory period shall continue through June 30, 2037, unless a control period is reimposed. A control period may be reimposed if the BFSA determines at any time that a fiscal crisis is imminent or that any of the certain events, as outlined in the BFSA Act, have occurred or are likely to occur.

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

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

Buffalo Board of Education Office of the Chief Financial Officer 708 City Hall Buffalo, NY 14202	Buffalo Municipal Water Finance Authority 502 City Hall Buffalo, NY 14202
City of Buffalo Urban Renewal Agency Financial Control of Agencies 214 City Hall Buffalo, NY 14202	Buffalo Water Board 502 City Hall Buffalo, NY 14202
Buffalo Fiscal Stability Authority Market Arcade Building, Suite 400 617 Main Street Buffalo, NY 14202	

Related Organizations—Although the following are related to the City, they are not included in the City’s reporting entity:

Buffalo Sewer Authority—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.

Buffalo Municipal Housing Authority (the “Housing Authority”)—The Mayor also is responsible for appointing five of the seven members of the Board of Directors of 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.

BURA Inc. (the “Corporation”)—As provided in Section 1411 of the Not-For-Profit Corporation Law, the Corporation is a charitable corporation as defined in Section 201 of the Not-For-Profit Corporation Law, and it is formed and operated exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Current members of the Board of Directors of the Corporation are related to the City as five out of six work, or are on the Board, for BURA. However, the City cannot impose will upon the BURA Inc. nor is there a financial benefit/burden relationship with the City to require it to be presented as a component unit of the City.

Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. It is the City's policy to record transactions between funds as operating transfers. Interfund services provided and used are not eliminated in the process of consolidation.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the City and accounts for all financial resources of the general government, except those required to be accounted for in another fund. The majority of current operations are financed by this fund and supported mainly by property taxes and intergovernmental revenues. 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 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 semi-permanent capital improvements. Capital improvements intended for use of any of the enterprise funds are not included in the capital projects funds.

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 Fund*—The Water System 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.

Nonmajor Governmental Funds—The nonmajor governmental funds include the *Special Revenue Fund*, the *BFSA 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 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.
- *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. Fiduciary funds include the *Private Purpose Trust Fund* and the *Custodial Fund*. Activities reported in the Private Purpose Trust fund represent certain trust arrangements, while activities in the Custodial Fund represent monies held for prisoners and deposits to be returned to other entities.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In the fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue 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.

The 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 within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, charges for services provided, and state and federal aid associated with the current fiscal period are all considered susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met and the amount is received during the period of availability. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements are met and the amount is received during the period of availability. All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds and Private Purpose Trust Fund are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The Custodial Fund has no measurement focus, but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—The City's cash, cash equivalents, and investments include cash on hand, demand deposits, time deposits and short-term, highly liquid investments with original maturities of three months or less from the date of acquisition. Permissible investments include obligations of the United States Treasury, United State Agencies, repurchase agreements, obligations of New York State or its localities, certificates of deposit and revenue anticipation notes. Investments are stated at fair value based on quoted market prices.

Restricted Cash, Cash Equivalents and Investments—Unspent proceeds from debt are reported as restricted cash and cash equivalents within the City's Debt Service Fund and Capital Projects Fund. The City also reports restricted cash and investments within its governmental and proprietary funds for amounts with constraints placed on their use by either external parties and/or statute and for unearned revenues. Additionally, the City reports restricted cash and investments within its fiduciary funds for amounts held on behalf of others.

Prepaid Items—Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than purchased.

Real Estate Acquired for Resale—Represents assets held by the City with the intention to resell.

Capital Assets—Capital assets, which include property, plant, equipment, infrastructure, and right-to-use leased 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 (\$5,000 for assets purchased with federal funds), and an estimated useful life in excess of four years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. Right-to-use leased assets are initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs and are amortized on a straight line basis over their useful lives.

Land and construction in progress are not depreciated/amortized. The other capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Capital Assets	Years
Buildings	50
Building improvements	20
Improvements other than buildings	10 - 30
Infrastructure	20 - 50
Water system	20 - 40
Machinery and equipment	4 - 30
Right-to-use leased assets	3 - 6

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

Capital Assets	Years
Buildings	50
Building improvements	20
Land improvements	20
General equipment	10
Computer, business machine, and audio visual equipment	5
Automotive	7
Right-to-use leased assets	5

BURA does not own infrastructure assets such as roads, bridges or sewers. BURA defines capital assets as assets with an initial cost of more than \$5,000 and an estimated useful life exceeding five years. Assets are depreciated/amortized using the straight-line method over their useful lives, which range from 5 to 40 years.

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new police vehicle included as part of *expenditures—public safety*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial purposes. At June 30, 2022, the City reported unearned revenues within the General Fund, Capital Projects Fund and Solid Waste and Recycling Fund in the amounts of \$275,977,370, \$77,025 and \$522,020, respectively. The City received cash in advance related primarily to the American Rescue Plan Act relief funds, as well as other grants, prepaid user fees, and other items but has not performed the services, and therefore recognizes a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, the City has three items that qualify for reporting in this category. The first item is deferred charge on refunding, which is reported within the proprietary funds. The second item is related to pensions and is also reported in the government-wide financial statements, as well as within individual proprietary funds. This represents the effect of the net change in the City's proportion of the collective net pension liability/(asset), the difference during the measurement period between the City's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The final item represents the effects of the change in the City's proportion of the collective total OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability, and is reported on the government-wide financial statements as well as within the individual proprietary funds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. At June 30, 2022, the City has five items that qualify for reporting in this category. The first item arises under a modified accrual basis of accounting. Accordingly, *unavailable revenues* are reported as deferred inflows of resources only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from property taxes that will not be realized within the period of availability. These amounts are deferred and recognized in the period that the amounts become available. The second item is a deferred gain on refunding, which is reported in the government-wide financial statements. The third item is related to leases receivable and reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the City's lease receivable and amortized over the life of the lease. The fourth item represents the effect of the net change in the City's proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the City's contributions and its proportionate share of total contributions to the pension systems not included in pension expense and is reported on the government-wide financial statements as well as within the individual proprietary funds. The fifth item represents the effects of the change in the City's proportion of the collective total OPEB liability and difference during the measurement period between certain employer's contributions and its proportionate share of the total

of certain contributions from employers included in the collective total OPEB liability, and is reported on the government-wide financial statements as well as within the individual proprietary funds.

Net Position Flow Assumption—Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted–net position and unrestricted–net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted–net position to have been depleted before unrestricted–net position is applied.

Fund Balance Flow Assumptions—Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The Common Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes, but do not meet the criteria to be classified as committed. The Common Council has by resolution authorized the Comptroller to assign fund balance. The Common Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenues and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Common Council adopted a revised fund balance policy on May 31, 2022 whereby the City is to maintain assigned and unassigned fund balance (in total) equal to or no less than 30 days of prior year expenditures. The City’s assigned and unassigned fund (in total) is in compliance with this policy.

Revenues and Expenses/Expenditures

Program Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes—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 of New York 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, 2022 the City had a legal tax margin of approximately \$149.8 million.

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 position as a long-term liability. For business-type activities, the full liability is recognized in both the government-wide statement of net position and the proprietary fund financial statements.

Due to Retirement Systems—Amounts owed to the New York State Retirement Systems for wages of employees of the City, but not yet billed, are reported as liabilities in the financial statements.

Pension Plans—The City is mandated by New York State law to participate in the New York State Teacher’s Retirement System (“TRS”), the New York State Local Employees’ Retirement System (“ERS”) and the New York State Police and Fire Retirement System (“PFRS”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plans, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 6.

Other Postemployment Benefits—In addition to providing pension benefits, the City provides health insurance coverage and/or payments for fractional values of unused sick leave for certain retired employees at the time of retirement as discussed in Note 7.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—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 propriety 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 Fund. Operating expenses for the enterprise funds, and the Internal Service Fund, include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Other

Estimates—The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures, assets, liabilities, deferred outflows/inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements during the reported period. Actual results could differ from those estimates.

Reclassifications—Certain amounts were reclassified from the Board’s and BFSA’s financial statement presentation to conform to the City’s reporting presentation. In the Board’s statement of net position, \$5,848,608 previously classified as due from other governments was reclassified as due from component units. This amount represented sales tax from Erie County passed-through BFSA on behalf of the Board. And, in the BFSA’s statement of revenue, expenditures, and change in net position, \$325,366,212 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 Pronouncements—During the year ended June 30, 2022, the City implemented GASB Statement No. 87, *Leases*; No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 91, *Conduit Debt Obligations*. GASB Statement No. 87 better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. As a result of the implementation of GASB Statement No. 87, the City made adjustments to leases receivable, capital assets, lease liabilities and deferred inflows relating to leases. There was no material impact to net net position. GASB Statement No. 89 enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. GASB Statement No. 91 clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statements No. 87, 89, and 91 did not have a material impact on the City’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The City has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*, effective for the year ending June 30, 2023, and the remainder of No. 99, *Omnibus 2022*; and No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*, effective for the year ending June 30, 2024, and No. 101, *Compensated Absences*, effective for the year ending June 30, 2025. The City is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 99, 100, and 101 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Deficit Fund Position—At June 30, 2022, the Solid Waste and Recycling Fund had a total net position of \$(59,184,456). This net position deficit includes accrued other postemployment benefits obligation (“OPEB”) of \$38,340,119 and deferred inflows related to OPEB of \$5,886,883. In addition, the Solid Waste and Recycling Fund reports a long-term interfund payable to the General Fund in the amount of \$15,651,369. Although the City anticipates the deficit to be remedied by future rate increases or through General Fund subsidies, no formal plan exists.

At June 30, 2022 the City's governmental activities had a total net position of \$(756,677,018) due primarily to the City's recognition of OPEB obligation of \$1,248,554,943.

The Board has a total net position of \$(2,153,267,784) at June 30, 2022, which is caused primarily by the Board's recognition of their OPEB obligation of \$1.7 billion and the related deferred inflows of resources of \$1.5 billion.

Legal Compliance—Budgets—Through the budget, the Council sets the direction of the City, allocates its resources and established its priorities. The annual budget assures the efficient and effective uses of the City's economic resources, as well as establishing that the highest priority objectives are accomplished.

The annual budget serves from July 1 to June 30, and is a vehicle that accurately and openly communicates these priorities to the community, businesses, vendors, employees and other public agencies. Additionally, it established the foundation of effective financial planning by providing resource planning, performance measures and controls that permit the evaluation and adjustment of the City's performance.

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

- 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 are passed by the Council and are adopted without any Mayoral actions. 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 Comptroller, demonstrating that the increase is necessary to meet a contingency which could not have been reasonably foreseen when the budget was adopted.
- Appropriations in the General Fund lapse at the end of the fiscal year, except that outstanding encumbrances are reappropriated in the succeeding year, pursuant to the Uniform System of Accounts promulgated by the Office of the New York State Comptroller.

2. CASH, CASH EQUIVALENTS 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, New York State. The City's investment policy governs the investment of excess funds. Permissible investments include time deposits, certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, and obligations of New York State and its localities. Cash in banks was fully collateralized at June 30, 2022, of which the bank carrying balance at June 30, 2022, was \$873,382,868.

Cash, cash equivalents and investments at June 30, 2022 are shown below.

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Petty cash (uncollateralized)	\$ 8,200	\$ -	\$ -	\$ 8,200
Deposits	801,766,860	61,487,584	1,582,342	864,836,786
Investments	2,201,351	5,285,037	32,912	7,519,300
Total	<u>\$ 803,976,411</u>	<u>\$ 66,772,621</u>	<u>\$ 1,615,254</u>	<u>\$ 872,364,286</u>

Cash and cash equivalents consisted of:

	Governmental Activities	Business-type Activities	Fiduciary Funds	Total
Cash and cash equivalents	\$ 406,985,387	\$ 20,591,162	\$ -	\$ 427,576,549
Restricted cash and cash equivalents	394,789,673	40,896,422	-	435,686,095
Cash held in fiduciary funds	-	-	1,582,342	1,582,342
Total	<u>\$ 801,775,060</u>	<u>\$ 61,487,584</u>	<u>\$ 1,582,342</u>	<u>\$ 864,844,986</u>

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 New York 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.

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. As noted above, by State Statute all deposits in excess of FDIC insurance coverage must be collateralized. 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. 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. As of June 30, 2022, the City’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the City’s name.

Governmental Activities Restricted Cash and Cash Equivalents—General Fund restricted cash of \$3,899,979 represents monies set aside as part of the funding requirements of the State for the settlement of a dispute between the Board and the Buffalo Teachers Federation. The initial settlement was bonded and such restricted cash will be used to pay the debt service requirements. Further, the City also reports \$275,977,370 of restricted cash related to unearned revenues within the General Fund due to the advanced funding related to the American Rescue Plan Act (“ARPA”). The Debt Service Fund restricted assets of \$2,948,569 are held by a trustee for future debt service payments. Restricted cash of \$86,540,241 is reported within the Capital Projects Fund for amounts representing nonoperating cash raised through borrowings, grants and transfers from other funds. Additionally, the City reports \$15,820,857, \$9,311,466, \$215,928, and \$75,263 in the General Fund, Special Revenue Fund, BFSAs Debt Service Fund and Permanent Fund, respectively, which represent amounts with constraints placed on their use by either external parties and/or statute.

Business-Type Activities Restricted Cash and Cash Equivalents—Business-type restricted cash and cash equivalents within Parking Fund and Water System Fund represents 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 and cash equivalents of the Parking Fund and Water System Fund consists primarily of Treasury notes, Treasury bills, and certificates of deposit with a commercial bank with original maturities of three months or less. At June 30, 2022, \$2,143 and \$24,295,270 of the Parking and Water System’s restricted cash and cash equivalents, respectively, 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 restricted money market accounts with fair values totaling \$16,599,009 at June 30, 2022.

Restricted Investments—At June 30, 2022, total investments of \$7,519,300 consisted of investments held by held by governmental activities of \$2,201,351, held by the business-type activities of \$5,285,037 and maintained in fiduciary funds of \$32,912. Investments at June 30, 2022 are presented in the following table:

	<u>Moody's Ratings</u>	<u>S&P Ratings</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturity</u>
Certificates of deposit	n/a	n/a	\$ 5,285,037	\$ 5,285,037	7/28/2022
U.S. Treasury SLGs	n/a	n/a	1,748,817	1,735,144	8/31/2022
Federal Home Loan Banks	Aaa/P-1	AA+/A-1+	485,446	499,119	8/31/2022
Total			<u>\$ 7,519,300</u>	<u>\$ 7,519,300</u>	

Investments in the City consist of certificates of deposit issued with thirteen week maturities. Investments in fiduciary funds consist solely of certificates of deposit at June 30, 2022. Additionally, investments include restricted amounts for those fund balances constrained to specific purposes through constitutional provisions or by enabling legislation.

The risk and type of investments presented above generally indicate activity and positions held throughout the year. Maturities related to the BFSAs’s investments are generally short-term with certificates of deposit issued with 30-day maturities and commercial paper due within 45 days.

Fair Value Measurements—Accounting standards provide the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

All investments reported by the City are measured using level 1 inputs.

Custodial Credit Risk—Investments—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.

Credit Risk—In compliance with the State law, City investments are limited to obligations of the Federal government, obligations guaranteed by the Federal government where the payment of principal and interest are guaranteed by the Federal government, 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.

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.

Interest Rate Risk—The City has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Investments are limited to a maximum of two years, however the City generally limits its investments to 180 days or less.

Board of Education

At June 30, 2022, cash in banks was \$33,351,726, and were fully covered by FDIC insurance or collateral.

Restricted Cash and Cash Equivalents—The Board has restricted cash of \$22,806,788 at June 30, 2022 for various purposes as follows:

- \$10,148,486 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 2008, 2009, 2011 and 2013 bond proceeds to be deposited and maintained by a trustee. Such cash is held with a fiscal agent.
- \$11,753,041 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.
- \$595,447 represents amounts to support obligations related to workers' compensation claims, along with an account held in trust with the Buffalo Teacher's Federation in relation to a previous teachers' settlement agreement.
- \$309,814 represents endowment funds and can be used in accordance with the respective endowment document.

Buffalo Urban Renewal Agency

At June 30, 2022, BURA reported total deposits of \$4,694,441. BURA's deposits are maintained in demand deposit or savings accounts. By State statute, all deposits in excess of FDIC insurance coverage must be collateralized. At June 30, 2022, BURA's deposits were fully covered by FDIC insurance or collateral.

Restricted Cash and Cash Equivalents—Restricted cash reported in BURA's General Fund for funds held in escrow and also in its special revenue funds as grant funds held prior to disbursement of approved expenditures. At June 30, 2022, BURA reported \$962,908 of restricted cash.

3. RECEIVABLES

Receivables at June 30, 2022, for the City's individual funds and related allowances for estimated uncollectible amounts are as follows:

	Gross Receivable	Allowance	Net Receivable
Governmental funds:			
General Fund:			
Taxes	\$ 13,033,260	\$ (6,718,077)	\$ 6,315,183
Accounts receivable	19,679,663	(9,194,100)	10,485,563
Due from other agencies	1,366,345	-	1,366,345
Total	<u>\$ 34,079,268</u>	<u>\$ (15,912,177)</u>	<u>\$ 18,167,091</u>
Nonmajor governmental funds:			
Other receivables	24,452	-	24,452
Total governmental funds	<u>34,103,720</u>	<u>(15,912,177)</u>	<u>18,191,543</u>
Proprietary funds:			
Solid Waste and Recycling Fund:			
Accounts receivable	11,585,674	(10,804,189)	781,485
Other receivables	126,627	(82,287)	44,340
Total	<u>11,712,301</u>	<u>(10,886,476)</u>	<u>825,825</u>
Parking Fund:			
Accounts receivable	949,017	-	949,017
Total	<u>949,017</u>	<u>-</u>	<u>949,017</u>
Water System Fund:			
Accounts receivable	29,689,082	(24,934,910)	4,754,172
Other receivables	1,445,616	-	1,445,616
Due from other agencies	127,425	-	127,425
Total	<u>31,262,123</u>	<u>(24,934,910)</u>	<u>6,327,213</u>
Internal Service Fund:			
Accounts receivable	25,427	-	25,427
Total	<u>25,427</u>	<u>-</u>	<u>25,427</u>
Total proprietary funds	<u>43,948,868</u>	<u>(35,821,386)</u>	<u>8,127,482</u>
Total primary government	<u>\$ 78,052,588</u>	<u>\$ (51,733,563)</u>	<u>\$ 26,319,025</u>

Lease Receivable—During the year ended June 30, 2022, the City began recognizing the lease of a building to a third party. The lease has ninety-six remaining years and the City will receive variable annual payments annual payments. The District recognized \$208,121 in lease revenue and \$211,801 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the City’s receivable for lease payments was \$21,440,011. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$21,020,089.

Intergovernmental Receivables—Represents amounts due from other units of government, such as Federal, New York, State, or other local governments. Amounts are shown net of related advances from New York State. Intergovernmental receivables at June 30, 2022 are shown below:

Intergovernmental receivables:	
Governmental funds:	
General Fund:	
Due from Erie County	\$ 393,132
Due from New York State, net	2,544,703
Due from federal government	<u>20,000</u>
Total	<u>2,957,835</u>
Capital Projects Fund:	
Due from New York State	<u>8,291,887</u>
Nonmajor governmental funds:	
Due from New York State	16,368,128
Due from federal government	<u>1,337,846</u>
Total	<u>17,705,974</u>
Total governmental funds	<u>\$ 28,955,696</u>

Board of Education

At June 30, 2022, the Board accrued \$13,452,229 in accounts receivables and \$147,064,345 in intergovernmental receivables. In addition, the Board reports amounts owed from the City of \$344,834,118 as due from primary government at June 30, 2022.

Buffalo Urban Renewal Agency

Major revenues accrued by BURA at June 30, 2022 consisted of the following:

	General	Community Development Block Grant	Home Program	Nonmajor Governmental Funds	Total
Program loans receivable	\$ -	\$ 23,510,686	\$ 70,014,581	\$ 159,496	\$ 93,684,763
Notes receivable	1,908,739	-	-	-	1,908,739
Allowance for uncollectibles	<u>(758,709)</u>	<u>(23,510,686)</u>	<u>(70,014,581)</u>	<u>(159,496)</u>	<u>(94,443,472)</u>
Total receivables	<u>\$ 1,150,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,150,030</u>

Program Loans Receivable—Represents amounts due to BURA of \$93,684,763, which are entirely allowed for.

Lease Receivable—BURA leases real property for the premises commonly known as 450 Exchange Street to a third party. The lease has eighteen years remaining and BURA will receive monthly payments ranging from \$2,250 to \$3,250. BURA recognized \$39,574 in rental income during the current fiscal year related to this lease. As of June 30, 2022, BURA’s receivable for lease payments

was \$455,666. Also, BURA reports a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$443,092

Notes Receivable—Represents amounts due from various sources for projects designed to stimulate economic development and housing improvements in the City, provided net of allowances for uncollectible accounts. BURA reports amounts of \$1,908,739 which are allowed for in the amount of \$758,709.

Intergovernmental Receivables—Represent amounts due from other units of government, such as federal government. Intergovernmental receivables at June 30, 2022 consisted of the following:

	General	Community Development Block Grant	Community Development Block Grant (COVID)	Section 8 Housing Program	HOME Program	Emergency Rent Assistance Program	Nonmajor Governmental Funds	Total
Due from federal government	\$ 3,635	\$ 668,026	\$ 1,269,475	\$ 100	\$ 801,532	\$ -	\$ 10,628	\$ 2,753,396
Due from City of Buffalo	-	-	-	-	-	732,692	49,070	781,762
Total	<u>\$ 3,635</u>	<u>\$ 668,026</u>	<u>\$ 1,269,475</u>	<u>\$ 100</u>	<u>\$ 801,532</u>	<u>\$ 732,692</u>	<u>\$ 59,698</u>	<u>\$ 3,535,158</u>

4. CAPITAL ASSETS

Governmental Activities—Capital asset activity for the primary government's governmental activities, for the fiscal year ended June 30, 2022, was as follows:

	Balance 7/1/2021 (as adjusted)	Increases	Decreases	Balance 6/30/2022
Capital assets, not being depreciated/amortized:				
Land	\$ 9,791,873	\$ -	\$ -	\$ 9,791,873
Construction in progress	37,567,737	69,427,894	37,567,737	69,427,894
Total capital assets, not being depreciated/amortized	<u>47,359,610</u>	<u>69,427,894</u>	<u>37,567,737</u>	<u>79,219,767</u>
Capital assets, being depreciated/amortized:				
Buildings and building improvements	350,802,149	3,386,526	602,901	353,585,774
Improvements other than buildings	74,128,150	2,642,743	-	76,770,893
Machinery and equipment	76,559,512	2,377,081	1,310,658	77,625,935
Infrastructure	619,754,521	30,326,644	-	650,081,165
Right-to-use leased assets	2,555,056	-	-	2,555,056
Total capital assets, being depreciated/amortized	<u>1,123,799,388</u>	<u>38,732,994</u>	<u>1,913,559</u>	<u>1,160,618,823</u>
Less accumulated depreciation/amortization for:				
Buildings and building improvements	164,392,067	9,386,713	-	173,778,780
Improvements other than buildings	48,530,252	2,870,386	-	51,400,638
Machinery and equipment	65,704,085	3,368,403	1,286,040	67,786,448
Infrastructure	344,291,547	22,458,457	-	366,750,004
Right-to-use leased assets	-	681,788	-	681,788
Total accumulated depreciation/amortization	<u>622,917,951</u>	<u>38,765,747</u>	<u>1,286,040</u>	<u>660,397,658</u>
Total capital assets, being depreciated/amortized, net	<u>500,881,437</u>	<u>(32,753)</u>	<u>627,519</u>	<u>500,221,165</u>
Governmental activities capital assets, net	<u>\$ 548,241,047</u>	<u>\$ 69,395,141</u>	<u>\$ 38,195,256</u>	<u>\$ 579,440,932</u>

Business-type Activities—Capital asset activity for the primary government’s business-type activities, for the fiscal year ended June 30, 2022, was as follows:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital assets, not being depreciated:				
Land	\$ 3,307,890	\$ -	\$ -	\$ 3,307,890
Construction in progress	3,312,822	6,336,897	5,645,216	4,004,503
Total capital assets, not being depreciated	<u>6,620,712</u>	<u>6,336,897</u>	<u>5,645,216</u>	<u>7,312,393</u>
Capital assets, being depreciated:				
Buildings and building improvements	190,387,217	2,861,126	-	193,248,343
Improvements other than buildings	433,046	-	-	433,046
Machinery and equipment	11,969,710	5,309	25,514	11,949,505
Infrastructure	<u>139,289,142</u>	<u>4,050,665</u>	<u>-</u>	<u>143,339,807</u>
Total capital assets, being depreciated	<u>342,079,115</u>	<u>6,917,100</u>	<u>25,514</u>	<u>348,970,701</u>
Less accumulated depreciation for:				
Buildings and building improvements	74,606,702	5,399,148	-	80,005,850
Improvements other than buildings	413,947	9,259	-	423,206
Machinery and equipment	9,981,307	588,262	25,514	10,544,055
Infrastructure	<u>65,551,232</u>	<u>3,334,936</u>	<u>-</u>	<u>68,886,168</u>
Total accumulated depreciation	<u>150,553,188</u>	<u>9,331,605</u>	<u>25,514</u>	<u>159,859,279</u>
Total capital assets, being depreciated, net	<u>191,525,927</u>	<u>(2,414,505)</u>	<u>-</u>	<u>189,111,422</u>
Business-type activities capital assets, net	<u>\$ 198,146,639</u>	<u>\$ 3,922,392</u>	<u>\$ 5,645,216</u>	<u>\$ 196,423,815</u>

Depreciation/amortization expense was charged to the functions and programs of the primary government as follows:

Governmental activities:	
General government support	\$ 4,779,352
Public safety	5,698,795
Streets and sanitation	20,941,176
Economic assistance and opportunity	588,961
Culture and recreation	6,725,896
Health and community services	<u>31,567</u>
Total governmental activities depreciation/amortization expense	<u>\$ 38,765,747</u>
Business-type activities:	
Solid waste and recycling	\$ 402,511
Parking	1,547,532
Water system	<u>7,381,562</u>
Total business-type activities depreciation expense	<u>\$ 9,331,605</u>

Board of Education

Capital asset activity for the Board, for the fiscal year ended June 30, 2022, was as follows:

	Balance 7/1/2021 (as restated)	Increases	Decreases and Reclassifications	Balance 6/30/2022
Capital assets, not being depreciated/amortized:				
Land	\$ 3,011,900	\$ -	\$ -	\$ 3,011,900
Construction in progress	36,351,958	9,030,855	1,999,369	43,383,444
Total capital assets, not being depreciated/amortized	<u>39,363,858</u>	<u>9,030,855</u>	<u>1,999,369</u>	<u>46,395,344</u>
Capital assets, being depreciated/amortized:				
Land improvements	5,542,686	995,525	-	6,538,211
Buildings and building improvement	1,784,080,562	-	(1,999,369)	1,786,079,931
Equipment	51,781,129	3,611,807	170,200	55,222,736
Right-to-use leased assets	58,655,121	2,776,898	-	61,432,019
Total capital assets, being depreciated/amortized	<u>1,900,059,498</u>	<u>7,384,230</u>	<u>(1,829,169)</u>	<u>1,909,272,897</u>
Less accumulated depreciation/amortization for:				
Land improvements	4,820,325	77,442	-	4,897,767
Buildings and building improvement	1,108,705,227	76,632,826	-	1,185,338,053
Equipment	27,856,699	5,426,991	170,200	33,113,490
Right-to-use leased assets	19,170,184	4,612,340	-	23,782,524
Total accumulated depreciation/amortization	<u>1,160,552,435</u>	<u>86,749,599</u>	<u>170,200</u>	<u>1,247,131,834</u>
Total capital assets being depreciated/amortized, net	<u>739,507,063</u>	<u>(79,365,369)</u>	<u>(1,999,369)</u>	<u>662,141,063</u>
Board capital assets, net	<u>\$ 778,870,921</u>	<u>\$ (70,334,514)</u>	<u>\$ -</u>	<u>\$ 708,536,407</u>

Buffalo Urban Renewal Agency

Capital asset activity for BURA, for the fiscal year ended June 30, 2022, was as follows:

	Balance 7/1/2021	Increases	Decreases	Balance 6/30/2022
Capital assets, being depreciated/amortized:				
Buildings	\$ 772,054	\$ -	\$ -	\$ 772,054
Equipment	22,535	32,850	-	55,385
Right-to-use leased assets	-	22,586	-	22,586
Total capital assets, being depreciated/amortized	<u>794,589</u>	<u>55,436</u>	<u>-</u>	<u>850,025</u>
Less accumulated depreciation/amortization for:				
Buildings	366,942	19,313	-	386,255
Equipment	22,535	3,833	-	26,368
Right-to-use leased assets	-	5,646	-	5,646
Total accumulated depreciation/amortization	<u>389,477</u>	<u>28,792</u>	<u>-</u>	<u>418,269</u>
BURA capital assets, net	<u>\$ 405,112</u>	<u>\$ 26,644</u>	<u>\$ -</u>	<u>\$ 431,756</u>

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2022, were as follows:

	General Fund	Nonmajor Funds	Total Governmental Funds
Salary and employee benefits	\$ 32,997,532	\$ 62,258	\$ 33,059,790
Other accruals	-	52,202	52,202
Total accrued liabilities	<u>\$ 32,997,532</u>	<u>\$ 114,460</u>	<u>\$ 33,111,992</u>

6. PENSION OBLIGATIONS

The City participates in the New York State and Local Police and Fire Retirement System (“PFRS”) and the New York State and Local Employees’ Retirement System (“ERS”) (the “Systems”). These cost-sharing multiple-employer public employee retirement systems compute contribution requirements based on the New York State Retirement and Social Security Law (“NYSRSSL”).

Plan Descriptions and Benefits Provided

Police and Fire Retirement System and Employees’ Retirement System (the “Systems”)—The Systems provide retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the “Fund”), which was established to hold all assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The City also participates in the Public Employees’ Group Life Insurance Plan (“GLIP”), which provides death benefits in the form of life insurance. The System is included in the State’s financial report as a pension trust fund. That report, including information with regards to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS), who generally contribute three percent (3.0%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers’ contributions based on salaries paid during the System’s fiscal year ending March 31.

Pension Liability/(Asset), Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At June 30, 2022, the City reported the liability/(asset) on the following page for its proportionate share of the total pension liability/(asset) for each of the Systems. The net pension liability/(asset) was measured as of March 31, 2021. The total pension liability/(asset) used to calculate the net pension liability/(asset) was determined by actuarial valuations as of April 1, 2021, with updated procedures used to roll forward the total net pension liability/(asset) to the measurement date. The City’s proportion of the net pension liability/(asset) was based on projections of the City’s long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by PFRS and ERS Systems in reports provided to the City.

	Governmental activities		Business-type	City
	PFRS	ERS	activities	Total
Measurement date	March 31, 2022	March 31, 2022	ERS	ERS
Net pension liability/(asset)	\$ 19,726,695	\$ (15,687,390)	\$ (3,604,211)	\$ (19,291,601)
City's portion of the Plan's total net pension liability/(asset)	3.4727375%	0.1905724%	0.0454224%	0.2359948%

As of the March 31, 2022 measurement date, the City's governmental activities portion of the Plan's total net pension liability/(asset) for PFRS and ERS, respectively, had decreased 0.0973676% and decreased 0.0009582% from their portion of the Plan's total net pension liability of 3.5701051% and 0.1915306% on the March 31, 2021 measurement date. The City's business-type activities portion of the Plan's total net pension liability/(asset) had increased 0.0001988% from their portion of the Plan's total net pension liability/(asset) of 0.0452236% from the March 31, 2021 measurement date.

For the year ended June 30, 2022, the City's primary government recognized aggregate pension expenses of \$17,958,416 and \$1,321,090 for PFRS and ERS, respectively. The City's governmental activities recognized aggregate pension expenses of \$17,958,416 for PFRS and \$1,063,288 for ERS (which includes aggregate pension income of 10,985 related to BFSA). Business-type activities recognized aggregate pension expense of \$246,817 for ERS. At June 30, 2022, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources				Deferred Inflows of Resources			
	Governmental activities		Business-type	Total	Governmental activities		Business-type	Total
	PFRS	ERS	ERS	Primary Government	PFRS	ERS	ERS	Primary Government
				ERS				ERS
Differences between expected and actual experiences	\$ 10,634,807	\$ 1,188,028	\$ 272,952	\$ 1,460,980	\$ -	\$ 1,540,940	\$ 354,034	\$ 1,894,974
Changes of assumptions	118,068,547	26,180,495	6,015,025	32,195,520	-	441,767	101,497	543,264
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	165,755,774	51,369,628	11,802,282	63,171,910
Changes in proportion and differences between the City's contributions and proportionate share of contributions	1,746,919	612,840	140,801	753,641	9,828,389	539,352	123,889	663,241
City's contributions subsequent to the measurement date	<u>7,694,654</u>	<u>1,667,778</u>	<u>383,159</u>	<u>2,050,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 138,144,927</u>	<u>\$ 29,649,141</u>	<u>\$ 6,811,937</u>	<u>\$ 36,461,078</u>	<u>\$ 175,584,163</u>	<u>\$ 53,891,687</u>	<u>\$ 12,381,702</u>	<u>\$ 66,273,389</u>

City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Governmental activities		Business-type activities
	PFRS	ERS	ERS
2023	\$ (9,526,721)	\$ (3,968,356)	\$ (945,846)
2024	(15,168,154)	(5,680,743)	(1,353,989)
2025	(40,478,272)	(13,313,755)	(3,173,295)
2026	20,507,663	(2,947,470)	(479,794)
2027	(468,406)	-	-

Actuarial Assumptions—The total pension liability/(asset) as of the measurement date were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement date. The actuarial valuations used the following actuarial assumptions:

	PFRS	ERS
Measurement date	March 31, 2022	March 31, 2022
Actuarial valuation date	April 1, 2021	April 1, 2021
Interest rate	5.90%	5.90%
Salary scale	6.20%	4.40%
Decrement tables	April 1, 2015- March 31, 2020	April 1, 2015- March 31, 2020
Inflation rate	2.7%	2.7%
Cost-of-living adjustments	1.4%	1.4%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020.

The actuarial assumptions used in the April 1, 2021 valuations are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the table on the following page.

Measurement date	Target Allocation	Long-Term Expected Real Rate of Return
	PFRS and ERS	
	March 31, 2022	
Asset class:		
Domestic equities	32.0 %	3.3 %
International equities	15.0	5.9
Private equity	10.0	6.5
Real estate	9.0	5.0
Opportunistics/absolute return strategies	3.0	4.1
Credit	4.0	3.8
Real assets	3.0	5.6
Bonds and mortgages	23.0	0.0
Cash	1.0	(1.0)
Total	<u>100.0 %</u>	

Discount Rate—The discount rate used to calculate the total pension liabilities was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption—The chart below presents the City’s proportionate share of the net pension (assets)/liabilities calculated using the discount rate of 5.9%, as well as what the City’s proportionate share of the net pension liability would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)—PFRS	\$ 218,429,052	\$ 19,726,695	\$ (145,573,832)
Employer's proportionate share of the net pension liability/(asset)—ERS	49,656,371	(19,291,601)	(76,963,253)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liabilities of the employers as of the valuation dates, were as follows:

	(Dollars in Thousands)		
	PFRS	ERS	Total
Valuation date	April 1, 2021	April 1, 2021	
Employers' total pension liability	\$ 42,237,292	\$ 223,874,888	\$ 266,112,180
Plan fiduciary net position	41,669,250	232,049,473	273,718,723
Employers' net pension liability	<u>\$ 568,042</u>	<u>\$ (8,174,585)</u>	<u>\$ (7,606,543)</u>
System fiduciary net position as a percentage of total pension liability	98.7%	103.7%	102.9%

Payables to the Pension Plan—Employer contributions are paid annually based on the System's fiscal year which ends on March 31. Accrued retirement contributions as of June 30, 2021 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2021 based on paid System wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2022 amounted to \$7,694,654 and \$2,040,491 for PFRS and ERS, respectively.

Buffalo Fiscal Stability Authority

The BFSFA also participates in the ERS.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At June 30, 2022, the BFSFA reported an asset of \$142,680 for its proportionate share of the net pension asset. At the March 31, 2022 measurement date, the BFSFA's proportion was 0.0017454%, an increase of 0.0000414% from its proportion measured as of March 31, 2021.

For the year ended June 30, 2022, BFSFA recognized aggregate pension income of \$10,985. At June 30, 2022, the BFSFA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	ERS	
Differences between expected and actual experiences	\$ 10,805	\$ 14,015
Changes of assumptions	238,117	4,018
Net difference between projected and actual earnings on pension plan investments	-	467,217
Changes in proportion and differences between BFSFA's contributions and proportionate share of contributions	3,159	32,025
BFSFA contributions subsequent to the measurement date	<u>11,390</u>	<u>-</u>
Total	<u>\$ 263,471</u>	<u>\$ 517,275</u>

The BFSA’s contributions subsequent to the measurement date will be recognized as a reduction in the net pension asset in the year ending June 30, 2023. Other amounts reported as net deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>ERS</u>
2023	\$ (48,748)
2024	(61,591)
2025	(127,211)
2026	(27,644)

Sensitivity of the Proportionate Share of the Net Pension Asset to the Discount Rate Assumption—

The following chart presents the BFSA’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what the BFSA’s proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

<u>ERS</u>	<u>1% Decrease (5.8%)</u>	<u>Current Assumption (6.8%)</u>	<u>1% Increase (7.8%)</u>
Employer's proportionate share of the net pension liability/(asset)	\$ 367,257	\$ (142,680)	\$ (569,218)

Payables to the Pension Plan—Accrued retirement contributions as of June 30, 2022 amounted to \$11,390.

Board of Education

The Board participates in the Teachers’ Retirement System (“TRS”) and the ERS.

Plan Descriptions and Benefits Provided

Teachers’ Retirement System—This is a cost-sharing multiple-employer retirement system. TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and Retirement and the New York State Retirement and Social Security Law (“NYSRSSL”). TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers’ Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Annual Comprehensive Financial Report which can be found on TRS’ website at www.nystrs.org.

Plan members who joined the TRS before July 27, 1976, are not required to make contributions. Those joining after July 27, 1976 are required to contribute three percent (3.0%) to three and one half percent (3.5%) of their annual salary. Employees in the System more than ten years are no longer required to contribute. Pursuant to Article 11 of the Education Law, rates are established annually by the New York State Teachers’ Retirement Board.

Pension Assets, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At June 30, 2022, the Board reported the assets presented below for its proportionate share of the net pension asset for each of the Systems. The net pension asset was measured as of June 30, 2021 for TRS and March 31, 2022 for ERS. The total pension asset used to calculate the net pension assets were determined by actuarial valuations as of June 30, 2021 and April 1, 2022 for TRS and ERS, respectively, with update procedures used to roll forward the total pension liability to the measurement dates. The Board’s proportion of the net pension liability was based on a projection of the Board’s long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by TRS and ERS in reports provided to the Board.

	TRS	ERS
Measurement date	June 30, 2021	March 31, 2022
Net pension asset	\$ 308,539,289	\$ 11,669,271
Board's portion of the Plan's total net pension asset	1.780475%	0.142751%

As of their respective measurement dates, the Board’s portion of the Plan’s total pension liability for TRS and ERS, respectively, had decreased 0.038003% and 0.004893% from their portion of the Plan’s total pension liability on the June 30, 2020 and March 31, 2021 measurement dates.

For the year ended June 30, 2022, the Board recognized pension income of \$18,881,804 for TRS and pension expense of \$939,461 for ERS, respectively. At June 30, 2022, the Board reported the following deferred outflows of resources and deferred inflows of resources related to pensions.

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	TRS	ERS	TRS	ERS
Differences between expected and actual experiences	\$ 42,528,868	\$ 883,730	\$ 1,602,993	\$ 1,146,248
Changes of assumptions	101,485,022	19,474,705	17,971,503	328,614
Net difference between projected and actual earnings on pension plan investments	-	-	322,918,290	38,211,974
Changes in proportion and differences between the Board's contributions and proportionate share of contributions	3,517,914	708,581	5,274,835	372,801
Board's contributions subsequent to the measurement date	<u>31,173,278</u>	<u>1,576,567</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 178,705,082</u>	<u>\$ 22,643,583</u>	<u>\$ 347,767,621</u>	<u>\$ 40,059,637</u>

Board contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources and deferred outflows of resources related to pensions will be recognized in pension expense as shown below:

<u>Year Ending June 30,</u>	<u>TRS</u>	<u>ERS</u>
2023	\$ (41,006,190)	\$ (2,692,694)
2024	(48,095,377)	(4,187,506)
2025	(58,678,712)	(9,948,363)
2026	(77,470,904)	(2,164,058)
2027	14,603,807	-
Thereafter	10,411,559	-

Actuarial Assumptions—The total pension liability as of the measurement dates were determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liabilities to the measurement dates. The actuarial valuations used the following actuarial assumptions:

	<u>TRS</u>	<u>ERS</u>
Measurement date	June 30, 2021	March 31, 2022
Actuarial valuation date	June 30, 2020	April 1, 2021
Interest rate	6.95%	5.90%
Salary scale	1.95% - 5.18%	4.40%
Decrement tables	July 1, 2015 - June 30, 2020	April 1, 2015 - March 31, 2020
Inflation rates	2.40%	2.70%
Cost-of-living adjustments	1.30%	1.40%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on Society of Actuaries Scale MP2020, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on Society of Actuaries’ Scale MP-2020.

For TRS, the actuarial assumptions used in the June 30, 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions used in the April 1, 2021 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are presented below:

Measurement date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2021	March 31, 2022
Asset class:				
Domestic equities	33.0 %	32.0 %	6.8 %	3.3 %
International equities	16.0	15.0	7.6	5.9
Global equities	4.0	0.0	7.1	0.0
Private equity	8.0	10.0	10.0	6.5
Real estate	11.0	9.0	6.5	5.0
Opportunistic/Absolute return strategy	0.0	3.0	0.0	4.1
Credit	0.0	4.0	0.0	3.8
Domestic fixed income securities	16.0	0.0	1.3	0.0
Global bonds	2.0	0.0	0.8	0.0
High-yield bonds	1.0	0.0	3.8	0.0
Private debt	1.0	0.0	5.9	0.0
Real assets	0.0	3.0	0.0	5.6
Real estate debt	7.0	0.0	3.3	0.0
Fixed income	0.0	23.0	0.0	0.0
Cash	1.0	1.0	(0.2)	(1.0)
Total	<u>100.00 %</u>	<u>100.0 %</u>		

Discount Rate—The discount rate used to calculate the total pension asset was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Asset to the Discount Rate Assumption—

The chart on the following page presents the Board’s proportionate share of the net pension asset calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the Board’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current assumption.

TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Employer's proportionate share of the net pension liability/(asset)	\$ (32,376,700)	\$ (308,539,289)	\$ (540,633,906)
ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Employer's proportionate share of the net pension liability/(asset)	\$ 30,036,577	\$ (11,669,271)	\$ (46,554,201)

Pension Plan Fiduciary Net Position—The components of the current-year net pension asset of the employers as of the respective valuation dates, were as follows:

	(Dollar in Thousands)	
	TRS	ERS
Valuation date	June 30, 2020	April 1, 2021
Employers' total pension liability	\$ 130,819,415	\$ 223,874,888
Plan fiduciary net position	148,148,457	232,049,473
Employers' net pension (asset)	\$ (17,329,042)	\$ (8,174,585)
System fiduciary net position as a percentage of total pension liability/(asset)	113.2%	103.7%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended June 30, 2022 are paid to the System in September, October and November 2022 through a state aid intercept. Accrued retirement contributions as of June 30, 2022 represent employee and employer contributions for the fiscal year ended June 30, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions for TRS as of June 30, 2022 amounted to \$31,173,278. For ERS, accrued retirement contributions as of June 30, 2022 amounted to \$1,576,567.

Buffalo Urban Renewal Agency

BURA also participates in the ERS. Accrued retirement contributions as of June 30, 2022 represent the projected employer contribution for the period of April 1, 2021 through June 30, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier.

Pension Asset, Pension Expense, and Deferred Outflows of Resources and Inflows of Resources Related to Pensions—At June 30, 2022, BURA reported an asset of \$507,377 for its proportionate share of the net pension asset. At the March 31, 2022 measurement date, BURA's proportion was 0.0062068%, an increase of 0.000779% from its proportion measured as of March 31, 2021.

For the year ended June 30, 2022, BURA recognized pension expense of \$23,750. At June 30, 2022, BURA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

	ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experiences	\$ 38,424	\$ 49,839
Changes of assumptions	846,756	14,288
Net difference between projected and actual earnings on pension plan investments	-	1,661,448
Changes in proportion and differences between BURA's contributions and proportionate share of contributions	127,285	120,195
BURA contributions subsequent to the measurement date	<u>71,995</u>	<u>-</u>
Total	<u>\$ 1,084,460</u>	<u>\$ 1,845,770</u>

BURA's contributions subsequent to the measurement date will be recognized as a reduction in the net pension asset in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	ERS
2023	\$(128,257)
2024	(185,789)
2025	(444,008)
2026	(75,251)

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart below presents BURA's proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9%, as well as what BURA's proportionate share of the net pension liability/(asset) would be if they were calculated using a discount rate that is one percentage-point lower (4.9%) or one percentage-point higher (6.9%) than the current assumption.

ERS	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension liability/(asset)	\$ 1,305,984	\$ (507,377)	\$ (2,024,167)

Payables to the Pension Plan—Accrued retirement contributions as of June 30, 2022 amounted to \$71,995.

7. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

Plan Description—The City maintains a single-employer benefits plan which 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.

Employees Covered by Benefit Terms—There have been no significant changes in the number of employees covered. The number of participants as of July 1, 2020, the effective valuation date of the OPEB valuation, is as follows:

Active employees	2,609
Retired employees	2,905
Spouses of retirees	1,722
Dependents	<u>922</u>
Total	<u>8,158</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability

The City’s total OPEB liabilities for governmental and business-type activities of \$1,247,537,593 and \$63,719,483, respectively, were measured as of June 30, 2021, and were determined by an interim actuarial valuation on September 21, 2022.

Actuarial Methods and Assumptions—Calculations 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) at the time of the valuation and on the pattern of cost sharing between the employee and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the October 8, 2021 actuarial valuation, the Entry Age Normal actuarial cost method was used. The actuarial assumptions included a measurement date of June 30, 2021. The discount rate was 2.14% as of June 30, 2022, as compared to 2.21% as of June 30, 2021. Mortality rates are based on the Sex-distinct Pub-2010 Tables with full generational projection using Scale MP-2020. The New York State Employees Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries determined the initial healthcare cost trend rate used is 5.2%, while the ultimate healthcare cost trend rate is 3.7%.

The actuarial assumptions used in the valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

Changes in the Total OPEB Liability—The following tables presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability		
	Governmental Activities	Business-type Activities	Total Primary Government
Balances at June 30, 2021	\$ 1,314,907,205	\$ 67,808,768	\$ 1,382,715,973
Changes for the year:			
Service cost	56,686,224	2,144,170	58,830,394
Interest	29,722,153	1,479,728	31,201,881
Changes of assumptions	(96,606,264)	(5,165,418)	(101,771,682)
Contributions—employer	(57,171,725)	(2,547,765)	(59,719,490)
Net changes	(67,369,612)	(4,089,285)	(71,458,897)
Balances at June 30, 2022	\$ 1,247,537,593	\$ 63,719,483	\$ 1,311,257,076

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability:

	Decrease (1.14%)	Discount Rate (2.14%)	Increase (3.14%)
Total OPEB liability for Governmental Activities	\$ 1,430,691,201	\$ 1,247,537,593	\$ 1,099,095,832
Total OPEB liability for Business-type Activities	73,074,274	63,719,483	56,137,641
Total Primary Government	\$ 1,503,765,475	\$ 1,311,257,076	\$ 1,155,233,473

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (5.2%) and ultimate (3.7%) healthcare cost trend rates.

	1% Decrease (4.2% / 2.7%)	Healthcare Cost Trend Rates (5.2% / 3.7%)	1% Increase (6.2% / 4.7%)
Total OPEB liability for Governmental Activities	\$ 1,075,947,114	\$ 1,247,537,593	\$ 1,466,762,316
Total OPEB liability for Business-type Activities	54,955,293	63,719,483	74,916,649
Total Primary Government	\$ 1,130,902,407	\$ 1,311,257,076	\$ 1,541,678,965

Funding Policy—Contributions by the primary government may vary according to length of service. The cost of providing postemployment health care benefits is shared between the City and the retired employee. Substantially all employees may become eligible for those benefits if they reach normal retirement age and length of service requirement while working for these entities. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid within the governmental funds. For the year ended June 30, 2022, the City’s governmental activities recognized aggregate OPEB expense of \$44,129,484 (which includes BFSA aggregate OPEB income of \$264,382) and the City’s business-type activities recognized aggregate OPEB expense of \$2,267,470.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The City reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the sources shown below.

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
			Primary Government			Primary Government
Differences between expected and actual experience	\$ 11,256,877	\$ 689,080	\$ 11,945,957	\$ -	\$ -	\$ -
Changes of assumptions	101,601,372	4,056,529	105,657,901	112,750,302	10,366,013	123,116,315
Total	<u>\$ 112,858,249</u>	<u>\$ 4,745,609</u>	<u>\$ 117,603,858</u>	<u>\$ 112,750,302</u>	<u>\$ 10,366,013</u>	<u>\$ 123,116,315</u>

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Governmental Activities	Business-type Activities	City Total
2023	\$ 133,635	\$ (6,957,900)	\$ (6,824,265)
2024	13,370	(696,138)	(682,768)
2025	1,815	(94,495)	(92,680)
2026	(25,387)	1,321,820	1,296,433
2027	(15,486)	806,310	790,824

Buffalo Fiscal Stability Authority

Plan Description—The BFSFA 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 BFSFA over age 55 and have a minimum of five years of service, and have satisfied requirements for retiring as a member of a retirement system.

Employees Covered by Benefit Terms—For the year ended June 30, 2022 there were no retirees of the BFSFA receiving benefits. At June 30, 2022, the following employees were covered by the benefit terms:

Active employees	5
Retired employees	<u>-</u>
Total	<u><u>5</u></u>

Total OPEB Liability

The BFSA's total OPEB liability of \$1,017,350 was measured as of June 30, 2022, and was determined by using the alternative measurement method, available to plans with fewer than 100 employees.

Actuarial Methods and Assumptions—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:

Healthcare cost trend rates – Initial rates of 4.9%, reduced to an ultimate rate of 4.3% after ten years.

Salary increases – 2.0%.

Mortality – Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years.

Discount rate – 3.34% (previously 2.16%) based on the 20-Year tax-exempt municipal bond yield for bonds with an average rating of AA or higher as of the measurement date.

Turnover – 50% based on historical experience.

Changes in the Total OPEB Liability—The following tables presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability
Balances at June 30, 2021	\$ 1,281,732
Changes for the year:	
Service cost	112,210
Interest	30,109
Changes of assumptions	(331,281)
Differences between expected and actual experience	(75,420)
Net changes	(264,382)
Balances at June 30, 2022	\$ 1,017,350

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (2.34%)	Current Discount Rate (3.34%)	1% Increase (4.34%)
Total OPEB liability	\$ 1,290,765	\$ 1,017,350	\$ 807,419

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (4.9%) and ultimate (4.3%) healthcare cost trend rates.

	1% Decrease (3.9% / 3.3%)	Healthcare Cost Trend Rates (4.9% / 4.3%)	1% Increase (5.9% / 5.3%)
Total OPEB liability	\$ 779,735	\$ 1,017,350	\$ 1,331,701

Funding Policy—Contributions may vary according to length of service. The cost of retiree health care benefits is recognized as an expenditure as premiums are paid within the governmental funds. For the year ended June 30, 2022, the Authority recognized OPEB expense of \$264,382.

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. 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.

Employees Covered by Benefit Terms—At June 30, 2021, the following employees were covered by the benefit terms:

Active employees	5,429
Retired employees and dependents	<u>4,017</u>
Total	<u>9,446</u>

Total OPEB Liability

The Board’s total OPEB liability of \$1,733,208,000 was measured as of June 30, 2022, using updated procedures to roll forward the actuarial valuation from June 30, 2021.

Actuarial Methods and Assumptions—The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise specified:

Inflation	1.30%
Salary Increases	1.76% to 10.00%
Discount Rate	4.09%
Healthcare Cost Trend Rates	7.5% in 2022, with an ultimate rate of 4.5% for 2029
Retirees’ Share of Benefit-Related Costs	100% of future retirees eligible for an employer subsidy

The discount rate was based on a range of indices of 20-year bonds with an average rating of AA/Aa or higher as of the measurement date.

Mortality rates were based on the MP-2020 Society of Actuaries' Pub-2010 mortality table fully generational for healthy general and teacher retirees.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 – June 30, 2021.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability (in thousands)
Balance at July 1, 2021	\$ 2,485,499
Changes for the year:	
Service cost	86,668
Interest	55,739
Changes of assumptions	(189)
Differences between expected and actual experience	(210,089)
Contributions—employer	(630,109)
Benefit payments	(54,311)
Net changes	(752,291)
Balance at June 30, 2022	\$ 1,733,208

Changes of assumptions and other inputs reflect a change in the discount rate from 2.19 percent in 2021 to 4.09 percent in 2022.

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have a profound impact on total liabilities. The table below presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability (amounts in thousands).

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
Total OPEB liability	\$ 2,030,091	\$ 1,733,208	\$ 1,495,727

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (8.0%)/ultimate (4.5%) healthcare cost trend rates (amounts in thousands).

	1% Decrease (6.5% to 3.5%)	Healthcare Cost Trend Rates (7.5% to 4.5%)	1% Increase (8.5% to 5.5%)
Total OPEB liability	\$ 1,452,803	\$ 1,733,208	\$ 2,095,721

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—For the year ended June 30, 2022, the Board recognized OPEB income of \$110,143,000. The Board reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability are required to be determined. The following table presents the Board’s deferred outflows and inflows of resources at June 30, 2022 (amounts in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 845,085
Changes of assumptions	<u>478,550</u>	<u>607,041</u>
Total	<u>\$ 478,550</u>	<u>\$ 1,452,126</u>

The amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount (in thousands)
2023	\$ (252,361)
2024	(184,139)
2025	(132,811)
2026	(133,425)
2027	(150,815)
Thereafter	(120,025)

Buffalo Urban Renewal Agency

Plan Description—In addition to pension benefits, BURA provides continuation of medical insurance coverage to employees that retire under the New York State and Local Employees’ Retirement System 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. Health care benefits for non-union employees are similar to those of union employees. The retiree’s share of premium cost range from 0%-25%, depending on the employee hire date.

Employees Covered by Benefit Terms—At June 30, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	41
Active employees	<u>28</u>
Total	<u>69</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“AAL”) under GASB Statement No. 45.

Total OPEB Liability

BURA's total OPEB liability of \$8,789,545 was measured as of June 30, 2022, and was determined by an actuarial valuation as of the same date.

Actuarial Methods and Assumptions—Calculations 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) at the time of the valuation and on the pattern of cost sharing between the employer and plan members. Calculations reflect a long-term perspective, so methods and assumptions used include techniques that are designed to reduce short-term volatility.

In the June 30, 2022 actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a valuation date of June 30, 2022. The discount rate used was 3.00%, compared to 2.18% in the prior year. Mortality rates are based on the Pub-2010 Public Retirement Plans Mortality Tables. The 2021 New York State Employees Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 5.70% for medical, while the ultimate healthcare cost trend rate is 5.20%.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source.

	<u>Total OPEB Liability</u>
Balance at June 30, 2021, as restated:	<u>\$ 9,663,116</u>
Changes for the year:	
Service cost	163,869
Interest	209,880
Effect of economic/demographic gains or losses	(12,099)
Change of assumptions	(834,171)
Benefit payments	<u>(401,050)</u>
Net changes	<u>(873,571)</u>
Balance at June 30, 2022	<u>\$ 8,789,545</u>

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
Total OPEB liability	\$ 9,825,672	\$ 8,789,545	\$ 7,897,491

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the total OPEB liability of a 1% change in the initial (5.70%) and ultimate (5.20%) healthcare cost trend rates:

	1% Decrease (4.70% / 4.20%)	Healthcare Cost Trend Rates (5.70% / 5.20%)	1% Decrease (6.70% / 6.20%)
Total OPEB liability	\$ 7,925,970	\$ 8,789,545	\$ 9,796,524

Funding Policy—Authorization for BURA to pay a portion of retiree health insurance premiums was enacted through various union contracts as specified above, which were ratified by BURA’s Board. BURA’s contributions to the OPEB plan are based on the negotiated contracts with the bargaining unit. Any amendments to the employer’s contributions are subject to the collective bargaining agreements. BURA recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the health insurance provider. BURA contributed \$401,050 for the fiscal year ended June 30, 2022.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—BURA may report deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between certain of the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability are required to be determined. As of June 30, 2022, BURA reported no deferred outflows of resources or deferred inflows of resources related to OPEB.

8. 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 the ballpark, 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, 2020, 2021, and 2022, the City expensed \$3,666,037, \$3,041,562 and \$3,306,772, 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. For the fiscal years ended June 30, 2020, 2021, and 2022, the City incurred expenditures of \$6,786,877, \$4,968,168 and \$797,035, respectively, for property damage and personal injury claims.

At June 30, 2022, the City estimated the following workers’ compensation liabilities:

	Governmental Activities	Business-type Activities
Workers' compensation — fire and police medical	\$ 2,581,811	\$ -
Workers' compensation — other employees	<u>5,325,264</u>	<u>1,542,542</u>
Total	<u>\$ 7,907,075</u>	<u>\$ 1,542,542</u>

The business-type activities 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 governmental and business-type activities since June 30, 2020, are shown below:

	Governmental Activities	Business-type Activities
Estimated claims — June 30, 2020	\$ 9,213,252	\$ 2,064,778
Claims incurred	1,898,802	196,258
Payments 2020-2021	<u>(2,582,128)</u>	<u>(459,434)</u>
Estimated claims — June 30, 2021	8,529,926	1,801,602
Claims incurred	2,231,042	175,819
Payments 2021-2022	<u>(2,853,893)</u>	<u>(452,879)</u>
Estimated claims — June 30, 2022	<u>\$ 7,907,075</u>	<u>\$ 1,524,542</u>

The City has estimated claims arising during the ordinary course of its operation which are probable of a future loss to total \$5,000,000 and has been included within the City's long-term 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 range from \$3,000,000 to \$7,000,000.

9. LEASE LIABILITY

The City is a lessee for a noncancellable lease of various equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

During the years ended June 30, 2018 and 2021, the City entered into long-term, lease agreements as the lessee for the acquisition and use of various equipment. As a result of the implementation of the GASB Statement No. 87, *Leases*, the City now reports those as lease liabilities. As of June 30, 2022, the value of the lease liabilities was \$1,894,923. The City is required to make annual principal and interest payments ranging from \$14,345 to \$169,952. The leases have interest rates ranging between 2.0 and 5.0%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$2,555,056 and had accumulated amortization of \$681,788.

The future principal and interest payments as of June 30, 2022, were as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 663,073	\$ 18,596	\$ 681,669
2024	687,413	11,773	699,186
2025	290,562	6,382	296,944
2026	126,171	2,745	128,916
2027	93,225	1,140	94,365
2028	34,479	150	34,629
Total	<u>\$ 1,894,923</u>	<u>\$ 40,786</u>	<u>\$ 1,935,709</u>

10. LONG-TERM LIABILITIES

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

The City’s outstanding long-term liabilities include bonds payable, lease liability, compensated absences, workers’ compensation, landfill post-closure monitoring costs, other postemployment benefits (“OPEB”) obligations, judgments and claims, and net pension liability.

A summary of changes in the City’s long-term debt at June 30, 2022 is presented in the table on the following page.

	Balance 6/30/2021 (as adjusted)	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligations bonds, net - City	\$ 162,034,637	\$ 22,875,000	\$ 29,386,722	\$ 155,522,915	\$ 31,865,737
General obligations bonds, net - BFSA	6,440,000	-	1,960,000	4,480,000	2,040,000
Premiums on bonds - City	24,216,047	2,159,650	3,266,002	23,109,695	3,300,516
Premiums on bonds - BFSA	807,454	-	208,874	598,580	208,874
Total bonds payable	193,498,138	25,034,650	34,821,598	183,711,190	37,415,127
Lease liability	2,555,056	-	660,133	1,894,923	663,073
Compensated absences	26,561,190	6,421,420	2,474,641	30,507,969	2,703,583
Workers' compensation	8,529,926	2,231,042	2,853,893	7,907,075	3,985,270
Landfill post-closure monitoring costs	490,000	-	70,000	420,000	70,000
OPEB obligation - City	1,314,907,205	86,408,377	153,777,989	1,247,537,593	-
OPEB obligation - BFSA	1,281,732	142,319	406,701	1,017,350	-
Judgments and claims	5,200,000	597,035	797,035	5,000,000	3,340,000
Net pension liability - City*	62,177,589	-	42,450,894	19,726,695	-
Net pension liability - BFSA*	1,697	-	1,697	-	-
Total governmental activities	<u>\$ 1,615,202,533</u>	<u>\$ 120,834,843</u>	<u>\$ 238,314,581</u>	<u>\$ 1,497,722,795</u>	<u>\$ 48,177,053</u>
	Balance 6/30/2021	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligations bonds - Parking	\$ 6,760,364	\$ -	\$ 1,653,278	\$ 5,107,086	\$ 639,263
Water System revenue bonds	117,455,000	25,270,000	20,065,000	122,660,000	6,610,000
Premiums on bonds	11,941,481	3,252,195	682,498	14,511,178	811,872
Discounts on bonds	(174,919)	-	(80,931)	(93,988)	(6,266)
Total bonds payable	135,981,926	28,522,195	22,319,845	142,184,276	8,054,869
Compensated absences	1,369,921	15,555	178,685	1,206,791	82,296
Workers' compensation	1,801,602	175,819	452,879	1,524,542	452,879
OPEB obligation	67,808,768	3,623,898	7,713,183	63,719,483	-
Net pension liability*	45,033	-	45,033	-	-
Total business-type activities	<u>\$ 207,007,250</u>	<u>\$ 32,337,467</u>	<u>\$ 30,709,625</u>	<u>\$ 208,635,092</u>	<u>\$ 8,590,044</u>

*Reductions to the net pension liability are shown net of additions.

Serial Bonds—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 debt issued by the City on behalf of the Board of Education is recorded as revenues and expenditures in the governmental funds.

In the current year, the City issued \$22,875,000 in Public Improvement Serial Bonds for various purposes and received a premium of \$2,159,650. The bonds carry an interest rate ranging between 4.0 - 5.0% and mature on April 1, 2034. Additionally, on December 15, 2021, the City issued \$13,435,000 in Water

System Revenue Bonds and received a premium of \$1,784,359. The bonds carry an interest rate ranging between 2.0 – 4.0% and mature on April 1, 2051

Current Year Refunding—On December 15, 2021, the City issued \$11,835,000 in Water System Revenue Refunding Bonds, together with bond premiums received of \$1,467,836 and the debt reserve, to refund \$14,070,000 of outstanding principal of the previously issued 2012 Serial Bonds originally issued for various purposes, which were called on January 31, 2022. The 2021 Revenue Refunding Bonds carry an interest rate of 3.0% - 4.0% and mature on July 1, 2033. The refund will provide an aggregate difference in debt service between the refunding debt and the refunded debt of \$3,034,610 and resulted in a net present value benefit savings of \$4,081,090 to the City and a deferred loss on refunding of \$1,984,432.

A summary of additions and payments for the year ended June 30, 2022 is presented on the following page.

Year of Issuance	Original Issue	Interest Rate (%)	Year of Maturity	Balance 7/1/2021	Additions	Payments	Balance 6/30/2022	Due Within One Year
Governmental activities general obligations bonds issued by City of Buffalo:								
2005	\$ 26,167,250	5.0	2025	\$ 1,120,849	\$ -	\$ 260,501	\$ 860,348	\$ 272,726
2007	22,226,126	5.0	2023	3,810,322	-	1,859,084	1,951,238	1,951,238
2012	3,480,000	3.0-4.0	2022	190,000	-	190,000	-	-
2012	21,640,000	2.0-5.0	2023	4,600,000	-	2,265,000	2,335,000	2,335,000
2012	4,255,000	2.0-4.0	2024	80,000	-	20,000	60,000	20,000
2013	7,540,000	0.8-3.5	2025	2,745,000	-	655,000	2,090,000	675,000
2014	25,639,769	4.0-5.0	2023	6,060,000	-	2,990,000	3,070,000	3,070,000
2015	29,088,985	2.0-5.0	2026	13,475,000	-	2,570,000	10,905,000	2,625,000
2016	21,703,468	2.0-5.0	2028	14,077,358	-	1,730,720	12,346,638	1,814,940
2016	15,375,000	3.0-4.0	2024	8,140,000	-	3,140,000	5,000,000	3,290,000
2017	21,618,019	4.0-5.0	2029	15,712,106	-	1,646,198	14,065,908	1,726,068
2018	20,300,000	3.0-5.0	2030	16,245,000	-	1,305,000	14,940,000	1,370,000
2019	7,530,000	5.0	2025	6,170,000	-	1,430,000	4,740,000	1,505,000
2021	7,305,000	5.0	2027	7,305,000	-	1,325,000	5,980,000	1,390,000
2021	50,610,172	5.0	2032	50,610,172	-	4,989,804	45,620,368	5,019,729
2022	22,875,000	4.0-5.0	2034	-	22,875,000	-	22,875,000	1,925,000
Total				<u>150,340,807</u>	<u>22,875,000</u>	<u>26,376,307</u>	<u>146,839,500</u>	<u>28,989,701</u>
Governmental activities general obligations bonds issued by the City of Buffalo on behalf of discretely presented component unit – Board of Education:								
2012	6,720,000	2.0-4.0	2025	\$ 1,860,000	\$ -	\$ 445,000	\$ 1,415,000	\$ 455,000
2012	11,230,000	1.0-4.0	2023	3,090,000	-	1,005,000	2,085,000	1,025,000
2012	20,515,000	1.0-5.0	2024	5,545,000	-	1,910,000	3,635,000	1,970,000
2016	5,845,000	2.0-4.0	2023	2,505,000	-	1,180,000	1,325,000	1,030,000
2021	3,625,000	5.0	2027	3,625,000	-	590,000	3,035,000	620,000
Total				<u>16,625,000</u>	<u>-</u>	<u>5,130,000</u>	<u>11,495,000</u>	<u>5,100,000</u>
Less bonds issued by City to BFSA:								
2005A	\$ 26,167,250	4.0-5.0	2025	\$ (1,120,849)	\$ -	\$ (260,501)	\$ (860,348)	\$ (272,726)
2007A	28,115,126	4.0-5.0	2023	(3,810,321)	-	(1,859,084)	(1,951,237)	(1,951,238)
Total mirror bonds				<u>(4,931,170)</u>	<u>-</u>	<u>(2,119,585)</u>	<u>(2,811,585)</u>	<u>(2,223,964)</u>
Net governmental activities general obligation bonds issued by the City of Buffalo				<u>162,034,637</u>	<u>22,875,000</u>	<u>29,386,722</u>	<u>155,522,915</u>	<u>31,865,737</u>

(continued)

(concluded)

Year of Issuance	Original Issue	Interest Rate (%)	Year of Maturity	Balance 7/1/2021	Additions	Payments	Balance 6/30/2022	Due Within One Year
Governmental activities general obligations bonds issued by Buffalo Fiscal Stability Authority:								
2007A	\$ 28,470,000	4.0-5.0	2023	\$ 5,690,000	\$ -	\$ 1,825,000	\$ 3,865,000	\$ 1,895,000
2015A	14,170,000	3.0-5.0	2025	750,000	-	135,000	615,000	145,000
Total				<u>6,440,000</u>	<u>-</u>	<u>1,960,000</u>	<u>4,480,000</u>	<u>2,040,000</u>
Total governmental activities bonds				<u>168,474,637</u>	<u>22,875,000</u>	<u>31,346,722</u>	<u>160,002,915</u>	<u>33,905,737</u>
Unamortized premium - City				24,216,047	2,159,650	3,266,002	23,109,695	3,300,516
Unamortized premium - BFSA				807,454	-	208,874	598,580	208,874
Total governmental activities bonds, net				<u>\$ 193,498,138</u>	<u>\$ 25,034,650</u>	<u>\$ 34,821,598</u>	<u>\$ 183,711,190</u>	<u>\$ 37,415,127</u>
Business-type activities — general obligation bonds:								
Parking:								
2012	\$ 8,415,000	2.0-5.0	2022	\$ 1,040,000	\$ -	\$ 1,040,000	\$ -	\$ -
2016	4,066,532	2.0-5.0	2028	2,637,642	-	324,280	2,313,362	340,060
2017	2,741,981	4.0-5.0	2029	1,992,894	-	208,802	1,784,092	218,932
2021	1,089,828	5.0	2032	1,089,828	-	80,196	1,009,632	80,271
Total				<u>6,760,364</u>	<u>-</u>	<u>1,653,278</u>	<u>5,107,086</u>	<u>639,263</u>
Business-type activities — Water System Revenue Bonds:								
2006	\$ 19,917,236	3.6-4.8	2028	\$ 7,735,000	\$ -	\$ 1,000,000	\$ 6,735,000	\$ 1,035,000
2011	2,720,000	1.5-5.1	2022	290,000	-	290,000	-	-
2012	17,150,000	1.8-4.0	2043	14,070,000	-	14,070,000	-	-
2012	2,575,000	5.6-6.3	2031	1,895,000	-	155,000	1,740,000	160,000
2015	46,655,000	2.0-5.0	2036	36,780,000	-	3,300,000	33,480,000	2,830,000
2019	24,285,000	4.0-5.0	2049	23,900,000	-	400,000	23,500,000	420,000
2019	11,985,000	3.0-5.0	2038	11,355,000	-	350,000	11,005,000	865,000
2021	4,580,000	2.0-5.0	2050	4,580,000	-	50,000	4,530,000	90,000
2021	16,850,000	2.0-5.0	2041	16,850,000	-	450,000	16,400,000	585,000
2022	13,435,000	2.0-4.0	2052	-	13,435,000	-	13,435,000	245,000
2022	11,835,000	2.0-4.0	2043	-	11,835,000	-	11,835,000	380,000
Total				<u>117,455,000</u>	<u>25,270,000</u>	<u>20,065,000</u>	<u>122,660,000</u>	<u>6,610,000</u>
Total business-type activities bonds				<u>124,215,364</u>	<u>25,270,000</u>	<u>21,718,278</u>	<u>127,767,086</u>	<u>7,249,263</u>
Unamortized premium				11,941,481	3,252,195	682,498	14,511,178	811,872
Unamortized discount				(174,919)	-	(80,934)	(93,985)	(6,266)
Total business-type activities bonds, net				<u>\$ 135,981,926</u>	<u>\$ 28,522,195</u>	<u>\$ 22,319,842</u>	<u>\$ 142,184,279</u>	<u>\$ 8,054,869</u>

Amortization of Bond Premiums and Discounts—As previously discussed, during the year, the City issued Public Improvement Serial Bonds, General Improvement Refunding Bonds, Water System Revenue Bonds and Water System Revenue Refunding Bonds and received bonds premiums of \$2,159,650 and \$3,252,195 within the governmental and business-type activities, respectively. The premiums are being amortized on a straight-line annual basis over the life of the respective bonds. The total remaining unamortized premiums on bonds at June 30, 2022 are \$23,109,695 and \$14,511,178 reported in governmental activities and business-type activities, respectively.

Additionally, unamortized discounts on bonds of \$93,985 are reported in business-type activities at June 30, 2022.

The City's debt service requirements for its bonds are as follows:

Governmental Activities—City of Buffalo, New York

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 28,989,701	\$ 6,823,904	\$ 35,813,605
2024	20,523,271	5,568,975	26,092,246
2025	19,367,742	4,603,603	23,971,345
2026	16,184,536	3,644,552	19,829,088
2027	11,747,787	2,833,324	14,581,111
2028-2032	45,991,463	6,496,491	52,487,954
thereafter	4,035,000	243,600	4,278,600
Total	<u>\$ 146,839,500</u>	<u>\$ 30,214,449</u>	<u>\$ 177,053,949</u>

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 5,100,000	\$ 373,175	\$ 5,473,175
2024	4,145,000	213,400	4,358,400
2025	1,170,000	95,525	1,265,525
2026	715,000	54,000	769,000
2027	365,000	18,250	383,250
Total	<u>\$ 11,495,000</u>	<u>\$ 754,350</u>	<u>\$ 12,249,350</u>

Governmental Activities—Buffalo Fiscal Stability Authority

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 2,040,000	\$ 143,825	\$ 2,183,825
2024	2,120,000	59,150	2,179,150
2025	155,000	12,125	167,125
2026	165,000	4,125	169,125
Total	<u>\$ 4,480,000</u>	<u>\$ 219,225</u>	<u>\$ 4,699,225</u>

Business-Type Activities

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 7,249,263	\$ 5,473,308	\$ 12,722,571
2024	7,551,892	5,124,831	12,676,723
2025	7,984,718	4,745,859	12,730,577
2026	8,335,464	4,347,289	12,682,753
2027	8,757,213	3,929,496	12,686,709
2028-2032	33,773,536	13,745,013	47,518,549
2033-2037	19,425,000	8,712,838	28,137,838
2038-2042	16,555,000	5,567,860	22,122,860
2043 and thereafter	18,135,000	3,343,076	21,478,076
Total	<u>\$ 127,767,086</u>	<u>\$ 54,989,570</u>	<u>\$ 182,756,656</u>

Defeased Debt—The City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In each instance, the principal amount of the replacement bonds was equivalent to the amount outstanding of the old bonds at the time of issuance. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. Principal balances of bonds outstanding at June 30, 2022 that are considered defeased amount to \$70,186,000.

Lease Liability—The City has entered into long-term leases for vehicles and equipment. The outstanding balance at June 30, 2022 was \$1,894,923. Refer to Note 9 for additional information related to the City’s leases.

Compensated Absences—As described in Note 1, the liability for compensated absences, which totals \$30,507,969 for governmental activities and \$1,206,791 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, timing of future payments of such are not readily determinable. Typically, the General Fund has been used to liquidate this liability within the governmental funds. The City has estimated that \$2,703,583 and \$82,296 for governmental activities and business-type activities, respectively, will be paid in the next fiscal year.

Workers’ Compensation—Accrued workers’ compensation, which totals \$7,907,075 and \$1,524,542 for governmental activities and business-type activities, respectively, represents the City’s estimate of both asserted and unasserted workers’ compensation losses. The payments related to these liabilities are dependent upon many factors and, therefore, timing of future payments are not readily determinable. The City has estimated that \$3,985,270 and \$452,879 for governmental activities and business-type activities, respectively, will be paid in the next fiscal year. Refer to Note 8 for additional information related to workers’ compensation.

Landfill Post-Closure Monitoring Costs—In accordance with the Environmental Conservation Law of the State of New York, the City is complying with post-closure monitoring of Unity Island. The cost of post-closure 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 9 years, with an estimated annual cost of \$70,000 each of the remaining years. 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, 2022 was \$420,000.

OPEB Obligation—As explained in Note 7, the City provides health insurance coverage for certain retirees. The City’s annual postemployment benefit (“OPEB”) cost is measured as the portion of the present value of projected benefit payments to be provided to current active and inactive employees that is attributed to those employees’ past periods of service (total OPEB liability), less the amount of the OPEB plan’s fiduciary net position. Typically, the General Fund has been used to liquidate this liability within the governmental funds. The long-term OPEB liability is estimated to be \$1,248,554,943 and \$63,719,483 in the governmental activities and business-type activities, respectively.

Judgments and Claims—As explained in Note 8, the City records a liability for general liability claims in the government-wide financial statements. The City’s judgments and claims liability, which totals \$5,000,000 at June 30, 2022, represents 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 \$3,340,000 of the aforementioned claims will be paid in the next fiscal year.

Net Pension Liability—The City reports a liability for its proportionate share of the net pension liability for the Police and Fire Retirement System. The net pension liability is estimated to be \$19,726,695 in the governmental activities. Typically, the General Fund has been used to liquidate this liability within the governmental funds. Refer to Note 6 for additional information related to the City’s net pension liability.

Debt Contracting Limitation and Unissued Bonds—The City’s debt contracting limitation under its legal debt margin at June 30, 2022, was approximately \$1.23 billion. The effective borrowing capacity is \$1.09 billion.

The list of the City’s authorized and unissued bonds at June 30, 2022, is as follows:

Project	Total Authorized and Unissued
General Improvement Bonds—City of Buffalo	<u>\$ 15,353,882</u>

Board of Education

A summary of changes in the Board’s long-term liabilities for the year ended June 30, 2022, is as follows:

	Balance 7/1/2021 (as restated)	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Governmental activities:					
Due to other governments	\$ 6,700,000	\$ -	\$ 713,334	\$ 5,986,666	\$ 713,334
Revenue bonds payable	8,895,000	7,385,000	8,895,000	7,385,000	505,000
JSCB bonds payable	540,680,000	71,150,000	135,310,000	476,520,000	63,895,000
Premium on bonds	86,295,627	4,593,742	21,914,752	68,974,617	-
Leases	50,233,912	2,776,898	4,970,304	48,040,506	5,483,415
Compensated absences	24,750,249	1,309,430	-	26,059,679	8,820,000
Workers' compensation	50,696,000	-	1,120,000	49,576,000	8,833,000
OPEB obligation	2,485,499,000	142,407,000	894,698,000	1,733,208,000	-
Net pension liability*	50,396,473	-	50,396,473	-	-
Total	<u>\$ 3,304,146,261</u>	<u>\$ 229,622,070</u>	<u>\$ 1,118,017,863</u>	<u>\$ 2,415,750,468</u>	<u>\$ 88,249,749</u>

(*Reductions to the net pension liability are shown net of additions.)

Source of Funding—Amounts due to other governments, due to City of Buffalo (bonded debt), and revenue bonds payable are repaid through annual appropriation of the Board’s general fund. Payments for compensated absences are 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 a 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 shown below:

Fiscal Year Ending June 30,	Principal
2023	\$ 713,334
2024	713,332
2025	713,334
2026	713,334
2027	713,332
2028-2032	2,233,334
2033-2035	186,666
Total	<u>\$ 5,986,666</u>

Revenue Bonds Payable—These bonds represent 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 finance a portion of the cost of settling litigation between the Board and the Buffalo Teachers Federation, fund the debt service reserve fund to at least the debt service reserve fund requirement, and to pay legal, accounting, financing, and other fees and expenses related to the issuance of the bonds.

The bonds are special revenue obligations of the Agency and are secured by annual payments by the City from all monies legally available (which availability is, in general, dependent upon annual appropriations by the City), 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.

Joint Schools Construction Board Bonds Payable—Represents bond payments due for the design, construction, and financing of public educational facilities in the City. The balance at June 30, 2022 is \$476,520,000.

Debt service requirements of the Board at June 30, 2022 are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ 69,500,000	\$ 24,564,303	\$ 94,064,303
2024	77,810,000	21,170,650	98,980,650
2025	73,865,000	17,368,650	91,233,650
2026	63,365,000	13,691,500	77,056,500
2027	54,485,000	10,522,125	65,007,125
2028-2032	156,375,000	17,510,250	173,885,250
Total	<u>\$ 495,400,000</u>	<u>\$ 104,827,478</u>	<u>\$ 600,227,478</u>

Compensated Absences—Compensated absences, which totaled \$26,059,679 at June 30, 2022, 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 \$8,820,000 will be paid in the next fiscal year.

Workers' Compensation—Workers' compensation obligations total \$49,576,000 at June 30, 2022, representing estimated amounts due for various outstanding claims. The Board has estimated that \$8,833,000 will be paid in the next fiscal year.

OPEB Obligation—Refer to Note 7.

Buffalo Urban Renewal Agency

BURA's outstanding long-term liabilities include compensated absences, other postemployment benefits ("OPEB") obligation, long-term retirement liability, net pension liability, and long-term due to other governments.

A summary of changes in BURA's long-term liabilities at June 30, 2022 follows:

	Balance 7/1/2021 (as restated)	Additions	Reductions	Balance 6/30/2022	Due Within One Year
Lease liability	\$ -	\$ 22,586	\$ 5,450	\$ 17,136	\$ 4,453
Compensated absences	266,745	77,535	71,177	273,103	13,655
OPEB obligation	9,663,116	373,749	1,247,320	8,789,545	-
Long-term retirement liability	36,844	-	18,422	18,422	18,422
Net pension liability *	5,405	-	5,405	-	-
Total	<u>\$ 9,972,110</u>	<u>\$ 473,870</u>	<u>\$ 1,347,774</u>	<u>\$ 9,098,206</u>	<u>\$ 36,530</u>

(*Reductions to the net pension liability are shown net of additions.)

Lease Liability—BURA entered into long-term capital lease for copier equipment. The outstanding balance at June 30, 2022 was \$17,136.

Compensated Absences—As explained in Note 1, BURA records the value of compensated absences in the government-wide financial statements. The annual budgets of the operating funds provide funding for these benefits as they become payable. The value recorded in the government-wide financial statements at June 30, 2022, for governmental activities is \$273,103. Management estimates that \$13,655 is due within one year. Since payment of compensated absences is dependent upon many factors, the timing of future payments is not readily determinable.

OPEB Obligation— Refer to Note 7.

Long-Term Retirement Liability—As explained in Note 7, BURA participates in the New York and Local Employees' Retirement System ("ERS"). BURA elected to amortize certain payments relating to ERS during 2011 and 2013 over ten years in accordance with Chapter 260 of the Laws of 2004 of the State of New York. Accordingly, at June 30, 2022, BURA has recorded a liability in the amount of \$18,422, all of which is considered due within one year.

11. NET POSITION AND FUND BALANCE

The government-wide financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- **Net Investment in Capital Assets**—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. A reconciliation of the City’s governmental and business-type activities net investment in capital assets are shown below:

Governmental activities:

Capital assets, net of accumulated depreciation/amortization		\$ 579,440,932
Related debt:		
Serial bonds issued for capital assets	\$ (148,507,915)	
Unspent debt proceeds	<u>53,364,933</u>	
Bonds payable issued for capital assets		(95,142,982)
Lease liability		(1,894,923)
Deferred gain on refunding		(71,010)
Unamortized premiums		<u>(23,708,275)</u>
Net investment in capital assets—governmental activities		<u>\$ 458,623,742</u>

Business-type activities:

Capital assets, net of accumulated depreciation		\$ 196,423,815
Related debt:		
Serial bonds issued for capital assets	(127,767,086)	
Unspent debt proceeds	<u>40,896,422</u>	
Bonds payable issued for capital assets		(86,870,664)
Deferred charge on refunding		2,605,081
Unamortized premium		(14,511,178)
Unamortized discount		<u>93,988</u>
Net investment in capital assets—business-type activities		<u>\$ 97,741,042</u>

- **Restricted Net Position**—This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position**—This category represents net position of the City not restricted for any project or other purpose.

Nonspendable Fund Balance—In the fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balances maintained by the City at June 30, 2022 include:

Real estate acquired for sale	\$ 9,599,208
Long-term due from other funds	15,651,369
Prepaid items	1,291,217
Permanent Fund - Corpus	<u>30,000</u>
Total	<u>\$ 26,571,794</u>

- **Real Estate Acquired for Sale**—This amount represents real estate acquired for resale.
- **Long-term Due from Other Funds**—Represents a long-term receivable from the Solid Waste and Recycling Fund for operating losses incurred in the fund since its inception.
- **Prepaid Items**—Represents amounts prepaid to vendors and employees that are applicable to future accounting periods.
- **Permanent Fund—Corpus**—Represents the amount of principal that is nonspendable due to specific purposes stipulated in the bequest which established the Forsyth Park fund.

Restricted Fund Balance—In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balances of the City at June 30, 2022 are shown below:

	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total
Capital projects	\$ -	\$ -	\$ 53,364,933	\$ -	\$ 53,364,933
Capital outlay	15,225,054	-	-	-	15,225,054
Debt service	-	3,101,476	-	2,489,051	5,590,527
Grants	-	-	-	8,914,872	8,914,872
Emergency medical services	595,803	-	-	-	595,803
Permanent fund - interest	-	-	-	111,187	111,187
Total	<u>\$ 15,820,857</u>	<u>\$ 3,101,476</u>	<u>\$ 53,364,933</u>	<u>\$ 11,515,110</u>	<u>\$ 83,802,376</u>

- **Restricted for Capital Projects**—Represents funds that have been reserved to fund future capital projects and the purchase of capital assets. This amount includes commitments for the expenditures of monies within the Capital Projects Fund.
- **Restricted for Capital Outlay**—This category represents amounts set aside for future departmental capital expenditures.
- **Restricted for Debt Service**—Represents resources that have been legally restricted for principal and interest payments that will be made in future periods.
- **Restricted for Grants**—This category includes federal and state monies that have been restricted as they can only be used for specific purposes as authorized by grantor agencies. This amount includes amounts which are restricted by commitments for the expenditure of money within the Special Revenue Fund.
- **Restricted for Emergency Medical Services**—Represents funds that have been restricted as they can only be used for specific purposes as outlined within emergency ambulance service agreement.
- **Restricted for Permanent Fund – Interest**—Represents the amount of interest earnings on the nonspendable principal that is reserved to be used for specific purpose stipulated in the bequest which established the Forsyth Park fund. The interest earnings are limited to the purchase or erection of works of art to be placed in the park system of the City of Buffalo.

Committed Fund Balance—In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a formal action of the City’s highest level of decision-making authority, which is an adoption by the Common Council of an ordinance, modification to the City charter by the Common Council or a resolution of the Common Council. The City’s policy requires commitments to be adopted through formal action (adoption of an ordinance) of the Common Council. As of June 30, 2022, the City reported the commitment described below:

- **Committed to Emergency Stabilization**—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 this fund. At June 30, 2022, the City reported \$41,145,318 within its Emergency Stabilization Fund.

Assigned Fund Balance—In the fund financial statements, assignments are not legally required segregations but are segregated for a specific purpose by the City. For example, the amount appropriated to reduce the tax levy as determined through the budget process and finalized when the tax rates are established would be considered assigned fund balance. The Common Council authorizes the Comptroller to make a determination of the assigned amounts of fund balance. At June 30, 2022 assigned fund balance includes:

	General Fund	Nonmajor Funds	Total
Encumbrances	\$ 11,702,256	\$ -	\$ 11,702,256
Motor vehicle self-insurance	824,518	-	824,518
Judgments and claims	5,000,000	-	5,000,000
Specific use	-	558,666	558,666
Total	<u>\$ 17,526,774</u>	<u>\$ 558,666</u>	<u>\$ 18,085,440</u>

- **Assigned to Encumbrances**—Encumbrance accounting, under which purchase orders, contracts, and other commitments for 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.
- **Assigned to Motor Vehicle Self-Insurance**—Represents fund balance set aside for motor vehicle self-insurance.
- **Assigned to Judgments and Claims**—Represents amounts assigned to cover potential settlement of various claims and litigation. The City estimates \$5,000,000 of potential settlements, which has been assigned for such purpose.
- **Assigned to Specific Use**—Represents fund balance within the special revenue funds that is assigned for a specific purpose. The assignment’s purpose relates to each fund’s operations and represents amounts within funds that are not restricted or committed.

If the City must use funds for emergency expenditures, the Common Council shall authorize the Comptroller to expend funds first from funds classified under GASB as nonspendable (if funds become available) then restricted funds. The use of committed and assigned funds, as classified by GASB, will occur after the exhaustion of available restricted funds. Finally, if no other fund balances are available the City will use unassigned fund balance.

12. RELATED PARTY TRANSACTIONS

The City provides annual support to the Board of Education. During the year ended June 30, 2022, the City contributed \$70,822,903 in economic support for operating purposes (\$64,436,923) and school tax relief reimbursement (\$6,385,980).

Buffalo Fiscal Stability Authority

The Act and other legal documents of the BFSA establish various legal financial relationships between the BFSA, the City and the Board of Education. The resulting financial transactions between the BFSA, the City, and the Board of Education include the receipt and use of revenues as well as BFSA debt issuances to fund financeable costs of the City. The receipt and remittance of revenues in 2022 include:

- The receipt and remittance to the City of sales tax revenues. Revenues of \$164,604,677 were recorded, of which \$107,665,993 was or will be paid to the City and \$56,938,684 was designated for the District. The balance was retained for BFSA operations and to provide for a debt service sinking fund.
- State aid of \$161,285,233 was received during 2022.
- Distributions paid or accrued to the City in 2022 totaled \$268,498,606, which includes \$107,665,993 of sales tax receipts, \$160,761,535 of State aid and other revenue, and interest receipts of \$71,078.

Board of Education

During the year ended June 30, 2022, the Board transferred \$5,630,306 to the City for payment of the Board's portion of principal and interest on long-term debt.

Board Urban Renewal Agency

The City is the primary sponsor of the programs conducted by BURA and is a nominal recipient of most of BURA's federal and state funding. BURA is a related entity to the City, Buffalo Economic Renaissance Corporation ("BERC") and the Buffalo Neighborhood Revitalization Corporation ("BNRC").

In the past, BNRC received loans or grants from BURA under the CDBG program, the Section 108 Loan program, as well as various New York State grant programs. In turn, loan or grants were utilized to qualifying individuals and businesses for purposes of property rehabilitation, home acquisitions for low income individuals, or business development and expansion.

For the year ended June 30, 2022, no loans or grants were provided by BURA to BNRC. Under subrecipient agreements with BNRC, certain program income (such as loan repayments and interest) earned through the CDBG program may generally be retained as supplemental BURA funding, subject to applicable Federal regulations. The subrecipient agreements with these entities also provide that, upon termination of the subrecipient agreements, all unused program income, and any CDBG assets held by BNRC will revert to BURA.

For the year ended June 30, 2022, amounts due from the City of Buffalo include emergency rent assistance funding, along with lead remediation services. The Agency incurred expenditures upfront.

At June 30, 2022, net amounts due from related parties consisted of:

Due from BNRC, net of payables	\$ 10,628
Due from City of Buffalo	<u>781,762</u>
Total	<u>\$ 792,390</u>

13. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are generally short-term in nature and exist because of temporary advances or payments made on behalf of other funds. The composition of interfund balances as of June 30, 2022 is as follows:

Fund	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	\$ 46,368,261	\$ -
Debt Service Fund	152,907	-
Capital Projects Fund	-	19,058,525
Nonmajor governmental funds	<u>185,446</u>	<u>10,888,591</u>
Total governmental funds	<u>46,706,614</u>	<u>29,947,116</u>
Proprietary funds:		
Solid Waste and Recycling Fund	184,505	15,651,369
Parking Fund	-	1,419,430
Water System Fund	123,295	-
Internal Service Fund	<u>3,501</u>	<u>-</u>
Total proprietary funds	<u>311,301</u>	<u>17,070,799</u>
Total	<u>\$ 47,017,915</u>	<u>\$ 47,017,915</u>

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 of 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.

Included within the General Fund's due from other funds totaling \$46,368,261 is a portion due from the Solid Waste and Recycling Fund in the amount of \$15,651,369, which is considered long-term and has been reserved within nonspendable fund balance.

The City made the following transfers during the year ended June 30, 2022:

Transfers out:	Transfers in:				Total
	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Funds	
Governmental funds:					
General Fund	\$ -	\$ 28,842,667	\$ 400,000	\$ 4,379,561	\$ 33,622,228
Debt Service Fund	-	-	-	2,366,144	2,366,144
Nonmajor governmental funds	2,979,443	-	-	-	2,979,443
Proprietary funds:					
Solid Waste & Recycling Fund	673,078	-	-	-	673,078
Parking Fund	2,900,000	-	-	-	2,900,000
Water System	5,011,563	-	-	-	5,011,563
Total	<u>\$ 11,564,084</u>	<u>\$ 28,842,667</u>	<u>\$ 400,000</u>	<u>\$ 6,745,705</u>	<u>\$ 47,552,456</u>

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

14. LABOR RELATIONS

Approximately 2,774 of the City’s employees are covered by a total of eight collective bargaining agreements. The following table shows, for each union, the dates through which a contract has been negotiated.

Union	Expiration Date
Firefighters	6/30/25
Blue Collar	6/30/25
White Collar	6/30/24
Police	6/30/19
Crossing Guards	8/31/19
Building Inspectors	6/30/20
Operating Engineers	6/30/20
Pipe Caulkers	6/30/22

15. COMMITMENTS

Encumbrances—Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expended in the next year) and re-appropriated and become part of the subsequent year’s budget pursuant to state regulations.

The City considers encumbrances to be significant for amounts that are encumbered in excess of \$500,000. The City has a total of \$134,739,494 encumbrances outstanding at June 30, 2022. In the General Fund, encumbrances of \$11,702,256 are supported by assigned fund balance. The Capital Projects Fund and Special Revenue Fund have \$65,915,081 and \$35,355,530 of outstanding encumbrances, respectively. As of June 30, 2022, the City had the following significant encumbrances:

Description	General Fund	Capital Projects Fund	Nonmajor Governmental Funds
Buildings	\$ -	\$ -	\$ 3,963,035
Vehicles	966,693	-	-
Streets	-	39,282,385	10,083,213

Board of Education

Encumbrances—At June 30, 2022, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were \$7,942,807 in the Board’s General Fund.

Commitments—The Board has approved and plans to spend up to \$138,602,000 for various capital projects that remain in progress at year end. As of June 30, 2022, the Board has spent \$102,248,000 and has open commitments to contractors of \$15,010,000.

16. TAX ABATEMENTS

The City is subject to programs entered into by Erie County Industrial Development Agency (“ECIDA”). These programs have the stated purpose of increasing business activity and employment in the region. Economic development agreements are entered into by the ECIDA and incentives may include property tax abatements of any new property tax revenue realized from the increased assessed value of any incentivized project from the investment of private capital. The abatement agreements include a stipulated reduction pursuant to the limits set forth in State statute and rules. In the future these new revenues will increase periodically until the project is taxed at full assessed value. Assuming the ECIDA incentivized projects would have been completed absent tax abatements, the unrealized property tax revenue is \$13,416,858. However, during 2022, the City collected \$3,641,465 related to these new incentivized projects.

Additionally, the City offers other tax exemptions subject to various NYS programs such as land banks, historic properties, home improvements, mixed use properties, business investment properties and. These programs provide real property tax exemptions on certain allowable properties in accordance with the regulations of the NYS Real Property Tax Laws or the Not-For-Profit Laws of New York. Absent such exemptions, the unrealized property tax revenue is \$11,290,266. However, during 2022, the City collected \$3,444,798 related to the NYS programs.

17. CONTINGENCIES

Litigation—The City is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the City. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the City’s financial condition or results of operation.

Grants—In the normal course of operations, the City receives grant funds from various Federal and State agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the governmental funds. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

Landfill Postclosure—As discussed in Note 10, the City is responsible to perform specified operation and maintenance functions at a landfill site for a period of thirty years. At June 30, 2022, the liability is \$420,000. The landfill postclosure care liability is an estimate and is subject to changes resulting from inflation, deflation, technology or changes in applicable laws or regulations.

Board of Education

Litigation—The Board is subject to claims and lawsuits that arise in the ordinary course of business. Claims probable of resulting in an unfavorable outcome to the Board have been reasonably estimated and are included in accrued liabilities in the government-wide and fund financial statements. For claims not accrued, the ultimate outcome of the suits cannot presently be determined and no provisions for loss, if any, has been made in the accompanying financial statements. In the opinion of management, these claims will not have a material adverse effect upon the financial position of the Board.

Separate from claims and lawsuits that arise in the ordinary course of business, legislation was put in place regarding historical claims that were previously time-barred. In 2019, the Governor of the State passed the Child Victims Act (CVA). Under the CVA, any individual who was a minor at the time they suffered any alleged sexual abuse could file a lawsuit through August 14, 2021. Additionally, the Act extended the look back window to file claims under the CVA regardless of when or how long ago the alleged abuse occurred.

This has resulted in the filing of thousands of lawsuits State-wide. Lawsuits have been initiated against the Board by former students who allege that inappropriate sexual contact occurred between them and employees of the Board between 30 and 50 years ago. The Board is using City of Buffalo Corporation Counsel and is not currently aware of any insurance available for these claims. As a result, the Board has accrued an appropriate amount in the government-wide and fund financial statements at June 30, 2021 based on best estimates as determined with counsel.

State Aid—The State periodically reviews its distribution of aid to school boards throughout the State. Thus, revenues recorded as of June 30, 2021 are subject to potential revision.

Grants—The Board receives financial assistance from federal and state agencies in the form of grants and calculated aid as determined by the State. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. State aid payments are based upon estimated expenditures and pupil statistics, are complex, and subject to adjustment. Any disallowed claims resulting from such audits could become a liability of the Board. Based on prior experience, management expects such amounts to be immaterial.

Buffalo Urban Renewal Agency

Grants—In the normal course of operations, the Agency receives grant funds from various federal and state agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to granting of funds. Any disallowed expenditures resulting from such audits could become a liability of the Agency. While the amount of expenditures, if any, which may be disallowed cannot be determined at this time, management expects any such amounts to be immaterial.

Litigation—Various legal actions are pending against the Agency. The outcome of these matters is not presently determinable, but in the opinion of management, the ultimate liability will not have a material adverse effect on the financial condition or results of operation of the Agency.

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through October 28, 2022, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF BUFFALO, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability (Asset)—Teachers' Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board of Education ("BOE"):									
Measurement date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
BOE's proportion of the net pension liability (asset)	1.780475%	1.818478%	1.786681%	1.822042%	1.836709%	1.651498%	1.668248%	1.695591%	1.695591%
BOE's proportionate share of the net pension liability (asset)	<u>\$ (308,539,289)</u>	<u>\$ 50,249,458</u>	<u>\$ (46,418,092)</u>	<u>\$ (32,947,326)</u>	<u>\$ (13,960,812)</u>	<u>\$ 17,688,235</u>	<u>\$ (173,277,759)</u>	<u>\$ (188,878,283)</u>	<u>\$ (10,757,018)</u>
BOE's covered payroll	\$ 302,203,736	\$ 308,657,799	\$ 298,226,111	\$ 348,080,898	\$ 290,635,034	\$ 254,844,736	\$ 250,595,117	\$ 250,465,212	\$ 258,505,177
BOE's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	102.1%	16.3%	(15.6%)	(9.5%)	(4.8%)	6.9%	(69.2%)	(75.4%)	(4.2%)
Plan fiduciary net position as a percentage of the total pension liability	113.2%	97.8%	102.2%	101.5%	100.7%	99.0%	110.5%	111.5%	100.7%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedule of the Local Government's Contributions—
Teachers' Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board of Education ("BOE"):									
Contractually required contribution	\$ 31,173,278	\$ 28,800,016	\$ 27,347,081	\$ 31,671,613	\$ 34,111,928	\$ 34,062,426	\$ 33,792,412	\$ 43,929,324	\$ 40,700,597
Contributions in relation to the contractually required contribution	<u>(31,173,278)</u>	<u>(28,800,016)</u>	<u>(27,347,081)</u>	<u>(31,671,613)</u>	<u>(34,111,928)</u>	<u>(34,062,426)</u>	<u>(33,792,412)</u>	<u>(43,929,324)</u>	<u>(40,700,597)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BOE's covered payroll	\$ 318,094,673	\$ 302,203,736	\$ 308,657,799	\$ 298,226,111	\$ 348,080,898	\$ 290,635,034	\$ 254,844,736	\$ 250,595,117	\$ 250,465,212
Contributions as a percentage of covered payroll	9.8%	9.5%	8.9%	10.6%	9.8%	11.7%	13.3%	17.5%	16.3%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedule of the Local Government's Proportionate Share of the
Net Pension Liability—Police and Fire Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
City of Buffalo ("City"):									
Measurement date	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
City's proportion of the net pension liability	3.4727375%	3.5701051%	3.5540105%	3.3630914%	3.4426958%	3.2577408%	3.1811703%	3.5779889%	3.5779889%
City's proportionate share of the net pension liability	<u>\$ 19,726,695</u>	<u>\$ 61,986,876</u>	<u>\$ 189,959,633</u>	<u>\$ 56,401,167</u>	<u>\$ 34,797,285</u>	<u>\$ 67,521,629</u>	<u>\$ 94,187,680</u>	<u>\$ 9,848,756</u>	<u>\$ 14,895,509</u>
City's covered payroll	\$ 137,738,491	\$ 128,339,690	\$ 128,323,193	\$ 129,836,155	\$ 128,055,727	\$ 131,271,249	\$ 131,399,856	\$ 121,626,842	\$ 130,718,240
City's proportionate share of the net pension liability as a percentage of its covered payroll	14.3%	48.3%	148.0%	43.4%	27.2%	51.4%	71.7%	8.1%	11.4%
Plan fiduciary net position as a percentage of the total pension liability	98.7%	95.8%	84.9%	95.1%	96.9%	93.5%	90.2%	99.0%	98.5%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedule of the Local Government's Contributions—
Police and Fire Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2021	2021	2020	2019	2018	2017	2016	2015	2014
City of Buffalo ("City"):									
Contractually required contribution	\$ 32,449,379	\$ 30,144,782	\$ 28,997,685	\$ 28,268,658	\$ 31,033,697	\$ 30,655,038	\$ 23,005,037	\$ 40,418,943	\$ 30,767,293
Contributions in relation to the contractually required contribution	<u>(32,449,379)</u>	<u>(30,144,782)</u>	<u>(28,997,685)</u>	<u>(28,268,658)</u>	<u>(31,033,697)</u>	<u>(30,655,038)</u>	<u>(23,005,037)</u>	<u>(40,418,943)</u>	<u>(30,767,293)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 134,516,802	\$ 129,260,553	\$ 127,230,633	\$ 128,980,918	\$ 130,584,701	\$ 134,207,252	\$ 130,265,189	\$ 123,270,081	\$ 137,177,059
Contributions as a percentage of covered payroll	24.1%	23.3%	22.8%	21.9%	23.8%	22.8%	17.7%	32.8%	22.4%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedule of the Local Governments' Proportionate Share of the
Net Pension Liability/(Asset)—Employees' Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability/(asset)	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
City of Buffalo ("City"):									
City's proportion of the net pension liability/(asset)	0.2359948%	0.2367542%	0.2406913%	0.2387384%	0.2590897%	0.2342962%	0.2177420%	0.2151949%	0.2151949%
City's proportionate share of the net pension liability/(asset)	<u>\$ (19,291,601)</u>	<u>\$ 235,746</u>	<u>\$ 63,736,451</u>	<u>\$ 16,915,345</u>	<u>\$ 8,361,980</u>	<u>\$ 22,014,998</u>	<u>\$ 34,948,192</u>	<u>\$ 7,269,810</u>	<u>\$ 9,724,354</u>
City's covered payroll	\$ 78,122,864	\$ 72,517,696	\$ 73,268,212	\$ 73,215,087	\$ 70,012,046	\$ 75,362,488	\$ 66,139,468	\$ 59,801,701	\$ 57,291,143
City's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(24.7)	0.3%	87.0%	23.1%	11.9%	29.2%	52.8%	12.2%	17.0%
Buffalo Fiscal Stability Authority ("BFSA"):									
BFSA's proportion of the net pension liability/(asset)	0.0017454%	0.0017040%	0.0017601%	0.0018207%	0.0018707%	0.0019883%	0.0018893%	0.0018411%	0.0018411%
BFSA's proportionate share of the net pension liability/(asset)	<u>\$ (142,680)</u>	<u>\$ 1,697</u>	<u>\$ 466,096</u>	<u>\$ 129,004</u>	<u>\$ 60,374</u>	<u>\$ 186,826</u>	<u>\$ 303,242</u>	<u>\$ 62,198</u>	<u>\$ 67,581</u>
BFSA's covered payroll	\$ 384,523	\$ 398,106	\$ 375,073	\$ 366,813	\$ 368,236	\$ 386,979	\$ 354,794	\$ 334,762	\$ 348,621
BFSA's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(37.1)	0.4%	124.3%	35.2%	16.4%	48.3%	85.5%	18.6%	19.4%

(continued)

CITY OF BUFFALO, NEW YORK
Schedule of the Local Governments' Proportionate Share of the
Net Pension Liability/(Asset)—Employees' Retirement System
Last Nine Fiscal Years*

(concluded)

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2021	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
Plan fiduciary net position as a percentage of the total pension liability/(asset)	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%
Board of Education ("BOE"):									
BOE's proportion of the net pension liability/(asset)	0.1427510%	0.1476440%	0.1447654%	0.139903%	0.136396%	0.132444%	0.141447%	0.142493%	0.142493%
BOE's proportionate share of the net pension liability/(asset)	<u>\$ (11,669,271)</u>	<u>\$ 147,015</u>	<u>\$ 38,334,713</u>	<u>\$ 9,912,527</u>	<u>\$ 4,402,094</u>	<u>\$ 12,444,723</u>	<u>\$ 22,702,665</u>	<u>\$ 4,813,758</u>	<u>\$ 6,439,054</u>
BOE's covered payroll	\$ 44,498,145	\$ 46,177,444	\$ 44,405,569	\$ 42,572,064	\$ 40,206,979	\$ 41,408,099	\$ 39,110,981	\$ 39,110,981	\$ 39,110,981
BOE's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(26.2)	0.3%	86.3%	23.3%	10.9%	30.1%	58.0%	12.3%	16.5%
Buffalo Urban Renewal Agency ("BURA"):									
BURA's proportion of the net pension liability/(asset)	0.0062068%	0.0054278%	0.0070411%	0.0065749%	0.0075896%	0.0079393%	0.0074517%	0.0080528%	0.0080528%
BURA's proportionate share of the net pension liability/(asset)	<u>\$ (507,377)</u>	<u>\$ 5,405</u>	<u>\$ 1,864,514</u>	<u>\$ 465,855</u>	<u>\$ 244,949</u>	<u>\$ 745,994</u>	<u>\$ 1,196,017</u>	<u>\$ 272,042</u>	<u>\$ 363,893</u>
BURA's covered payroll	\$ 2,187,921	\$ 1,909,348	\$ 2,073,426	\$ 2,352,824	\$ 2,224,950	\$ 2,314,866	\$ 2,317,443	\$ 2,107,411	\$ 2,259,204
BURA's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	(23.2)	0.3%	89.9%	19.8%	11.0%	32.2%	51.6%	12.9%	16.1%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedule of the Local Governments' Contributions—
Employees' Retirement System
Last Nine Fiscal Years*

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
City of Buffalo ("City"):									
Contractually required contributions	\$ 9,848,004	\$ 10,227,468	\$ 9,934,514	\$ 9,816,623	\$ 11,048,864	\$ 10,020,599	\$ 10,243,551	\$ 11,374,650	\$ 11,646,194
Contributions in relation to the contractually required contribution	<u>(9,848,004)</u>	<u>(10,227,468)</u>	<u>(9,934,514)</u>	<u>(9,816,623)</u>	<u>(11,048,864)</u>	<u>(10,020,599)</u>	<u>(10,243,551)</u>	<u>(11,374,650)</u>	<u>(11,646,194)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's covered payroll	\$ 75,763,951	\$ 72,872,197	\$ 73,259,166	\$ 73,322,398	\$ 71,435,074	\$ 77,691,737	\$ 63,077,840	\$ 63,457,322	\$ 59,261,548
Contributions as a percentage of covered payroll	13.0%	14.0%	13.6%	13.4%	15.5%	12.9%	16.2%	17.9%	19.7%
Buffalo Fiscal Stability Authority ("BFSA"):									
Contractually required contributions	\$ 63,939	\$ 59,480	\$ 56,308	\$ 54,897	\$ 55,466	\$ 58,035	\$ 67,365	\$ 62,469	\$ 75,625
Contributions in relation to the contractually required contribution	<u>(63,939)</u>	<u>(59,480)</u>	<u>(56,308)</u>	<u>(54,897)</u>	<u>(55,466)</u>	<u>(58,035)</u>	<u>(67,365)</u>	<u>(62,469)</u>	<u>(75,625)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BFSA's covered payroll	\$ 384,523	\$ 398,106	\$ 375,073	\$ 366,813	\$ 375,724	\$ 386,979	\$ 354,794	\$ 334,762	\$ 348,621
Contributions as a percentage of covered payroll	16.6%	14.9%	15.0%	15.0%	14.8%	15.0%	19.0%	18.7%	21.7%

(continued)

CITY OF BUFFALO, NEW YORK
Schedule of the Local Governments' Contributions—
Employees' Retirement System
Last Nine Fiscal Years*

(concluded)

	Year Ended June 30,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Board of Education ("BOE"):									
Contractually required contributions	\$ 6,502,836	\$ 6,152,793	\$ 5,998,034	\$ 5,947,217	\$ 6,266,223	\$ 6,004,084	\$ 6,923,385	\$ 7,335,763	\$ 8,494,573
Contributions in relation to the contractually required contribution	<u>(6,502,836)</u>	<u>(6,152,793)</u>	<u>(5,998,034)</u>	<u>(5,947,217)</u>	<u>(6,266,223)</u>	<u>(6,363,848)</u>	<u>(7,283,149)</u>	<u>(7,695,528)</u>	<u>(5,070,646)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (359,764)</u>	<u>\$ (359,764)</u>	<u>\$ (359,765)</u>	<u>\$ 3,423,927</u>
BOE's covered payroll	\$ 44,498,145	\$ 46,177,444	\$ 44,405,569	\$ 42,572,064	\$ 40,206,979	\$ 41,408,099	\$ 39,110,981	\$ 39,579,898	\$ 40,651,043
Contributions as a percentage of covered payroll	14.6%	13.3%	13.5%	14.0%	15.6%	15.4%	18.6%	19.4%	12.5%
Buffalo Urban Renewal Agency ("BURA"):									
Contractually required contributions	\$ 314,610	\$ 298,488	\$ 321,081	\$ 324,724	\$ 333,843	\$ 367,814	\$ 346,327	\$ 393,546	\$ 466,649
Contributions in relation to the contractually required contribution	<u>(314,610)</u>	<u>(298,488)</u>	<u>(321,081)</u>	<u>(324,724)</u>	<u>(333,843)</u>	<u>(367,814)</u>	<u>(346,327)</u>	<u>(393,546)</u>	<u>(466,649)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BURA's covered payroll	\$ 2,248,084	\$ 1,966,341	\$ 2,022,097	\$ 2,243,874	\$ 2,309,933	\$ 2,247,303	\$ 2,335,268	\$ 2,097,796	\$ 2,252,172
Contributions as a percentage of covered payroll	14.0%	15.2%	15.9%	14.5%	14.5%	16.4%	14.8%	18.8%	20.7%

*Information prior to the year ended June 30, 2014 is not available.

CITY OF BUFFALO, NEW YORK
Schedules of Changes in the Total OPEB Liability and Related Ratios
Last Five Fiscal Years*

	Year Ended June 30,				
	2022	2021	2020	2019	2018
City of Buffalo - Total Primary Government:					
Total OPEB liability					
Service cost	\$ 58,942	\$ 46,578	\$ 38,154	\$ 53,380	\$ 59,714
Interest	31,232	43,593	44,169	45,967	42,191
Changes of assumptions	(102,102)	123,982	69,941	(177,846)	(243,399)
Differences between expected and actual experience	(76)	53	(900)	3,344	-
Benefit payments	(59,720)	(58,625)	(52,051)	(52,052)	(47,925)
Net changes in total OPEB liability	(71,724)	155,581	99,313	(127,207)	(189,419)
Total OPEB liability—beginning	1,383,998	1,228,417	1,129,105	1,256,312	1,445,730
Total OPEB liability—ending	<u>\$ 1,312,274</u>	<u>\$ 1,383,998</u>	<u>\$ 1,228,418</u>	<u>\$ 1,129,105</u>	<u>\$ 1,256,311</u>
Plan fiduciary net position					
Contributions—employer	\$ 59,720	\$ 58,625	\$ 52,051	\$ 52,052	\$ 47,925
Benefit payments	(59,720)	(58,625)	(52,051)	(52,052)	(47,925)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net OPEB liability—ending	<u>\$ 1,312,274</u>	<u>\$ 1,383,998</u>	<u>\$ 1,228,418</u>	<u>\$ 1,129,105</u>	<u>\$ 1,256,311</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered-employee payroll	\$ 246,057	\$ 238,901	\$ 231,961	\$ 225,188	\$ 218,632
City's net OPEB liability as a percentage of covered-employee payroll	533%	579%	530%	501%	575%
City of Buffalo - Governmental Activities:					
Total OPEB liability					
Service cost	\$ 56,686	\$ 44,673	\$ 36,451	\$ 50,796	\$ 56,825
Interest	29,722	41,553	42,052	43,365	39,805
Changes of assumptions	(96,606)	115,630	66,788	(157,722)	(229,518)
Differences between expected and actual experience	-	-	-	2,570	-
Benefit payments	(57,172)	(56,126)	(49,693)	(49,073)	(45,692)
Net changes in total OPEB liability	(67,370)	145,730	95,598	(110,064)	(178,580)
Total OPEB liability—beginning	1,314,907	1,169,178	1,073,580	1,183,644	1,362,223
Total OPEB liability—ending	<u>\$ 1,247,537</u>	<u>\$ 1,314,908</u>	<u>\$ 1,169,178</u>	<u>\$ 1,073,580</u>	<u>\$ 1,183,643</u>
Plan fiduciary net position					
Contributions—employer	\$ 57,172	\$ 56,126	\$ 49,693	\$ 49,073	\$ 45,692
Benefit payments	(57,172)	(56,126)	(49,693)	(49,073)	(45,692)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net OPEB liability—ending	<u>\$ 1,247,537</u>	<u>\$ 1,314,908</u>	<u>\$ 1,169,178</u>	<u>\$ 1,073,580</u>	<u>\$ 1,183,643</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered-employee payroll	\$ 228,167	\$ 221,522	\$ 215,070	\$ 208,806	\$ 202,724
City's net OPEB liability as a percentage of covered-employee payroll	547%	594%	544%	514%	584%

(continued)

*Information prior to the year ended June 30, 2018 is not available.

CITY OF BUFFALO, NEW YORK
Schedules of Changes in the Total OPEB Liability and Related Ratios
Last Five Fiscal Years *
(Amounts expressed in thousands)

	Year Ended June 30,				
	2022	2021	2020	2019	2018
City of Buffalo - Business-type Activities:					
Total OPEB liability					
Service cost	\$ 2,144	\$ 1,793	\$ 1,591	\$ 2,466	\$ 2,726
Interest	1,480	2,013	2,060	2,548	2,386
Changes of assumptions	(5,165)	8,336	2,861	(20,239)	(13,881)
Differences between expected and actual experience	-	-	-	832	-
Benefit payments	(2,548)	(2,499)	(2,358)	(2,979)	(2,233)
Net changes in total OPEB liability	(4,089)	9,643	4,154	(17,372)	(11,002)
Total OPEB liability—beginning, as restated	67,809	58,165	54,012	71,384	82,386
Total OPEB liability—ending	<u>\$ 63,720</u>	<u>\$ 67,808</u>	<u>\$ 58,166</u>	<u>\$ 54,012</u>	<u>\$ 71,384</u>
Plan fiduciary net position					
Contributions—employer	\$ 2,548	\$ 2,499	\$ 2,358	\$ 2,979	\$ 2,233
Benefit payments	(2,548)	(2,499)	(2,358)	(2,979)	(2,233)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's net OPEB liability—ending	<u>\$ 63,720</u>	<u>\$ 67,808</u>	<u>\$ 58,166</u>	<u>\$ 54,012</u>	<u>\$ 71,384</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0%	0%	0%	0%	0%
Covered-employee payroll	\$ 17,482	\$ 16,972	\$ 16,478	\$ 15,998	\$ 15,532
City's net OPEB liability as a percentage of covered-employee payroll	364%	400%	353%	338%	460%
Buffalo Fiscal Stability Authority ("BFSA"):					
Total OPEB liability					
Service cost	\$ 112	\$ 112	\$ 112	\$ 118	\$ 163
Interest	30	27	57	54	-
Differences between expected and actual experience	(76)	53	(900)	(58)	-
Changes of assumptions	(331)	16	292	115	-
Benefit payments	-	-	-	-	-
Net changes in total OPEB liability	(265)	208	(439)	229	163
Total OPEB liability—beginning, as restated	1,282	1,074	1,513	1,284	1,121
Total OPEB liability—ending	<u>\$ 1,017</u>	<u>\$ 1,282</u>	<u>\$ 1,074</u>	<u>\$ 1,513</u>	<u>\$ 1,284</u>
Plan fiduciary net position					
Contributions—employer	\$ -	\$ -	\$ -	\$ -	\$ -
Benefit payments	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BFSA's net OPEB liability—ending	<u>\$ 1,017</u>	<u>\$ 1,282</u>	<u>\$ 1,074</u>	<u>\$ 1,513</u>	<u>\$ 1,284</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 408	\$ 407	\$ 413	\$ 384	\$ 376
BFSA's net OPEB liability as a percentage of covered-employee payroll	249.3%	315.0%	260.0%	394.0%	341.5%

(continued)

*Information prior to the year ended June 30, 2018 is not available.

CITY OF BUFFALO, NEW YORK
Schedules of Changes in the Total OPEB Liability and Related Ratios
Last Five Fiscal Years *
(Amounts expressed in thousands)

(concluded)

	Year Ended June 30,				
	2022	2021	2020	2019	2018
Buffalo Board of Education ("BBOE"):					
Total OPEB liability					
Service cost	\$ 86,668	\$ 83,558	\$ 72,956	\$ 71,543	\$ 82,946
Interest	55,739	70,869	85,561	90,227	92,126
Differences between expected and actual experience	(210,089)	(502,178)	(229,606)	(166,075)	(234,596)
Changes of assumptions	(630,298)	286,262	351,329	170,379	(124,198)
Benefit payments	<u>(54,311)</u>	<u>(66,925)</u>	<u>(61,469)</u>	<u>(61,084)</u>	<u>(61,431)</u>
Net changes in total OPEB liability	<u>(752,291)</u>	<u>(128,414)</u>	<u>218,771</u>	<u>104,990</u>	<u>(245,153)</u>
Total OPEB liability—beginning, as restated	<u>(49,806)</u>	<u>78,608</u>	<u>(140,163)</u>	<u>(245,153)</u>	<u>-</u>
Total OPEB liability—ending	<u>\$ (802,097)</u>	<u>\$ (49,806)</u>	<u>\$ 78,608</u>	<u>\$ (140,163)</u>	<u>\$ (245,153)</u>
Plan fiduciary net position					
Contributions—employer	\$ 54,311	\$ 66,925	\$ 61,469	\$ 61,084	\$ 61,431
Benefit payments	<u>(54,311)</u>	<u>(66,925)</u>	<u>(61,469)</u>	<u>(61,084)</u>	<u>(61,431)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BBOE's net OPEB liability—ending	<u>\$ (802,097)</u>	<u>\$ (49,806)</u>	<u>\$ 78,608</u>	<u>\$ (140,163)</u>	<u>\$ (245,153)</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 349,555	\$ 362,378	\$ 373,087	\$ 377,000	\$ 345,602
BBOE's net OPEB liability as a percentage of covered-employee payroll	-229.5%	-13.7%	21.1%	-37.2%	-70.9%
Buffalo Urban Renewal Agency ("BURA"):					
Total OPEB liability					
Service cost	\$ 164	\$ 466	\$ 618	\$ 633	\$ 633
Interest	210	625	920	915	886
Effect of economic/demographic gains or losses	(12)	3,269	(5,404)	(1,008)	(274)
Changes of assumptions	(834)	1,705	2,438	-	-
Benefit payments	<u>(401)</u>	<u>(477)</u>	<u>(332)</u>	<u>(450)</u>	<u>(463)</u>
Net changes in total OPEB liability	<u>(873)</u>	<u>5,588</u>	<u>(1,760)</u>	<u>90</u>	<u>782</u>
Total OPEB liability—beginning, as restated	<u>9,663</u>	<u>23,265</u>	<u>25,025</u>	<u>24,935</u>	<u>24,153</u>
Total OPEB liability—ending	<u>\$ 8,790</u>	<u>\$ 28,853</u>	<u>\$ 23,265</u>	<u>\$ 25,025</u>	<u>\$ 24,935</u>
Plan fiduciary net position					
Contributions—employer	\$ 401	\$ 477	\$ 332	\$ 450	\$ 463
Benefit payments	<u>(401)</u>	<u>(477)</u>	<u>(332)</u>	<u>(450)</u>	<u>(463)</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BURA's net OPEB liability—ending	<u>\$ 8,790</u>	<u>\$ 28,853</u>	<u>\$ 23,265</u>	<u>\$ 25,025</u>	<u>\$ 24,935</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 2,248	\$ 1,966	\$ 2,022	\$ 2,244	\$ 2,310
BURA's net OPEB liability as a percentage of covered-employee payroll	391.0%	1467.6%	1150.6%	1115.2%	1079.4%

*Information prior to the year ended June 30, 2018 is not available.

The notes to the Required Supplementary Information are an integral part of this schedule.

CITY OF BUFFALO, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balance—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Adopted</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Final Budget</u>
REVENUES				
Property taxes, assessments, and other tax items	\$ 156,786,032	\$ 156,786,032	\$ 160,543,963	\$ 3,757,931
Utility and other nonproperty tax items	12,201,000	12,201,000	14,388,634	2,187,634
Federal aid	50,430,000	46,092,164	15,379,562	(30,712,602)
State aid	175,913,126	184,588,798	205,732,363	21,143,565
Local sources and other	87,903,865	87,903,865	108,150,889	20,247,024
Investment interest	100,000	100,000	258,290	158,290
Charges for services	13,674,035	13,674,035	11,725,397	(1,948,638)
Licenses and permits	8,917,014	8,917,014	11,087,479	2,170,465
Fines	2,605,200	2,605,200	2,648,252	43,052
Miscellaneous	16,883,038	16,883,038	6,605,982	(10,277,056)
Total revenues	<u>525,413,310</u>	<u>529,751,146</u>	<u>536,520,811</u>	<u>6,769,665</u>
EXPENDITURES				
Current:				
General government support:				
Legislative	7,287,576	8,038,499	7,289,532	748,967
Executive	3,879,433	3,925,705	3,744,955	180,750
Audit and control	4,011,561	2,849,069	2,801,348	47,721
Law	3,522,120	3,824,876	3,381,511	443,365
Assessment	2,611,466	2,323,162	1,901,232	421,930
Public works, parks and streets	10,007,073	11,988,083	12,135,018	(146,935)
Management information systems	6,256,361	6,558,859	5,523,995	1,034,864
Administration and finance	10,261,949	11,860,912	11,818,174	42,738
Human resources	5,644,509	5,749,464	3,359,850	2,389,614
Other	18,136,500	21,113,745	20,587,832	525,913
Public safety:				
Administration and finance	13,267,997	13,271,788	13,519,279	(247,491)
Police	74,179,056	75,071,371	88,307,487	(13,236,116)
Fire	63,836,534	64,110,485	66,714,146	(2,603,661)
Public works, parks and streets	5,309,018	5,497,004	5,034,914	462,090
Permit and inspection services	5,798,495	5,968,290	5,617,901	350,389
Streets and sanitation:				
Public works, parks and streets	12,974,987	16,342,800	14,948,268	1,394,532
Economic assistance and opportunity:				
Community services	3,358,903	2,943,822	2,923,802	20,020
Culture and recreation:				
Public works, parks and streets	3,094,026	3,476,740	2,745,925	730,815
Community services	6,357,168	6,427,744	5,714,483	713,261
Health and community services:				
Community services	2,692,227	2,718,876	2,252,226	466,650
Education	70,822,758	70,822,758	70,822,758	-
Fringe benefits	167,787,010	160,410,210	147,585,016	12,825,194
Other	4,150,000	7,225,354	6,007,788	1,217,566
Debt service	88,000	767,878	708,633	59,245
Total expenditures	<u>505,334,727</u>	<u>513,287,494</u>	<u>505,446,073</u>	<u>7,841,421</u>
Excess of revenues over expenditures	20,078,583	16,463,652	31,074,738	14,611,086
OTHER FINANCING SOURCES (USES)				
Transfers in	9,164,084	9,164,084	11,564,084	2,400,000
Transfers out	(29,242,667)	(33,622,228)	(33,622,228)	-
Total other financing sources (uses)	<u>(20,078,583)</u>	<u>(24,458,144)</u>	<u>(22,058,144)</u>	<u>2,400,000</u>
Net change in fund balances	-	(7,994,492)	9,016,594	17,011,086
Fund balances—beginning	104,341,056	104,341,056	104,341,056	-
Fund balances—ending	<u>\$ 104,341,056</u>	<u>\$ 96,346,564</u>	<u>\$ 113,357,650</u>	<u>\$ 17,011,086</u>

The notes to the required supplementary information is an integral part of this schedule.

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CITY OF BUFFALO, NEW YORK
Notes to the Required Supplementary Information
Year Ended June 30, 2022

1. BUDGETARY INFORMATION

Budgetary Basis of Accounting—Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and Debt Service Fund. The Capital Projects Fund is appropriated on a project-length basis. No formal budget is adopted for the Special Revenue Fund. Appropriation limits, where applicable, for the Special Revenue Fund are maintained based on individual grant and programs accepted by the City. The periods of such grants and program vary from the City’s fiscal year.

The appropriated budget is prepared by fund, function, department, division, agency or other purpose. The Comptroller may make transfers of appropriations within a department, transfers of appropriations between departments are made by the Common Council. 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 Comptroller, demonstrating that the increase is necessary to meet a contingency which could not have been reasonably foreseen when the budget was adopted. Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances.

Actual results of operations presented in accordance with GAAP and the City’s accounting policies do not recognize encumbrances and restricted fund balance as expenditures until the period in which the actual goods or services are received and a liability is incurred. Encumbrances are only reported on the balance sheet of the governmental funds included within restricted, committed or assigned fund balance. Significant encumbrances are disclosed in the notes to the financial statements.

The City reports its budgetary status with the actual data, including outstanding encumbrances as charges against budget appropriations. The following table includes 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 financing uses—GAAP basis	\$ 20,718,850
Less: encumbrances	<u>(11,702,256)</u>
Excess of revenues and other financing sources over expenditures and other financing uses—non-GAAP budgetary basis	<u>\$ 9,016,594</u>

Excess of Expenditures Over Appropriations—For the year ended June 30, 2022, the City had budgetary expenditures in excess of the final budget amount within general government support of \$146,935 related to public works, parks and street, which were caused by additional equipment purchases. Additionally, the City had budgetary expenditures in excess of the final budget amount within public safety of \$247,491, \$13,236,116 and \$2,603,661 pertaining to administration, police and fire, respectively, which were caused by the effects of regular and overtime wages in addition to the effect of arbitration settlement of police salaries for fiscal year 2022 and 2021, and duty disability costs within the fire department, all of which were not included in the adopted budget.

2. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The discount rate was 2.14% as of June 30, 2022, as compared to 2.21% as of June 30, 2021. Mortality rates are based on the Sex-distinct Pub-2010 Tables with full generational projection using Scale MP-2020. The New York State Employees Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries determined the initial healthcare cost trend rate used is 5.2%, while the ultimate healthcare cost trend rate is 3.7%.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB requirements to pay related benefits.

Buffalo Fiscal Stability Authority

Changes of Assumptions—The discount rate was 2.16% as of June 30, 2021, as compared to 2.21% as of June 30, 2020 based on the 20-Year tax-exempt municipal bond yield for bonds with an average rating of AA or higher as of the measurement date. Mortality rates are based on the Pub-2010 Public Retirement Plans Mortality Tables, with mortality improvement projected for 10 years. Salary increases were based on a 2.0% payroll growth. In order to estimate the change in the cost of healthcare, the actuaries determined the initial healthcare cost trend rate used is 4.9%, while the ultimate healthcare cost trend rate is 4.3%.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB requirements to pay related benefits.

Buffalo Board of Education

Changes of Assumptions—Changes of assumptions and other inputs reflect a change in the discount rate from 2.19% in 2021 to 3.34% in 2021.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB requirements to pay related benefits.

Buffalo Urban Renewal Agency

Changes of Assumptions—In the June 30, 2022 actuarial valuation, the Entry Age Normal Actuarial Cost Method was used. The actuarial assumptions included a valuation date of June 30, 2022. The discount rate was 3.00%, compared to 2.18% in the prior year. Mortality rates are based on the MP-2020 Society of Actuaries' Pub-2010 mortality table fully generational for healthy general and teacher retirees. The 2021 New York State Employees Retirement System rates were used for turnover and retirement rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 5.7%, while the ultimate healthcare cost trend rate is 5.2%.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB requirements to pay related benefits.

SUPPLEMENTARY INFORMATION

CITY OF BUFFALO, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual (Non-GAAP Budgetary Basis)—Debt Service Fund
Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Budgetary Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Adopted</u>	<u>Final</u>		
REVENUES				
Intergovernmental charges	\$ 5,630,161	\$ 5,630,161	\$ 5,630,161	\$ -
Investment interest	394,135	394,135	38,352	(355,783)
License, permit, rentals, fines, and other service charges	216,091	216,091	220,267	4,176
Miscellaneous	<u>257,712</u>	<u>257,712</u>	<u>140,797</u>	<u>(116,915)</u>
Total revenues	<u>6,498,099</u>	<u>6,498,099</u>	<u>6,029,577</u>	<u>(468,522)</u>
EXPENDITURES				
Debt service:				
Principal	31,506,307	31,506,307	29,386,722	2,119,585
Interest and fiscal charges	<u>7,591,996</u>	<u>7,596,396</u>	<u>7,058,842</u>	<u>537,554</u>
Total expenditures	<u>39,098,303</u>	<u>39,102,703</u>	<u>36,445,564</u>	<u>2,657,139</u>
Deficiency of revenues over expenditures	<u>(32,600,204)</u>	<u>(32,604,604)</u>	<u>(30,415,987)</u>	<u>2,188,617</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	28,842,667	28,842,667	28,842,667	-
Transfers out	<u>-</u>	<u>-</u>	<u>(2,366,144)</u>	<u>(2,366,144)</u>
Total other financing sources (uses)	<u>28,842,667</u>	<u>28,842,667</u>	<u>26,476,523</u>	<u>(2,366,144)</u>
Net change in fund balances *	(3,757,537)	(3,761,937)	(3,939,464)	(177,527)
Fund balances—beginning	<u>7,040,940</u>	<u>7,040,940</u>	<u>7,040,940</u>	<u>-</u>
Fund balances—ending	<u>\$ 3,283,403</u>	<u>\$ 3,279,003</u>	<u>\$ 3,101,476</u>	<u>\$ (177,527)</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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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.

Special Revenue Fund — This fund is used to account for all of the special federal and state grants that are restricted for noncapital purposes by the grant award.

BFSA SPECIAL REVENUE FUND

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

Buffalo Fiscal Stability Authority Special Revenue Fund — This fund is BFSA's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

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.

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

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CITY OF BUFFALO, NEW YORK
Combining Balance Sheet—
Nonmajor Governmental Funds
June 30, 2022

	<u>Special Revenue</u>	<u>BFSA Special Revenue</u>	<u>BFSA Debt Service</u>	<u>Permanent</u>	<u>Total Nonmajor Funds</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ 346,850	\$ -	\$ -	\$ 346,850
Restricted cash and cash equivalents	9,311,466	-	215,928	75,263	9,602,657
Restricted investments	-	-	2,139,879	61,472	2,201,351
Receivables:					
Other receivables	20,000	-	-	4,452	24,452
Intergovernmental receivables	1,337,846	16,368,128	-	-	17,705,974
Due from other funds	-	-	185,446	-	185,446
Prepaid items	-	24,717	-	-	24,717
Total assets	<u>\$ 10,669,312</u>	<u>\$ 16,739,695</u>	<u>\$ 2,541,253</u>	<u>\$ 141,187</u>	<u>\$ 30,091,447</u>
LIABILITIES					
Accounts payable	\$ 313,885	\$ 10,864	\$ -	\$ -	\$ 324,749
Accrued liabilities	-	62,258	52,202	-	114,460
Due to other governments	4,785	-	-	-	4,785
Due to other funds	654,008	10,234,583	-	-	10,888,591
Due to component units	781,762	5,848,607	-	-	6,630,369
Total liabilities	<u>1,754,440</u>	<u>16,156,312</u>	<u>52,202</u>	<u>-</u>	<u>17,962,954</u>
FUND BALANCES					
Nonspendable	-	24,717	-	30,000	54,717
Restricted	8,914,872	-	2,489,051	111,187	11,515,110
Assigned	-	558,666	-	-	558,666
Total fund balances	<u>8,914,872</u>	<u>583,383</u>	<u>2,489,051</u>	<u>141,187</u>	<u>12,128,493</u>
Total liabilities and fund balances	<u>\$ 10,669,312</u>	<u>\$ 16,739,695</u>	<u>\$ 2,541,253</u>	<u>\$ 141,187</u>	<u>\$ 30,091,447</u>

CITY OF BUFFALO, NEW YORK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—
Nonmajor Governmental Funds
Year Ended June 30, 2022

	Special Revenue	BFSA Special Revenue	BFSA Debt Service	Permanent	Total Nonmajor Funds
REVENUES					
Intergovernmental	\$ 29,360,176	\$ 523,735	\$ -	\$ -	\$ 29,883,911
Investment interest	156	-	-	7	163
Miscellaneous	51,937	-	-	-	51,937
Total revenues	<u>29,412,269</u>	<u>523,735</u>	<u>-</u>	<u>7</u>	<u>29,936,011</u>
EXPENDITURES					
Current:					
General government support	180,916	701,537	-	-	882,453
Public safety	1,563,459	-	-	-	1,563,459
Streets and sanitation	30,488	-	-	-	30,488
Economic assistance and opportunity	26,628,534	-	-	-	26,628,534
Culture and recreation	45,450	-	-	-	45,450
Health and community services	159,648	-	-	-	159,648
Debt service:					
Principal	-	-	1,960,000	-	1,960,000
Interest and fiscal charges	-	-	199,795	-	199,795
Total expenditures	<u>28,608,495</u>	<u>701,537</u>	<u>2,159,795</u>	<u>-</u>	<u>31,469,827</u>
Excess (deficiency) of revenues over expenditures	<u>803,774</u>	<u>(177,802)</u>	<u>(2,159,795)</u>	<u>7</u>	<u>(1,533,816)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	4,379,561	140,794	2,225,350	-	6,745,705
Transfers out	(2,979,443)	-	-	-	(2,979,443)
Total other financing sources (uses)	<u>1,400,118</u>	<u>140,794</u>	<u>2,225,350</u>	<u>-</u>	<u>3,766,262</u>
Net change in fund balances	2,203,892	(37,008)	65,555	7	2,232,446
Fund balances—beginning	6,710,980	620,391	2,423,496	141,180	9,896,047
Fund balances—ending	<u>\$ 8,914,872</u>	<u>\$ 583,383</u>	<u>\$ 2,489,051</u>	<u>\$ 141,187</u>	<u>\$ 12,128,493</u>

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WATER SYSTEM

The Water System is used to account for the City's water treatment and distribution system and is responsible for water delivery to the residents of the City. The Water System is comprised of the Water Board, Water Authority and Water Enterprise.

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CITY OF BUFFALO, NEW YORK
Combining Schedule of Net Position—Water System
June 30, 2022

	Water Board	Water Authority	Water Enterprise	Eliminations	Total Water System
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 13,552,118	\$ 1,387,336	\$ 280,497	\$ -	\$ 15,219,951
Restricted cash and cash equivalents	-	40,894,279	-	-	40,894,279
Investments	5,285,037	-	-	-	5,285,037
Receivables:					
Accounts receivable	29,689,082	-	-	-	29,689,082
Other receivables	1,445,616	-	-	-	1,445,616
Due from other agencies	127,425	-	-	-	127,425
Allowances	(24,934,910)	-	-	-	(24,934,910)
Net receivables	<u>6,327,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,327,213</u>
Due from other funds	-	93,830,680	30,503,946	(124,211,331)	123,295
Total current assets	<u>25,164,368</u>	<u>136,112,295</u>	<u>30,784,443</u>	<u>(124,211,331)</u>	<u>67,849,775</u>
Noncurrent assets:					
Net pension assets	1,698,152	-	1,698,152	(1,698,152)	1,698,152
Capital assets not being depreciated:					
Land	145,116	-	-	-	145,116
Construction in progress	3,704,968	-	-	-	3,704,968
Total capital assets not being depreciated	<u>3,850,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,850,084</u>
Capital assets being depreciated:					
Buildings and infrastructure	270,102,244	-	-	-	270,102,244
Improvements other than buildings	252,393	-	-	-	252,393
Machinery and equipment	1,913,140	-	-	-	1,913,140
Accumulated depreciation	(118,352,178)	-	-	-	(118,352,178)
Total capital assets being depreciated	<u>153,915,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>153,915,599</u>
Total noncurrent assets	<u>159,463,835</u>	<u>-</u>	<u>1,698,152</u>	<u>(1,698,152)</u>	<u>159,463,835</u>
Total assets	<u>184,628,203</u>	<u>136,112,295</u>	<u>32,482,595</u>	<u>(125,909,483)</u>	<u>227,313,610</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred loss on refunding	-	2,605,081	-	-	2,605,081
Deferred outflows—relating to pensions	3,209,508	-	3,209,508	(3,209,508)	3,209,508
Deferred outflows—relating to OPEB	-	-	2,541,064	-	2,541,064
Total deferred outflows of resources	<u>3,209,508</u>	<u>2,605,081</u>	<u>5,750,572</u>	<u>(3,209,508)</u>	<u>8,355,653</u>
LIABILITIES					
Current liabilities:					
Accounts payable	2,120,503	10,609	31,487	-	2,162,599
Other accrued liabilities	-	2,567,520	750,568	-	3,318,088
Due to other funds	123,285,237	-	-	(123,285,237)	-
Due to retirement systems	-	-	180,536	-	180,536
Accrued compensated absences	-	-	51,681	-	51,681
Accrued workers' compensation	-	-	300,281	-	300,281
General obligation and revenue bonds payable within one year	-	7,282,877	-	-	7,282,877
Total current liabilities	<u>125,405,740</u>	<u>9,861,006</u>	<u>1,314,553</u>	<u>(123,285,237)</u>	<u>13,296,062</u>

(continued)

CITY OF BUFFALO, NEW YORK
Combining Schedule of Net Position—Water System
June 30, 2022

	Water Board	Water Authority	Water Enterprise	Eliminations	(concluded) Total Water System
Noncurrent liabilities:					
Accrued compensated absences	-	-	676,377	-	676,377
Accrued workers' compensation	-	-	692,887	-	692,887
Accrued OPEB	-	-	25,260,040	-	25,260,040
General obligation and revenue bonds payable	-	128,856,370	-	-	128,856,370
Total noncurrent liabilities	-	128,856,370	26,629,304	-	155,485,674
Total liabilities	125,405,740	138,717,376	27,943,857	(123,285,237)	168,781,736
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to pensions	5,833,754	-	5,833,754	(5,833,754)	5,833,754
Deferred inflows—relating to OPEB	-	-	4,455,556	-	4,455,556
Total deferred inflows of resources	5,833,754	-	10,289,310	(5,833,754)	10,289,310
NET POSITION					
Net investment in capital assets	24,231,517	-	-	40,894,279	65,125,796
Unrestricted	32,366,700	-	-	(40,894,279)	(8,527,579)
Total net position	<u>\$ 56,598,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,598,217</u>

CITY OF BUFFALO, NEW YORK
Combining Schedule of Revenues, Expenses, and Changes in Net Position—
Water System
Year Ended June 30, 2022

	Water Board	Water Authority	Water Enterprise	Eliminations	Total Water System
Operating revenues:					
Charges for services	\$ 47,008,945	\$ -	\$ -	\$ -	\$ 47,008,945
Other	53,559	-	-	-	53,559
Total operating revenues	<u>47,062,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,062,504</u>
Operating expenses:					
Services and supplies	17,214,753	460,955	6,763,592	-	24,439,300
Fringe benefits	-	-	462,847	-	462,847
Depreciation	7,381,562	-	-	-	7,381,562
Other	532,437	-	-	-	532,437
Total operating expenses	<u>25,128,752</u>	<u>460,955</u>	<u>7,226,439</u>	<u>-</u>	<u>32,816,146</u>
Operating income (loss)	<u>21,933,752</u>	<u>(460,955)</u>	<u>(7,226,439)</u>	<u>-</u>	<u>14,246,358</u>
Nonoperating revenues (expenses):					
Interest earnings	41,126	-	-	-	41,126
Interest expense	(4,428,281)	-	-	-	(4,428,281)
Total nonoperating revenues (expenses)	<u>(4,387,155)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,387,155)</u>
Income (loss) before transfers	17,546,597	(460,955)	(7,226,439)	-	9,859,203
Transfers in	-	460,955	7,226,439	(7,687,394)	-
Transfers out	(12,698,957)	-	-	7,687,394	(5,011,563)
Change in net position	4,847,640	-	-	-	4,847,640
Total net position—beginning	<u>51,750,577</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,750,577</u>
Total net position—ending	<u>\$ 56,598,217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 56,598,217</u>

CITY OF BUFFALO, NEW YORK
Combining Schedule of Cash Flows—
Water System
Year Ended June 30, 2022

	<u>Water Board</u>	<u>Water Authority</u>	<u>Water Enterprise</u>	<u>Eliminations</u>	<u>Total Water System</u>
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 46,680,840	\$ -	\$ -	\$ -	\$ 46,680,840
Payments to suppliers and employees for goods and services	<u>(18,081,985)</u>	<u>(517,003)</u>	<u>(9,519,703)</u>	<u>-</u>	<u>(28,118,691)</u>
Net cash provided by (used for) operating activities	<u>28,598,855</u>	<u>(517,003)</u>	<u>(9,519,703)</u>	<u>-</u>	<u>18,562,149</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	460,955	7,226,439	-	7,687,394
Transfers to other funds	(12,698,957)	-	-	-	(12,698,957)
Advances to other funds	(3,714,056)	-	-	-	(3,714,056)
Advances from other funds	<u>-</u>	<u>1,828,671</u>	<u>2,293,508</u>	<u>-</u>	<u>4,122,179</u>
Net cash provided by (used for) noncapital financing activities	<u>(16,413,013)</u>	<u>2,289,626</u>	<u>9,519,947</u>	<u>-</u>	<u>(4,603,440)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition/construction of capital assets	(7,174,730)	-	-	-	(7,174,730)
Principal payments on bonds	-	(5,995,000)	-	-	(5,995,000)
Payment to escrow agent	-	(14,070,000)	-	-	(14,070,000)
Proceeds from issuance of debt and premium	-	28,522,195	-	-	28,522,195
Interest payments and other fiscal charges	<u>(4,428,281)</u>	<u>(495,887)</u>	<u>-</u>	<u>-</u>	<u>(4,924,168)</u>
Net cash provided by (used for) capital and related financing activities	<u>(11,603,011)</u>	<u>7,961,308</u>	<u>-</u>	<u>-</u>	<u>(3,641,703)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Changes in fair value of investments	1,430	-	-	-	1,430
Interest received on short-term investments	<u>39,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>39,696</u>
Net cash provided by investing activities	<u>41,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,126</u>
Net increase in cash and cash equivalents	623,957	9,733,931	244	-	10,358,132
Cash, cash equivalents and investments—beginning	<u>18,213,198</u>	<u>32,547,684</u>	<u>280,253</u>	<u>-</u>	<u>51,041,135</u>
Cash, cash equivalents and investments—ending	<u>\$ 18,837,155</u>	<u>\$ 42,281,615</u>	<u>\$ 280,497</u>	<u>\$ -</u>	<u>\$ 61,399,267</u>

(continued)

CITY OF BUFFALO, NEW YORK
Combining Schedule of Cash Flows—
Water System
Year Ended June 30, 2022

(concluded)

	<u>Water Board</u>	<u>Water Authority</u>	<u>Water Enterprise</u>	<u>Eliminations</u>	<u>Total Water System</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 21,933,752	\$ (460,955)	\$ (7,226,439)	\$ -	\$ 14,246,358
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	7,381,562	-	-	-	7,381,562
Change in pension	-	-	-	(861,586)	(861,586)
(Increase) in receivables	(381,664)	-	-	-	(381,664)
(Increase) in net pension asset	(1,698,152)	-	(1,698,152)	1,698,152	(1,698,152)
(Increase) decrease in deferred outflows—relating to pensions	1,532,378	-	1,532,378	(1,532,378)	1,532,378
Decrease in deferred outflows—relating to OPEB	-	-	1,481,293	-	1,481,293
Increase (decrease) in payables	504,664	(899)	(23,059)	-	480,706
Increase (decrease) in accrued liabilities	-	(55,149)	129,355	-	74,206
(Decrease) in retirement systems	-	-	(101,675)	-	(101,675)
(Decrease) in compensated absences	-	-	(102,803)	-	(102,803)
(Decrease) in workers' compensation	-	-	(96,577)	-	(96,577)
(Decrease) in accrued other postemployment benefits obligation	-	-	(1,962,867)	-	(1,962,867)
(Decrease) in net pension liability	-	-	(22,127)	22,127	-
(Decrease) in deferred inflows—relating to pensions	(673,685)	-	(673,685)	673,685	(673,685)
(Decrease) in deferred inflows—relating to OPEB	-	-	(755,345)	-	(755,345)
Total adjustments	<u>6,665,103</u>	<u>(56,048)</u>	<u>(2,293,264)</u>	<u>-</u>	<u>4,315,791</u>
Net cash provided by (used for) operating activities	<u>\$ 28,598,855</u>	<u>\$ (517,003)</u>	<u>\$ (9,519,703)</u>	<u>\$ -</u>	<u>\$ 18,562,149</u>

FEDERAL AWARDS INFORMATION

CITY OF BUFFALO, NEW YORK
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

Federal Grantor/Pass-Through Grantor Program or Cluster Title (1a)	Federal Assistance Listing Number (1b)	Pass-Through Entity Identifying Number (1c)	Passed Through to Subrecipients	Total Federal Expenditures (1d)
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:				
<i>Direct programs:</i>				
CDBG - Entitlement Grants Cluster:				
Community Development Block Grants/Entitlement Grants	14.218	N/A	\$ 15,827,338	\$ 15,827,338
Total CDBG - Entitlement Grants Cluster			<u>15,827,338</u>	<u>15,827,338</u>
Emergency Solutions Grant Program	14.231	N/A	4,069,458	4,069,458
HOME Investment Partnerships Program	14.239	N/A	2,802,265	2,802,265
Housing Opportunities for Persons with AIDS	14.241	N/A	727,859	727,859
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			<u>23,426,920</u>	<u>23,426,920</u>
U.S. DEPARTMENT OF JUSTICE:				
<i>Passed through Rochester Institute of Technology:</i>				
Project Safe Neighborhoods	16.609	N/A	-	25,960
<i>Direct programs:</i>				
Coronavirus Emergency Supplemental Funding Program	16.034	N/A	-	140,273
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	-	241,115
Criminal and Juvenile Justice and Mental Health Collaboration Program	16.745	N/A	-	31,672
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>-</u>	<u>439,020</u>
U.S. DEPARTMENT OF TRANSPORTATION:				
<i>Passed through New York State Department of Transportation:</i>				
Highway Planning and Construction Cluster:				
Highway Planning and Construction	20.205	See note 5	-	22,358,490
Total Highway Planning and Construction Cluster			<u>-</u>	<u>22,358,490</u>
TOTAL U.S. DEPARTMENT OF TRANSPORTATION			<u>-</u>	<u>22,358,490</u>
U.S. DEPARTMENT OF TREASURY:				
<i>Passed through New York State Office of Attorney General:</i>				
Equitable Sharing	21.016	N/A	-	16,250
<i>Direct program:</i>				
Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	-	15,379,562
TOTAL U.S. DEPARTMENT OF TREASURY			<u>-</u>	<u>15,395,812</u>
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<i>Direct program:</i>				
Assistance to Firefighters Grant	97.044	N/A	-	108,967
<i>Passed through New York State Division of Homeland Security/Emergency Services:</i>				
Homeland Security Preparedness Technical Assistance Program	97.067	C845080	-	92,542
Homeland Security Preparedness Technical Assistance Program	97.067	C152390	-	132,467
Total Homeland Security Preparedness Technical Assistance Program			<u>-</u>	<u>225,009</u>
TOTAL U.S. DEPARTMENT OF HOMELAND SECURITY			<u>-</u>	<u>333,976</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS (1e)			<u>\$ 23,426,920</u>	<u>\$ 61,954,218</u>

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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CITY OF BUFFALO, NEW YORK
Notes to the Schedule of Expenditures of Federal Awards
Year Ended June 30, 2022

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City of Buffalo, New York (the “City”) under programs of the federal government for the year ended June 30, 2022. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (“Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City. The following notes were identified on the Schedule:

- (a) Includes all federal award programs of the City of Buffalo, New York. The federal expenditures of the Buffalo Board of Education (the “Board”) and the City of Buffalo Urban Renewal Agency (“BURA”) have not been included.
- (b) Source: Federal Assistance Listing Numbers, previously known as Catalog of Federal Domestic Assistance.
- (c) Pass-through entity identifying numbers are presented where available.
- (d) Prepared under accounting principles generally accepted in the United States of America and includes all federal award programs.
- (e) A reconciliation to the basic financial statements is available.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available. The City has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

3. MATCHING COSTS

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

4. AMOUNTS PROVIDED TO SUBRECIPIENTS

Certain program funds are passed through the City to subrecipient organizations. The City identifies, to the extent practical, the total amount provided to subrecipients from each federal program; however, the Schedule does not contain separate schedules disclosing how the subrecipients outside of the City’s control utilize the funds. The City requires subrecipients receiving funds to submit separate audit reports disclosing the use of the program funds.

**5. DETAIL OF FEDERAL HIGHWAY PLANNING AND CONSTRUCTION (ALN 20.205)
EXPENDITURES**

Detail of highway planning and construction expenditures for the year ended June 30, 2022 with their corresponding pass-through grantor numbers are as follows:

	<u>Expenditures</u>	<u>ALN No.</u>	<u>Pass-through Grantor Number</u>
South Ogden St. Bridge over Buffalo River	\$ 1,311,994	20.205	D034896
Cars on Main - Lower Main	3,955,958	20.205	D035251
Ohio St. Lift Bridge	9,307,090	20.205	D035050
Dewey over CSXT Bridge Replacement	210,273	20.205	D035580
Bicycle Master Plan	10,714	20.205	D035750
Safe Routes to School, Clinton St.	-	20.205	D036427
Route 5 (Main St) @ Kensington & Humbolt Pkwy	370,744	20.205	D035876
Warren Spahn Way over Caz Crk. Bridge Rehab	2,481,928	20.205	D035875
Pavement Rehab Walden Ave: Genesee to Sycamore	177,992	20.205	D035874
Pavement Rehab Fillmore Ave: E. Ferry to Kensington	35,342	20.205	D036038
BNMC PH 4 - Complete Streets Features around BNMC and Resurfacing of Washington & Virginia Streets	641,397	20.205	D036023
Buffalo Roadways Rehab	151,455	20.205	D036046
Pedestrian Safety Action Plan	68,802	20.205	D035997
Niagara Street Sustainable Corridor & Community Integration Project	1,714,537	20.205	D035843
Main St Rehab - Ferry St to Delevan Ave	641,700	20.205	D036429
Jefferson Complete Street - Utica to Main	103,490	20.205	D040157
Bridge Washing - 38 Bridges	62,553	20.205	D040125
Busti Ave - Traffic Calming & Bicycle Improvements	112,375	20.205	D040032
Cazenovia Creek Bridge Repairs	328,000	20.205	D040189
Curb & Joint Repairs	290,323	20.205	D040148
Allen St. Ph 2 - Wadsworth to Delaware	381,823	20.205	D040209
Total	<u>\$ 22,358,490</u>		

Certified Public Accountants

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the 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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Buffalo Fiscal Stability Authority and the Buffalo Board of Education, as described in our report on the City's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. We have also audited the financial statements of the Buffalo Urban Renewal Agency (the "Agency") which is shown as a Discretely Presented Component Unit. This report does not include the results of our testing of internal control over financial reporting and compliance and other matters of the Agency which are reported on separately in our report dated September 28, 2022.

Report on Internal Control Over Financial Reporting

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

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

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

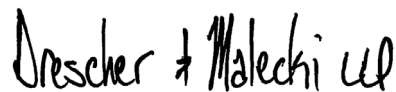
deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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



October 28, 2022

Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND REPORT
ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Buffalo, New York's (the "City") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2022. The City's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

The City's basic financial statements include the operations of the Buffalo Board of Education (the "Board") and the Buffalo Urban Renewal Agency (the "Agency"), which expended \$130,090,765 and \$56,432,895 in federal awards, respectively, which are not included in the City's Schedule of Expenditures of Federal Awards for the year ended June 30, 2022. Our compliance audit, described below, did not include the operations of the Board or the Agency. Our audit did not include the operations of the Board since other auditors were engagement to perform such audit in accordance with the Uniform Guidance. Our audit did not include the operations of the Agency since its compliance audit is reported on separately in our report dated September 28, 2022 based on our audit of the operations of the Agency in accordance with the Uniform Guidance.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America ("GAAS"); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States ("*Government Auditing Standards*"); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

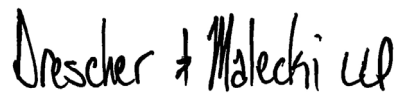
Report on Internal Control Over Compliance

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

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

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

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

Handwritten signature in black ink that reads "Drescher & Malecki LLP". The signature is written in a cursive, flowing style.

October 28, 2022

CITY OF BUFFALO, NEW YORK
Schedule of Findings and Questioned Costs
Year Ended June 30, 2022

Section I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

Type of report the auditor issued: Unmodified*
 *(which report includes a reference to other auditors)

Internal control over financial reporting:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported
Noncompliance material to the financial statements noted?	_____ Yes	_____ <input checked="" type="checkbox"/> No

Federal Awards:

Internal control over major federal programs:

Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> No
Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/> None reported

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ Yes No

Identification of major federal programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.231	Emergency Solutions Grant Program
14.239	HOME Investment Partnerships Program
20.205	Highway Planning and Construction Cluster
21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between Type A and Type B programs? \$ 1,858,627

Auditee qualified as low-risk auditee? _____ Yes No

Section II. FINANCIAL STATEMENT FINDINGS

No findings noted.

Section III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings noted.

CITY OF BUFFALO, NEW YORK
Summary Schedule of Prior Year Audit Findings
Year Ended June 30, 2022
(Follow up on June 30, 2021 Findings)

No findings were reported.