



# **BUFFALO FISCAL STABILITY AUTHORITY**

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**2022-2025**

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**ADOPTED BUDGET AND FINANCIAL PLAN**

**Buffalo Fiscal Stability Authority  
Authority Directors and Staff as of June 21, 2021**

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## **ORGANIZATION**

The Buffalo Fiscal Stability Authority (“BFSA” or “Authority”) is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation created by the BFSA Act (the “Act”), Chapter 122 of the Laws of 2003, as amended from time to time, and signed by the Governor on July 3, 2003. BFSA has a broad range of financial control and oversight powers over the City of Buffalo (the “City”) and its non-exempted Covered Organizations including the Buffalo Public School District (the “School District”), the Buffalo Municipal Housing Authority, the Buffalo Urban Renewal Agency, the Joint Schools Construction Board and other covered organizations as defined by the Act.

According to its enabling statute, BFSA will continue in existence until its oversight, control or other responsibilities and its liabilities, which include the payment of BFSA bonds and notes, have been met or discharged, which in no event may be later than June 30, 2037. In addition, BFSA has certain powers under the Act to control, oversee and monitor the City’s finances, including Covered Organizations, particularly during a “control period”, which began on the effective date of the BFSA Act of July 3, 2003. A control or advisory role for the Authority is to continue until June 30, 2037.

BFSA is governed by a board of nine directors, seven of which are to be appointed by the Governor of the State. Of the seven directors appointed by the Governor, one must be a resident of the City, one is to be appointed following the recommendation of the State Comptroller, and one is to be appointed on the joint recommendation of the Speaker of the Assembly and the Temporary President of the Senate. The Mayor of the City and the County Executive serve as ex officio directors. The Governor designates the Chairperson and Vice Chair from among the directors. Five directors constitute a quorum. All directors of BFSA serve without salary.

The Act provides for BFSA to have 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.”

Under the Act, BFSA began its existence during a City control period, which means that BFSA commenced operation with its maximum authorized complement of financial control and oversight powers. Under an advisory period, the BFSA operates with a reduced set of financial oversight powers and responsibilities.

On May 29, 2012, BFSA made a determination that all provisions of the Act with respect to transitioning into an advisory period 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.

After an advisory period has been established, a control period could be reimposed on the City upon a determination by BFSA that a fiscal crisis is imminent or that any of the following events has occurred or that there is a substantial likelihood and imminence of its occurrence: (a) the City shall have failed to adopt a balanced budget, financial plan or budget modification as required by Sections 3856 and 3857 of the Act; (b) the City shall have failed to pay the principal of or interest on any of its bonds or notes when due; (c) the City shall have incurred an operating deficit of one percent or more in the aggregate results of operations of any major fund of the City or a Covered Organization during its fiscal year assuming all revenues and expenditures are reported in accordance with generally accepted accounting principles, subject to the provisions of the Act; (d) the chief fiscal officer's certification at any time, at the request of BFSA or on the chief fiscal officer's initiative, which certification shall be made from time to time as promptly as circumstances warrant and reported to BFSA, that on the basis of facts existing at such time such officer could not make the certification described in subdivision one of Section 3851 of the Act; or (e) the City shall have violated any provision of the Act.

During a control period, BFSA is empowered, among other things, (i) to approve or disapprove contracts, including collective bargaining agreements to be entered into by the City or any Covered Organization, binding or purporting to bind the City or any Covered Organization; (ii) to approve or disapprove the terms of borrowings by the City and Covered Organizations; (iii) to approve, disapprove or modify the City's financial plans and take any action necessary in order to implement the financial plan should the City or any Covered Organization fail to comply with any material action necessary to fulfill the plan, including issuing binding orders to the appropriate local officials; (iv) to set a maximum level of spending for any proposed budget of any Covered Organization; (v) to impose a wage or hiring freeze, or both, with respect to employees of the City or any Covered Organization; (vi) to review the operation, management, efficiency and productivity of the City and any Covered Organization; and (vii) to terminate the control period upon finding that no condition exists which would permit imposition of a control period, provided that budgetary operations for the prior three years were balanced without Authority assistance.

During an advisory period, as defined in the Act, BFSA is empowered, among other things, (i) to review the operation, management, efficiency and productivity of City operations and of any Covered Organization's operations, and to make reports and recommendations thereon; (ii) to review and comment on the budget, financial plan and financial plan modifications of the City and any of the Covered Organization's; (iii) to audit compliance with the City and any of the Covered Organization's financial plans; (iv) to review and comment on the terms of any proposed borrowing, including the prudence of each proposed issuance of bonds or notes by the City; (v) to assess and comment on the impact of any collective bargaining agreement to be entered by the City; and (vi) to impose a control period upon making one of the statutory findings.

Revenues of BFSA consist of state aid, sales tax revenue and investment earnings on funds deposited in BFSA bank accounts and on set-aside funds deposited with the bond trustee to pay bond interest and principal payments. Revenues of BFSA that are not required to pay operating expenses and other costs of BFSA are payable to the City and the School District as frequently as practicable.

## **BUDGET PROCESS**

### *Adopted Budget and Financial Plan*

BFSA's adopted budget and financial plan are prepared in accordance with accounting principles generally accepted in the United States of America on a full accrual basis, but also include information for cash basis accounting as necessary. Comparative amounts for the fiscal year ended June 30, 2020 were derived from BFSA's audited financial statements, copies of which were previously delivered to the BFSA's Board of Directors and approved by Resolution No. 20-23 on November 23, 2020. Amounts budgeted for the fiscal year ending June 30, 2022 and forecasts included in the financial plan have been developed using assumptions and methods of estimation disclosed in budget and financial plan notes and sections herein. Working papers that document the reasonable assumptions and methods of estimation, consistent with prudent budgetary practices, have been prepared contemporaneously with the plan and will be maintained by BFSA.

The proposed budget and financial plan is submitted to BFSA's Audit, Finance and Budget Committee for review no later than 60 days prior to the commencement of its next fiscal year along with a certification by BFSA's Executive Director attesting to the reasonableness of the assumptions and methods of estimation used to prepare the budget and financial plan. The proposed budget and financial plan is posted on BFSA's website and made available to the public for a period of not less than 45 days, at least 30 of which must be prior to approval by the Board.

The budget and financial plan, and all amendments or modifications to the budget and financial plan, are approved by the BFSA's Board of Directors. Additionally, the final approved budget and financial plan is posted to the BFSA website not less than 7 days before commencement of the next fiscal year and is submitted to the State Comptroller within 7 days of approval.

### *Approved Budget and Financial Plan*

BFSA staff provides the BFSA's Board of Directors with quarterly updates on actual revenues and expenses compared to annual budget targets. No later than 90 days after the close of each fiscal year, BFSA staff report publicly on the prior year's actual versus budgeted results. Should any situation arise that has the potential to have a material, adverse effect on the approved budget and financial plan, BFSA staff are required to notify the State Comptroller in writing of the situation.

Due to the pandemic, Executive Order No. 202.60 was issued by New York State on September 17, 2020 that allows state and local authorities a 60-day extension from the original statutory due date for reporting.

## **PRINCIPAL BUDGETARY ASSUMPTIONS AND ASSESSMENT OF BUDGETARY RISKS**

The budget and financial plan includes estimates developed using assumptions as disclosed in notes to the plan. Estimates are subject to risk due to assumptions made about future scenarios. State aid and sales tax receipt estimates constitute the majority of BFSAs budgeted and forecasted revenue. New York State is facing a significant budget gap that could result in negative impacts to State Aid although President Biden's Stimulus Bill could provide much needed relief once passed. Largely because of the stimulus bill NYS is estimating full restoration of state aid to pre-pandemic levels. These estimates are incorporated into this budget and plan. Sales tax revenue is conservatively projected to take into account the anticipated continued impact of the coronavirus pandemic through the year 2022, as the economy works to get back to pre-pandemic operating levels. Over the years 2023 through 2025 sales tax revenue estimates are held constant as it is uncertain what the long-term impacts of the pandemic will be and how those long-term impacts will affect our local economy. Sales tax receipts are sensitive to the fluctuations in economic activity in the City, which have gone through numerous cycles of expansion and contraction over the years. The impact of the pandemic is showing the largest contraction we have seen in decades.

Investment income is earned by BFSAs primarily from set-aside funds deposited with financial services firms to pay the semi-annual interest payment and annual principal payment. These funds are invested in accordance with forward delivery agreements and earn a guaranteed rate of return on the investments. Investment income also includes investment earnings on funds deposited in BFSAs trustee accounts and bank accounts; these earnings are subject to fluctuation due to the balances held by BFSAs as well as changes in interest rates.

BFSAs has a perfected interest in the state aid and sales tax collections for the City and the School District and receives remittances from the NYS Department of Taxation and Finance for the purpose of withholding debt service set-aside monies and expenses, prior to remittance to the City and the School District. BFSAs's costs are closely monitored by BFSAs staff. As a result, there is little budget risk to BFSAs or its bond holders.

No material non-recurring resources or transactions that shift material resources from one year to another or from reserves are included in this preliminary budget or financial plan.

Approximately 63.9% of total budgeted operating expenses represents staff related costs. The budget includes five budgeted positions, all of which are filled. Staff related costs also include employee benefits such as health insurance, pension expense and payroll taxes. Employee health insurance is budgeted at current rates and is projected to increase by 5.4% annually over the course of the financial plan; this projected increase is based on recent historical experience as well as available market data. Pension expense is determined based on the projected contribution rates as provided by the New York State Comptroller.

Professional fees are the second largest category of operating expenses, representing approximately 26.7% of the total budget. This category includes amounts budgeted for litigation, general legal counsel services, the independent audit, trustee fees and bank charges, and other professional fees. This category is estimated based on past historical experience and conservatively includes amounts so that in the event such services are necessary, there are adequate amounts budgeted.

All other operating expenses represent approximately 9.4% of the total budget for operating expenses. The BFSA operates as leanly as possible, understanding that fiscal constraint is extraordinarily important.

Salaries expense is budgeted to increase 1.7% as compared to prior year budget. Other postemployment benefits are budgeted to decrease 20% from the prior year budget due to a change in assumptions utilized in this expenses' calculation. There were no other significant fluctuations noted in operating expenses from last year's final budget.

After amounts are retained for debt service, operating expenses, and for any other purpose as provided for in New York State law, sales taxes are remitted as soon as practical to the City of Buffalo and the Buffalo City School District. Those amounts are represented as Distributions within the Adopted Budget.



BUFFALO FISCAL STABILITY AUTHORITY								
2022 PRELIMINARY BUDGET AND RELATED FOUR-YEAR FINANCIAL PLAN								
Accrual Basis	Actual FY 2020	Forecast FY 2021	Budget FY 2021	Budget FY 2022	% Var from Budget 2021	Budget FY 2023	Budget FY 2024	Budget FY 2025
Revenue								
BFSA City Sales Taxes	87,198,708	91,000,000	72,100,000	91,000,000	26.2%	91,000,000	91,000,000	91,000,000
BFSA School District Sales Tax	48,519,018	50,500,000	39,800,000	50,500,000	26.9%	50,500,000	50,500,000	50,500,000
State Aid Revenues	141,612,849	181,000,000	129,000,000	161,285,233	25.0%	161,285,233	161,285,233	161,285,233
Investment Income	154,450	129,254	129,254	71,157	-44.9%	67,458	68,369	0
<b>Total Revenue</b>	<b>277,485,025</b>	<b>322,629,254</b>	<b>241,029,254</b>	<b>302,856,390</b>	<b>25.7%</b>	<b>302,852,691</b>	<b>302,853,602</b>	<b>302,785,233</b>
Operating Expenses								
Staff Related								
Salaries	413,309	410,000	418,460	425,446	1.7%	433,955	442,634	451,487
Emp Health Insurance	91,125	90,500	95,000	96,500	1.6%	101,500	107,000	113,000
Pension Expense	56,308	59,479	62,769	63,817	1.7%	65,093	66,395	67,723
Payroll taxes	29,895	31,765	32,012	32,947	2.9%	33,598	34,262	34,939
Parking	4,887	2,000	7,200	7,200	0.0%	7,200	7,200	7,200
Professional Development	2,668	6,000	6,000	6,000	0.0%	6,000	6,000	6,000
Employee Travel	0	1,000	1,000	1,000	0.0%	1,000	1,000	1,000
<b>Total Staff Related</b>	<b>598,192</b>	<b>600,744</b>	<b>622,441</b>	<b>632,910</b>	<b>1.7%</b>	<b>648,346</b>	<b>664,491</b>	<b>681,349</b>
Communications Expense	5,076	14,250	14,250	14,250	0.0%	14,250	14,250	14,250
Office Related								
Insurance	1,475	2,550	2,550	2,550	0.0%	2,550	2,550	2,550
Copy expense	1,016	1,800	1,800	1,800	0.0%	1,800	1,800	1,800
Office Supplies	927	4,300	4,300	4,300	0.0%	4,300	4,300	4,300
Payroll Service Expenses	1,058	1,025	1,025	1,025	0.0%	1,050	1,075	1,100
Postage and Delivery	756	1,600	1,600	1,600	0.0%	1,600	1,600	1,600
Various repairs, service	0	1,500	1,500	1,500	0.0%	1,500	1,500	1,500
Subscriptions	879	1,500	1,500	1,500	0.0%	1,500	1,500	1,500
<b>Total Office Related</b>	<b>6,111</b>	<b>14,275</b>	<b>14,275</b>	<b>14,275</b>	<b>0.0%</b>	<b>14,300</b>	<b>14,325</b>	<b>14,350</b>
Meeting Expense								
Meeting Expense - Travel	0	0	2,000	2,000	0.0%	2,000	2,000	2,000
Meeting Expense - Facilities & Other	2,434	5,000	9,500	9,500	0.0%	9,500	9,500	9,500
Public Forum and Public Notices	0	4,000	4,000	4,000	0.0%	4,000	4,000	4,000
<b>Total Meeting Expense</b>	<b>2,434</b>	<b>9,000</b>	<b>15,500</b>	<b>15,500</b>	<b>0.0%</b>	<b>15,500</b>	<b>15,500</b>	<b>15,500</b>
Professional Fees								
Accounting and Audit	13,500	13,500	13,800	14,100	2.2%	14,400	14,700	15,000
Fees:Legal Fees	14,940	40,000	40,000	40,000	0.0%	40,000	40,000	40,000
Litigation	0	0	135,000	135,000	0.0%	135,000	135,000	135,000
Other Professional Fees	19,195	60,000	60,000	60,000	0.0%	60,000	60,000	60,000
Trustee Fees/Bank Charges	8,663	17,000	17,000	15,000	-11.8%	15,000	15,000	15,000
<b>Total Professional Fees</b>	<b>56,298</b>	<b>130,500</b>	<b>265,800</b>	<b>264,100</b>	<b>-0.6%</b>	<b>264,400</b>	<b>264,700</b>	<b>265,000</b>
Rent	43,940	44,672	44,672	44,819	0.3%	45,566	45,715	47,087
Furniture and Equipment	0	1,200	1,200	1,200	0.0%	1,200	1,200	1,200
Depreciation Expense	1,283	2,160	2,160	2,378	10.1%	4,583	6,385	6,688
<b>Total Operating Expenses</b>	<b>713,334</b>	<b>816,801</b>	<b>980,298</b>	<b>989,432</b>	<b>0.9%</b>	<b>1,008,145</b>	<b>1,026,566</b>	<b>1,045,424</b>
Net available for BFSFA debt service, amortization and distribution to City and School District	<b>276,771,691</b>	<b>321,812,453</b>	<b>240,048,956</b>	<b>301,866,958</b>	<b>25.8%</b>	<b>301,844,546</b>	<b>301,827,036</b>	<b>301,739,809</b>
Interest Expense	525,454	301,258	301,258	198,642	-34.1%	116,142	30,383	9,542
Amortization of Bond Premium	(268,770)	(208,874)	(208,874)	(208,874)	0.0%	(208,874)	(172,048)	(153,636)
<b>Total Interest Expense</b>	<b>256,684</b>	<b>92,384</b>	<b>92,384</b>	<b>(10,232)</b>	<b>-111.1%</b>	<b>(92,732)</b>	<b>(141,665)</b>	<b>(144,094)</b>
Mirror Bond Interest Revenue	478,739	301,318	301,318	197,985	-34.3%	89,613	22,846	8,192
Amortization of Mirror Bond Premium	(126,143)	(114,502)	(114,502)	(114,502)	0.0%	(114,502)	(78,741)	(21,639)
<b>Net Mirror Bond Interest Revenue</b>	<b>352,596</b>	<b>186,816</b>	<b>186,816</b>	<b>83,483</b>	<b>-55.3%</b>	<b>(24,889)</b>	<b>(55,895)</b>	<b>(13,447)</b>
OPEB Expense	(439,231)	100,000	250,000	200,000	-20.0%	200,000	200,000	200,000
Distributions:								
BFSFA Rev. Dist to City	228,206,066	271,310,973	200,247,298	251,348,779	25.5%	251,318,900	251,322,184	251,241,447
BFSFA Rev. Dist to School District	48,519,018	50,500,000	39,800,000	50,500,000	26.9%	50,500,000	50,500,000	50,500,000
<b>INFORMATIONAL ONLY:</b>								
Debt Set Asides	5,172,050	2,225,100	2,225,100	2,225,350	0.0%	2,222,300	171,000	173,250
Principal Paid	5,440,000	4,690,000	4,690,000	1,960,000	-58.2%	2,040,000	2,120,000	155,000
Fixed Asset Additions	1,175	3,700	3,700	19,900	437.8%	3,700	3,700	3,700

<b>NOTES AND KEY ASSUMPTIONS FOR THE 2022 - 2025 FINANCIAL PLAN</b>	
<b>Revenues</b>	
Sales Tax	Sales tax revenue is conservatively projected to take into account the anticipated continued impact of the coronavirus pandemic through the year 2022, using 2020 and 2021 pandemic actuals to develop 2022 estimates. Over the years 2022 through 2024 sales tax revenue estimates remain constant as it is unknown how long the pandemic will last, how long any recovery will take and if we will get back to pre-pandemic operating levels.
State Aid	New York State is facing a significant budget gap but President Biden's American Rescue Plan is predicted to bring relief to municipalities, including the City of Buffalo and School District. The 2022 Budget and financial plan estimates that state aid will be fully restored to pre-pandemic levels, which is in line with initial NYS estimates.
Investment Income	Budgeted per the Forward Delivery Agreements Investment Earnings Schedule. These are contractually based interest earnings.
<b>Expenditures</b>	
Salaries	Budgeted for four (4) full-time positions and one (1) part-time position including Executive Director, Comptroller, Principal Analyst, Senior Analyst and Administrative Assistant. Includes estimate for vacation payout. The financial plan assumes a 2% base increase for all employees for 2022 and each year thereafter.
Employee Health Insurance	For 2022, amount is budgeted for five staff on family coverage. For 2023-2025, it is estimated that health insurance will increase annually thereafter by 5.4%, based on historical experience.
Pension Expense	Used rate as published by NYSERS for 2021 and extended for remaining outyears of the Financial Plan. The blended rate is projected at 15.0% for Tier 4, 5 and 6 members.
Payroll Taxes	7.65% of projected salaries plus \$400 for unemployment taxes.
Other Staff Related Expenses	Professional development is held flat from prior year budget. Employee travel and the cost of employee parking are held flat to the prior year and over the financial plan.
Communications Expense	Communications expense is held consistent with prior year and held flat over the financial plan.
Office Related	Budgeted amounts are held consistent with prior years with no increase budgeted for 2022. Minor increases included for 2023-2025.
Meeting Expense	Budgeted amount for 2022 is consistent with prior year's budget. Amount held consistent for 2023-2025.
Legal Fees and Litigation	Litigation is budgeted consistent with prior year's budget in 2022 and projected at a consistent balance from 2023-2025. Legal fees are budgeted consistent with prior year's budget and held consistent for 2023-2025.
Other Professional Fees	For miscellaneous special studies requested by the Board and other professional services as needed. Includes estimated cost for the OPEB actuarial software in 2023 and 2025 which is required to be purchased every two years.
Rent	Estimate for office lease.
Depreciation Expense/Fixed Asset Additions	Capital assets in excess of \$500 and with an estimated useful life greater than one year are depreciated. The capital asset acquisition plan for each year of the financial plan is as follows: 2022 - two (2) laptop computer at \$1,200 and office furniture/equipment of \$2,500; 2023 - one (1) laptop computer at \$1,200, office furniture/equipment of \$2,500 and photocopier/printer combination for \$15,000; 2024 - the purchase of one (1) laptop computer for \$1,200 and office furniture/equipment for \$2,500; 2025 - the purchase of one (1) laptop computer for \$1,200 and office furniture/equipment for \$2,500.
Interest Expense	Per Bond Interest Schedule.
Mirror Bond Interest Revenue	Per schedule and agreements with the City.
OPEB Expense	OPEB expense estimated based on past experience and consistent number of employees of 5 throughout the Plan.

## **FORECASTED 2021 REVENUES AND EXPENDITURES**

The following provides a discussion regarding key variances anticipated between the original 2021 budget, as approved, and the forecasted balances for the year ending June 30, 2021. Such forecasted amounts are documented in the “Forecast FY 2021” column in the 2022 Proposed Budget and Related Four Year Financial Plan as provided on pages 6 - 7.

### **Sales Tax Receipts:**

City – For June 30, 2021 forecasted sales tax receipts are expected to be \$18,900,000 (26.2%) higher than budgeted. Due to the pandemic and resulting lockdowns it was anticipated that in 2021, due to early predictions, sales tax revenues could be as high as a 21% reduction year-to-year compared to 2020. Fortunately, sales tax revenues have tracked higher than the budgeted estimates, and were .05% ahead of the prior year actuals as of December 31, 2020. The creation of the new internet sales tax law in NYS that became effective in June 2019 has helped to offset some of the pandemic related sales tax losses as consumers have moved to more online shopping. This new law states that tax must be collected by any business, regardless of whether they have a physical presence in NYS, that ships at least \$500,000 worth of goods into the state or completes at least 100 transactions with New Yorkers annually. The 2021 forecasted amount is expected to be \$3,800,000 (4.4%) higher than the 2020 actual revenue.

School District – For June 30, 2021, forecasted sales tax receipts are expected to be \$10,700,000 (26.8%) higher than budgeted due to similar reasons noted for the City increase. The 2021 forecasted amount is expected to be \$1,980,000 (4.1%) higher than 2020.

### **State Aid:**

For June 30, 2021, forecasted state aid is expected to be \$52,000,000 (40.3%) higher than budgeted. As noted for sales tax receipts, due to the pandemic and resulting lockdowns the State had predicted a 20% decrease in the state aid that it provides to municipalities. The State fully restored the previous reductions in state aid payments for state fiscal year 2021 due to higher than anticipated revenues to the state. The state’s enacted budget has restored state aid to pre-pandemic amounts and this estimate is reflected within this plan.

New York State has been facing a significant budget gap, largely due to the pandemic and resulting financial hit to the local and state economies. Relief is on its way with the recent passage of a \$1.9 trillion federal stimulus bill known as the America Rescue Plan. As a result of this plan \$12.6 billion in direct aid will flow to the State. Of that \$12.6 billion, \$350 million will come directly to the City, although it is too early to say if those funds will come with specific requirements and/or designations for how they are to be spent.

Salaries Expense & Payroll Taxes – For June 30, 2021, forecasted salaries and payroll taxes are expected to be approximately \$8,500 (2.0%) lower than the budgeted amount for 2021.

Employee Health Insurance – For June 30, 2021, forecasted employee health insurance expenses are expected to be \$4,500 (4.7%) below budget.

Parking Expense – For June 30, 2021 forecasted parking expense is expected to be \$5,200 (72.2%) lower than budgeted due to the pandemic and the staff continuing to largely work from home.

Pension Expense – For June 30, 2021 forecasted pension expense is expected to be \$3,290 (5.2%) lower than budgeted due to the lower salaries expense compared to budgeted.

Litigation Expense – For June 30, 2021, forecasted litigation expense is expected to be \$0 as there currently is no outstanding litigation involving the BFSA.

**NUMBER OF EMPLOYEES**

As of January 1, 2021, BFSA had five employees, four of which are full-time and one part-time, exempt and funded by general revenues of the BFSA. The following table shows the numbers of employees contained within the forecasted 2021 results, the 2022 budget and the financial plan:

<u>Position/Title</u>	<u>2021F</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Executive Director	1	1	1	1	1
Comptroller – Part-time	1	1	1	1	1
Principal Analyst	1	1	1	1	1
Senior Analyst	1	1	1	1	1
Administrative Assistant	1	1	1	1	1
Total	5	5	5	5	5

## **STATEMENT OF BORROWED DEBT**

BFSA is empowered to issue bonds and notes for various City purposes, defined in the Act as “Financeable Costs”. The Act authorizes the issuance of bonds, notes, or other obligations in amounts necessary to pay any financeable costs and to fund reserves to secure such bonds. The aggregate principal amounts of such bonds, notes, or other obligations outstanding at any one time excluding refunding bonds of the City or BFSA cannot exceed \$175,000,000. BFSA may also issue bonds, notes or other obligations to pay the cost of issuance of such borrowings, to establish debt service reserves, to refund or advance refund any outstanding notes of the City. BFSA may issue cash flow borrowings which do not count toward the above limit, but are limited to \$145,000,000 of aggregate principal amounts outstanding at any one time.

BFSA issued a refunding bond in December 2015; the 2015A Refunding Bond refunded the outstanding 2005A and 2006A bonds. No other bonds were issued or are planned to be issued for the remainder of 2020-21. All issued BFSA long-term debt is serviced through its debt service fund.

Since 2003, BFSA has issued \$170,984,000 of long-term debt in the form of notes and serial bonds with due dates through 2026. At December 31, 2020, \$6,440,000 remains outstanding.

Revenues to pay the BFSA’s debt service are provided by the City and School District’s share of Erie County sales tax, on which the BFSA has a first lien. Pursuant to the Act, the City and School District have no right, title or interest in these revenues until transferred to the City and the School District by BFSA.

The following tables contains a listing of all BFSA debt transactions since the BFSA was created, and amounts outstanding at December 31, 2020, the debt service requirements for the BFSA’s current fiscal year, and the debt service requirements over both the Financial Plan as well as over the remaining life of the bonds:

<b>BFSA Debt Table at December 31, 2020</b>					
(\$ in thousands)	Issue Date	Bond Par Issued	Note (BAN) Par Issued	Bond Par Outstanding	Note Par Outstanding
Sales Tax and State Aid Secured Bonds (Series 2004A)	6/1/2004	\$25,745		\$0	
Bond Anticipation Notes (Series 2004A-1)	9/1/2004		\$84,000		\$0
Sales Tax and State Aid Secured Bonds (Series 2005A)	6/1/2005	\$28,030		\$0	
Sales Tax and State Aid Secured Bonds – Refunding (Series 2005B&C)	7/1/2005	\$47,065		\$0	
Bond Anticipation Notes (Series 2005A-1)	7/1/2005		\$90,000		\$0
Sales Tax and State Aid Secured Bonds (Series 2006A)	4/1/2006	\$27,270		\$0	
Bond Anticipation Notes (Series 2006A-1)	4/1/2007		\$60,000		\$0
Sales Tax and State Aid Secured Bonds (Series 2007A)	4/1/2007	\$28,470		\$5,690	
Sales Tax and State Aid Secured Bonds-Refunding (Series 2015A)	12/21/2015	\$14,170		\$750	
<b>Total</b>		<b>\$170,750</b>	<b>\$234,000</b>	<b>\$6,440</b>	<b>\$0</b>

**SCHEDULE OF LONG-TERM DEBT:**

	July 1, 2020	Increases	Decreases	Amounts June 30, 2021	Amounts Due in One Year
Series 2005A Bond	\$0	-	-	\$0	\$0
Series 2005B&C Bond	0	-	0	0	0
Series 2006A Bond	0	-	-	0	0
Series 2007A Bond	7,445,000	-	1,755,000	5,690,000	1,825,000
Series 2015A Bond	3,685,000	-	2,935,000	750,000	135,000
<b>Total</b>	<b>\$11,130,000</b>	<b>-</b>	<b>4,690,000</b>	<b>6,440,000</b>	<b>1,960,000</b>

**LONG-TERM DEBT-DEBT SERVICE REQUIREMENTS:**

<b>BFSA Long-Term Debt Debt Service Requirements</b>		
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$4,690,000	\$373,575
2022	1,960,000	225,225
2023	2,040,000	143,825
2024	2,120,000	59,150
2025	155,000	12,125
2026	165,000	4,125
<b>Total</b>	<b>\$11,130,000</b>	<b>\$818,025</b>