BUFFALO
SEWER AUTHORITY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2026

BUFFALO, NEW YORK

BUFFALO SEWER AUTHORITY
BUFFALO, NY

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED
JUNE 30, 2026

PREPARED BY:

ADMINISTRATIVE DEPARTMENT
CHARLES RILEY, EXECUTIVE SECRETARY AND
CHIEF FINANCIAL OFFICER

BUFFALO SEWER AUTHORITY
Table of Contents
Year Ended June 30, 2026

Page

INTRODUCTORY SECTION

Transmittal Letter 1
Certificate of Achievement for Excellence in Financial Reporting 5
Officials 6
Organizational Chart 7

FINANCIAL SECTION

Independent Auditors' Report 8
Management's Discussion and Analysis 11
Basic Financial Statements:
Government-wide Financial Statements:
Statement of Net Position 18
Statement of Activities 19
Fund Financial Statements:
Balance Sheet—Governmental Funds 20
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position 21
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds 22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities 23
Statement of Fiduciary Net Position—Custodial Fund 24
Statement of Changes in Fiduciary Net Position—Custodial Fund 25
Notes to the Financial Statements 26

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of the Authority's Proportionate Share of the Net Pension Liability/(Asset)—Employees' Retirement System 55
Schedule of the Authority's Contributions—Employees' Retirement System 56
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios 57
Statement of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)—General Fund 58
Notes to the Required Supplementary Information 59

SUPPLEMENTARY INFORMATION

Schedule of Revenues and Other Financing Sources—Budget and Actual (Non-GAAP Budgetary Basis)—General Fund 61
Schedule of Expenditures and Other Financing Uses—Budget and Actual (Non-GAAP Budgetary Basis)—General Fund 62
Schedule of Sewer Rents Receivable—General Fund 69

(continued)

BUFFALO SEWER AUTHORITY
Table of Contents
Year Ended June 30, 2026

(concluded)

STATISTICAL SECTION

Financial Trends:

Table I—Net Position by Component—Governmental Activities 70
Table II—Changes in Net Position—Governmental Activities 71
Table III—Program Revenues—Charges for Services and Capital Grants and Contributions by Source 72
Table IV—Operating Expenses 73
Table V—General Revenues and Expenses 74
Table VI—Fund Balances, Governmental Funds 75
Table VII—Changes in Fund Balance, Governmental Funds 76

Revenue Capacity:

Table VIII—Wastewater Treated 78
Table IX—Sewer Tap Sales 79
Table X—Number of Sewer Customers by Type 80
Table XI—Combined, Authority, County and City Property Tax and Sewer Rent Rates (per $1,000 of Assessed Valuation) 81
Table XII—Principal Customers 82

Debt Capacity:

Table XIII—Outstanding Debt by Type 83
Table XIV—Sewer Revenue Bond Coverage 84

Demographic and Economic Information:

Table XV—Demographic Statistics 85
Table XVI— Principal Employers in the Buffalo Metropolitan Area 86

Operating Information

Table XVII—Number of Employees by Identifiable Activity 87
Table XVIII—Operating and Capital Indicators 88

INTRODUCTORY SECTION

BUFFALO
SEWER AUTHORITY

September 30, 2026

To the Members of the Buffalo Sewer Authority Board and
Citizens of the City of Buffalo and Erie County:

The annual comprehensive financial report of the Buffalo Sewer Authority (the "Authority") for the fiscal year ended June 30, 2026, is hereby submitted. This report consists of management's representation concerning the finances of the Authority. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Authority has established a comprehensive internal control framework that is designed both to protect the Authority's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of financial statements in conformity with generally accepted accounting principles ("GAAP"). Because the cost of internal control should not outweigh their benefits, the Authority's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Drescher & Malecki LLP, a firm of licensed certified public accountants, has audited the Authority's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Authority for the fiscal year ended June 30, 2026, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Authority's financial statements for the fiscal year ended June 30, 2026 are fairly stated. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found immediately following the independent auditor's report.

Profile of the Authority

The Authority was created in 1935, by an Act of the State Legislature, as a public benefit corporation that is legally and financially independent of the City of Buffalo with a mission to protect public health and the environment from water pollution. The Authority is managed by a five-member board appointed by the Mayor of the City of Buffalo, subject to confirmation by the Common Council, and is regulated by the Public Authorities Law. The Authority's powers include fixing and collecting rates, borrowing money and issuing negotiable bonds, and acquiring, holding and disposing of personal property for its corporate purpose.

The Authority operates the second largest wastewater treatment facility in New York State and provides collection and treatment services for the City of Buffalo and several neighboring suburban communities. All activities and functions performed by the Authority are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity. The budgetary and fiscal operations of the Authority are comparable to that of a governmental rather than a proprietary unit and, therefore, the Board has opted to record such activity in a governmental fund type (General Fund) rather than in a proprietary fund type (Enterprise Fund). The Authority's legal level of budgetary control is at the department level.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Authority operates.

Local Economic Condition and Outlook

The City of Buffalo is located on the western border of New York State and the eastern shore of Lake Erie. Buffalo is the second largest city in the State and serves as the seat of Erie County government. The City's boundaries cover 52.5 square miles, and the population is estimated at 274,613. The Peace Bridge, which connects downtown Buffalo with the Province of Ontario, serves as a major link between the United States and Canada.

The Buffalo-Niagara region has been in a constant struggle to rebuild its economic strength that existed prior to the diminishrnent of its manufacturing sector throughout the early 1980s. To promote economic advancement, many municipalities have been working relentlessly to pursue and attract high-tech, specialty manufacturing and service industries. Such economic diversification has allowed the area to manage national economic downturns. The 2020 US Census, revealed that the City of Buffalo exhibited a population increase to 274,613, growing nearly 7% from 2010, exhibiting its first such gain in 70 years. As the COVID-19 pandemic added challenges to the economic region, the City is in a positive position to meet and overcome the financial hurdles that have been presented.

Major Initiatives

The Authority laid the foundation for tackling one of Buffalo's public health concerns in 2014 with approval of its Combined Sewer Overflow Long Term Control Plan by the United States Environmental Protection Agency and NYS Department of Environmental Conservation. In July 2025, the Authority entered into a Consent Judgement with the NYS DEC, amending and updating the Long Term Control Plan. The Plan will see over $1 billion in infrastructure improvements through 2040 to address the City's stormwater challenge while simultaneously ensuring that Buffalo becomes more resilient in the face of a changing climate.

In continuance of the Authority's commitment to innovation, in fiscal year 2025-2026, over $66M was invested in Green Infrastructure, Smart Sewers, and Facility enhancements to address stormwater throughout the collection system and renew sewerage facilities. The Authority continues to be a national leader in the delivery of Green Infrastructure, managing over 1,100 acres of urban runoff, keeping nearly 1 billion gallons of stormwater out of the sewer system and improving the local waterways. In building on the foundational smart sewer innovation, the Authority expanded the use of in-system sensors and artificial intelligence to more precisely deliver its water quality commitment.

As part of this continued commitment to expand, upgrade, and meet the stormwater challenges for the future, Buffalo Sewer has also made a strong commitment to public outreach which has been recognized by utilities and regulators across the country, but also by Councilmembers and other public officials and community members. This initiative has driven improved design of projects and prevented change orders due to unknown site conditions, addressed community concerns before bidding, and improved trust with community members and regulating agencies.

The Secondary System Rehabilitation Project was substantially completed during the 2025-2026 fiscal year. This $62 million project has received $32 million in Bipartisan Infrastructure Law and New York State Water Infrastructure Improvement grants. This project will substantially restore the biological treatment system to its original design capacity. Additionally, new recycled activated sludge (RAS) lines are being installed together with isolating valves to ensure that more regular maintenance and replacement of failing pipes can be conducted in the future without requiring half of the biological treatment system to be taken off-line.

Phase I of the Primary System Rehabilitation Project is nearing 50 percent completion. This $52.9 million project will rehabilitate the existing 1930s era primary gravity settling tanks and sludge pumping station together with installing new odor control facilities. This project has received a $6 million grant from the Bipartisan Infrastructure Law, and a $9.3 million New York State Water Infrastructure Improvement grant.

Work on the Scajaquada & Black Rock real time control facility is nearing completion. This $8.7 million project has received a $3.3 million grant and $3.1 million in interest-free financing from the Bipartisan Infrastructure Law. This project will create real-time control of the Bailey-Amherst Quarry system together with balancing flows between the Bird Trunk and the Scajaquada Tunnel at Gates Circle and creating permanent flow monitoring stations at Bailey and Kerns and at Niagara Metering Station to ensure that storage capacity within the collection system is fully utilized before overflows are permitted to occur.

Also during the 2025-2026 fiscal year, work commenced on the Breckenridge St. CSO Control Project. This project is replacing 100-year-old sewer pipes, while also redirecting flow to the Bird Island Treatment Facility, and reducing CSO's in the Black Rock Canal. This $29.3 million project is being financed through the New York State Environmental Facilities Corporation.

In July 2025, the Authority issued $47.8 million of Sewer System Revenue Bonds Series 2025A. The proceeds of these bonds will be used to rehabilitate the South Buffalo, Raw Wastewater, and Settled Wastewater pump stations, and for sewer improvements throughout the Fruit Belt neighborhood. Work on these projects is currently ongoing.

In May 2026, the Hennepin Park Green Infrastructure project was awarded. This will be the first project funded through the Environmental Impact Bond and be the beginning of over a dozen separately bid projects over the next two years under this bonding mechanism.

Five Year Capital Plan

In accordance with the Supplemental Bond Resolution, adopted by the Authority on May 3, 1993, the authority has adopted a five-year capital plan as a part of the annual budget process. The five-year capital plan includes $1.2 billion in expected capital project expenses. Funding for each capital project is based on the most cost-effective method available. A bond sale, lease purchase or the use of reserve funds for capital projects may be used to fund these projects. The capital plan for fiscal year 2026-2027 totals $291 million. Of this amount, $60.8 million is for Bird Island Treatment Facility rehabilitation

projects and $230 million is estimated for the installation of innovative green, smart, and gray sewer system infrastructure.

Awards and Acknowledgements

Awards—The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Buffalo Sewer Authority for its annual comprehensive financial report for the fiscal year ended June 30, 2025. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, the Authority published an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such annual comprehensive finance reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Buffalo Sewer Authority has received a Certificate of Achievement for the last thirty-nine consecutive years. We believe that our current report continues to conform to the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements—In submitting this Annual Comprehensive Financial Report, I wish to express my thanks and appreciation to my staff who have diligently and faithfully contributed to the continued improvement of the Authority's accounting and reporting function. I would also like to thank our independent auditors, Drescher & Malecki LLP.

Respectfully submitted,

Charles Riley
Executive Secretary

Rosaleen B. Nogle, P.E.
Principal Sanitary Engineer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Buffalo Sewer Authority
New York

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 92 days after the fiscal year end



Christopher P. Morrill

Executive Director/CEO

BUFFALO SEWER AUTHORITY
Officials
For the Year Ended June 30, 2026

Board Members

Thomas Caulfield, PHD, Chairman
Benjamin Swanekamp, Vice Chairman
Hope Young-Watkins, Secretary
Patrick Sole, Jr., Assistant Secretary
Rebecca Bitterman, Board Member

Professional Staff

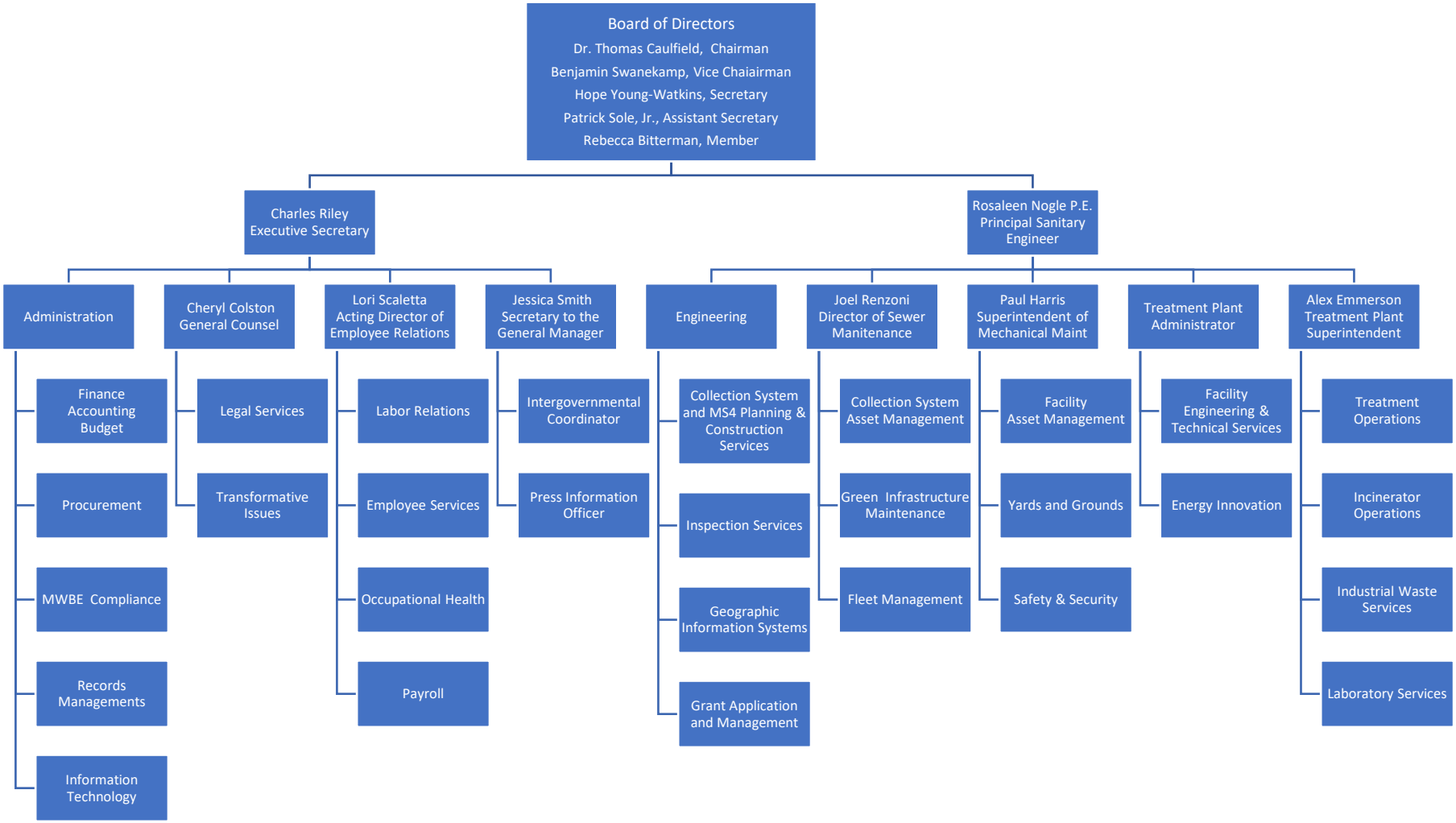
Jessica Smith, Secretary to the General Manager
Charles Riley, PMP, Executive Secretary and Chief Financial Officer
Paul Harris, PMP, Superintendent of Mechanical Maintenance
Alex Emmerson, Treatment Plant Superintendent
Joel Renzoni, Director of Sewer Maintenance
Rosaleen B. Nogle, P.E., Princial Sanitary Engineer
Cheryl Colston, General Counsel
Tim Blake, Facilities Capital Projects

Address of the Authority

City Hall Room 1038
Buffalo, New York 14202

BUFFALO
SEWER AUTHORITY

BUFFALO SEWER AUTHORITY
Organizational Chart



FINANCIAL SECTION

DRESCHER & MALECKI LLP
2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178

Drescher & Malecki
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

The General Manager and Members
of the Buffalo Sewer Authority Board
Buffalo, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Buffalo Sewer Authority, New York (the "Authority"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Authority, as of June 30, 2026, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). 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 Authority 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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for the twelve months beyond the financial statement issuance 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 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 we:

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

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

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 Authority's basic financial statements. The Supplementary Information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Supplementary Information, as listed in the table of contents, 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 Supplementary Information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the Authority's Annual Comprehensive Financial Report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents, but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Drescher & Malecki LLP

September 30, 2026

BUFFALO SEWER AUTHORITY
Management's Discussion and Analysis
Year Ended June 30, 2026

As management of the Buffalo Sewer Authority (the "Authority"), we offer readers of the Authority's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the Authority for the fiscal year ended June 30, 2026, focusing on why amounts changed from the prior year. For comparative purposes, certain data from the prior years has been reclassified to conform with the current year presentation.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Authority's basic financial statements. The Authority'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 contains 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 Authority's finances, in a manner similar to a private-sector business.

The *statement of net position* presents financial information on all of the Authority's assets, liabilities, and deferred inflows/outflows 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 Authority is improving or deteriorating.

The *statement of activities* presents information showing how the Authority'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 for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Authority 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 Authority include include general administration, wastewater treatment facilities, industrial waste, engineering, sewer maintenance and interest and fiscal charges. The Authority does not engage in any business-type activities

The government-wide financial statements can be found on pages 18 and 19 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 Authority, 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 Authority can be divided into two categories: governmental 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 Authority maintains three individual governmental funds. Information is presented separately in the governmental funds' balance sheet and in the governmental funds' statement of revenues, expenditures and changes in fund balances for the General Fund, General Projects Fund, and Debt Service Fund, which are considered major funds.

The basic governmental fund financial statements can be found on pages 20-23 of this report.

Fiduciary funds—Fiduciary funds are used to account for resources held for the benefit of parties outside the Authority. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Authority's own programs. The Authority is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The Authority maintains one fiduciary fund, the Custodial Fund.

The fiduciary fund statements can be found on pages 24 and 25 of this report.

Notes to the financial statements—The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The Authority uses notes to present information in greater detail than is possible within the financial statements themselves, explain the nature of amounts reported in the financial statements and how those amounts were determined, and report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 26-54 of this report.

Other information—In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the Authority's net pension liabilities/(assets), the changes in the Authority's total other postemployment benefits ("OPEB") obligation, and the Authority's budgetary comparison schedule for the General Fund. Required Supplementary Information and related notes to the required supplementary information can be found on pages 55-60 of this report.

The Supplementary Information, as listed in the table of contents, can be found on pages 61-69 of this report.

Finally, the Statistical Section of this report can be found on pages 70-88.

Financial Summary and Detailed Analysis

As noted earlier, net position over time may serve as a useful indicator of the Authority's financial position. In the case of the Authority, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $370,703,382 at June 30, 2026, as compared to assets and deferred outflows of resources exceeding liabilities and deferred inflows of resources by $349,197,044, at the close of the year ended June 30, 2025.

Table 1, shown below, presents the Authority's net position at June 30, 2026 and June 30, 2025.

Table 1—Authority's Net Position

	June 30,	
	2026	2025
Current and other assets	$ 180,981,534	$ 132,259,542
Capital assets	464,742,633	412,890,450
Total assets	645,724,167	545,149,992
Deferred outflows of resources	9,473,226	7,937,015
Current liabilities	68,602,207	35,925,308
Long-term liabilities outstanding	200,129,286	153,320,220
Total liabilities	268,731,493	189,245,528
Deferred inflows of resources	15,762,518	14,644,435
Net position:		
Net investment in capital assets	337,917,522	307,003,887
Unrestricted	32,785,860	42,193,157
Total net position	$ 370,703,382	$ 349,197,044

The largest portion of the Authority's net position, $337,917,522 reflects its investment in capital assets (e.g. land, buildings, improvements, equipment, and right-to-use leased assets), net of accumulated depreciation/amortization and less any related outstanding debt used to acquire those assets. The Authority uses these capital assets to provide a variety of services to students. Accordingly, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of the Authority's net position, $32,785,860, is considered to be unrestricted net position and may be used to meet the Authority's ongoing operations.

Governmental activities—Current and other assets increased in governmental activities by $48,721,992 from the prior year. During the current year, the Authority increased designated cash, cash equivalents and investments related to a new bond issuance.

Current liabilities in governmental activities increased $32,676,899 from the prior year. During the current year, the Authority's EFC note payable increased by $21,459,996 related to financing that will be converted to long-term debt upon project completion.

Long-term liabilities, which consist of serial bonds, premium on serial bonds, compensated absences, other postemployment benefit obligations, judgments and claims and net pension liability, increased by $46,809,066 from the previous year. This is primarily related to a new bond issuance for $47,845,000.

The Authority's overall net position increased $21,506,338 from the prior fiscal year. The reasons for this overall increase are discussed in the following sections.

Table 2, as presented below, shows the Authority's changes in net position for the years ended June 30, 2026 and June 30, 2025.

Table 2—Authority's Changes in Net Position

	Year Ended June 30,	
	2026	2025
Program revenues:		
Charges for services	$ 87,176,997	$ 72,538,080
Capital grants and contributions	15,162,914	13,022,055
General revenues	3,689,054	5,502,495
Total revenues	106,028,965	91,062,630
Program expenses	84,522,627	70,466,356
Change in net position	21,506,338	20,596,274
Net position—beginning	349,197,044	328,600,770
Net position—ending	$ 370,703,382	$ 349,197,044

Governmental activities—During the current fiscal year, net position for governmental activities increased $21,506,338 from the prior fiscal year for an ending balance of $349,197,044. The increase in the overall net position of governmental activities is primarily due to increased capital project expenditures that increased the construction in progress balance by approximately $66 million partially offset the issuance of a $47,845,000 serial bond to finance various capital projects.

Revenues increased by $14,966,335 from the prior year. The large increase is primarily related to sewer rents related to outside city contracts.

Expenses increased by $14,056,271 from the prior year. The increase is primarily related to an increase in personnel costs along with a one-time arbitrage payment made related to the rebate liability associated with the 2021 EIB computation.

Detailed Analysis of Governmental Funds

As noted earlier, the Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority reports three major funds individually on the governmental fund financial statements, the General Fund, the General Projects Fund, and the Debt Service Fund.

Governmental funds—The focus of the Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Authority'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 Authority itself, or a group or individual that has been delegated authority to assign resources for particular purposes by the Board.

As of June 30, 2026, the Authority's governmental funds reported a combined ending fund balance of $100,477,350, an increase of $16,902,851 from the prior year. Approximately 10.0 percent, or $10,000,000, of this amount constitutes *unassigned fund balance* which is available for spending at the Authority's discretion. The remainder of fund balance is either *nonspendable*, *restricted*, or *assigned*, to indicate that it is: (1) not in spendable form, $247,783, (2) restricted for particular purposes, $55,859,848 or (3) committed for particular purposes, $34,369,719.

General Fund—The General Fund is the chief operating fund of the Authority. At the end of the current fiscal year, unassigned fund balance of the General Fund was $10,000,000, while total fund balance increased to $40,854,222. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 11.7 percent of total General Fund expenditures and transfers out, while total fund balance represents 48.0 percent of that same amount.

The total fund balance of the Authority's General Fund increased by $6,514,297 during the current fiscal year. During the annual budget process, the Authority anticipated utilizing $7,509,663 of fund balance (this included the re-appropriation of prior year's encumbrances). Largely as a result of increased sewer rents and budgetary savings mainly within wastewater treatment facilities, the Authority's General Fund fund balance ended $14,023,960 higher than anticipated.

General Projects Fund—The General Projects Fund fund balance increased to $55,148,608 at June 30, 2026. This increase was primarily related to a bond issuance for $47,845,000. Fund balance of $51,385,328 within the General Projects Fund is considered restricted for capital projects and the remaining $3,763,280 of fund balance is committed for capital projects.

Debt Service Fund—The Debt Service Fund fund balance increased to $4,474,520 at June 30, 2026. Total fund balance within the Debt Service Fund is restricted for future debt service payments.

Significant Capital Asset and Long-Term Financing Activity

Capital assets—The Authority's investment in capital assets for its governmental activities as of June 30, 2026, amounted to $464,742,633 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, equipment and vehicles, and sanitary and storm relief systems. All depreciable capital assets were depreciated from acquisition date to the end of the current year as outlined in the Authority's capital asset policy. The total increase in capital assets was 12.6 percent.

Capital assets, net of depreciation/amortization for the governmental activities at June 30, 2026 and June 30, 2025 are presented in Table 3 on the following page.

Table 3—The Authority's Capital Assets (Net of Accumulated Depreciation/Amortization)

	Year Ended June 30,	
	2026	2025
Land	$ 10,586,171	$ 10,586,171
Construction in progress	145,683,301	112,099,915
Buildings	142,707,257	129,770,326
Buildings and improvements	2,777,707	3,159,296
Machinery & equipment	3,234,984	3,473,811
Sanitary & storm relief systems	159,753,213	153,800,931
Total	$ 464,742,633	$ 412,890,450

Major capital asset events during the current fiscal year included the following:

- Capital outlay increased construction in progress by $65,755,371 which are expensed through the General Projects Fund
- Significant upgrades to buildings and sanitary storm relief systems totaling $30,669,327
- Depreciation expense totaling $12,895,456

Additional information on the Authority's capital assets is presented in Note 4 to the financial statements.

Long-term financing—At June 30, 2026, the Authority had total long-term financing liabilities of $127,558,837, composed of serial bonds and premium on serial bonds. During the current year, long-term financing liabilities increased by $46,513,512.

A summary of the Authority's long-term liabilities at June 30, 2026 and June 30, 2025 is presented in Table 4 below:

Table 4—Summary of Long-Term Financings

	Year Ended June 30,	
	2026	2025
Bonds payable	$ 121,057,820	$ 76,839,051
Premium on bonds payable	6,501,017	4,206,274
Total	$ 127,558,837	$ 81,045,325

The $121,057,820 million general obligation bonds are bonded debt, backed by the full faith and credit of the government. During the current year, the Authority issued a $47,845,000 bond for acquisition, construction, and renovation of major capital facilities.

The Authority was assigned a rating of "Aa3" from Moody's Investors Service for general obligation debt.

Additional information on the Authority's long-term liabilities can be found in Note 11 to the financial statements.

Economic Factors and Next Year's Budget and Rates

The unemployment rate, not seasonally adjusted, for the region at June 30, 2026 was 4.1 percent. This compares to New York State's average unemployment rate of 4.4 percent. These factors are considered in preparing the Authority's budget.

Total General Fund appropriations within the 2026-2027 adopted budget are $84,500,000, an increase of 6.4 percent from the 2025-2026 adopted budget, and are projected to be funded solely by revenues. Consequently, the Authority did not designate any of the unassigned General Fund fund balance for spending in the subsequent year.

The Authority's five-year capital plan requires $1.2 billion of future appropriations. Management anticipates financing the aforementioned plan through the current designation, future contributions from operations and/or debt financing.

The Authority's primary source of revenues is derived from sewer rents. There are two types of sewer rents. Sewer rents based on assessed valuation of real estate and the other based on the use of water. All real property, both developed and undeveloped, must pay the sewer rent based on assessed valuation.

The levy of Sewer Rents based on assessed value will be $31,750,000 for the 2026-2027 budget. This represents the amount of Sewer Rent that the Authority will collect from all real property in the City of Buffalo except those properties exempt by law. This amount, when spread over the total estimated assessment for sewer purposes from the Department of Assessment, will result in an annual sewer rent of $1.33 for each for each $1,000 of assessed valuation.

Sewer rents based on water use are billed as flat rate or metered accounts. Flat rate sewer rents continue to be charged based on property characteristics (i.e. number of stories, front footage, etc.). All sewer rents based on water use will increase by 3%. The sewer rent meter charges will be assessed at a rate of $12.49 per 1,000 cubic feet. All flat and meter accounts will continue to be assessed a capacity/drainage charge at a minimum of $6.76 per month.

Contacting the Authority's Financial Management

This financial report is designed to provide citizens, ratepayers, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability. Questions concerning this report or requests for additional financial information should be directed toward the Buffalo Sewer Authority, General Manager, 1038 City Hall, Buffalo, New York 14202.

** THIS PAGE INTENTIONALLY LEFT BLANK **

BASIC FINANCIAL STATEMENTS

** THIS PAGE INTENTIONALLY LEFT BLANK **

BUFFALO SEWER AUTHORITY
Statement of Net Position
June 30, 2026

	Primary Government
	Governmental Activities
ASSETS	
Cash, cash equivalents and investments	$ 10,539,099
Designated cash, cash equivalents and investments	74,863,346
Restricted cash, cash equivalents and investments	56,063,146
Receivables (net of allowance for uncollectibles)	22,938,757
Intergovernmental receivables	16,329,403
Prepaid items	247,783
Capital assets not being depreciated	156,269,472
Capital assets, net of accumulated depreciation	308,473,161
Total assets	645,724,167
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows—relating to pension plans	3,125,999
Deferred outflows—relating to OPEB	6,347,227
Total deferred outflows of resources	9,473,226
LIABILITIES	
Accounts payable	22,610,115
Interest payable	384,836
Accrued liabilities	1,193,329
Due to retirement system	634,196
EFC note payable	39,533,878
Retainages payable	4,042,555
Unearned revenues	203,298
Noncurrent liabilities:	
Due within one year	7,122,677
Due within more than one year	193,006,609
Total liabilities	268,731,493
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows—relating to pension plans	6,042,338
Deferred inflows—relating to OPEB	9,720,180
Total deferred inflows of resources	15,762,518
NET POSITION	
Net investment in capital assets	337,917,522
Unrestricted	32,785,860
Total net position	$ 370,703,382

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

BUFFALO SEWER AUTHORITY
Statement of Activities
Year Ended June 30, 2026

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants and Contributions	Changes in Net Position: Primary Government Governmental Activities
Governmental activities:				
General administration	$ 2,798,897	$ 3,047,849	$ -	$ 248,952
Wastewater treatment facilities	63,251,672	68,877,692	-	5,626,020
Industrial waste	1,467,898	1,598,462	-	130,564
Engineering	3,291,935	3,584,741	-	292,806
Sewer maintenance	9,245,865	10,068,253	15,162,914	15,985,302
Interest expense	4,466,360	-	-	(4,466,360)
Total primary government	$ 84,522,627	$ 87,176,997	$ 15,162,914	17,817,284
General revenues:				
Unrestricted investment earnings				3,608,076
Miscellaneous				80,978
Total general revenues				3,689,054
Change in net position				21,506,338
Net position—beginning				349,197,044
Net position—ending				$ 370,703,382

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

BUFFALO SEWER AUTHORITY
Balance Sheet—Governmental Funds
June 30, 2026

	General	General Projects	Debt Service	Total Governmental Funds
ASSETS				
Cash, cash equivalents and investments	$ 10,539,099	$ -	$ -	$ 10,539,099
Designated cash, cash equivalents and investments	20,015,827	54,847,519	-	74,863,346
Restricted cash, cash equivalents and investments	203,298	51,385,328	4,474,520	56,063,146
Receivables (net of allowance for uncollectibles)	22,938,757	-	-	22,938,757
Due from other funds	672	-	-	672
Intergovernmental receivables	35	16,329,368	-	16,329,403
Prepaid items	247,783	-	-	247,783
Total assets	$ 53,945,471	$ 122,562,215	$ 4,474,520	$ 180,982,206
LIABILITIES				
Accounts payable	$ 11,060,426	$ 11,549,689	$ -	$ 22,610,115
Accrued liabilities	1,193,329	-	-	1,193,329
Due to other funds	-	672	-	672
Due to retirement system	634,196	-	-	634,196
EFC note payable	-	39,533,878	-	39,533,878
Unearned revenue	203,298	-	-	203,298
Total liabilities	13,091,249	51,084,239	-	64,175,488
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—intergovernmental receivables	-	16,329,368	-	16,329,368
Total deferred inflows of resources	-	16,329,368	-	16,329,368
FUND BALANCES				
Nonspendable	247,783	-	-	247,783
Restricted	-	51,385,328	4,474,520	55,859,848
Committed	30,606,439	3,763,280	-	34,369,719
Unassigned	10,000,000	-	-	10,000,000
Total fund balances	40,854,222	55,148,608	4,474,520	100,477,350
Total liabilities and fund balances	$ 53,945,471	$ 122,562,215	$ 4,474,520	$ 180,982,206

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

BUFFALO SEWER AUTHORITY
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position
June 30, 2026

Amounts reported for governmental activities in the statement of net position (page 18) are different because:

Total fund balances—governmental funds (page 20)		$ 100,477,350
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. The cost of these assets is $826,561,151 and the accumulated depreciation is $360,818,518.		464,742,633
Revenues not collected within 60 days of year end are reported as deferred inflows of resources in the fund statements, but are recognized on the accrual basis for government-wide statements.		16,329,368
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the fund statements.		
Deferred outflows related to employer contributions	$ 634,196	
Deferred outflows related to experience, changes of assumptions, and changes in proportion of contributions	2,491,803	
Deferred inflows related to pensions	(6,042,338)	(2,916,339)
Deferred outflows and inflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the fund statements:		
Deferred outflows related to employer contributions	$ 711,400	
Deferred outflows related to experience, changes of assumptions or other inputs	5,635,827	
Deferred inflows related to experience, changes of assumptions or other inputs	(9,720,180)	(3,372,953)
Net accrued interest expense for bonds and special program bonds not reported in the fund statements.		(384,836)
Retainages payable are not a current liability and, therefore, are not reported in the fund statements.		(4,042,555)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements. The effects of these items are:		
Bonds payable	$ (121,057,820)	
Premium on bonds payable	(6,501,017)	
Compensated absences	(1,321,168)	
OPEB obligation	(65,624,808)	
Judgments and claims	(2,689,199)	
Net pension liability	(2,935,274)	(200,129,286)
Net position of governmental activities		$ 370,703,382

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

BUFFALO SEWER AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
Year Ended June 30, 2026

	General	General Projects	Debt Service	Total Governmental Funds
REVENUES				
Sewer rents—general consumers	$ 85,944,395	$ -	$ -	$ 85,944,395
Interest on delinquent sewer rents	1,232,602	-	-	1,232,602
Use of money and property	3,170,670	281,484	155,922	3,608,076
Miscellaneous	1,086,114	-	-	1,086,114
State aid	-	13,115,925	-	13,115,925
Federal aid	113,075	331,032	-	444,107
Total revenues	91,546,856	13,728,441	155,922	105,431,219
EXPENDITURES				
Current:				
General administration	1,814,409	-	-	1,814,409
Wastewater treatment facilities	32,713,608	-	-	32,713,608
Industrial waste	951,577	-	-	951,577
Engineering	2,134,025	-	-	2,134,025
Sewer maintenance	5,270,681	-	-	5,270,681
Miscellaneous	9,904,364	580,482	-	10,484,846
Employee benefits	11,527,957	-	-	11,527,957
Debt service:				
Principal	-	-	3,626,231	3,626,231
Interest and fiscal charges	-	-	4,630,145	4,630,145
Capital outlay	-	65,755,371	-	65,755,371
Total expenditures	64,316,621	66,335,853	8,256,376	138,908,850
Excess (deficiency) of revenues over expenditures	27,230,235	(52,607,412)	(8,100,454)	(33,477,631)
OTHER FINANCING SOURCES (USES)				
Transfers in	98,618	12,558,180	8,256,376	20,913,174
Transfers out	(20,814,556)	-	(98,618)	(20,913,174)
Issuance of bonds payable	-	47,845,000	-	47,845,000
Premium on bonds payable	-	2,535,482	-	2,535,482
Total other financing sources (uses)	(20,715,938)	62,938,662	8,157,758	50,380,482
Net change in fund balances	6,514,297	10,331,250	57,304	16,902,851
Fund balances—beginning	34,339,925	44,817,358	4,417,216	83,574,499
Fund balances—ending	$ 40,854,222	$ 55,148,608	$ 4,474,520	$ 100,477,350

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

BUFFALO SEWER AUTHORITY
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, 2026

Amounts reported for governmental activities in the statement of activities (page 19) are different because:		
Net change in fund balances—total governmental funds (page 22)		$ 16,902,851
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 expense. This is the amount by which capital outlays exceeded depreciation expense and capital disposals in the current period.		
Capital asset additions, net	$ 64,747,639	
Depreciation expense	(12,895,456)	51,852,183
Governmental funds recognize revenues only if collected within 60 days after the end of the fiscal year; however, the government-wide statements recognize revenue on a full accrual basis.		597,746
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
Direct pension contributions	$ 2,367,307	
Cost of benefits earned net of employee contributions	(2,963,086)	$ (595,779)
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census and changes in medical premiums that are different than expected healthcare cost trend rates and due to changes in assumptions and other inputs. These amounts are shown net of the current year's amortization.		6,571,904
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		(76,954)
Governmental funds report retained percentages expenditures on construction contracts when such retained percentage is paid. However, in the statement of activities, retained percentages on construction contracts are reported as expenses as they accrue.		(1,378,550)
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. 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:		
Issuance of serial bonds	$ (47,845,000)	
Repayment of bonds payable	3,626,231	
Issuance or premium on bonds payable	(2,535,482)	
Amortization of premium on bonds payable	240,739	
Changes in compensated absences	(22,094)	
Changes in OPEB obligation	(5,605,416)	
Changes in judgments and claims	(226,041)	(52,367,063)
Change in net position of governmental activities		$ 21,506,338

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

BUFFALO SEWER AUTHORITY
Statement of Fiduciary Net Position—Custodial Fund
June 30, 2026

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	$ 893,935
Total assets	893,935
NET POSITION	
Restricted for:	
Organizations and other governments	893,935
Total net position	$ 893,935

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

BUFFALO SEWER AUTHORITY
Statement of Changes in Fiduciary Net Position—Custodial Fund
June 30, 2026

	Custodial Fund
ADDITIONS	
Funds received on behalf of other organizations	$ 893,935
Total additions	893,935
Change in fiduciary net position	893,935
Net position—beginning	-
Net position—ending	$ 893,935

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

** THIS PAGE INTENTIONALLY LEFT BLANK **

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Buffalo Sewer Authority, New York (the "Authority") 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 ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Authority. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which are normally supported by sewer rents and taxes, 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. The Authority reports no business-type activities or component units.

Reporting Entity

The Authority, a public benefit corporation, was created in 1935, by an Act of the State Legislature. The Authority is managed by a five-member board appointed by the Mayor of the City of Buffalo, New York (the "City") subject to confirmation by the Common Council, and is regulated by the Public Authorities Law. It has such powers as to fix and collect rates, to borrow money and to issue negotiable bonds, to sue and be sued, and to acquire, hold and dispose of personal property for its corporate purpose. The bonds and other obligations of the Authority are not a debt of the City and are payable only from the funds of the Authority. The Authority is legally and financially independent of the City. There are no other entities covered in this report.

The Authority provides sewage collection, treatment and disposal services for the City and neighboring communities.

All activities and functions performed by the Authority are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The budgetary and fiscal operations of the Authority are comparable to that of a governmental rather than a proprietary unit and, therefore, the Board has opted to record such activity in a governmental fund type (General Fund) rather than in a proprietary fund type (Enterprise Fund).

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. Separate financial statements are provided for governmental funds and fiduciary funds even though the fiduciary funds, when presented, are excluded from government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exception to this general rule are chargeback for services, such as printing and computer services. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the Authority's funds. Separate statements for each fund category are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The Authority reports the following major governmental funds:

- *General Fund*—The General Fund constitutes the primary operating fund of the Authority and includes all operations not required to be recorded in other funds. The principal source of revenues for the General Fund is sewer rents.

- *General Projects Fund*—The General Projects Fund accounts for the acquisition and construction of major capital facilities and capital assets financed primarily with proceeds of both long and short-term debt and transfers from the General Fund.

- *Debt Service Fund*—The Debt Service Fund is used to maintain a debt service reserve required under the sewer system bond resolutions and related amendments. The Debt Service Fund also accounts for payments made for principal and interest on long-term general obligation debt of governmental funds. Investment earnings are considered revenues of the General Fund.

Additionally, the Authority reports the following fund type:

Fiduciary Funds—This fund is used to account for assets held by the Authority 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 *Custodial Fund*. Activities reported in the fiduciary funds include money from outside entities, held by the Authority for the benefit of others.

During the course of operations the Authority 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 are eliminated so that only the net amount is included as internal balances in the governmental 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 fund financial statements, certain eliminations are made in the preparation of 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.

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 the related cash flows. Grants and similar items are recognized as revenues 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 Authority 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 judgment, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt are reported as other financing sources.

Sewer rents and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

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

Cash, Cash Equivalents and Investments—The Authority's cash and cash equivalents consist of cash on hand, demand deposits, and short-term highly liquid investments with original maturities of three months or less from date of acquisition. New York State law governs the Authority's investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. It is the Authority's policy to state investments at fair value when applicable. Temporary investments are carried at fair value and include Money Market Funds and Treasury Notes. Certain interest earned on investments in the Debt Service Fund is transferred to the General Fund in accordance with Authority policy.

Designated Cash, Cash Equivalents, and Investments—Designated cash, cash equivalents, and investments represents cash set aside by management for future capital projects and loss contingencies.

Restricted Cash, Cash Equivalents, and Investments—Restricted cash represents unspent proceeds of debt, unearned revenues and amounts to support restricted fund balance.

Prepaid Items—Certain payments to vendors 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 when purchased.

Capital Assets—Capital assets, which include land, construction in progress, land improvements, buildings and improvements, machinery and equipment and sanitary and storm relief systems, are reported in the government-wide financial statements. The Authority's capitalization policy requires the Authority to record capital assets purchased or constructed having a useful life of two or more years and a cost in excess of $10,000. Capital assets are reported in the government-wide financial statements at cost (or estimated historical cost). Donated capital assets are recorded at acquisition cost of the item at the date of its donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend to an asset's useful life is not capitalized.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the estimated useful lives as shown below:

	Estimated Useful Life (Years)
Land	n/a
Land improvements	20
Buildings	40
Building improvements	20
Machinery & equipment	2-10
Sanitary & storm relief system	20-50

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, 2026, the Authority has two items that qualify for reporting in this category. The first item, related to pension plans, is reported in the government-wide financial statements. This represents the effect of the net change in the Authority's proportion of the collective net pension liability/(asset), the difference during the measurement period between the Authority's contributions, its proportionate share of the total contribution to the pension system not include in the pension expense, and any contributions to the pension system made subsequent to the measurement date. The second item is related to OPEB reported in the government-wide financial statements and represents the effects of the change in the Authority's proportion of the collective OPEB liability and the 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 OPEB liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resource*s, 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, 2026, the Authority has three items that qualify for reporting in this category. The first item, reported only within the governmental fund financial statements represents unavailable revenues for intergovernmental receivables. This amount is deferred and recognized as an inflow of resources on the fund statements

in the period that the amount becomes available. The second item represents the effect of the net change in the Authority's proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the Authority's contributions, and its proportionate share of the total contributions to the pension systems not included in pension expense. The third item represents the effects of the change in the Authority's proportion of the collective 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 OPEB liability.

Net Position Flow Assumption—Sometimes the Authority 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Authority's policy to consider restricted–net position to have been depleted before unrestricted–net position is applied.

Fund Balance Flow Assumptions—Sometimes the Authority 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 Authority'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 purposes, 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 Authority 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 purpose determined by a formal action of the Authority's highest level of decision-making authority. The Board is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Authority for specific purposes but do not meet the criteria to be classified as committed. The Board has by resolution authorized the General Manager to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue 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 an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. General revenues are those that cannot be associated directly with program activities.

The Authority raises revenues from sewer rents from a variety of sources including assessed valuation of real property, water use, industrial waste charges and sewer connection agreements with neighboring communities.

The City's Department of Assessment bills sewer rents based on assessed valuation for the Authority in the same manner as that used for billing of City property taxes.

The Authority contracts with an outside agency to act as the managers of the City's Division of Water. The agency bills sewer rents based on water use for the Authority as a separate item on each water bill. Such sewer rents are based on water consumption for metered accounts or a percent of water billings for unmetered accounts.

Agreements between neighboring communities and the Authority provide for charges based on the actual cost of receiving and treating sewage discharged into the Authority's facilities or based upon the rated capacity of the respective connections as apportioned to the total capacity of the Sewage Treatment Plant.

Unearned Revenue—Certain revenues have not met the revenue recognition criteria for government-wide or fund financial statement purposes. At June 30, 2026, the Authority reported $203,298 of unearned revenues in the General Fund. The Authority has collected sewer rent money in advance, but has not performed the corresponding services and therefore recognizes a liability.

Compensated Absences—The Authority's two labor agreements provide for sick leave, vacations and miscellaneous other paid absences. Upon retirement certain eligible employees qualify for payment for unused vacation and fractional values of unused sick leave. Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due.

Pension Plan—The Authority is mandated by New York State law to participate in the New York State Local Employees' Retirement System ("ERS"). 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 plan, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plan. 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 Authority provides health insurance coverage for certain retired employees, as disclosed in Note 7.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP"), 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.

Adoption of New Accounting Pronouncements—During the year ended June 30, 2026, the Authority implemented GASB Statement No. 103, *Financial Reporting Model Improvements*; and GASB Statement No. 104, *Disclosure of Certain Capital Assets.* GASB Statement No. 103 improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. GASB Statement No. 104 improves financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. The implementation of GASB Statements No. 103 and 104 did not have a material impact on the Authority's financial position or results from operations.

Future Impacts of Accounting Pronouncements—The Authority has not completed the process of evaluating the impact that will result from adopting GASB Statement No. 105, *Subsequent Events*; effective for the year ending June 30, 2027. The Authority is, therefore, unable to disclose the impact that adopting GASB Statement No. 105 will have on its financial position and results of operations when such statement is adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The Authority follows these procedures in establishing most of the budgetary data reflected in the financial statements:

- In accordance with bond resolutions and related amendments, prior to the forty-fifth day before the beginning of the next fiscal year, the Authority files an adopted budget with the Trustee for the fiscal year to commence July 1. This budget includes appropriations, estimated revenues and amounts necessary for the payment of subordinated indebtedness incurred by the Authority.

- On or before July 1 of each fiscal year, the Authority adopts the annual budget for such fiscal year. The budget is adopted at the activity level.

- During the fiscal year, management can transfer appropriations within the activity level without the approval of the Authority Board. The Authority Board can legally amend the operating budget and is empowered to implement supplemental appropriations. Budget amendments beyond the activity level of control require Board approval.

- Formal annual budgetary accounts are employed as a management control device for the General Fund. This budget is adopted on a budgetary basis which takes into consideration encumbrances. The budgeted funds of the General Fund lapse at the end of the fiscal year. However, a five-year plan does exist for capital projects.

- The Authority's legal level of budgetary control is at the activity level. Total expenditures for each department may not legally exceed the total appropriations at the activity level. Encumbrances outstanding at year end are accounted for by a commitment of fund balance. All encumbered appropriations lapse and revert to fund balance at the end of the fiscal year.

2. CASH, CASH EQUIVALENTS, AND INVESTMENTS

The Authority has its own written investment policy in accordance with Title 7, Section 2925 of the Public Authorities Law. Monies in any fund held by a Trustee, or the Authority provide reasonable liquidity in the highest yield investment securities. Permissible investments include:

- Direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, provided, that the full faith and credit of the United States of America must be pledge to any such direct obligation or guarantee;

- Bonds, debentures, notes or other evidences of indebtedness issued by any of the following agencies: Export-Import Bank of the United States; Federal Home Loan Banks; Federal Home Loan Mortgage Corporation, Federal Housing Administration; Federal National Mortgage Association; General Services Administration; Government National Mortgage Association; Small Business Administration; Student Loan Marketing Association; U.S. Department of Housing of Urban Development; U.S. Maritime Administration; the Washington Metropolitan Area Transit Authority; or the Resolution Funding Corporation.

- Direct obligations of any State of the U.S. or any subdivision or agency thereof whose unsecured, uninsured, and unguaranteed general obligation debt is rated, at the time of purchase, "A" or better by Moody's Investors Service and "A" or better by Standard and Poor's Corporation, or any obligation fully and unconditionally guaranteed by any state, subdivision, or agency whose unsecured, uninsured, and unguaranteed general obligation debt is rated, at the time of purchase "A" or better by Moody's Investors Service and "A" or better by Standard & Poor's Corporation;

- Federal funds, unsecured certificates of deposit, time deposits or bankers acceptances (in each case having maturities of not more than 365 days) of any domestic bank including a branch office of a foreign bank which branch office is located in the United States, provided legal opinions are received to the effect that fully and timely payment of such deposit or similar obligation is enforceable against the principle office or any branch of such bank, which, at the time of purchase, has a short-term "Bank Deposit" rating of "P-1" by Moody's Investor Service and a "Short-Term CD" rating of "A-1" or better by Standard & Poor's Corporation;

- Deposits of any bank or savings and loan association which has combined capital, surplus and undivided profits of not less than $3 million, provided such deposits are continuously and fully insured by the Bank Insurance Fund or the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation.

- Investments in money-market funds rated "AAAm" or "AAAM-G" by Standard & Poor's Corporation;

- Repurchase agreements collateralized by Direct Obligations, GNMAs, FNMAs or FHLMCs with any registered broker/dealer subject to the Securities Investors' Protection Corporation jurisdiction or any commercial bank insured by the FDIC, if such broker/dealer or bank has an uninsured, unsecured and unguaranteed obligation rated "P-1" or "A3" or better by Moody's Investors Service, and "A-1" or "A-" or better by Standard & Poor's Corporation, provided a master repurchase agreement or specific written repurchase agreement governs the transaction;

- Commerical paper (having original maturiries of not more than 270 days) rated, at the time of purchase, "P-1" by Moody's Investors Service and "A-1" or better by Standard and Poor's Corporation.

Collateral is required for demand deposits, time deposits and certificates of deposit at 100 percent of all deposits not covered by Federal deposit insurance. The Authority has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York. Cash, cash equivalents, and investments at June 30, 2025 are shown below.

	Governmental Funds	Fiduciary Fund
Petty cash (uncollateralized)	$ 6,000	$ -
Deposits	6,830,207	893,935
Investments	134,629,384	-
Total	$ 141,465,591	$ 893,935

Deposits—All deposits are carried at fair value, and are classified by custodial credit risk at June 30, 2026 as follows:

	Bank Balance	Carrying Balance
FDIC insured	$ 500,000	$ 500,000
Uninsured:		
Collateral held by pledging bank's agent in the Authority's name	7,403,883	7,224,142
Total	$ 7,903,883	$ 7,724,142

Custodial Credit Risks—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Authority'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. At June 30, 2026, the Authority's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Authority's name.

Other Cash and Cash Equivalents—Other cash and cash equivalents are held as money market investments at their amortized cost of $52,212.

Designated Cash, Cash Equivalents, and Investments—The Authority reports amounts as designated cash, cash equivalents, and investments to support fund balances committed to capital projects and future loss contingencies. At June 30, 2026, the Authority reported $20,015,827 and $54,847,519 of designated cash, cash equivalents, and investments within the General Fund and General Projects Fund, respectively.

Restricted Cash, Cash Equivalents and Investments—At June 30, 2026, the Authority reported $203,298 of restricted cash and cash equivalents in the General Fund to support unearned revenues, $51,385,328 of restricted cash, cash equivalents and investments within the General Projects Fund and $4,474,520 of restricted investments in the Debt Service Fund to support restricted fund balance. Additionally, at June 30, 2026, the Authority reported $893,935 of restricted cash within its Custodial Fund for amounts held on behalf of other organizations.

Designated and Restricted Investments—All investments are reported using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quotes prices for identical assets or liabilities in active markets to which the Authority has access at the measurement date.

- Level 2. Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

    - Quoted prices for similar assets or liabilities in active markets;

    - Quoted prices for identical or similar assets in markets that are not active;

    - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves); and

    - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure fair value to the extent that observable inputs are not available.

The Authority has invested in U.S. Treasury Notes of $4,474,520 within the Debt Service Fund at June 30, 2026, which are considered to be Level 1 investments and $23,922,017 of commercial paper within the General Fund which are considered to be Level 1 investments. At June 30, 2026, the Authority carries investments that are designated for internal purposes and restricted for debt for $54,847,519 and $51,385,328, respectively, within the General Projects Fund.

Credit Ratings—The aforementioned U.S. Treasury notes mature April 15, 2032, February 15, 2033, November 15, 2033, October 1, 2035 and May 1, 2044. All of these investments have an S&P credit rating of A-1+ and a Moody's credit rating of P-1.

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

Concentration of Credit Risk—to promote competition on rates and service cost, and to limit the risk of institutional failure, the Authority's deposits and investments are placed within multiple institutions.

Interest Rate Risk—In the case of investments, this is the risk that potential purchasers of debt securities will not agree to pay face value for those securities if interest rates subsequently increase. There is the prospect of a loss should those securities be sold prior to maturity. The Authority follows a policy to specifically identify the maturity for each individual investment and evaluate risk accordingly. There are no requirements limiting maturity of investments.

3. RECEIVABLES

Receivables—Primarily represents amounts due from customers and outside districts. A summary of receivables is shown below:

General Fund:		
Flat rate receivables	$ 3,410,800	
Allowance: flat rate receivables	(3,050,692)	$ 360,108
Metered receivables	15,986,149	
Allowance: metered receivables	(10,697,850)	5,288,299
Industrial waste receivables	573,302	
Allowance: industrial waste receivables	(105,619)	467,683
Outside district receivables	16,664,338	
Allowance: outside district receivables	(11,954)	16,652,384
Other miscellaneous receivables		170,283
Total		$ 22,938,757

Allowance for Receivables—As of June 30, 2026, the Authority records an allowance on flat rate, metered, industrial waste and outside district receivables. The Authority deems receivables not collected within 60 days of billing to be uncollectible. Specifically, for the flat rate and metered billings, the Authority treats July collections as 100 percent collectible. Further, collections in August are historically expected to be 19 percent and 50 percent for the flat rate and metered billings, respectively.

Intergovernmental Receivables—Represents amounts due from other local municipalities for chargebacks and claims for reimbursement of expenditures in administering various programs in conjunction with the New York State Environmental Facilities Corporation ("EFC"). At June 30, 2026, the Authority reported intergovernmental receivables, net of allowance, of $16,329,403. This receivable is offset by a deferred inflow of resources as the timing requirements for recognizing this revenue have not yet been met.

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2026 was as follows:

	Balance 7/1/2025	Increases	Decreases	Balance 6/30/2026
Capital assets, not being depreciated:				
Land	$ 10,586,171	$ -	$ -	$ 10,586,171
Construction in progress	112,099,915	65,755,371	32,171,985	145,683,301
Total capital assets, not being depreciated	122,686,086	65,755,371	32,171,985	156,269,472
Capital assets, being depreciated:				
Land improvements	455,703	-	-	455,703
Buildings	311,830,770	19,190,894	-	331,021,664
Building improvements	12,793,593	-	-	12,793,593
Machinery & equipment	34,514,970	494,926	-	35,009,896
Sanitary & storm relief systems	278,532,390	11,478,433	-	290,010,823
Total capital assets, being depreciated	638,127,426	31,164,253	-	669,291,679
Less accumulated depreciation for:				
Land improvements	455,703	-	-	455,703
Buildings	182,060,444	6,253,963	-	188,314,407
Building improvements	9,634,297	381,589	-	10,015,886
Machinery & equipment	31,041,159	733,753	-	31,774,912
Sanitary & storm relief systems	124,731,459	5,526,151	-	130,257,610
Total accumulated depreciation	347,923,062	12,895,456	-	360,818,518
Total capital assets, being depreciated, net	290,204,364	18,268,797	-	308,473,161
Governmental activities capital assets, net	$ 412,890,450	$ 84,024,168	$ 32,171,985	$ 464,742,633

Significant construction in progress expenditures are incurred as the Authority continues to improve its infrastructure. Depreciation expense totaling $12,895,456 is reported within the government-wide statements and has been allocated to wastewater treatment plant expenses of $11,780,114 and sewer maintenance expenses of $1,462,251.

5. ACCRUED LIABILITIES

Accrued liabilities reported by governmental funds at June 30, 2026, were as follows:

	General Fund
Salary and other employee benefits	$ 1,193,329
Total accrued liabilities	$ 1,193,329

6. PENSION PLAN

The Authority participates in the New York State and Local Employee's Retirement System ("ERS") and the Public Employee's Group Life Insurance Plan (the "System"). 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 Description and Benefits Provided

Employees' Retirement System ("ERS")—ERS provides retirement benefits as well as death and disability benefits. The net position of ERS is held in the New York State Common Retirement Fund (the "Fund"), which was established to hold all net assets and record changes in plan net position allocated to ERS. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of ERS. ERS benefits are established under the provision of the New York State Retirement and Social Security Law ("RSSL"). Once a public employer elects to participate in ERS, 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 Authority also participates in the Public Employees' Group Life Insurance (the "System"), which provides death benefits in the form of life insurance. ERS is included in the State's financial report as a pension trust fund. The report, including information with regard 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.

ERS is 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 who generally contribute three (3.0%) to three and one half (3.5%) percent 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. For ERS, 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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—The net pension liability was measured as of March 31, 2026 for ERS. The total pension liability used to calculate The net pension liability was determined by an actuarial valuation as of April 1, 2025, with update procedures used to roll forward the total pension liability to the measurement date. The Authority's proportion of the net pension liability was based on a projection of the Authority'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 the ERS in a report provided to the Authority.

	ERS
Measurement date	March 31, 2026
Net pension liability	$ 2,935,274
Authority's portion of the Plan's total net pension liability	0.0520278%

As of the March 31, 2026 measurement date, the Authority's portion of the Plan's total net pension liability had increased 0.002492% from their portion of the Plan's total net pension liability of 0.0495358% on the March 31, 2025 measurement date.

For the year ended June 30, 2026, the Authority recognized a pension expense of $3,004,192 for ERS. At June 30, 2026, the Authority 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
Differences between expected and actual experiences	$ 1,679,736	$ -
Change of assumptions	503,857	-
Net difference between projected and actual earnings on pension plan investments	-	5,263,108
Changes in proportion and differences between the Authority's contributions and proportionate share of contributions	308,210	779,230
Authority contributions subsequent to the measurement date	634,196	-
Total	$ 3,125,999	$ 6,042,338

Authority contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2027. 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,	
2027	$ 920,983
2028	(2,078,597)
2029	(1,165,924)
2030	(1,226,997)

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuation used the actuarial assumption as shown below:

	ERS
Measurement date	March 31, 2026
Actuarial valuation date	April 1, 2025
Discount rate	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020-March 31, 2025
Inflation rate	2.90%
Cost-of-living adjustments	1.50%

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-2021.

The actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2021.

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 for ERS are summarized below:

	ERS	
Measurement date	March 31, 2026	
	Target Allocation	Long-Term Expected Real Rate of Return
Asset class:		
Domestic equities	25.0 %	3.3 %
International equities	14.0	5.9
Private equity	15.0	7.0
Real estate	12.0	5.2
Opportunistic portfolios	3.0	5.1
Credit	4.0	5.1
Real assets	4.0	5.5
Fixed income	22.0	1.8
Cash	1.0	0.3
Total	100.0 %	

Discount Rate—The discount rate used to calculate the total pension liability 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/(Asset) to the Discount Rate Assumption—The chart on the following page presents the Authority's proportionate share of the net pension liability/(asset) calculated using the discount rate of 5.9% for ERS, as well as what the Authority's proportionate share of the net pension liability/(asset) would be if it 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)	$ 20,047,116	$ 2,935,274	$ (11,370,984)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability of all of the employers participating in the state-wide System as of the valuation date was as follows:

	(Dollars in Thousands) ERS
Valuation date	April 1, 2025
Employers' System total pension liability	$ 253,773,040
Plan fiduciary net position	248,131,290
Employers' System net pension liability	$ 5,641,750
System fiduciary net position as a percentage of total pension liability	97.8%

Payables to the Pension Plan—Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of June 30, 2026 represent the projected employer contribution for the period of April 1, 2026 through June 30, 2026 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2026 amounted to $634,196.

7. OTHER POSTEMPLOYMENT BENEFITS ("OPEB") OBLIGATION

Plan Description and Benefits Provided—In addition to pension benefits, the Authority provides health care benefits for retirees, spouses, and their covered dependents at no cost to the retirees under a single-employer postemployment benefit plan. There is no separate, audit GAAP-basis postemployment benefit plan report available for the plan. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee's total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Authority provides one traditional indemnity plan option for its retirees under 65. In addition, the Authority provides two Medicare Supplement plan options for their Medicare eligible retirees over 65. Retirees who have alternate insurance and desire to waive medical insurance through the Authority will receive an in-lieu payment from the Authority each year. These payments total $1,200, $1,800, and $2,400, to waive single coverage, two-person coverage, and family coverage, respectively. The General Fund of the Authority is typically used to liquidate the OPEB liability.

Employees Covered by Benefit Terms—At June 30, 2026, the following employees were covered by the benefit terms:

Active not eligible to retire	216
Actives eligible to retire	16
Retired and surviving spouses	199
Retiree spouses covered	129
Total	560

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

The Authority's total OPEB liability of $65,624,808 was measured as of April 1, 2026, and was determined by an actuarial valuation as of June 30, 2025.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB Statement No.75 to pay related benefits.

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 June 30, 2026 actuarial valuation, the entry age normal method, over a level percent of pay was used. The single discount rate changed from 4.39% for the year ending June 30, 2025 to 4.41% for the year ending June 30, 2026. The salary scale is 3.30% effective June 30, 2026. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used effective June 30, 2026 is 6.10%, while the ultimate healthcare cost trend rate is 3.70%. Mortality rates effective June 30, 2026 were based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-weighted for General employees, without separate Contingent Survivor mortality, fully generational using scale MP-2021.

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

	Total OPEB Liability
Balance at June 30, 2025	$ 60,019,392
Changes for the year:	
Service cost	2,104,679
Interest	2,602,325
Differences between expected and actual experience	3,898,838
Changes of assumptions or other inputs	(154,826)
Benefit payments	(2,845,600)
Net changes	5,605,416
Balance at June 30, 2026	$ 65,624,808

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 table on the following page presents the effect of a 1% change in the discount rate assumption would have on the total OPEB liability.

	1% Decrease (3.41%)	Current Discount Rate (4.41%)	1% Increase (5.41%)
Total OPEB liability	$ 74,596,513	$ 65,624,808	$ 58,313,036

Additionally, healthcare costs can be subject to considerable volatility over time. The table below presents the effect on the OPEB liability of a 1% change in the initial (6.10%) and ultimate (3.70%) healthcare cost trend rates.

	1% Decrease (5.10%/2.70%)	Healthcare Cost Trend Rates (6.10%/3.70%)	1% Decrease (7.10%/4.70%)
Total OPEB liability	$ 57,610,998	$ 65,624,808	$ 75,552,049

Funding Policy—Authorization for the Authority to pay all of retiree health insurance premiums was enacted by resolution of the Authority Board or through union contracts, which are ratified by the Authority Board. For an employee to be eligible for the Authority's postemployment health plan they must have been employed by the Authority for a minimum of five consecutive years prior to retirement and qualify for retirement as a member of the New York State retirement system. All current retirees, receive full health care coverage with no contribution requirements for themselves, dependents, and spouses. Authority governmental activities contributed $2,845,600 for the fiscal year ended June 30, 2026. While for the year ended June 30, 2026, the Authority's governmental activities recognized OPEB expense of $966,488. The Authority's contributions to the OPEB plan are based on negotiated contracts with two bargaining units, as discussed in Note 13. Any amendments to the employer's contributions are subject to the collective bargaining agreements.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The Authority reports deferred outflows of resources and deferred inflows of resources due to differences 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 net OPEB liability. The table below presents the Authority's deferred outflows and deferred inflows at June 30, 2026.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,635,827	$ 3,878,734
Changes of assumptions	-	5,841,446
Benefit payments subsequent to the measurement date	711,400	-
Total	$ 6,347,227	$ 9,720,180

The Authority's benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year ending June 30, 2027. The other amounts reported as deferred outflows of resources and deferred inflows of resource related to OPEB will be recognized in OPEB expense as shown on the following page.

Year ending June 30,	
2027	$ (2,801,709)
2028	(2,156,325)
2029	550,771
2030	264,323
2031	58,587

8. RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; vehicle liability, injuries to employees; health insurance, unemployment insurance, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. The Authority purchases insurance for: commercial property coverage, commercial general liability coverage, commercial automotive coverage and commercial crime coverage. Property insurance is limited based on scheduled locations. The general liability insurance is limited to $10 million per occurrence. Real Property and Personal Property Coverage is limited to $500 million. Automobile insurance is limited to $5 million per accident. Crime coverage is limited to $1 million per occurrence with a $2 million annual aggregate limit. Cyber liability coverage is limited to $3 million per incident. There were no settlements that exceeded insurance coverage in each of the past three fiscal years.

Workers' Compensation—The Authority participates in a self-insured plan for risks associated with employee workers' compensation claims through a third party. The Authority accounts for this activity in the General Fund while the government-wide financial statements reflect the liability for the workers' compensation.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported ("IBNR"). Claim liabilities are calculated with consideration of the effects of inflation, recent claim settlement trends including frequency and amount of payouts, and other benefit costs.

Claim activities for the current year and the prior year are shown below:

Year Ended June 30,	Beginning Balance	Claims and Changes in Estimates	Payments and Changes in Estimates	Ending Balance
2026	$ 2,463,158	$ 533,635	$ (307,594)	$ 2,689,199
2025	2,543,000	1,178,009	(1,257,851)	2,463,158

At June 30, 2026, $4,000,000 of the General Fund fund balance was committed to loss contingencies for the purpose of funding the Authority's future claims liabilities.

9. SHORT TERM DEBT

Short term debt of the Authority represents a short term loan from the Environmental Facilities Corporation ("EFC"). During the year ended June 30, 2026, the Authority incurred eligible project expenditures that were subsequently reimbursed by the EFC. This amount is owed back to the EFC and the short-term debt for the fiscal year ended June 30, 2026 is shown on the following page.

Description	Issue Date	Interest Rate	Principal Outstanding July 1, 2025	Additions	Reductions	Principal Outstanding June 30, 2026
NYS EFC Series P	various	0.0%	$ 18,073,882	$ 21,459,996	$ -	$ 39,533,878

10. LONG TERM LIABILITIES

In the government-wide financial statements, long-term debt and long-term obligations are reported as noncurrent 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 Authority's outstanding long-term liabilities include bonds payable, premium on bonds payable, compensated absences, total other postemployment benefits ("OPEB") obligation, judgments and claims and net pension liability. The bonds payable of the Authority are secured by its general credit and revenue raising powers, as per State statute.

A summary of changes in the Authority's long-term liabilities at June 30, 2026 follows:

	Balance 7/1/2025	Additions	Reductions	Balance 6/30/2026	Due Within One Year
Bonds payable	$ 76,839,051	$ 47,845,000	$ (3,626,231)	$ 121,057,820	$ 3,744,895
Premium on bonds payable	4,206,274	2,535,482	(240,739)	6,501,017	246,296
Compensated absences*	1,299,074	22,094	-	1,321,168	66,058
OPEB obligation	60,019,392	8,451,016	(2,845,600)	65,624,808	2,930,968
Judgments and claims	2,463,158	533,635	(307,594)	2,689,199	134,460
Net pension liability*	8,493,271	-	(5,557,997)	2,935,274	-
Total	$ 153,320,220	$ 59,387,227	$ (12,578,161)	$ 200,129,286	$ 7,122,677

(*Additions/reductions to the net pension liability and compensated absences are shown net of additions/reductions.)

A default will have occurred if the payment of principal and interest are not paid when due and payable. Upon default in payment in full of the principal or interest on the bonds, a holder of such defaulted bond has a contractual right to sue the Authority of the amount due thereon. The Authority does not have any lines of credit.

Bonds Payable

Series J1—On July 2, 2014, through EFC the Authority issued replacement bonds for the outstanding EFC Sewer System Revenue Bonds, Series J bonds with EFC Sewer System Revenue Bonds, Series J1 in the amount of $5,353,126. Interest on the Series J1 bond ranges from 4.06%-4.63% and the bonds mature on November 15, 2033. As a result, $5,353,126 of Series J Bonds were considered defeased and the liability for those bonds has been removed from the Authority's financial statements. The replacement bonds were issued for the same amount outstanding on the Series J Sewer System

Revenue bonds at the time of issuance. The refund resulted in an estimated net present benefit of $607,254.

Series K1—On July 2, 2014, through EFC the Authority issued replacement bonds for the outstanding EFC Sewer System Revenue Bonds, Series K bonds with EFC Sewer System Revenue Bonds, Series K1 in the amount of $3,614,143. Interest on the Series K1 bond ranges from 4.25%-5.15% and the bonds mature on February 15, 2033. As a result, $3,614,143 of Series K Bonds were considered defeased and the liability for those bonds has been removed from the Authority's financial statements. The replacement bonds were issued for the same amount outstanding on the Series K Sewer System Revenue bonds at the time of issuance. The refund resulted in an estimated net present benefit of $395,499.

Series L1—On August 20, 2015, through EFC the Authority issued replacement bonds for the outstanding EFC Sewer System Revenue Bonds, Series L bonds with EFC Sewer System Revenue Bonds, Series L1 in the amount of $7,094,679. Prior to issuing the replacement note, the Authority paid $430,321 in Series L principal payments in the current year. Interest on the Series L1 bond ranges from 4.17-4.86% and the bonds mature on October 1, 3025. As a result, $7,094,679 of Series L Bonds were considered defeased and the liability for those bonds has been removed from the Authority's financial statements. The replacement bonds were issued for the same amount outstanding on the Series L Sewer System Revenue bonds at the time of issuance. The refund resulted in an estimated net present benefit of $680,873.

Series M—On July 2, 2014, the Authority refinanced short-term debt to a long-term note payable, Series M to support construction costs for a total amount of $17,581,310. Of this amount, the portion converted from short-term debt of $15,159,256, offset by a principal reduction in the form of grant revenue of $9,031,991 was recorded in the year ended June 30, 2014 as the Authority had taken the legal steps to refinance the short-term EFC loans payable to long-term debt at June 30, 2014. In the year ended June 30, 2015, the additional liability, not previously recorded as short-term debt, of $2,422,054 was recorded on the Authority's financial statements as a proceeds from issuance. Interest on the Series M bond ranges from 4.25-5.15 and the bonds mature on May 1, 2044.

Series N—On November 15, 2012, through EFC the Authority issued replacement bonds for the outstanding EFC Sewer System Revenue Bonds, Series H bonds with EFC Sewer System Revenue Bonds, Series N in the amount of $21,671,564. Prior to issuing the replacement note, the Authority paid $658,436 in Series H principal payments in the current year. Interest on the Series N bond ranges from 3.85%-4.90% and the bonds mature on April 15, 2032. As a result, $21,671,564 of Series H Bonds were considered defeased and the liability for those bonds has been removed from the Authority's financial statements. The replacement bonds were issued for the same amount outstanding on the Series H Sewer System Revenue bonds at the time of issuance. The refund resulted in an estimated net present benefit of $772,721.

Series O—On January 28, 2021, the Authority refinanced its short-term EFC loan payable to long-term debt in the amount of $7,936,860. Series O is interest free and matures on September 14, 2050.

Environmental Impact Bonds—On June 16, 2021, the Authority issued 2021 Sewer System Environmental Impact Bonds totaling $49,160,000 at a premium of $4,853,394. Related to the EIB, the Authority set a June 15, 2028 target for its RainCheck Projects to achieve the "Outcome Threshold" of at least 200 acres of impervious surface area (such as asphalt roads) managed with the aim of minimizing the frequency and severity of combined sewer overflow ("CSO") events within the City of Buffalo (the "City"). The RainCheck Projects consist of stormwater management infrastructure, such as tree planters, rain gardens, use of permeable pavement, and underground

infiltration, which aim to reduce the flow of stormwater into the Authority's sewer collection system, thereby minimizing the frequency and severity of CSO events—the discharge of a mix of stormwater and untreated sewage—within the City. When the Authority meets the Outcome Threshold by June 15, 2028, subject to independent verification by a third-party engineering firm, it can call the EIB at par at seven years after issuance. The Authority is looking at Green and Gray infrastructure solutions to address the projected increase in annual rainfall events and adapt to the ongoing effects of climate change. The RainCheck Projects consist of stormwater management infrastructure to reduce the flow of stormwater into the Authority's sewer collection system; thereby minimizing the frequency and severity of CSO events. Currently, the Authority is achieving a greater than 91.3% capture rate of combined stormwater with an expected rate of 97.2% under its RainCheck Projects. The Authority's Bonds are the largest public Environmental Impact Bond ever issued in the municipal bond market. The issuance comprises three types of bond components. The first component is serial bonds totaling $20,505,000 that carry interest rates ranging from 3.00-5.00 percent. The second component of the issuance is step coupon bonds totaling $23,625,000 which carry an interest rate of 1.75 percent. The last component of the issuance is term bonds totaling $5,030,000. The term bonds carry an interest rate of 4.00 percent. The final component of the bonds mature no later than June 15, 2051.

Series 2025A—On July 24, 2025, the Authority issued $47,845,000 in sewer system revenue bonds with an interest rate of 5.00 percent for the design, rehabilitation and construction of various sewer improvement projects. The revenue bonds mature on June 15, 2055.

Rate Covenant—The Authority has covenanted that from time to time and as often as it shall appear necessary, the rates, charges, rents, sewer rents, fees and assessments established for the Sewer System will be adjusted whenever necessary to cause the revenues collected in each fiscal year from the Sewer System to be at least equal to the Minimum Revenue Requirement, which shall be equal to the sum of (i) the amount estimated to be required in the current fiscal year to pay operating expenses and to meet the debt service reserve requirement and the Renewal and Extension Requirement, plus (ii) 120% of debt service for such fiscal year.

The Sewer System Revenue Bond transactions of the Authority for the year ended June 30, 2026 is presented below:

Description	Interest Rate	Issue/ Maturity	Balance 7/1/2025	Additions	Payments	Balance 6/30/2026
Series J1	4.06-4.63	2014/2033	$ 2,673,126	$ -	$ (285,000)	$ 2,388,126
Series K1	4.25-5.15	2014/2033	1,949,142	-	(180,000)	1,769,142
Series L1	4.17-4.86	2015/2035	4,476,881	-	(295,000)	4,181,881
Series M	4.25-5.15	2014/2044	5,990,000	-	(250,000)	5,740,000
Series N	3.85-4.90	2012/2032	10,361,564	-	(1,060,000)	9,301,564
Series O	N/A	2021/2050	7,068,338	-	(226,231)	6,842,107
Environmental Impact Bonds	3.00-5.00	2021/2051	44,320,000	-	(1,330,000)	42,990,000
Series 2025A	5.00	2026/2055	-	47,845,000	-	47,845,000
Total			$ 76,839,051	$ 47,845,000	$ (3,626,231)	$ 121,057,820

Amortization of Bond Premium—On June 16, 2021, the Authority issued Environmental Impact Bonds and received a bond premium totaling $4,853,394. The premium is being amortized on a straight-line annual basis over the life of the bonds with a maturity date of June 15, 2051. On July 24, 2025, the Authority issued a serial bond and received a premium totaling $2,535,482. The premium is being amortized on a straight-line annual basis over the life of the bonds with a maturity date of July 24, 2055. As of June 30, 2026, the Authority's total unamortized premium is $6,501,017.

Compensated Absences—The Authority records the value of compensated absences in the government wide financial statements. The liability for compensated absences consists of unpaid accumulated annual sick and vacation time. The liability has been calculated using the vesting method, in which leave amounts for both employees currently eligible to receive payments and other employees expected to become eligible in the future to receive such payments are included. The annual budgets of the operating funds provide for these benefits as they become due. At June 30, 2026, compensated absences amounted to $1,321,168, of which $66,058 is considered due within one year.

OPEB Liability—As explained in Note 7, the Authority provides health care benefits for retirees, spouses, and their covered dependents. Such postemployment benefits are an included value in the exchange of salaries and benefits for services rendered. An employee's total compensation package includes not only the salaries and benefits received during service, but all compensation and benefits received for their services during postemployment. The Authority's annual 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. The total long-term OPEB liability is estimated to be $65,624,808 at June 30, 2026.

Judgments and Claims—As explained in Note 8, judgments and claims represents workers' compensation and general liability claims incurred. The value of the liability within the government-wide statements at June 30, 2026 is $2,689,199, with $134,460 representing the estimated amount due within one year.

Net Pension Liability—As explained in Note 6, the Authority reports a liability for its proportionate share of the net pension liability for the Employees Retirement System. The value of the liability within the government-wide statements at June 30, 2026 is $2,935,274.

The maturity schedule of the Authority's indebtedness is presented below:

Year Ending June 30,	Bonds Payable	Premium on Bonds payable	Compensated Absences*	OPEB Obligation	Judgments and Claims*	Net Pension Liability	Total
2027	$ 3,744,895	$ 246,296	$ 66,058	$ 2,930,968	$ 134,460	$ -	$ 7,122,677
2028	3,868,544	246,296	-	-	-	-	4,114,840
2029	4,712,193	246,296	-	-	-	-	4,958,489
2030	4,895,842	246,296	-	-	-	-	5,142,138
2031	5,074,491	246,296	-	-	-	-	5,320,787
2032-2036	23,197,907	1,231,480	-	-	-	-	24,429,387
2037-2041	17,688,421	1,231,480	-	-	-	-	18,919,901
2042-2046	21,359,650	1,231,480	-	-	-	-	22,591,130
2047-2051	24,930,877	1,231,474	-	-	-	-	26,162,351
2052-2056	11,585,000	343,623	-	-	-	-	11,928,623
Thereafter	-	-	1,255,110	62,693,840	2,554,739	2,935,274	69,438,963
	$ 121,057,820	$ 6,501,017	$ 1,321,168	$ 65,624,808	$ 2,689,199	$ 2,935,274	$ 200,129,286

The General Fund typically has been used to liquidate the liability for compensated absences, OPEB obligation, judgments and claims, and net pension liability. Payment of compensated absences and

judgments and claims are dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management has estimated its current portion of such liabilities.

Interest requirements on bonds payable are shown below:

Year Ending June 30,	Interest
2027	$ 4,758,499
2028	4,590,258
2029	4,592,674
2030	4,375,368
2031	4,148,566
2032-2036	18,339,383
2037-2041	15,377,546
2042-2046	11,490,536
2047-2051	6,288,387
2052-2055	1,483,250
Total	$ 75,444,467

Defeased Debt—The Authority 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 Authority's financial statements. Principal balances of bonds outstanding at June 30, 2025 that are considered defeased are presented below:

Series H	$ 9,960,000
Series J	2,388,126
Series K	1,769,142
Series L	4,181,881
Total	$ 18,299,149

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 and the outstanding balances of debt that are attributable to the acquisition, construct or improvement of these assets reduce the balance in this category. The table on the following page presents a reconciliation of capital assets (net of accumulated depreciation), net of total bonded indebtedness to net investments in capital assets.

Capital assets, net of accumulated depreciation		$ 464,742,633
Less:	Outstanding bonds payable issued for capital acquisition	(121,057,820)
	Premium on bonds payable	(6,501,017)
	General Projects Fund accounts payable	(11,549,689)
	EFC note payable	(39,533,878)
	Retainage payable	(4,042,555)
Add:	Remaining debt reserve from issuance not used for capital asset acquisition	55,859,848
Net investment in capital assets		$ 337,917,522

- ***Restricted Net Position***—This category represents 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 Authority not restricted for any project or other purpose.

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 balance maintained by Authority at June 30, 2026 includes:

- ***Prepaid Items***—Representing the portion of fund balance, $247,783 comprised of prepaid expenditures. This balance is nonspendable as the balance does not represent an available resource.

In the fund financial statements, restricted fund balance are amounts constrainted to specific purposes (such as grants, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance amounts are approved by the Board that will be placed in legal reserves (and thereby restricted), but at the end of the fiscal year the dollar amount is unknown. As such, the General Manager is authorized by the Board to establish a funding plan with specific dollar amounts to be determined subsequent to the Authority's fiscal year end. The amounts must be approved by the majority vote of the Board prior to the release of the audited financial statements. Restrictions of the Authority at June 30, 2026 are presented below:

- ***Restricted for Debt Service***—Represents resources, $4,433,215, that have been legally restricted for principal and interest payments that will be made in future periods.

- ***Restricted for Capital Projects***—Represents resources legally restricted for the financial resources to be used for acquisition, construction or renovation of major capital facilities or equipment. At June 30, 2026, the General Projects Fund reported $51,385,328.

In the fund financial statements, commitments are amounts that are subject to a purpose constraint imposed by a resolution of the Authority's Board, which is considered a formal action of the Authority's highest level of decision-making authority. Fund balances are committed by the Chair of the Board and approved by the Board; however, at the end of the fiscal year the dollar amount is unknown. As such, with the exception of committed to encumbrances, the amounts are to be determined by the General Manager based upon the amounts available, the planned projects and other financing sources. Commitments of the Authority at June 30, 2026 are shown on the following page.

- ***Committed to Encumbrances***—Represents resources to cover the amount of outstanding purchase orders or encumbrances related to unperformed (executory) contracts for goods and services. At June 30, 2026, the Authority has $10,590,612 of fund balance committed to encumbrances within its General Fund.

- ***Committed to Loss Contingencies***—Representing funds, $4,000,000, accumulated for noninsured liability and casualty losses within the General Fund.

- ***Committed to Capital Projects***—Representing funds set aside for the centrifuge project, incinerator rehabilitation, sewer relining and various other improvements. The Authority's five-year capital plan requires future financing. Management anticipates financing the aforementioned plan through the current designation, future contributions from operations and/or debt financing. At June 30, 2026, the Authority has $16,015,827 and $3,763,280 of fund balance committed to capital projects within its General Fund and General Projects Fund, respectively.

In the fund financial statements, assignments are amounts that are subject to a purpose constraint that represents an intended use established by the Board, or by their designated body or official. The Board has authorized the General Manager to make a determination of the assigned amounts of fund balance. The purpose of the assignment must be narrower than the purpose of the General Fund, and in funds other than the General Fund, assigned fund balance represents the residual amount of fund balance. As of June 30, 2026, the Authority did not report any assigned fund balance.

Unassigned fund balance represents General Fund amounts that are available for any purpose. The Authority's target is to maintain an unassigned fund balance of not less than 15% of annual operating expenditures excluding transfers, for the fiscal year. The General Fund reports unassigned fund balance at June 30, 2026 of $10,000,000.

If the Authority must use funds for emergency expenditures the Board shall authorize the Chair of the Board 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 Authority will use unassigned fund balance.

12. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables and payables are 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, 2026 is as follows:

	Interfund	
	Receivable	Payable
Governmental funds:		
General Fund	$ 672	$ -
General Projects Fund	-	672
Total governmental funds	$ 672	$ 672

Transfers are routine annual events for both the budget and accounting process and are necessary to present funds in their proper fund classification or to comply with debt covenants, the release of debt reserves, the payment of debt, and to fund capital projects.

	Transfers in:			
Fund	General Fund	General Projects Fund	Debt Service Fund	Total
Transfers out:				
General Fund	$ -	$ 12,558,180	$ 8,256,376	$ 20,814,556
Debt Service Fund	98,618	-	-	98,618
Total	$ 98,618	$ 12,558,180	$ 8,256,376	$ 20,913,174

13. LABOR CONTRACTS

Authority employees are represented by two bargaining units. The Communication Workers of America and The Civil Service Employees Association are under contract through June 30, 2026 and both contracts are currently under negotiations.

14. 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) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The Authority considers encumbrances significant if they are in excess of $400,000. As of June 30, 2026, the Authority reported no significant encumbrances. Significant construction commitments are presented on the following page.

General Fund:	
Sewer Maintenance	$ 3,244,088
Sewer Maintenance	975,194
Sewer Maintenance	788,272
Sewer Maintenance	753,766
Sewer Maintenance	338,524
General Projects Fund:	
Sewer Maintenance	$ 23,280,440
Sewer Maintenance	22,256,564
Sewer Maintenance	11,827,200
Consulting services	7,237,824
Sewer Maintenance	6,642,580
Sewer Maintenance	5,367,826
Sewer Maintenance	3,643,925
Sewer Maintenance	3,220,000
Sewer Maintenance	3,083,327
Sewer Maintenance	2,860,441
Sewer Maintenance	2,139,390
Sewer Maintenance	1,703,565
Consulting services	1,619,536
Sewer Maintenance	1,500,000
Sewer Maintenance	1,446,667
Sewer Maintenance	1,313,313
Sewer Maintenance	1,088,558
Sewer Maintenance	1,071,242
Sewer Maintenance	1,070,404
Consulting services	1,049,390
Sewer Maintenance	1,041,984
Sewer Maintenance	1,004,115
Sewer Maintenance	757,752
Sewer Maintenance	696,834
Sewer Maintenance	641,196
Sewer Maintenance	620,301
Sewer Maintenance	604,585
Sewer Maintenance	495,653
Sewer Maintenance	494,337
Sewer Maintenance	408,204

15. CONTINGENCIES

Litigation—The Authority is involved in various litigation arising in the ordinary course of its operations. Based on consultation with its Law Department and Counsel, it is the opinion of the Authority that the settlement of such pending litigation, if any, is adequately provided for with amounts accumulated in the designation for loss contingencies.

Pollution Remediation Obligations—On March 18, 2014, the Authority's Long Term Control Plan ("LTCP") to reduce the amount of sewage and storm-water run-off that flow from the City's combined sewer system was approved by the U.S. Environmental Protection Agency ("USEPA") and the New York State Department of Environmental Conservation ("NYSDEC").

The Authority has determined that certain projects included in the 2014 LTCP were no longer feasible or would not meet the combined sewer overflow activation limit requirements, and submitted an amended LTCP and schedule, which USEPA/NYSDEC approved. In September 2025, the Authority agreed to a proposed Consent Judgement with the NYSDEC to implement the amended LTCP by 2040. The amended LTCP includes infrastructure improvements at more than 50 sites at a cost of more than one billion dollars. In addition to federal and state grants, the Authority plans to fund these projects with committed fund balance and long-term financing, therefore, will record a liability when such financing is obtained.

Grants—In the normal course of operations, the Authority 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. The amount of disallowance, if any, cannot be determined at this time, although the Authority expects any such amount to be immaterial.

16. SUBSEQUENT EVENTS

Management has evaluated subsequent events through September 30, 2026, which is the date the financial statements are available for issuance, and have determined, except as noted in the paragraph below, that there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

** THIS PAGE INTENTIONALLY LEFT BLANK **

REQUIRED SUPPLEMENTARY INFORMATION

** THIS PAGE INTENTIONALLY LEFT BLANK **

BUFFALO SEWER AUTHORITY
Schedule of the Authority's Proportionate Share of the Net Pension Liability/(Asset)—Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Measurement date	March 31, 2026	March 31, 2025	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
Authority's proportion of the net pension liability	0.0520278%	0.0495358%	0.0483091%	0.0497476%	0.0498620%	0.0435685%	0.0425097%	0.0399819%	0.0410190%	0.0363879%
Authority's proportionate share of the net pension liability (asset)	$ 2,935,274	$ 8,493,271	$ 7,113,049	$ 10,667,882	$ (4,076,013)	$ 43,383	$ 11,256,816	$ 2,832,840	$ 1,323,865	$ 3,419,086
Authority's covered payroll	15,369,481	15,369,481	15,205,971	13,838,412	14,313,134	13,240,783	12,306,995	11,621,785	11,083,532	11,382,495
Authority's proportionate share of the net pension liability as a percentage of its covered payroll	19.1%	55.3%	46.8%	77.1%	-28.5%	0.3%	91.5%	24.4%	11.9%	30.0%
Plan fiduciary net position as a percentage of the total net pension liability	97.8%	93.1%	93.9%	103.7%	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%

BUFFALO SEWER AUTHORITY
Schedule of Authority's Contributions—
Employees' Retirement System
Last Ten Fiscal Years

	Year Ended June 30,									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Contractually required contribution	$ 2,367,307	$ 2,066,878	$ 1,593,567	$ 1,469,544	$ 1,904,359	$ 1,644,235	$ 1,571,827	$ 1,534,250	$ 1,607,903	$ 1,536,673
Contributions in relation to the contractually required contribution	(2,367,307)	(2,066,878)	(1,593,567)	(1,469,544)	(1,904,359)	(1,644,235)	(1,571,827)	(1,534,250)	(1,607,903)	(1,536,673)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's covered payroll	16,129,448	15,654,661	15,866,643	13,958,898	13,758,449	13,373,649	$ 12,654,706	$ 11,734,497	$ 11,548,410	$ 11,255,586
Contributions as a percentage of employee payroll	14.7%	13.2%	10.0%	10.5%	13.8%	12.3%	12.4%	13.1%	13.9%	13.7%

BUFFALO SEWER AUTHORITY
Schedule of Changes in the Authority's Total OPEB Liability and Related Ratios
Last Ten Fiscal Years

	Year Ended June 30,									
Total OPEB Liability	**2026**	**2025**	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**
Service cost	$ 2,104,679	$ 1,658,074	$ 1,901,984	$ 2,377,456	$ 3,099,523	$ 1,378,998	$ 1,512,328	$ 1,473,888	$ 1,462,603	$ 1,390,270
Interest	2,602,325	2,261,456	2,241,650	2,172,761	2,026,527	1,983,057	2,876,990	3,236,846	3,205,497	2,640,860
Difference between expected and actual experience	3,898,838	3,899,664	(2,169,440)	(9,123,449)	(6,750,689)	5,995,452	(18,829,962)	(17,231,443)	1,170,482	9,438,760
Changes of assumptions	(154,826)	(2,962,240)	(1,471,807)	(9,592,693)	(7,095,871)	1,645,174	13,821,608	9,346,819	2,772,815	(4,841,128)
Benefit payments	(2,845,600)	(2,740,864)	(2,831,694)	(3,055,757)	(3,410,870)	(2,919,069)	(2,894,460)	(3,314,543)	(3,177,531)	(2,966,529)
Net changes in total OPEB liability	5,605,416	2,116,090	(2,329,307)	(17,221,682)	(12,131,380)	8,083,612	(3,513,496)	(6,488,433)	5,433,866	5,662,233
Total OPEB liability—beginning	60,019,392	57,903,302	60,232,609	77,454,291	89,585,671	81,502,059	85,015,555	91,503,988	86,070,122	80,407,889
Total OPEB liability—ending	$ 65,624,808	$ 60,019,392	$ 57,903,302	$ 60,232,609	$ 77,454,291	$ 89,585,671	$ 81,502,059	$ 85,015,555	$ 91,503,988	$ 86,070,122
Plan fiduciary net position										
Contributions—employer	$ 2,845,600	$ 2,740,864	$ 2,831,694	$ 3,055,757	$ 3,410,870	$ 2,919,069	$ 2,894,460	$ 3,314,543	$ 3,177,531	$ 2,966,529
Benefit payments	(2,845,600)	(2,740,864)	(2,831,694)	(3,055,757)	(3,410,870)	(2,919,069)	(2,894,460)	(3,314,543)	(3,177,531)	(2,966,529)
Net change in plan fiduciary net position	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-	-	-	-	-	-
Plan fiduciary net position—ending	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Authority's total OPEB liability—ending	$ 65,624,808	$ 60,019,392	$ 57,903,302	$ 60,232,609	$ 77,454,291	$ 89,585,671	$ 81,502,059	$ 85,015,555	$ 91,503,988	$ 86,070,122
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	$ 15,531,646	$ 15,035,475	$ 13,126,107	$ 12,678,554	$ 12,702,484	$ 12,280,050	$ 12,403,132	$ 12,016,210	$ 7,681,522	$ 7,681,522
Authority's OPEB liability as a percentage of covered employee payroll	422.52%	399.19%	441.13%	475.07%	609.76%	729.52%	657.11%	707.51%	1191.22%	1120.48%

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

BUFFALO SEWER AUTHORITY
Schedule of Revenues, Expenditures, and Changes in Fund Balances—Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
REVENUES						
Sewer rents—general consumers	$ 75,442,600	$ 75,442,600	$ -	$ 85,944,395	$ -	$ (10,501,795)
Interest on delinquent sewer rents	645,000	645,000	-	1,232,602	-	(587,602)
Interest on investments	2,500,200	2,500,200	-	3,170,670	-	(670,470)
Miscellaneous	812,200	812,200	-	1,086,114	-	(273,914)
Federal aid	-	-	-	113,075	-	113,075
Total revenues	79,400,000	79,400,000	-	91,546,856	-	(11,920,706)
EXPENDITURES						
Current:						
General administration	2,400,727	2,269,945	(130,782)	1,814,409	127,431	455,536
Wastewater treatment facilities	39,014,731	45,330,257	6,315,526	32,713,608	5,642,583	12,616,649
Industrial waste	1,771,073	1,825,094	54,021	951,577	408,421	873,517
Engineering	3,989,565	3,795,225	(194,340)	2,134,025	1,382,893	1,661,200
Sewer maintenance	6,891,958	7,812,392	920,434	5,270,681	1,288,401	2,541,711
Miscellaneous	7,693,293	8,144,706	451,413	9,904,364	974,923	(1,759,658)
Employee benefits	13,549,583	14,470,658	921,075	11,527,957	765,960	2,942,701
Total expenditures	75,310,930	83,648,277	8,337,347	64,316,621	10,590,612	19,331,656
Excess (deficiency) of revenues over expenditures	4,089,070	(4,248,277)	(8,337,347)	27,230,235	(10,590,612)	7,410,950
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	108,618	-	(108,618)
Transfers out	(11,598,733)	(24,186,913)	(12,588,180)	(20,814,556)	-	3,372,357
Total other financing sources (uses)	(11,598,733)	(24,186,913)	(12,588,180)	(20,705,938)	-	3,263,739
Net change in fund balances*	(7,509,663)	(28,435,190)	(20,925,527)	6,524,297		
Fund balances—beginning	34,339,925	34,339,925	-	34,339,925		
Fund balances—ending	$ 26,830,262	$ 5,904,735	$ (20,925,527)	$ 40,864,222		

* The net change in fund balance was included as a re-appropriation of prior year encumbrances.

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

** THIS PAGE INTENTIONALLY LEFT BLANK **

1. EMPLOYEES' RETIREMENT SYSTEM

During the year ended June 30, 2026, the inflation rate assumption remained at 2.90 percent. The discount rate used to calculate the total pension liability remained at 5.90 percent.

The total pension liability actuarial valuation was determined using the following actuarial assumptions:

	ERS
Measurement date	March 31, 2026
Actuarial valuation date	April 1, 2025
Interest rate	5.90%
Salary scale	5.20%
Decrement tables	April 1, 2020 - March 31, 2025
Inflation rates	2.90%
Cost-of-living adjustments	1.50%

Annuitant mortality rates are based on April 1, 2020 – March 31, 2025 System's experience with adjustments for mortality improvements based on Society of Actuaries' Scale MP-2021.

The actuarial assumptions used in the April 1, 2025 valuation are based on the results of an actuarial experience study for the period April 1, 2020 – March 31, 2025.

2. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the long-term bond rate, the mortality rate, and the healthcare cost trend rate. The long-term bond rate is based on the Fidelity Municipal Go AA 20-Year Bond rate as of the measurement date with a rate of 4.41% for the year ended June 30, 2026, a change from 4.39% for the year ended June 30, 2025. Mortality rates effective June 30, 2025 were updated to rates based on the Pub-2010 Public Retirement Plans Mortality Tables, Headcount-weighted for General employees, without separate Contingent Survivor mortality, fully generational using scale MP-2021. Finally, the healthcare cost trend rate effective June 30, 2026 is 6.10%, while the ultimate healthcare cost trend rate is 3.70%.

Trust Assets—There are no assets accumulated in a trust that meets the criteria of GASB Statement No. 75 to pay related benefits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgetary Basis of Accounting—An annual budget is adopted on a basis of consistent with generally accepted accounting principles for the General Fund. The General Projects Fund is appropriated on a project-length basis. No formal annual budget is adopted for the Debt Service Fund as it is maintained based on debt schedules.

The appropriated budget is prepared by fund, function, department, and object. The Authority's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e. purchase orders, contracts, and commitments). Encumbrance accounting 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) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

4. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2026, expenditures exceeded appropriations within the miscellaneous line item which was primarily due to a one time unexpected arbitrage payment owed to the IRS related to the 2021 Environmental Impact Bond rebate liability computation.

5. GENERAL FUND BUDGETARY HIGHLIGHTS

Original budget compared to final budget—During the year ended June 30, 2026, the Authority made significant budget transfers to increase expenditures to cover increased costs of wages, equipment purchases, utilities and employee benefits. Additionally, increases in expenditures were reported for unanticipated costs for wastewater treatment and industrial waste activities.

Final budget compared to actual results—The most significant difference between estimated revenues and actual revenues included sewer rents and interest on investments. Sewer rents were more than anticipated primarily due to larger than expected revenues from outside city consumers. Additionally, interest on investments was more than expected due to favorable market conditions.

The most significant difference between estimated expenditures and actual expenditures included wastewater treatment facilities, transfers out and employee benefits. Wastewater treatment facilities were less than anticipated due to lower than anticipated operating expenditures related to incineration and maintenance. Employee benefits were less than expected due to lower hospital and surgical expenditures. Finally, transfers out to the general projects fund were less than expected.

SUPPLEMENTARY INFORMATION

BUFFALO SEWER AUTHORITY
Schedule of Revenues and Other Financing Sources—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
REVENUES						
SEWER RENTS—GENERAL CONSUMERS						
Assessed sewer rent	$ 29,947,600	$ 29,947,600	$ -	$ 29,854,029	$ -	$ 93,571
Water sewer rent	24,925,000	24,925,000	-	28,008,425	-	(3,083,425)
Industrial waste	4,070,000	4,070,000	-	4,884,341	-	(814,341)
Connection privileges outside city	16,500,000	16,500,000	-	23,197,600	-	(6,697,600)
Total sewer rents—general consumers	75,442,600	75,442,600	-	85,944,395	-	(10,501,795)
INTEREST ON DELINQUENT SEWER RENTS						
Interest and penalties on delinquent assessed sewer rent	190,000	190,000	-	381,959	-	(191,959)
Interest and penalties on delinquent sewer rents	455,000	455,000	-	850,643	-	(395,643)
Total interest on delinquent sewer rents	645,000	645,000	-	1,232,602	-	(587,602)
INTEREST ON INVESTMENTS	2,500,200	2,500,200	-	3,170,670	-	(670,470)
MISCELLANEOUS	812,200	812,200	-	1,086,114	-	(273,914)
FEDERAL AID	-	-	-	113,075	-	(113,075)
TOTAL REVENUES	79,400,000	79,400,000	-	91,546,856	-	(12,146,856)
OTHER FINANCING SOURCES						
Transfers in	-	-	-	108,618	-	(108,618)
Total other financing sources	-	-	-	108,618	-	(108,618)
TOTAL REVENUES AND AND OTHER FINANCING SOURCES	$ 79,400,000	$ 79,400,000	$ -	$ 91,655,474	$ -	$ (12,255,474)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
GENERAL ADMINISTRATION						
Authority Board Members:						
Personal services - Executive	$ 13,500	$ 13,500	$ -	11,681	$ -	$ 1,819
Operating expenditures	14,135	13,914	(221)	1,645	8,053	12,269
Total Authority Board Members	27,635	27,414	(221)	13,326	8,053	14,088
Administrative Offices:						
Personal services - Executive	802,961	635,710	(167,251)	635,094	-	616
Personal services - Clerical	977,532	945,480	(32,052)	911,875	-	33,605
Operating expenditures	592,599	661,341	68,742	254,114	119,378	407,227
Total Administrative Offices	2,373,092	2,242,531	(130,561)	1,801,083	119,378	441,448
GENERAL ADMINISTRATION TOTAL	2,400,727	2,269,945	(130,782)	1,814,409	127,431	455,536
WASTEWATER TREATMENT FACILITIES						
Plant Administration:						
Personal services - Executive	661,866	495,958	(165,908)	488,495	-	7,463
Personal services - Clerical	713,538	786,209	72,671	715,071	-	71,138
Personal services - Supervision	798,424	954,897	156,473	949,245	-	5,652
Operating expenditures	2,721,362	3,075,916	354,554	2,569,537	240,139	506,379
Total Plant Administration	4,895,190	5,312,980	417,790	4,722,348	240,139	590,632
Raw Wastewater Pump Station:						
Personal services - Operators	246,637	263,289	16,652	240,893	-	22,396
Operating expenditures	29,059	43,484	14,425	40,107	577	3,377
Total Raw Wastewater Pump Station	275,696	306,773	31,077	281,000	577	25,773
Screen Room:						
Operating expenditures	37,642	93,508	55,866	15,347	65,342	78,161
Total Screen Room	37,642	93,508	55,866	15,347	65,342	78,161
Grit Room:						
Personal services - Operators	36,004	36,004		30,499	-	5,505
Operating expenditures	337,325	208,908	(128,417)	162,751	181,164	46,157
Total Grit Room	373,329	244,912	(128,417)	193,250	181,164	51,662

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
Primary Sedimentation:						
Personal services - Operators	155,625	63,680	(91,945)	63,680	-	-
Operating expenditures	22,728	22,700	(28)	-	2,126	22,700
Total Primary Sedimentation	178,353	86,380	(91,973)	63,680	2,126	22,700
Secondary Control:						
Personal services - Operators	260,860	279,581	18,721	279,475	-	106
Operating expenditures	26,500	95,321	68,821	2,150	88,065	93,171
Total Secondary Control	287,360	374,902	87,542	281,625	88,065	93,277
Primary Control:						
Personal services - Operators	54,012	54,012	-	-	-	54,012
Operating expenditures	78,439	78,209	(230)	21,780	44,750	56,429
Total Primary Control	132,451	132,221	(230)	21,780	44,750	110,441
Gas Compressor Building:						
Operating expenditures	158,174	219,090	60,916	100,977	110,796	118,113
Settled Wastewater Pump Station:						
Personal services - Operators	109,258	109,752	494	32,664	-	77,088
Operating expenditures	1,286	59,310	58,024	643	58,310	58,667
Total Settled Wastewater Pump Station	110,544	169,062	58,518	33,307	58,310	135,755
Aeration:						
Personal services - Operators	585,445	646,762	61,317	638,912	-	7,850
Operating expenditures	271,331	290,904	19,573	140,901	245,909	150,003
Total Aeration	856,776	937,666	80,890	779,813	245,909	157,853
Blower Building:						
Operating expenditures	5,065,432	5,116,774	51,342	4,789,013	798,628	327,761
Total Blower Building	5,065,432	5,116,774	51,342	4,789,013	798,628	327,761
Chemical Handling Building:						
Operating expenditures	27,200	27,200	-	-	-	27,200
Total Chemical Handling Building	27,200	27,200	-	-	-	27,200
Final Effluent Building:						
Personal services - Operators	132,499	146,102	13,603	87,266	1,992.00	58,836
Operating expenditures	2,662,791	2,396,064	(266,727)	1,873,121	165,936	522,943
Total Final Effluent Building	2,795,290	2,542,166	(253,124)	1,960,387	167,928	581,779

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
Thickener Area:						
Operating expenditures	548,404	572,491	24,087	533,863	50,617	38,628
Total Thickener Area	548,404	572,491	24,087	533,863	50,617	38,628
Filter Feed Area:						
Operating expenditures	16,000	16,000	-	-	-	16,000
Total Filter Feed Area	16,000	16,000	-	-	-	16,000
Sludge Disposal:						
Personal services - Operators	688,355	961,201	272,846	955,279	-	5,922
Operating expenditures	2,296,677	2,389,351	92,674	1,859,119	56,486	530,232
Total Sludge Disposal	2,985,032	3,350,552	365,520	2,814,398	56,486	536,154
Centrifuge:						
Operating expenditures	937,222	954,838	17,616	881,823	363,062	73,015
Incineration:						
Personal services - Supervision	195,980	196,992	1,012	172,232	-	24,760
Personal services - Operators	1,039,432	1,080,350	40,918	1,016,349	-	64,001
Operating expenditures	4,179,048	4,248,851	69,803	2,830,175	1,041,315	1,418,676
Total Incineration	5,414,460	5,526,193	111,733	4,018,756	1,041,315	1,507,437
Hamburg Drain Float:						
Operating expenditures	66,666	73,291	6,625	32,142	15,620	41,149
South Buffalo:						
Operating expenditures	140,161	140,669	508	104,137	40,495	36,532
Total South Buffalo	140,161	140,669	508	104,137	40,495	36,532
Hamburg Street:						
Operating expenditures	82,677	99,093	16,416	59,704	18,494	39,389
Amherst Quarry:						
Operating expenditures	33,440	44,707	11,267	36,242	5,966	8,465
Babcock Street:						
Operating expenditures	23,831	24,592	761	10,238	4,354	14,354

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
Kelly Island (S):						
Operating expenditures	15,487	16,449	962	9,208	2,492	7,241
Kelly Island (F):						
Operating expenditures	2,315	742	(1,573)	294	448	448
Kelly Island (X):						
Operating expenditures	14,889	40,986	26,097	5,187	27,304	35,799
Waterfront Village:						
Operating expenditures	7,115	7,001	(114)	1,406	594	5,595
Tifft Street:						
Operating expenditures	1,490	1,550	60	1,170	334	380
Niagara Metering:						
Operating expenditures	5,229	8,704	3,475	4,194	2,811	4,510
Walden Heights						
Operating expenditures	5,639	5,965	326	2,094	12,210	3,871
Laboratory:						
Personal Services - Technical	568,664	482,432	(86,232)	475,722	-	6,710
Personal services - Operators	58,492	74,757	16,265	74,757	-	-
Operating expenditures	111,463	111,021	(442)	53,846	37,005	57,175
Total Laboratory	738,619	668,210	(70,409)	604,325	37,005	63,885
Maintenance:						
Personal services - Supervision	425,188	536,475	111,287	536,475	-	-
Personal services - Operators	185,349	190,320	4,971	164,537	-	25,783
Personal services - Repair Mechanics	902,296	902,296	-	786,550	-	115,746
Operating expenditures	9,594,433	14,414,710	4,820,277	6,770,775	1,927,472	7,643,935
Total Maintenance	11,107,266	16,043,801	4,936,535	8,258,337	1,927,472	7,785,464
Yards and Grounds:						
Personal services - Supervision	147,800	165,578	17,778	164,495	-	1,083
Personal services - Operators	1,316,816	1,777,839	461,023	1,777,839	-	-
Operating expenditures	210,736	227,372	16,636	151,229	31,770	76,143
Total Yards and Grounds	1,675,352	2,170,789	495,437	2,093,563	31,770	77,226
WASTEWATER TREATMENT FACILITIES TOTAL	39,014,731	45,330,257	6,315,526	32,713,608	5,642,583	12,616,649

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
INDUSTRIAL WASTE						
Industrial Waste Section:						
Personal services - Clerical	67,324	73,152	5,828	68,052	-	5,100
Personal services - Tech and Professional	99,111	101,422	2,311	100,266	-	1,156
Personal services - Operators	525,675	670,046	144,371	393,298	-	276,748
Operating expenditures	1,078,963	980,474	(98,489)	389,961	408,421	590,513
Total Industrial Waste Section	1,771,073	1,825,094	54,021	951,577	408,421	873,517
INDUSTRIAL WASTE TOTAL	1,771,073	1,825,094	54,021	951,577	408,421	873,517
ENGINEERING						
Engineering Department:						
Personal services - Operators	1,476,215	1,289,481	(186,734)	1,236,377	-	53,104
Operating expenditures	2,513,350	2,505,744	(7,606)	897,648	1,382,893	1,608,096
Total Engineering Department	3,989,565	3,795,225	(194,340)	2,134,025	1,382,893	1,661,200
ENGINEERING TOTAL	3,989,565	3,795,225	(194,340)	2,134,025	1,382,893	1,661,200
SEWER MAINTENANCE DEPARTMENT						
Sewer Maintenance Office:						
Personal services - Clerical	148,304	151,367	3,063	121,501	-	29,866
Personal services - Supervision	416,336	443,716	27,380	363,674	-	80,042
Operating expenditures	401,582	532,325	130,743	367,293	447,489	165,032
Total Sewer Maintenance Office	966,222	1,127,408	161,186	852,468	447,489	274,940
Sewer - Repairs:						
Personal services - Supervision	157,617	179,169	21,552	178,419	-	750
Personal services - Operators	116,904	116,904	-	62,438	-	54,466
Personal services - Repair Mechanics	1,367,626	1,175,453	(192,173)	1,175,453	-	-
Operating expenditures	1,216,485	1,252,817	36,332	959,704	317,976	293,113
Total Sewer - Repairs	2,858,632	2,724,343	(134,289)	2,376,014	317,976	348,329
Sewer - Cleaning:						
Personal services - Supervision	474,601	354,766	(119,835)	323,328	-	31,438
Personal services - Operators	800,173	590,824	(209,349)	566,133	-	24,691
Operating expenditures	115,000	163,040	48,040	137,109	18,671	25,931
Total Sewer - Cleaning	1,389,774	1,108,630	(281,144)	1,026,570	18,671	82,060

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
SWRI:						
Operating expenditures	77,072	104,124	27,052	100,112	3,371	4,012
Total SWRI	77,072	104,124	27,052	100,112	3,371	4,012
Automotive Equipment Service - Garage:						
Personal services - Repairman	197,561	207,530	9,969	161,685	-	45,845
Operating expenditures	1,402,697	2,540,357	1,137,660	753,832	500,894	1,786,525
Total Auto Equipment Service - Garage	1,600,258	2,747,887	1,147,629	915,517	500,894	1,832,370
SEWER MAINTENANCE DEPARTMENT TOTAL	6,891,958	7,812,392	920,434	5,270,681	1,288,401	2,541,711
MISCELLANEOUS						
Financial and Accounting Services						
City of Buffalo services	7,443,293	7,786,706	343,413	9,633,048	974,923	(1,846,342)
Fiscal agent expense	100,000	100,000	-	74,056	-	25,944
Sewer rent adjustment fund	50,000	158,000	108,000	157,816	-	184
Judgments, claims, and other	100,000	100,000	-	39,444	-	60,556
MISCELLANEOUS TOTAL	7,693,293	8,144,706	451,413	9,904,364	974,923	(1,759,658)
EMPLOYEE BENEFITS						
Hospital and surgical insurance - retirees	8,541,583	9,357,546	815,963	7,139,248	191,186	2,218,298
Hospital and surgical insurance - active	2,500	2,500	-	2,141	553,353	359
Group life insurance	35,000	37,192	2,192	26,258	10,934	10,934
Group dental insurance	140,000	140,000	-	117,108	-	22,892
Payments in lieu of health insurance	60,000	60,000	-	45,320	-	14,680
Health and welfare plan	90,000	106,304	16,304	91,311	10,487	14,993
Education, licenses and training	500	42,753	42,253	42,076	-	677
Social security	1,400,000	1,390,000	(10,000)	1,287,800	-	102,200
State retirement system	2,500,000	2,500,000	-	2,413,470	-	86,530
Unemployment insurance	30,000	30,000	-	2,004	-	27,996
Workers' compensation and death awards	750,000	750,000	-	307,245	-	442,755
Plan Administration	-	15,500	15,500	15,221	-	279
Reserve pay for unused sick leave	-	38,863	38,863	38,755	-	108
EMPLOYEE BENEFITS TOTAL	13,549,583	14,470,658	921,075	11,527,957	765,960	2,942,701

(continued)

BUFFALO SEWER AUTHORITY
Schedule of Expenditures and Other Financing Uses—
Budget and Actual (Non-GAAP Budgetary Basis)—General Fund
Year Ended June 30, 2026

(concluded)

	Budgeted Amounts		Variance with Final Budget Over (Under)	Actual		Variance with Final Budget Over (Under)
	Original	Final	Original Budget	Amounts	Encumbrances	Budgetary Actual
TOTAL OPERATING EXPENDITURES	75,310,930	83,648,277	8,337,347	64,316,621	10,590,612	19,331,656
OPERATING TRANSFERS						
Transfers to construction	-	12,588,180	12,588,180	12,558,180	-	30,000
Transfers to debt service fund	11,598,733	11,598,733	-	8,256,376	-	3,342,357
TOTAL OPERATING TRANSFERS	11,598,733	24,186,913	12,588,180	20,814,556	-	3,372,357
TOTAL EXPENDITURES AND OPERATING TRANSFERS	$ 86,909,663	$ 107,835,190	$ 20,925,527	$ 85,131,177	$ 10,590,612	$ 22,704,013

BUFFALO SEWER AUTHORITY
Schedule of Sewer Rents Receivable—General Fund
June 30, 2026

	Sewer Rents Receivable	Allowance for Uncollectible Receivables	Net Sewer Rents Receivable
SEWER RENTS:			
Based on assessed value:			
General consumers - current and prior years	$ 2,023,200	$ 1,087,837	$ 935,363
Other miscellaneous	13,660	-	13,660
Based on water consumption:			
Flat rate	3,410,800	3,050,692	360,108
Metered rates:			
Monthly	904,414	268,599	635,815
Quarterly - District W-E-S	12,996,040	9,341,414	3,654,626
Miscellaneous - current year	62,495	-	62,495
Outside connection privileges	16,664,338	11,954	16,652,384
Industrial waste treatment surcharge	573,302	105,619	467,683
Late payment penalties	10,976,424	10,819,801	156,623
TOTAL	$ 47,624,673	$ 24,685,916	$ 22,938,757

** THIS PAGE INTENTIONALLY LEFT BLANK **

STATISTICAL SECTION
(UNAUDITED)

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

Contents **Page**

Financial Trends 70

These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

Revenue Capacity 78

These schedules contain information to help the reader assess the Authority's most significant local revenue source, the charges for services.

Debt Capacity 83

These schedules present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

Demographic and Economic Information 85

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place.

Operating Information 87

These schedules contain service and infrastructure data to help the reader understand how the information in the Authority's financial report relates to the services the Authority provides and the activities it performs.

BUFFALO SEWER AUTHORITY
Table I—Net Position by Component—Governmental Activities
Last Ten Fiscal Years
(Unaudited)

	June 30,									
	2017[1]	2018	2019	2020	2021	2022	2023	2024	2025	2026
Net position:										
Net investment in capital assets	$ 261,619,145	$ 274,422,109	$ 285,382,764	$ 290,093,932	$ 298,463,105	$ 304,597,516	$ 296,117,647	$ 283,485,639	$ 307,003,887	$ 337,917,522
Restricted for:										
Capital Projects	-	-	-	-	-	-	-	-	44,817,358	-
Unrestricted	(39,108)	(3,055,941)	(4,575,968)	(4,801,258)	(5,795,699)	(10,097,774)	7,269,446	45,115,131	(2,624,201)	32,785,860
Total net position	$ 261,580,037	$ 271,366,168	$ 280,806,796	$ 285,292,674	$ 292,667,406	$ 294,499,742	$ 303,387,093	$ 328,600,770	$ 349,197,044	$ 370,703,382

Note: [1] During the year ended June 30, 2017, the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result, net position as of July 1, 2016 was restated.

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table II—Changes in Net Position—Governmental Activities
Last Ten Fiscal Years
(Unaudited)

	Year ended June 30,									
	2017[1]	2018	2019	2020	2021	2022	2023	2024	2025	2026
Program revenues:										
Charges for services	$ 57,883,355	$ 57,280,969	$ 54,353,821	$ 51,083,531	$ 59,681,672	$ 56,746,834	$ 57,120,476	$ 69,789,799	$ 72,538,080	$ 87,176,997
Capital grants and contributions	1,340,322	2,793,871	1,535,958	2,153,231	5,304,600	1,664,714	9,639,826	17,822,402	13,022,055	15,162,914
Total program revenues	59,223,677	60,074,840	55,889,779	53,236,762	64,986,272	58,411,548	66,760,302	87,612,201	85,560,135	102,339,911
Program expenses:										
Operating expenses	48,085,232	51,218,181	47,095,007	49,265,878	55,299,452	54,156,691	59,836,347	65,732,194	68,003,825	80,056,267
Non-operating expenses	1,866,564	1,812,468	1,732,411	1,654,444	2,681,091	2,857,953	2,754,003	2,611,692	2,462,531	4,466,360
Total program expenses	49,951,796	53,030,649	48,827,418	50,920,322	57,980,543	57,014,644	62,590,350	68,343,886	70,466,356	84,522,627
Total net program revenue	9,271,881	7,044,191	7,062,361	2,316,440	7,005,729	1,396,904	4,169,952	19,268,315	15,093,779	17,817,284
General revenues:										
Unrestricted investment earnings	809,462	2,455,992	2,297,237	2,070,426	367,760	410,703	4,264,453	5,876,888	5,133,125	3,608,076
Unallocated revenues	1,915,830	285,948	81,030	99,012	1,243	24,729	452,946	68,474	369,370	80,978
Total general revenues	2,725,292	2,741,940	2,378,267	2,169,438	369,003	435,432	4,717,399	5,945,362	5,502,495	3,689,054
Change in net position	11,997,173	9,786,131	9,440,628	4,485,878	7,374,732	1,832,336	8,887,351	25,213,677	20,596,274	21,506,338
Governmental activities, beginning of year	322,039,392	261,580,037	271,366,168	280,806,796	285,292,674	292,667,406	294,499,742	303,387,093	328,600,770	349,197,044
Restatement [1]	(72,456,528)	-	-	-	-	-	-	-	-	-
Governmental activities, end of year	$ 261,580,037	$ 271,366,168	$ 280,806,796	$ 285,292,674	$ 292,667,406	$ 294,499,742	$ 303,387,093	$ 328,600,770	$ 349,197,044	$ 370,703,382

Note: [1] During the year ended June 30, 2017, the Authority implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions.*

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY

Table III—Program Revenues—Charges for Services and Capital Grants and Contributions by Source
Last Ten Fiscal Years
(Unaudited)

		Program Revenues—Charges for Services						
						Interest and Penalties		
Year Ended June 30,	Total Charges for Services	Assessed Sewer Rent	Water Sewer Rent	Industrial Waste	Connection Privileges O/S City	Delinquent Assessed Sewer Rent	Sewer Rent	Capital Grants and Contributions
2017	$ 57,883,355	$ 12,108,674	$ 26,993,253	$ 1,944,290	$ 15,708,267	$ 197,398	$ 931,473	$ 1,340,322
2018	57,280,969	12,217,483	27,173,917	3,030,640	13,832,219	211,588	815,122	2,793,871
2019	54,353,821	12,178,851	27,081,589	3,699,578	10,367,269	207,607	818,927	1,535,958
2020	51,083,531	12,157,349	25,477,782	4,039,805	8,576,622	155,361	676,612	2,153,231
2021	59,681,672	12,127,418	24,704,647	3,561,369	18,827,354	157,948	302,936	5,304,600
2022	56,746,834	12,052,518	24,716,758	4,505,575	14,874,382	147,996	449,605	1,664,714
2023	57,120,476	12,106,289	26,044,993	5,133,775	12,665,958	502,969	666,492	9,639,826
2024	69,789,799	19,640,080	24,445,837	4,926,821	20,003,617	189,858	583,586	17,822,402
2025	72,538,080	25,045,733	25,171,283	4,937,853	16,453,708	268,048	661,455	13,022,055
2026	87,176,997	29,854,029	28,008,425	4,884,341	23,197,600	381,959	850,643	15,162,914

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table IV—Operating Expenses
Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Total	General Administration	Wastewater Treatment Facilities	Industrial Waste	Engineering	Sewer Maintenance
2017	$ 48,085,232	$ 2,472,798	$ 37,671,328	$ 921,260	$ 1,521,624	$ 5,498,222
2018	51,218,181	2,460,476	39,600,755	909,582	1,738,925	6,508,443
2019	47,095,007	2,524,153	37,456,299	793,948	1,481,299	4,839,308
2020	49,265,878	2,809,113	39,206,343	941,024	1,638,798	4,670,600
2021	55,299,452	2,525,271	43,093,375	1,146,814	1,555,927	6,978,065
2022	54,156,691	2,388,226	42,880,940	1,069,875	1,667,180	6,150,470
2023	59,836,347	2,503,727	48,369,983	979,298	1,527,438	6,455,901
2024	65,732,194	2,652,735	52,241,081	1,492,471	1,754,036	7,591,871
2025	68,003,825	2,597,068	54,015,960	1,222,799	1,997,738	8,170,260
2026	80,056,267	2,798,897	63,251,672	1,467,898	3,291,935	9,245,865

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table V—General Revenues and Expenses
Last Ten Fiscal Years
(Unaudited)

	General Revenues			Nonoperating Expenses
Year Ended June 30,	Interest Revenue	Other Revenue	Total Nonoperating Revenues	Interest Expense
2017	$ 809,462	$ 1,915,830	$ 2,725,292	$ (1,866,564)
2018	2,455,992	285,948	2,741,940	(1,812,468)
2019	2,297,237	81,030	2,378,267	(1,732,411)
2020	2,070,426	99,012	2,169,438	(1,654,444)
2021	367,760	1,243	369,003	(2,681,091)
2022	410,703	24,729	435,432	(2,857,953)
2023	4,264,453	452,946	4,717,399	(2,754,003)
2024	5,876,888	68,474	5,945,362	(2,611,692)
2025	5,133,125	369,370	5,502,495	(2,642,531)
2026	3,608,076	80,978	3,689,054	(4,466,360)

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table VI—Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
General Fund										
Nonspendable	$ 130,324	$ 131,906	$ 145,671	$ 179,925	$ 197,423	$ 210,285	$ 228,023	$ 242,607	$ 242,082	$ 247,783
Committed	27,034,826	25,383,363	24,530,527	21,547,824	26,582,067	22,431,078	23,162,455	31,008,387	24,097,843	30,606,439
Unassigned	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total General Fund	$ 37,165,150	$ 35,515,269	$ 34,676,198	$ 31,727,749	$ 36,779,490	$ 32,641,363	$ 33,390,478	$ 41,250,994	$ 34,339,925	$ 40,854,222
All other governmental funds:										
Restricted	$ 4,515,791	$ 4,329,611	$ 7,373,081	$ 4,352,946	$ 57,695,313	$ 57,944,412	$ 29,564,231	$ 12,237,489	$ 49,234,574	$ 55,859,848
Committed	51,307,341	53,827,377	42,882,543	40,221,872	46,837,018	44,602,572	59,903,005	59,577,998	-	3,763,280
Total all other governmental funds	$ 55,823,132	$ 58,156,988	$ 50,255,624	$ 44,574,818	$ 104,532,331	$ 102,546,984	$ 89,467,236	$ 71,815,487	$ 49,234,574	$ 59,623,128

Source: Buffalo Sewer Authority Annual Financial Statements

** THIS PAGE INTENTIONALLY LEFT BLANK **

BUFFALO SEWER AUTHORITY
Table VII—Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
REVENUES										
Sewer rents—general consumers	$ 56,754,484	$ 56,254,259	$ 53,327,287	$ 50,251,558	$ 59,220,788	$ 56,149,233	$ 55,951,015	$ 69,016,355	$ 71,608,577	$ 85,944,395
Interest on delinquent sewer rents	1,128,871	1,026,710	1,026,534	831,973	460,884	597,601	1,169,461	773,444	929,503	1,232,602
Use of money and property	809,462	2,455,992	2,297,237	2,070,426	367,760	410,703	4,264,453	5,876,888	5,133,125	3,608,076
Miscellaneous	2,384,830	1,486,448	1,259,938	1,852,243	1,001,110	1,286,125	1,427,067	3,059,086	1,153,950	1,086,114
State aid	128,554	265,565	-	-	-	-	3,327,391	9,641,039	5,868,408	13,115,925
Federal aid	742,768	1,327,806	357,050	400,000	4,304,733	403,318	-	850,000	316,510	444,107
Total revenues	61,948,969	62,816,780	58,268,046	55,406,200	65,355,275	58,846,980	66,139,387	89,216,812	85,010,073	105,431,219
EXPENDITURES										
Current:										
General administration	1,420,367	1,457,672	1,729,238	1,944,811	1,678,422	1,728,515	1,824,940	1,950,787	1,955,958	1,814,409
Wastewater treatment facilities	16,607,884	17,882,344	18,743,263	19,781,028	21,680,194	23,179,049	27,151,593	30,193,647	33,332,761	32,713,608
Industrial waste	529,169	538,868	543,915	651,492	762,230	774,338	713,800	1,097,544	920,940	951,577
Engineering	874,016	1,030,200	1,014,803	1,134,576	1,034,147	1,206,647	1,113,334	1,289,895	1,504,578	2,134,025
Sewer maintenance	3,103,108	4,194,931	3,787,045	3,778,964	4,532,469	4,751,684	3,934,133	5,125,090	5,817,674	5,270,681
Miscellaneous	4,990,868	4,208,439	4,104,067	4,026,708	4,384,880	4,102,332	5,197,275	4,604,761	5,375,005	10,484,846
Employee benefits	9,128,640	9,325,229	9,318,973	9,850,818	10,300,069	10,025,523	10,092,292	10,533,431	10,980,774	11,527,957
Debt service:										
Principal	1,640,000	1,680,000	1,725,000	1,770,000	1,810,000	3,226,649	3,310,298	3,408,948	3,517,597	3,626,231
Interest	1,867,989	1,805,638	1,739,476	1,670,332	2,634,715	3,038,300	2,936,011	2,794,390	2,646,138	4,630,145
Capital outlay	24,929,531	20,009,484	24,302,701	19,426,726	13,479,119	12,937,417	22,196,344	38,009,552	48,450,630	65,755,371
Total expenditures	65,091,572	62,132,805	67,008,481	64,035,455	62,296,245	64,970,454	78,470,020	99,008,045	114,502,055	138,908,850
Excess (deficiency) of revenues over expenditures	(3,142,603)	683,975	(8,740,435)	(8,629,255)	3,059,030	(6,123,474)	(12,330,633)	(9,791,233)	(29,491,982)	(33,477,631)

(continued)

BUFFALO SEWER AUTHORITY
Table VII—Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years
(Unaudited)

(concluded)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
OTHER FINANCING SOURCES (USES)										
Transfers in	21,597,825	23,809,426	19,599,200	16,825,027	12,282,014	17,192,066	11,665,967	16,982,777	26,770,710	20,913,174
Transfers out	(21,597,825)	(23,809,426)	(19,599,200)	(16,825,027)	(12,282,014)	(17,192,066)	(11,665,967)	(16,982,777)	(26,770,710)	(20,913,174)
Issuance of long-term debt	-	-	-	-	57,096,860	-	-	-	-	47,845,000
Premium on issuance of long-term debt	-	-	-	-	4,853,394	-	-	-	-	2,535,482
Total other financing sources (uses)	-	-	-	-	61,950,254	-	-	-	-	50,380,482
Net change in fund balances	$ (3,142,603)	$ 683,975	$ (8,740,435)	$ (8,629,255)	$ 65,009,284	$ (6,123,474)	$ (12,330,633)	$ (9,791,233)	$ (29,491,982)	$ 16,902,851
Debt service as a percentage of noncapital expenditures	8.93%	8.48%	8.33%	7.87%	9.25%	12.37%	11.04%	10.22%	9.64%	11.13%

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table VIII—Wastewater Treated
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Gallons of Wastewater Treated[1]
2017	45,625
2018	47,925
2019	49,786
2020	52,265
2021	43,472
2022	50,735
2023	47,450
2024	42,749
2025	40,479
2026	44,348

Note: [1] In millions

Source: Buffalo Sewer Authority's Accounting Department

BUFFALO SEWER AUTHORITY
Table IX—Sewer Tap Sales
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Sewer Taps Sold
2017	80
2018	78
2019	61
2020	90
2021	113
2022	61
2023	87
2024	76
2025	80
2026	111

Source: Buffalo Sewer Authority's Accounting Department

BUFFALO SEWER AUTHORITY
Table X—Number of Sewer Customers by Type
Last Ten Fiscal Years
(Unaudited)

	Customers	
Fiscal Year	**Residential**	**Commercial**
2017	105,148	992
2018	105,633	1,072
2019	107,278	1,081
2020	107,689	1,177
2021	107,945	1,182
2022	108,051	1,295
2023	108,155	1,306
2024	108,269	1,326
2025	108,421	1,338
2026	108,622	1,376

Source: Buffalo Sewer Authority's Accounting Department

BUFFALO SEWER AUTHORITY

Table XI—Combined, Authority, County and City Property Tax and Sewer Rent Rates (Per $1,000 of Assessed Valuation)
Last Ten Fiscal Years
(Unaudited)

		Buffalo Sewer Authority	City of Buffalo Exclusive of Buffalo Sewer Authority	Erie County [1]	Total
2017	H	$ 1.65	$ 17.88	$ 5.95	$ 25.48
	NH	1.65	27.01	5.95	34.61
2018	H	1.63	17.88	6.46	25.97
	NH	1.63	26.76	6.46	34.85
2019	H	1.62	18.49	7.13	27.24
	NH	1.62	28.22	7.13	36.97
2020	H	1.64	18.47	7.33	27.44
	NH	1.64	29.49	7.33	38.46
2021	H	0.95	9.99	7.60	18.54
	NH	0.95	16.75	7.60	25.30
2022	H	0.95	9.88	5.04	15.87
	NH	0.95	17.21	5.04	23.20
2023	H	0.95	10.27	5.03	16.25
	NH	0.95	18.17	5.03	24.15
2024	H	1.57	10.73	5.20	17.50
	NH	1.57	18.72	5.20	25.49
2025	H	2.00	11.18	5.60	18.78
	NH	2.00	21.04	5.60	28.64
2026	H	1.30	6.52	3.30	11.12
	NH	1.30	13.08	3.30	17.68

Notes: [1] For the calendar year beginning during Authority's fiscal year.
H Homestead
NH Non-homestead

Sources: City of Buffalo, Division of Accounting
County of Erie, Division of Real Property Tax
Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table XII—Principal Customers
Years Ended June 30, 2026 and June 30, 2017
(Unaudited)

Year Ended June 30, 2026:

Customer	Type of Business	Sewer Rent on Assessed Valuation	Sewer Rent on Water Use	Industrial Waste Surcharge	Total Sewer Rent	Percentage of Total Sewer Rents (General Consumers)
Buffalo Housing Authority	Municipal Housing	$ 312,903	$ 550,394	$ -	$ 863,297	1.25%
Galbani (Sorrento-Lactalis)	Consumer Foods	15,971	273,649	688,967	978,588	1.42%
National Grid	Utility	429,800	12,920	-	442,720	0.64%
Aurubis Buffalo Inc.	Copper Mill	9,772	297,903	-	307,675	0.45%
VA Medical Center	Hospital	-	217,096	-	217,096	0.31%
Douglas Development	Real Estate	210,189	71,197	-	281,386	0.41%
ECMC	Hospital	-	271,612	-	271,612	0.39%
Buffalo Board of Education	School District	-	191,215	-	191,215	0.28%
CSX/CON-RAIL	Transportation	124,852	4,392	-	129,244	0.19%
Kaleida Health	Hospital	-	165,088	1,305	166,393	0.24%

Year Ended June 30, 2017:

Customer	Type of Business	Sewer Rent on Assessed Valuation	Sewer Rent on Water Use	Industrial Waste Surcharge	Total Sewer Rent	Percentage of Total Sewer Rents (General Consumers)
BMHA	Municipal Housing	$ 143,045	$ 602,909	$ -	$ 745,954	1.31%
Aurubis Buffalo Inc.	Copper Mill	10,745	482,261	-	493,006	0.87%
Sorrento-Lactalis	Consumer Foods	5,621	2,116	235,175	242,911	0.43%
ECMC	Hospital	-	408,770	-	408,770	0.72%
Niagara Mohawk	Utility Company	183,051	11,725	-	194,776	0.34%
Buffalo Board of Education	School District	-	159,818	-	159,818	0.28%
Kaleida	Hospital	163,400	1,701	-	165,101	0.29%
Harborcenter Development	Entertainment Center	172,245	8,049	-	180,294	0.32%
Veterans Administration	Hospital	-	152,729	-	152,729	0.27%
Conrail Trans	Transportation	125,250	-	-	125,250	0.22%

Source: Buffalo Sewer Authority's Accounting Department

BUFFALO SEWER AUTHORITY
Table XIII—Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Revenue Bonds[2]	Total Amount	Percentage of Personal Income[3]	Debt per Capita[1]
2017	$ 40,190,713	$ 40,190,713	0.07%	156
2018	38,510,713	38,510,713	0.07%	149
2019	36,785,713	36,785,713	0.06%	144
2020	35,015,713	35,015,713	0.06%	137
2021	95,155,937	95,155,937	0.14%	342
2022	91,767,508	91,767,508	0.14%	332
2023	88,295,430	88,295,430	0.13%	319
2024	84,724,702	84,724,702	n/a	308
2025	81,045,325	81,045,325	n/a	291
2026	127,558,837	127,558,837	n/a	465

Note: [1] Based on most recent census data for Buffalo, New York
[2] Revenue bonds are presented net of related premiums.
[3] Data is not available subsequent to fiscal year 2023.

Sources: Buffalo Sewer Authority Annual Financial Statements
U.S. Bureau of the Census
US Bureau of Economic Analysis

BUFFALO SEWER AUTHORITY
Table XIV—Sewer Revenue Bond Coverage
Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Total Revenues	Direct Operating Expenditures[1]	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2017	$ 61,948,969	$ 36,654,052	$ 25,294,917	$ 1,640,000	$ 1,867,989	$ 3,507,989	7.21
2018	62,816,780	38,637,683	24,179,097	1,680,000	1,805,638	3,485,638	6.94
2019	58,268,046	39,241,304	19,026,742	1,725,000	1,739,476	3,464,476	5.49
2020	55,406,200	41,168,397	14,237,803	1,770,000	1,670,332	3,440,332	4.14
2021	65,355,275	44,372,411	20,982,864	1,810,000	2,634,715	4,444,715	4.72
2022	58,846,980	45,768,088	13,078,892	3,226,649	3,038,300	6,264,949	2.09
2023	71,477,701	50,027,367	21,450,334	3,310,298	2,936,011	6,246,309	3.43
2024	93,557,563	54,795,155	38,762,408	3,408,948	2,794,390	6,203,338	6.25
2025	91,062,630	59,887,690	31,174,940	3,517,597	2,646,138	6,163,735	5.06
2026	106,028,965	64,897,103	41,131,862	3,626,231	4,630,145	8,256,376	4.98

Note: [1] Direct operating expenditures exclude all debt service requirements, capital outlay and other financing uses.

Source: Buffalo Sewer Authority Annual Financial Statements

BUFFALO SEWER AUTHORITY
Table XV—Demographic Statistics
Last Ten Fiscal Years
(Unaudited)

	Population		Buffalo/Niagara Region		Buffalo, NY	New York State
	Buffalo[2]	Erie County[2]	Per Capita Income[3]	Labor Force[1]	Unemployment Rate[1]	Unemployment Rate[4]
2017	256,902	921,046	$ 48,314	550,420	5.1%	4.5%
2018	258,612	925,528	50,261	557,200	4.4%	4.5%
2019	256,304	919,719	53,489	543,100	3.7%	4.0%
2020	255,284	918,702	55,777	554,133	13.7%	15.7%
2021	278,349	954,236	56,808	543,537	5.7%	7.7%
2022	276,807	950,683	56,414	551,322	3.6%	4.4%
2023	276,486	950,312	61,106	558,768	3.2%	3.9%
2024	274,678	946,147	n/a	547,302	3.9%	4.2%
2025	278,349	954,236	n/a	565,496	3.4%	4.0%
2026	274,613	945,699	n/a	566,200	4.1%	4.6%

Sources:
[1] US Department of Labor - Bureau of Labor Statistics, at June 30 of year shown
[2] US Bureau of the Census
[3] Data is not available subsequent to fiscal year 2023
[4] NYS Department of Labor – Labor Statistics, at June 30 of year shown

BUFFALO SEWER AUTHORITY

Table XVI—Principal Employers in the Buffalo Metropolitan Area
Years Ended June 30, 2026 and June 30, 2017
(Unaudited)

	2026 [1]			2017 [2]		
Employer	**Employees**	**Rank**	**% of Total Employment**	**Employees**	**Rank**	**% of Total Employment**
State of New York	23,381	1	4.30%	23,350	1	4.35%
Kaleida Health	11,021	2	2.03%	10,000	3	1.86%
Federal Executive Board	10,080	3	1.85%	10,000	2	1.86%
M&T Bank	7,763	4	1.43%	7,500	5	1.40%
Catholic Health	7,621	5	1.40%	7,918	4	1.47%
University at Buffalo	7,018	6	1.29%	6,992	7	1.30%
Buffalo City School District	6,300	7	1.16%	3,316	13	0.62%
Erie County	4,584	8	0.84%	5,039	8	0.94%
Tops Friendly Markets	4,497	9	0.83%	3,942	10	0.73%
Walmart	4,200	10	0.77%	n/a	n/a	n/a
Employer Services Corp	n/a	n/a	n/a	7,488	6	1.39%

Sources:
[1] From the "Business First Book of Lists 2025-2026," Western New York's weekly business newspaper
[2] From the "Business First Book of Lists 2017," Western New York's weekly business newspaper

BUFFALO SEWER AUTHORITY

Table XVII—Number of Employees by Identifiable Activity
Last Ten Fiscal Years
(Unaudited)

	Full-time Equivalent Employees					
Year Ended June 30,	Administration	Treatment Plant	Industrial Waste	Engineering	Sewer Maintenance	Total
2017	21	117	6	11	43	198
2018	23	125	6	10	39	203
2019	21	114	8	11	37	191
2020	21	125	8	10	47	211
2021	15	137	8	12	55	227
2022	17	130	7	10	53	217
2023	15	128	8	11	61	223
2024	18	131	8	11	65	233
2025	18	129	9	13	63	232
2026	17	133	10	15	64	239

Source: Buffalo Sewer Authority's Accounting Department

BUFFALO SEWER AUTHORITY
Table XVIII—Operating and Capital Indicators
Last Ten Fiscal Years
(Unaudited)

Year Ended June 30,	Miles of Sewers	Number of Treatment Plants	Treatment Capacity (MGD)	Annual Engineering Maximum Plant Capacity[1]	Amount Treated Annually[1]	Unused Capacity[1]	Percentage of Capacity Utilized
2017	850	1	600	219,000	45,625	173,375	20.8%
2018	850	1	600	219,000	47,925	171,075	21.9%
2019	850	1	600	219,000	49,786	169,214	22.7%
2020	850	1	600	219,000	52,265	166,735	23.9%
2021	850	1	600	219,000	43,472	175,528	19.9%
2022	850	1	600	219,000	50,735	168,265	23.2%
2023	850	1	600	219,000	47,450	171,550	21.7%
2024	850	1	600	219,000	42,749	176,251	19.5%
2025	850	1	600	219,000	40,479	178,521	18.5%
2026	850	1	600	219,000	44,348	174,652	20.3%

Note: [1] Millions of gallons

Source: Buffalo Sewer Authority's Accounting Department