

**CITY OF NORTH TONAWANDA, NEW YORK**

**SINGLE AUDIT  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED DECEMBER 31, 2009**



**CITY OF NORTH TONAWANDA, NEW YORK**

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**CITY OF NORTH TONAWANDA, NEW YORK**

**BASIC FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED DECEMBER 31, 2009**



**CITY OF NORTH TONAWANDA, NEW YORK**

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## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and  
Members of Common Council  
City of North Tonawanda  
North Tonawanda, New York

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of North Tonawanda, New York, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of North Tonawanda, New York's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above 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 City of North Tonawanda, New York as of December 31, 2009, and the respective changes in financial position thereof, and the respective budgetary comparison for the General Fund and the Major Special Revenue Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.



The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 14, and budgetary comparison information on pages 24 through 25, 58 through 76, and 81 through 88, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of North Tonawanda, New York's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the City of North Tonawanda, New York. The combining fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

May 24, 2010



## CITY OF NORTH TONAWANDA, NEW YORK

### Management's Discussion and Analysis December 31, 2009

This section of the City of North Tonawanda's (City) annual financial report presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2009. Please read it in conjunction with the City's basic financial statements following this section.

#### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the 2009 fiscal year by \$46,952,464 (net assets). Of this amount, \$2,278,569 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors, and \$1,044,718 is restricted for specific purpose (restricted net assets), and \$43,629,177 is invested in capital assets, net of related debt.
- The government's total net assets increased by \$3,596,547.
- As of December 31, 2009, the City's governmental funds reported combined fund balances of \$7,611,545, an increase of \$2,979,823 in comparison with the prior year. Approximately 75.5% of the combined fund balances, \$5,745,392 is available to meet the City's current and future needs (undesignated fund balance).
- At the end of the fiscal year, unreserved fund balance for the general fund was \$2,998,417 or 68.9% of total general fund balance.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts - *Management's Discussion and Analysis* (this section), and the *Basic Financial Statements*.

#### Basic Financial Statements

*Government-Wide Financial Statements* are two statements designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business.

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

## CITY OF NORTH TONAWANDA, NEW YORK

### Management's Discussion and Analysis December 31, 2009

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The City does not have any functions that are intended to recover all or, in part, a portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, transportation, economic assistance and opportunity, culture and recreation, home and community services, interest and fiscal charges, and depreciation.

**The government-wide financial statements can be found on pages 15-17 of this report.**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance related legal compliance. All funds of the City can be divided into two categories: governmental funds and fiduciary 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 funds financial statements focus on near-term inflows and outflows of spendable resources, as well as, balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because of 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 governmental-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City 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, the Capital Projects Fund, and the Special Revenue Funds.

## CITY OF NORTH TONAWANDA, NEW YORK

### Management's Discussion and Analysis December 31, 2009

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**The basic governmental fund financial statements can be found on pages 18-25 of this report.**

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The City has three fiduciary funds. The Agency Fund is used to account for funds held by the City as agent for employees withholdings, monies due to other governments, and other miscellaneous items. The Permanent and Private Purpose Trusts are used to account for donated funds used for the purposes designated by the donors.

**The basic fiduciary funds financial statements can be found on page 26 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**The Notes can be found on pages 27-53 of this report.**

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$46,952,464 at the close of the fiscal year.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

**Summary of City of North Tonawanda's Net Assets**

	<b>Total Governmental Activities <u>December 31, 2009</u></b>	<b>Total Governmental Activities <u>December 31, 2008</u></b>	<b>Percent of Increase (Decrease)</b>
Current and other assets	\$ 18,585,683	\$ 14,333,136	29.7%
Capital assets	<u>58,854,177</u>	<u>54,617,848</u>	<u>7.8%</u>
Total assets	<u>77,439,860</u>	<u>68,950,984</u>	<u>12.3%</u>
Long-term liabilities	19,380,372	9,747,993	98.8%
Other liabilities	<u>11,107,024</u>	<u>15,847,074</u>	<u>-29.9%</u>
Total liabilities	<u>30,487,396</u>	<u>25,595,067</u>	<u>19.1%</u>
<b>Net assets:</b>			
Investment in capital assets, net of related debt	43,629,177	42,042,848	3.8%
Restricted	1,044,718	1,067,206	-2.1%
Unrestricted	<u>2,278,569</u>	<u>245,863</u>	<u>826.8%</u>
<b>Total net assets</b>	<b><u>\$ 46,952,464</u></b>	<b><u>\$ 43,355,917</u></b>	<b><u>8.3%</u></b>

The largest portion of the City's net assets reflects its investment in capital assets of \$43,629,177 (92.9%) (e.g. land, buildings, improvements, infrastructure, and equipment), which is net of any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net assets (2.2%) represents restricted net assets of \$1,044,718, which is reserved for retirement, insurance, and workers' compensation.

The remaining balance of the City's net assets (4.9%) represents unrestricted net assets of 2,278,569, which may be used to meet the City's ongoing obligations to citizens and creditors.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

At the end of the current fiscal year, the City is able to report positive balances in all of its net asset categories.

**Governmental activities.** Governmental activities increased the City's net assets by \$3,596,547.

The following table indicates the changes in net assets for governmental activities:

**Summary of City of North Tonawanda's Changes in Net Assets**

	<u>2009</u>	<u>2008</u>	<u>Percent of Increase (Decrease)</u>
<b>Revenues:</b>			
<b>Program revenues:</b>			
Charges for services	\$ 9,052,163	\$ 8,971,679	0.9%
Operating grants and contributions	3,874,059	3,986,017	-2.8%
Capital grants and contributions	801,621	3,114,616	-74.3%
<b>General revenues:</b>			
Property taxes	13,342,859	13,393,699	-0.4%
Real property tax items	913,615	851,684	7.3%
Non-property tax items	8,517,039	8,134,193	4.7%
Use of money and property	202,891	242,643	-16.4%
Sale of property and compensation for loss	661,621	300,855	119.9%
Miscellaneous	33,683	311,808	-89.2%
Interfund Revenue	55,000	80,000	-31.3%
State and Federal Aid	5,002,384	5,204,784	-3.9%
Total revenues	<u>42,456,935</u>	<u>44,591,978</u>	

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

	<u>2009</u>	<u>2008</u>	<u>Percent of Increase (Decrease)</u>
<b>Expenses:</b>			
General government support	\$ 5,930,480	\$ 1,362,009	335.4%
Public safety	13,634,036	13,424,867	1.6%
Transportation	5,311,316	3,465,990	53.2%
Economic assistance and opportunity	150,217	222,956	-32.6%
Culture and recreation	2,661,234	2,592,880	2.6%
Home and community services	10,490,433	11,497,983	-8.8%
Interest and fiscal charges	<u>682,672</u>	<u>628,682</u>	<u>8.6%</u>
Total expenses	<u>38,860,388</u>	<u>33,195,367</u>	<u>17.1%</u>
 Change in net assets	 3,596,547	 11,396,611	 -68.4%
 Net assets - beginning	 <u>43,355,917</u>	 <u>31,959,306</u>	 <u>35.7%</u>
 <b>Net assets - ending</b>	 <b><u>\$ 46,952,464</u></b>	 <b><u>\$ 43,355,917</u></b>	 <b><u>8.3%</u></b>

**Business-type activities.** The City does not have any business type activities.

## CITY OF NORTH TONAWANDA, NEW YORK

### Management's Discussion and Analysis December 31, 2009

#### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

At December 31, 2009, the City's governmental funds reported combined fund balances of \$7,611,545, an increase of \$2,979,823 in comparison with the prior year. Approximately 80.2% of the combined fund balances, \$6,107,225, constitutes *unreserved fund balance*, which is available to meet the City's current and future operational and capital needs. The remainder of fund balance is *reserved* to indicate that it is *not* available for new spending because it has already been committed: (1) \$200,000 reserved for future workers' compensation claims; (2) \$459,602 reserved for encumbrances; (3) \$548,749 reserved for retirement; and (4) \$295,969 reserved for insurance.

The general fund is the chief operating fund of the City. At December 31, 2009, unreserved fund balance of the general fund was \$2,998,417, while total fund balance reached \$4,349,000. As a measure of general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 6.7% of total fund expenditures, while total fund balance also represents 9.8% of that same amount.

Revenues for governmental functions totaled \$42,456,935 in fiscal year ended December 31, 2009, which represents a decrease of 4.8% from the fiscal year ended December 31, 2008.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

The following table presents the amount of revenues from various sources, as well as, increases or decreases from the prior year:

**Revenues Classified by Source**  
**Governmental Funds**

	<b><u>December 31,</u></b> <b><u>2009 Amount</u></b>	<b><u>Percent of</u></b> <b><u>Total</u></b>	<b><u>December 31,</u></b> <b><u>2008 Amount</u></b>	<b><u>Amount of</u></b> <b><u>Increase</u></b> <b><u>(Decrease)</u></b>	<b><u>Percent of</u></b> <b><u>Increase</u></b> <b><u>(Decrease)</u></b>
<b>Revenues</b>					
Real property taxes and tax items	\$ 14,256,474	33.58%	\$ 14,245,383	\$ 11,091	0.08%
Non-property tax items	8,517,039	20.06%	8,134,193	382,846	4.71%
Departmental income	8,494,630	20.01%	8,361,618	133,012	1.59%
Intergovernmental charges	78,763	0.19%	123,819	(45,056)	-36.39%
Use of money and property	202,891	0.48%	242,643	(39,752)	-16.38%
Licenses and permits	270,278	0.64%	221,902	48,376	21.80%
Fines and forfeitures	208,492	0.49%	264,340	(55,848)	-21.13%
Sale of property and compensation for loss	661,621	1.56%	300,855	360,766	119.91%
Miscellaneous	33,683	0.08%	311,808	(278,125)	-89.20%
Interfund Revenue	55,000	0.13%	80,000	(25,000)	-31.25%
State and Federal Aid	9,678,064	22.80%	12,305,417	(2,627,353)	-21.35%
<b>Total Revenues</b>	<b><u>\$ 42,456,935</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 44,591,978</u></b>	<b><u>\$ (2,135,043)</u></b>	

The following provides an explanation of revenues by source that changed significantly over the prior year:

- Non-property tax items - the \$382,846 increase was due to an increase in franchise tax revenues.
- Sale of Property and Compensation for Loss - the \$360,766 increase was primarily caused by an increase of acquired property by the City being sold during the year.
- State and Federal Aid – the \$2,627,353 decrease was primarily caused by a decrease in capital projects activity.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

The following table presents expenditures, by function, compared to prior year amounts:

	<b><u>Expenditures by Function</u></b>				
	<b><u>Governmental Funds</u></b>				
	<b><u>December 31,</u></b>	<b><u>Percent of</u></b>	<b><u>December 31,</u></b>	<b><u>Amount of</u></b>	<b><u>Percent of</u></b>
	<b><u>2009 Amount</u></b>	<b><u>Total</u></b>	<b><u>2008 Amount</u></b>	<b><u>Increase</u></b>	<b><u>Increase</u></b>
				<b><u>(Decrease)</u></b>	<b><u>(Decrease)</u></b>
<b>Expenditures:</b>					
General governmental support	\$ 4,158,080	9.33%	\$ 3,858,109	\$ 299,971	7.78%
Public safety	8,909,788	19.98%	8,952,147	(42,359)	-0.47%
Transportation	3,740,898	8.39%	4,090,808	(349,910)	-8.55%
Economic assistance and opportunity	103,450	0.23%	156,909	(53,459)	-34.07%
Culture and recreation	1,854,655	4.16%	1,859,048	(4,393)	-0.24%
Home and community services	9,906,007	22.22%	10,376,573	(470,566)	-4.53%
Employee benefits	9,540,359	21.40%	8,893,395	646,964	7.27%
Capital outlay	3,317,510	7.44%	4,941,252	(1,623,742)	-32.86%
<b>Debt service:</b>					
Principal	2,458,000	5.51%	2,500,500	(42,500)	-1.70%
Interest	596,365	1.34%	699,230	(102,865)	-14.71%
<b>Total Expenditures</b>	<b><u>\$ 44,585,112</u></b>	<b><u>100.00%</u></b>	<b><u>\$ 46,327,971</u></b>	<b><u>\$ (1,742,859)</u></b>	

The following provides an explanation of the expenditures by function that changed significantly over the prior year:

- Transportation - The \$349,910 decrease was caused by decrease maintenance of street and snow removal costs.
- Capital Outlay – The \$1,623,742 decrease was caused by a decrease in contractual obligations for capital projects.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

The current year excess of revenues over expenditures is presented below:

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Governmental Funds**

	<u>Major Funds</u>			<u>Total</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Projects</u>	
Fund Balance at December 31, 2007	\$ 4,263,589	\$ 486,235	\$ 1,617,891	\$ 6,367,715
Revenues	30,453,040	10,859,424	3,279,514	44,591,978
Expenditures	<u>(30,511,255)</u>	<u>(10,875,464)</u>	<u>(4,941,252)</u>	<u>(46,327,971)</u>
Excess (Deficiency) of Revenues over Expenditures	(58,215)	(16,040)	(1,661,738)	(1,735,993)
Other Financing Sources, Net	<u>(180,000)</u>	<u>55,000</u>	<u>125,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources	<u>(238,215)</u>	<u>38,960</u>	<u>(1,536,738)</u>	<u>(1,735,993)</u>
Fund Balance at December 31, 2008	<u>4,025,374</u>	<u>525,195</u>	<u>81,153</u>	<u>4,631,722</u>
Revenues	30,963,594	10,691,720	801,621	42,456,935
Expenditures	<u>(30,639,968)</u>	<u>(10,627,634)</u>	<u>(3,317,510)</u>	<u>(44,585,112)</u>
Excess (Deficiency) of Revenues over Expenditures	323,626	64,086	(2,515,889)	(2,128,177)
Other Financing Sources, Net	<u>-</u>	<u>-</u>	<u>5,108,000</u>	<u>5,108,000</u>
Excess (Deficiency) of Revenues and other Financing Sources over Expenditures	<u>323,626</u>	<u>64,086</u>	<u>2,592,111</u>	<u>2,979,823</u>
<b>Fund Balance at December 31, 2009</b>	<b><u>\$ 4,349,000</u></b>	<b><u>\$ 589,281</u></b>	<b><u>\$ 2,673,264</u></b>	<b><u>\$ 7,611,545</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Management's Discussion and Analysis  
December 31, 2009**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Differences between the total original budget and the final amended budget for the City of North Tonawanda are shown on page 25.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's investment in capital assets for its governmental activities as of December 31, 2009, amounted to \$58,854,177 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, and equipment.

Current assets net of depreciation are presented below:

**Summary of City of North Tonawanda's Capital Assets  
(Net of Depreciation)**

	<u>2009</u>	<u>2008</u>	<u>Percent of Change</u>
Land	\$ 4,400,350	\$ 4,400,350	0.00%
Work in Progress	15,884,091	9,390,592	69.15%
Transportation network	3,410,223	3,677,868	-7.28%
Buildings and improvements	6,008,405	7,471,191	-19.58%
Machinery and equipment	5,196,893	4,558,210	14.01%
Water treatment and distribution network	4,954,690	5,113,408	-3.10%
Sanitary sewer network	<u>18,999,525</u>	<u>20,006,229</u>	-5.03%
<b>Total</b>	<b><u>\$ 58,854,177</u></b>	<b><u>\$ 54,617,848</u></b>	

## **CITY OF NORTH TONAWANDA, NEW YORK**

### **Management's Discussion and Analysis December 31, 2009**

#### **Long-term Debt**

At December 31, 2009, the City had total long-term debt outstanding of \$17,394,410 as compared to \$14,854,093 in the prior year. The amount is comprised of Serial Bonds of \$15,225,000, long term portion of retirement contributions of \$796,111 and Compensated Absences of \$1,373,299. During the year, retirement of debt amounted to \$2,496,448. New York State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year valuation. The current debt-limitation for the City is \$73,096,222, which is significantly in excess of the City's outstanding general obligation debt.

Since 2007, the City's general obligation debt has maintained an A3 rating from Moody's Investment Service.

Additional information on the City's long-term debt can be found on pages 42-44 of the Notes to the Financial Statements.

#### **Short-term Debt**

At December 31, 2009, the City had a RAN outstanding in the amount of \$4,000,000.

#### **Request for information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Office of the City Accountant, 216 Payne Avenue, North Tonawanda, New York 14120.

## **BASIC FINANCIAL STATEMENTS**



CITY OF NORTH TONAWANDA, NEW YORK

STATEMENT OF NET ASSETS

December 31, 2009

**ASSETS**

	<b><u>Governmental Activities</u></b>
Cash	\$ 9,768,377
<b>Receivables (Net of Allowances for Estimated Uncollectables):</b>	
Taxes	4,775,103
Accounts	1,821,300
Loans	14,866
State and Federal	642,939
Due from Other Governments	1,014,349
Prepaid Expenses	548,749
<b>Capital Assets:</b>	
Land	4,400,350
Work in Progress	15,884,091
Other Capital Assets, Net of Depreciation	<u>38,569,736</u>
<b>Total Assets</b>	<b><u>\$ 77,439,860</u></b>

The accompanying notes are an integral part of the financial statements.

CITY OF NORTH TONAWANDA, NEW YORK

STATEMENT OF NET ASSETS

December 31, 2009

**LIABILITIES AND NET ASSETS**

	<b><u>Governmental Activities</u></b>
<b>Liabilities:</b>	
Accounts Payable	\$ 698,356
Accrued Liabilities	708,097
Accrued Interest	44,699
Due to Other Governments	1,545,334
Deferred Revenues	4,110,538
RAN Payable	4,000,000
<b>Long-term Liabilities:</b>	
Accrued Post-Employment Benefit Obligation	1,985,962
Due within One Year	2,505,000
Due in more than One Year	<u>14,889,410</u>
Total Liabilities	<u>30,487,396</u>
<b>Net Assets:</b>	
Invested in Capital Assets, Net of Related Debt	43,629,177
<b>Restricted for:</b>	
Retirement	548,749
Insurance	295,969
Workers' Compensation	200,000
Unrestricted	<u>2,278,569</u>
Total Net Assets	<u>46,952,464</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 77,439,860</u></b>

The accompanying notes are an integral part of the financial statements.

**CITY OF NORTH TONAWANDA, NEW YORK**

**STATEMENT OF ACTIVITIES**

**For the Year Ended December 31, 2009**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants And Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
<b>Functions/Programs:</b>					
<b>Governmental Activities:</b>					
General Government	\$ (5,930,480)	\$ 661,887	\$ 20,025	\$ 446,541	\$ (4,802,027)
Public Safety	(13,634,036)	247,574	114,047	-	(13,272,415)
Health	-	29,828	-	-	29,828
Transportation	(5,311,316)	-	177,245	112,801	(5,021,270)
Economic Assistance and Opportunity	(150,217)	-	-	-	(150,217)
Culture and Recreation	(2,661,234)	1,006,429	47,308	-	(1,607,497)
Home and Community Services	(10,490,433)	7,106,445	3,515,434	242,279	373,725
Interest and Fiscal Charges	(682,672)	-	-	-	(682,672)
Total Governmental Activities	<u>\$ (38,860,388)</u>	<u>\$ 9,052,163</u>	<u>\$ 3,874,059</u>	<u>\$ 801,621</u>	<u>(25,132,545)</u>
<b>General Revenues:</b>					
Property Taxes Levied for General Purposes					13,342,859
Real Property Tax Items					913,615
Non-property Tax Items					8,517,039
Use of Money and Property					202,891
Sales of Property and Compensation for Loss					661,621
Miscellaneous					33,683
Interfund Revenues					55,000
State and Federal Aid					<u>5,002,384</u>
Total General Revenues					<u>28,729,092</u>
Change in Net Assets					3,596,547
Total Net Assets at Beginning of Year					<u>43,355,917</u>
<b>Total Net Assets of End of Year</b>					<u><b>\$ 46,952,464</b></u>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GOVERNMENTAL FUNDS**

**Balance Sheet  
December 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>				
Cash	\$ 4,762,682	\$ 2,024,024	\$ 2,981,671	\$ 9,768,377
<b>Receivables (Net of Allowances for Estimated Uncollectables):</b>				
Taxes	4,775,103			4,775,103
Accounts	249,258	1,572,042		1,821,300
Loans		14,866		14,866
State and Federal	564,325	78,614		642,939
Due from Other Funds	2,600,219			2,600,219
Due from Other Governments	1,014,349			1,014,349
Prepaid Expenses	<u>493,362</u>	<u>55,387</u>	<u>-</u>	<u>548,749</u>
<b>Total Assets</b>	<b><u>\$ 14,459,298</u></b>	<b><u>\$ 3,744,933</u></b>	<b><u>\$ 2,981,671</u></b>	<b><u>\$ 21,185,902</u></b>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GOVERNMENTAL FUNDS**

**Balance Sheet  
December 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b><u>LIABILITIES AND FUND BALANCES</u></b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 431,711	\$ 178,457	\$ 88,188	\$ 698,356
Accrued Liabilities	490,736	84,475	-	575,211
FSS Escrow - PHA	-	44,699	-	44,699
Due to Other Funds	-	2,380,000	220,219	2,600,219
Due to Other Governments	1,328,314	217,020	-	1,545,334
Deferred Revenues	3,859,537	251,001	-	4,110,538
RAN Payable	4,000,000	-	-	4,000,000
Total Liabilities	<u>10,110,298</u>	<u>3,155,652</u>	<u>308,407</u>	<u>13,574,357</u>
<b>Fund Balances:</b>				
<b>Reserved for:</b>				
Encumbrances	361,252	98,350	-	459,602
Retirement	493,362	55,387	-	548,749
Insurance	295,969	-	-	295,969
Workers' Compensation	200,000	-	-	200,000
<b>Unreserved:</b>				
Designated for Golf Course Improvements	86,833	-	-	86,833
Designated for Subsequent Year's Expenditures	275,000	-	-	275,000
Undesignated	2,636,584	435,544	2,673,264	5,745,392
Total Fund Balances	<u>4,349,000</u>	<u>589,281</u>	<u>2,673,264</u>	<u>7,611,545</u>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 14,459,298</u></b>	<b><u>\$ 3,744,933</u></b>	<b><u>\$ 2,981,671</u></b>	<b><u>\$ 21,185,902</u></b>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**Reconciliation of Statement of Net Assets  
To Governmental Fund Balances  
Decembner 31, 2009**

	<b><u>Governmental Activities</u></b>
Total Governmental Fund Balances	\$ 7,611,545
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:	
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds	58,854,177
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore not reported in the funds	(17,394,410)
Net accrued interest for bonds are not reported in the funds	(132,886)
Accrued Post Employment Benefit Obligation	<u>(1,985,962)</u>
<b>Net Assets of Governmental Activities</b>	<b><u>\$ 46,952,464</u></b>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Real Property Taxes	\$ 13,342,859	\$ -	\$ -	\$ 13,342,859
Real Property Tax Items	913,615	-	-	913,615
Non-property Tax Items	8,517,039	-	-	8,517,039
Departmental Income	1,416,273	7,078,357	-	8,494,630
Intergovernmental Charges	78,763	-	-	78,763
Use of Money and Property	149,808	53,083	-	202,891
Licenses and Permits	270,278	-	-	270,278
Fines and Forfeitures	208,492	-	-	208,492
Sale of Property and Compensation for Loss	625,386	36,235	-	661,621
Miscellaneous	25,072	8,611	-	33,683
Interfund Revenue	55,000	-	-	55,000
State Aid	5,340,984	1,840	801,621	6,144,445
Federal Aid	20,025	3,513,594	-	3,533,619
Total Revenues	<u>30,963,594</u>	<u>10,691,720</u>	<u>801,621</u>	<u>42,456,935</u>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GOVERNMENTAL FUNDS**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2009**

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government Support	\$ 4,054,112	\$ 103,968	\$ -	\$ 4,158,080
Public Safety	8,909,788	-	-	8,909,788
Transportation	3,740,898	-	-	3,740,898
Economic Opportunity and Development	103,450	-	-	103,450
Culture and Recreation	1,854,655	-	-	1,854,655
Home and Community Services	1,442,347	8,463,660	-	9,906,007
Employee Benefits	8,182,234	1,358,125	-	9,540,359
Capital Outlay	-	-	3,317,510	3,317,510
Debt Service - Principal	1,912,400	545,600	-	2,458,000
Debt Service - Interest	440,084	156,281	-	596,365
Total Expenditures	<u>30,639,968</u>	<u>10,627,634</u>	<u>3,317,510</u>	<u>44,585,112</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>323,626</u>	 <u>64,086</u>	 <u>(2,515,889)</u>	 <u>(2,128,177)</u>
 <b>Other Sources and (Uses):</b>				
Proceeds from Bonds	-	-	4,890,000	4,890,000
BAN's Redeemed from Appropriations	-	-	218,000	218,000
Total Other Sources and (Uses)	<u>-</u>	<u>-</u>	<u>5,108,000</u>	<u>5,108,000</u>
 Net Change in Fund Balances	 323,626	 64,086	 2,592,111	 2,979,823
 Fund Balance at Beginning of Year	 <u>4,025,374</u>	 <u>525,195</u>	 <u>81,153</u>	 <u>4,631,722</u>
 <b>Fund Balance at End of Year</b>	 <b><u>\$ 4,349,000</u></b>	 <b><u>\$ 589,281</u></b>	 <b><u>\$ 2,673,264</u></b>	 <b><u>\$ 7,611,545</u></b>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2009**

	<u><b>Governmental Activities</b></u>
<b>Amounts Reported for Governmental Activities in the Statement of of Activities are Different Because:</b>	
Net Changes in fund balances of governmental funds	\$ 2,979,823
Governmental funds reported capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as a long-term asset.	4,236,329
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds	(2,540,317)
Net accrued interest for bonds are not reported in the funds	(86,307)
Accrued post-employment benefit obligation liability increases long-term liabilities in the statement of net assets and related expenditures in the statement of activities, but not to governmental funds. Net post-employment benefit contribution is an expenditure in governmental funds, but the contribution reduces long-term liabilities in the statement of net assets. This is the amount by which accrued post employment benefit liability adjustment exceeds the contribution.	<u>(992,981)</u>
<b>Change in Net Assets of Governmental Activities</b>	<u><b>\$ 3,596,547</b></u>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009**

	<u>Original Budget</u>		<u>Final Budget</u>		<u>Budgetary Actual</u>		<u>Variance Final Budget Positive (Negative)</u>
<b>Revenues:</b>							
Real Property Taxes	\$ 13,351,880	\$	13,351,880	\$	13,342,859	\$	(9,021)
Real Property Tax Items	1,330,000		1,330,000		913,615		(416,385)
Non-property Tax Items	8,495,000		8,495,000		8,517,039		22,039
Departmental Income	1,273,700		1,273,700		1,416,273		142,573
Intergovernmental Charges	92,400		92,400		78,763		(13,637)
Use of Money and Property	290,500		290,500		149,808		(140,692)
Licenses and Permits	305,850		305,850		270,278		(35,572)
Fines and Forfeitures	300,000		300,000		208,492		(91,508)
Sale of Property and Compensation for Loss	356,200		356,200		625,386		269,186
Miscellaneous	30,000		30,000		25,072		(4,928)
Interfund Revenues	55,000		55,000		55,000		-
State Aid	5,736,690		5,736,690		5,340,984		(395,706)
Federal Aid	12,426		12,426		20,025		7,599
Total Revenues	<u>31,629,646</u>		<u>31,629,646</u>		<u>30,963,594</u>		<u>(666,052)</u>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
(Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Budgetary Actual</b>	<b>Variance Final Budget Positive (Negative)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government Support	\$ 4,198,756	\$ 4,442,251	\$ 4,084,485	\$ 357,766
Public Safety	9,112,581	9,112,381	8,905,519	206,862
Transportation	4,211,581	4,213,195	3,787,827	425,368
Economic Opportunity and Development	130,721	130,721	101,550	29,171
Culture and Recreation	1,958,564	1,975,814	1,858,353	117,461
Home and Community Services	1,514,142	1,514,142	1,399,335	114,807
Employee Benefits	9,413,276	8,744,387	8,188,620	555,767
Debt Service - Principal	2,134,400	1,912,400	1,912,400	-
Debt Service - Interest	640,818	534,355	440,084	94,271
Total Expenditures	<u>33,314,839</u>	<u>32,579,646</u>	<u>30,678,173</u>	<u>1,901,473</u>
 Excess (Deficiency) of Revenues Over Expenditures	 <u>(1,685,193)</u>	 <u>(950,000)</u>	 <u>285,421</u>	 <u>(1,235,421)</u>
 <b>Other Sources and (Uses):</b>				
Transfers to Other Funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Net Change in Fund Balances	 (1,685,193)	 (950,000)	 285,421	 1,235,421
 Fund Balance at January 1, 2009	 <u>3,702,327</u>	 <u>3,702,327</u>	 <u>3,702,327</u>	 <u>-</u>
 <b>Fund Balance at December 31, 2009</b>	 <b><u><u>\$ 2,017,134</u></u></b>	 <b><u><u>\$ 2,752,327</u></u></b>	 <b><u><u>\$ 3,987,748</u></u></b>	 <b><u><u>\$ 1,235,421</u></u></b>

**The accompanying notes are an integral part of the financial statements.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**FIDUCIARY FUNDS**

**Statement of Fiduciary Net Assets  
December 31, 2009**

	<b>Permanent Trust</b>	<b>Private Purpose Trust</b>	<b>Agency Fund</b>
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>			
Cash and Cash Equivalents	\$ 3,000	\$ 113,743	\$ 127,896
<b>Total Assets</b>	<b><u>\$ 3,000</u></b>	<b><u>\$ 113,743</u></b>	<b><u>\$ 127,896</u></b>
<b>Liabilities:</b>			
Other Liabilities	\$ -	\$ -	\$ 127,896
<b>Total Liabilities</b>	<u>-</u>	<u>-</u>	<u>127,896</u>
<b>Net Assets</b>	<u>3,000</u>	<u>113,743</u>	<u>-</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 3,000</u></b>	<b><u>\$ 113,743</u></b>	<b><u>\$ 127,896</u></b>

**The accompanying notes are an integral part of the financial statements.**

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to Financial Statements December 31, 2009

#### **Note 1 - Summary of Significant Accounting Policies**

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

***Financial Reporting Entity*** - The City of North Tonawanda, New York, which was incorporated in 1897, is governed by City Law and other general laws of the State of New York and various local laws and ordinances. The City Council is the legislative body responsible for overall operations of the City. The Mayor serves as Chief Executive Officer and the City Treasurer as the Chief Fiscal Officer of the City.

The City provides the following basic services: general government support, police protection and law enforcement, fire protection, safety inspection, highway maintenance, culture, recreation programs, street lighting, refuse collection, water, and wastewater.

All governmental activities and functions performed for the City of North Tonawanda are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity consists of (a) the primary government which is the City of North Tonawanda, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement 14.

The decision to include a potential component unit in the City's reporting entity is based on several criteria set forth in GASB 14 including legal standing, fiscal dependency, and financial accountability.

Based on the foregoing criteria and the significant factors presented below, the following organization is included in the Special Grant Fund of the reporting entity.

The City of North Tonawanda Public Housing Agency, which is administered on the City's behalf by Belmont Shelter Corp., provides low-income housing assistance to qualifying citizens of the City of North Tonawanda.

# CITY OF NORTH TONAWANDA, NEW YORK

## Notes to the Financial Statements December 31, 2009

### **Note 1 - Summary of Significant Accounting Policies (Cont.)**

***Government-wide and Financial Statements*** - The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the government. The effects of interfund activity has been removed from these statements. Government activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead of general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

***Measurement Focus, Basis of Accounting and Financial Statement Presentation*** - Measurement focus is the determination of what is expressed in reporting an entity's financial performance and position, (i.e., expenditures or expenses). A particular measurement focus is accomplished both by considering what resources will be measured and the basis of accounting.

Basis of accounting refers to when revenues, expenditures/expenses, and the related assets and liabilities are recognized in the accounts and reported in the financial statements. Basis of accounting relates to timing of the measurements made, regardless of the measurement focus.

**Accrual Basis** - Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

**Modified Accrual Basis** - Under this basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from federal, state, or other grants designated for specific City expenditure are recognized when the related expenditures are incurred.

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to the Financial Statements December 31, 2009

#### **Note 1 - Summary of Significant Accounting Policies (Cont.)**

*Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)* - Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due and expenditures for inventory-type items and for prepayments (except retirement) are recognized at the time of the disbursements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Property taxes associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

**General Fund** - The principal operating fund that includes all operations not required to be recorded in other funds.

**Special Revenue Funds** - used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The following Special Revenue Funds are utilized:

**Water Fund** - This fund accounts for the revenues and expenditures derived from providing water services to City residents.

**Sewer Fund** - This fund accounts for the revenues and expenditures derived from providing sanitary sewer services to City residents.

**Special Grant Fund** - This fund is used to account for the grant proceeds that are made available to the City by the United States Department of Housing and Urban Development.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

*Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)*

**Capital Projects Fund** - Used to account for financial resources to be used for the acquisition or construction of major capital facilities.

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

**Permanent and Private Purpose Trusts** - Used to account for donated funds used for the purposes designated by the donors.

Amounts reported as program revenues include: (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. General revenues are those that cannot be associated directly with program activities.

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

**Property Tax Revenue Recognition** - Property taxes attach an enforceable lien on property as of December 31. Taxes are levied on April 1. The City bills and collects its own taxes and also serves as collector of Niagara County and North Tonawanda City School District property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables.

The City is responsible for School District taxes reaching fourteen months delinquency. An allowance for uncollectible taxes has been recorded for those property taxes, which have been deemed to be uncollectible.

The City may not annually levy taxes, other than the debt service on City indebtedness in excess of 2% of the average full valuation of taxable real estate in the City for the previous years. This maximum taxing power for the year ended December 31, 2009 amounted to \$20,884,635. The 2009 tax levy of \$13,351,880, less \$2,831,253 in exclusions, represents approximately 49% of the maximum taxing power.

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to the Financial Statements December 31, 2009

#### **Note 1 - Summary of Significant Accounting Policies (Cont.)**

*Budgets and Budgetary Data* - The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In mid-May, budget documentation is submitted to department heads by the Budget Officer, requesting estimates of revenue and appropriations.
2. In mid-June, each department head submits to the Budget Officer his or her departmental estimates of revenue and appropriations for the ensuing fiscal year.
3. During the month of July, the Mayor, City Accountant and Department Heads meet and formulate the Mayor's budget. On or before August 1<sup>st</sup>, the Mayor shall submit to the Common Council a budget for the ensuing year and an accompanying message.
4. The Common Council and Budget Officer review the Mayor's budget at various workshop sessions during the month of August.
5. A public hearing is conducted to obtain taxpayer comments.
6. The Common Council has the power to delete, reduce, increase or add items to the Mayor's budget. All changes to the proposed Mayor's budget require approval from a majority of Council Members.
7. On or before September 15<sup>th</sup>, the budget is legally enacted through passage of a resolution. If the Common Council fails to adopt the budget by September 15<sup>th</sup>, the budget submitted by the Mayor shall be deemed adopted for the ensuing fiscal year.
8. The Mayor reviews the adopted budget and has the opportunity to veto the resolution adopting the budget within 10 days from the date of adoption. The Mayor may disapprove the entire budget or one or more specific appropriations or budget items. If the Mayor vetoes the budget, the Council needs four votes to override.

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to the Financial Statements December 31, 2009

#### **Note 1 - Summary of Significant Accounting Policies (Cont.)**

##### ***Budgets and Budgetary Data (Cont.)***

9. Common Council authorization is required for amounts exceeding \$250 for transfers of budgeted amounts within departments within any fund, transfers between departments within any fund, or any revisions that alter the total appropriations of any fund.
10. If the Mayor vetoes the budget, the Council needs a 2/3 vote or 4 votes to override. The Common Council shall meet no later than October 31<sup>st</sup> to consider overriding the Mayor's veto of budget items.
11. Formal budgetary integration is employed as a management control device during the year for all governmental fund types except for the Special Grant Fund and Capital Projects Fund. Budgetary control for the Special Grant Fund is provided by annual grant entitlements that are approved by the United States Department of Housing and Urban Development. Budgetary control over the Capital Projects Fund is provided by Common Council approval of bond authorizations and provisions of bond indebtedness.

***Encumbrances*** - Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all City funds. Outstanding encumbrances at year end, exclusive of grant-related commitments, are presented for GAAP reporting purposes as reservations of fund balances, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

***Investments*** - The City had no marketable securities as of December 31, 2009. Investments such as certificates of deposits are shown under the caption "cash."

***Capital Assets*** - Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$35,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

*Capital Assets (Cont.)* - The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives is not capitalized. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives.

<u>Description</u>	<u>Estimated Lives</u>
Buildings and Improvements	100 years
Wastewater Treatment Distribution Network	25-100 years
Machinery and Equipment	10-25 years
Transportation Network	10-75 years
Sanitary Sewer Network	25-100 years

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period in the government-wide statements. Amortization is reflected in income for the period in the government-wide statements. Amortization of capital leases is computed using the straight-line method over the lease term or the estimated useful lives of the assets, whichever is shorter. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized.

*Insurance* - Effective September 1993, the City obtained general liability insurance coverage which includes a self-insurance retention of \$100,000 for each claim with a \$200,000 self-insurance retention annual aggregate (stop loss aggregate) which gives the City coverage in the case of a claim over that self-insured limit. The City also obtained commercial auto bodily injury liability insurance in the amount of \$100,000.

Based on our standard operating procedure, judgments and claims up to \$25,000 are paid out of current budgetary appropriations. Judgments and claims over \$25,000 but less than \$200,000 are paid out of the General Fund Reserve for Insurance. Any judgments and claims greater than \$200,000 are bonded.

The City is also currently covered under property insurance, emergency medical technician (EMT) professional liability/malpractice, police professional liability, and public officials bond and theft, disappearance and destruction policies.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

*Insurance (Cont.)* - Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred, the amount of loss can be reasonably estimated, and the estimated amount of loss exceeds insurance coverage.

Effective June 9, 1999, the City became self-insured for Workers' Compensation. Prior to June 9, 1999, Workers' Compensation coverage was provided through the Niagara County Self-Insurance Fund.

*Pensions* - Nearly all City employees are members of various New York State retirement systems. The City is invoiced annually by the Systems for its share of the costs.

*Vacation, Sick Leave and Compensatory Absences* - City employees are granted vacation and sick leave, and earn compensatory absences in varying amounts. In the event of termination or upon retirement, an employee is entitled to payment for accumulated vacation and sick leave and unused compensatory absences at various rates subject to certain maximum limitations.

Depending upon the years of service and/or union membership, most employees are entitled to between one and six weeks of annual vacation. Generally, employees may not accrue unused vacation days beyond the expiration of the City's fiscal year end. Sick leave is administered to employees of the City as follows:

	<u>Fire</u>	<u>Police</u>	<u>CSEA</u>	<u>DPW</u>	<u>OPEIU</u>
Monthly Accrual Employed Prior to 1987	1 ½ days	1 ½ days	1 ½ days	1 ½ days	1 ½ days
Monthly Accrual Employed After 1987	1 day	1 ¼ days	1 day	1 day	1 day
Maximum Accrual	180 days	200 days	180 days	180 days	272 days
Payment at Termination	35% Unused	50% Unused	> 175 days	> 175 days	20% Unused

City employees are paid in December for unused vacation time applicable to the current year. Vacation days are earned on the first day of the year. Sick days are earned on the first day of each month, for the prior month of service, defined as being on the active payroll for one full pay period.

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to the Financial Statements December 31, 2009

#### **Note 1 - Summary of Significant Accounting Policies (Cont.)**

***Vacation, Sick Leave and Compensatory Absences (Cont.)*** - Payment of sick leave and compensatory absences is dependent upon many factors, therefore, timing of future payments is not readily determinable. However, management believes that sufficient resources will be made available for the payments of vacation, sick leave and compensatory damages when such payment becomes due.

***Economic Development and Rehabilitation Loans Receivable*** - These loans receivable are equally offset by deferred revenue which indicates that they do not constitute “available expendable resources” since they are not a component of net current assets.

***Federal Grants*** - Federal grants are recorded as grant receivable and deferred revenue when the entitlement period occurs. Revenue is recognized as the City incurs expenditures and meets the performance requirements of the grants.

***Post-employment Benefits*** - In addition to providing pension benefits, the City provides health insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the City’s employees may become eligible for these benefits if they reach normal retirement age while working for the City. Health care benefits and survivors benefits are provided through insurance companies whose premiums are based on the benefits paid during the year. These benefits terminate upon death of the retired employee. The City recognizes the cost of providing benefits by recording its share of insurance premiums as an expenditure in the year paid. During the 2009 fiscal year, approximately \$932,812 was paid on behalf of 84 retirees and recorded as an expenditure in the General Fund.

***Restrictions, Reserves and Designations*** - The government-wide fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

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

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 1 - Summary of Significant Accounting Policies (Cont.)**

***Restrictions, Reserves and Designations (Cont.)***

- ***Restricted Net Assets*** - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted Net Assets*** - This category represents net assets of the City not restricted for any project or other purpose. In the fund financial statements, reserves represent that portion of fund balance that has been legally segregated for a specific use or is not appropriable for expenditure by the City at December 31, 2009, and include:

***Reserved for Encumbrances*** – representing commitments related to unperformed (executory) contracts for goods and/or services.

***Reserved for Retirement*** - representing resources that must be used for retirement payments that will be made in future periods.

***Reserved for Insurance*** - representing resources that must be used for liability insurance payments that will be made in future periods.

***Reserved for Workers' Compensation*** - representing resources that must be used for workers' compensation payments that will be made in future periods.

In the fund financial statements, designations are not legally required segregations, but are segregated for a specific purpose by the City. Designations at December 31, 2009 were as follows:

***Designated for Subsequent Years' Expenditures*** - representing available fund balances being appropriated to meet future years' expenditure requirements.

***Designated for Golf Course Improvements*** - representing golf course fees designated for capital improvements to Deerwood Golf Course.

# CITY OF NORTH TONAWANDA, NEW YORK

## Notes to the Financial Statements December 31, 2009

### **Note 2 - Reporting on Budgetary Basis**

The City reports its budgetary status with the actual data including encumbrances as charges against budget appropriations. In addition, budgetary comparison information is not presented for certain Special Revenue Funds because they are not considered part of the City's annual budgetary plan.

Budget columns presented in the accompanying financial statements reflect a deficiency of revenues and other financing sources over expenditures and other financing uses. This deficiency is caused by the anticipated use of prior year's fund balance, which had been designated for 2009 expenditures through the budget process.

Budgetary control of the General Fund is minimally exercised at the department and account level. There was an excess of expenditures/expenses over appropriations at the established control level regarding Debt Service - Principal.

### **Note 3 - Cash and Investments**

The City's investment policies are governed by state statutes. City monies must be deposited in FDIC-insured commercial banks or trust companies located within the state. The City Comptroller is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of New York State or its localities.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 3 - Cash and Investments (Cont.)**

Collateral is required for demand deposits and certificates of deposit in an amount equal to at least 105% of the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts. The detail of cash and investments at December 31, 2009 consists of:

Petty Cash	\$ 12,900
<b>Deposits:</b>	
Checking and Savings Account	<u>9,181,456</u>
<b>Total</b>	<b><u>\$ 9,194,356</u></b>

*Deposits* - Deposits at December 31, 2009 were entirely covered by federal depository insurance or by collateral held by the City's custodial bank in the City's name.

All deposits are carried at cost and consist of:

<u>Fund</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>	
<b>Primary Government:</b>			
General Fund	\$ 5,700,937	\$ 4,762,682	Insured (FDIC), collateral held by City's Custodial Bank
Special Revenue Fund	1,260,214	2,024,024	Insured (FDIC), collateral held by City's Custodial Bank
Capital Projects Fund	<u>1,981,485</u>	<u>2,981,671</u>	Insured (FDIC), collateral held by City's Custodial Bank
	<u>8,942,636</u>	<u>9,768,377</u>	
<b>Fiduciary Fund:</b>			
Permanent Trust Fund	3,000	3,000	
Private Purpose Trust Fund	113,743	113,743	
Trust and Agency Fund	<u>122,077</u>	<u>127,896</u>	
	<u>238,820</u>	<u>244,639</u>	
<b>Total</b>	<b><u>\$ 9,181,456</u></b>	<b><u>\$ 10,013,016</u></b>	

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 4 - Receivables - State and Federal**

State and federal receivables accrued by the City at December 31, 2009 include the following:

**General Fund:**

State Aid - Revenue Sharing	\$	420,625
State Aid - Highway Maintenance		61,586
State Aid - Court System		19,604
State Aid -Occupational Safety		54,074
State Aid -Police		6,908
State Aid - Youth Bureau		1,528
Total General Fund		<u>564,325</u>

**Special Grant Fund:**

Federal Aid		<u>78,614</u>
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<b>Total</b>	<b>\$</b>	<b><u>642,939</u></b>
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**Note 5 - Due from Other Governments**

Other government receivables accrued by the City at December 31, 2009 include the following:

**General Fund:**

Niagara County Sales Tax	\$	1,014,349
<b>Total</b>	<b>\$</b>	<b><u>1,014,349</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 6 - Capital Assets**

Capital asset activity for the year ended December 31, 2009 was as follows:

<u>Type</u>	<u>Balance At January 1, 2009</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance At December 31, 2009</u>
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 4,400,350	\$ -	\$ -	\$ 4,400,350
Work in Progress	9,390,592	6,493,499	-	15,884,091
<b>Total Capital Assets not being Depreciated</b>	<b><u>\$ 13,790,942</u></b>	<b><u>\$ 6,493,499</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 20,284,441</u></b>
<b>Capital Assets Being Depreciated:</b>				
Buildings and Improvements	10,535,004	-	1,786,100	8,748,904
Machinery and Equipment	8,245,486	1,101,109	612,087	8,734,508
Transportation Network	5,321,020	-	-	5,321,020
Water Treatment and Distribution Network	8,532,933	-	-	8,532,933
Sanitary Sewer Network	40,731,023	-	-	40,731,023
<b>Total Capital Assets Being Depreciated</b>	<b><u>73,365,466</u></b>	<b><u>1,101,109</u></b>	<b><u>2,398,187</u></b>	<b><u>72,068,388</u></b>
<b>Less: Accumulated Depreciation for:</b>				
Buildings and Improvements	3,063,813	87,489	410,803	2,740,499
Machinery and Equipment	3,687,276	459,759	609,420	3,537,615
Transportation Network	1,643,152	267,645	-	1,910,797
Water Treatment and Distribution Network	3,419,525	158,718	-	3,578,243
Sanitary Sewer Network	20,724,794	1,006,704	-	21,731,498
<b>Total Accumulated Depreciation</b>	<b><u>32,538,560</u></b>	<b><u>1,980,315</u></b>	<b><u>1,020,223</u></b>	<b><u>33,498,652</u></b>
<b>Total Assets Being Depreciated, Net</b>	<b><u>\$ 40,826,906</u></b>	<b><u>\$ (879,206)</u></b>	<b><u>\$ 1,377,964</u></b>	<b><u>\$ 38,569,736</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 7 - Retirement Plans**

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

**Funding Policy** - The Systems are noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976 who contribute 3% of their salary. Employees in the System more than ten years are no longer required to contribute. Under the authority of the NYSRSSL, the Comptroller shall certify annually the rates expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

The City of North Tonawanda is required to contribute at an actuarially determined rate. The required contribution for the current year and two preceding years were:

	<u>ERS</u>	<u>PFRS</u>
2009	\$ 763,960	\$ 1,431,035
2008	897,775	1,387,171
2007	927,519	1,428,647

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

Since 1989, the Systems' billings have been based on Chapter 62 of the Laws of 1989 of the State of New York. This legislation requires participating employers to begin making payments on a current basis, while amortizing existing unpaid amounts relating to the Systems' fiscal years ending March 31, 1988 and 1989 (which otherwise were to have been paid on June 30, 1989 and 1990, respectively) over a 17-year period with an 8.75% interest factor added. Local governments were given the option to prepay this liability. The City of North Tonawanda elected to prepay such liability.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 8 - Short-term Debt**

The City may issue Revenue Anticipation Notes and Tax Anticipation Notes, in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RAN's and TAN's represent a liability that will be extinguished by the use of expendable, available resources of the fund. The City had a RAN outstanding at year end amounting to \$4,000,000.

Liabilities for bond anticipation notes (BAN's) are generally accounted for in the Capital Projects Funds. Principal payments on BAN's must be made annually. The City had no BAN's outstanding at December 31, 2009.

State law generally requires that BAN's issued for capital purposes be converted to long-term obligations within five years after the original issue date. However, BAN's issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated reductions of principal are made on an annual basis.

**Note 9 - Long-term Debt**

- a. At December 31, 2009 the total outstanding long-term bond indebtedness of the City aggregated \$15,225,000. Of this amount, \$12,990,000 was subject to the constitutional debt limit and represented approximately 17.77% of its debt limit.
- b. Compensated Absences represents the value of earned and unused portion of the liability for compensated absences.
- c. Summary Long-term Debt. The following is a summary of long-term liabilities outstanding at December 31, 2009:

Serial Bonds	\$ 15,225,000
NYS Retirement System	796,111
Compensated Absences	<u>1,373,299</u>
	<b><u>\$ 17,394,410</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 9 - Long-term Debt (Cont.)**

d. The following is a summary of changes in long-term liabilities for the year ended December 31, 2009:

	<u>Serial Bonds</u>	<u>NYS Retirement System</u>	<u>Compensated Absences</u>
Balance at January 1, 2009	\$ 12,575,000	\$ 1,052,559	\$ 1,226,534
Additions	6,490,000	-	146,765
Deletions	<u>(3,840,000)</u>	<u>(256,448)</u>	<u>-</u>
<b>Balance at December 31, 2009</b>	<b><u>\$ 15,225,000</u></b>	<b><u>\$ 796,111</u></b>	<b><u>\$ 1,373,299</u></b>

Additions and deletions to compensated absences and other long-term debt are shown net since it is impracticable to determine these amounts separately.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 9 - Long-term Debt (Cont.)**

e. Maturity Schedule

The following schedule sets forth the remaining annual maturities of long-term debt by debt type at December 31, 2009:

<b>Year</b>	<b>Serial Bond Principal</b>	<b>Serial Bond Interest</b>	<b>Total</b>
2010	\$ 2,505,000	\$ 494,699	\$ 2,999,699
2011	2,075,000	409,911	2,484,911
2012	1,630,000	342,861	1,972,861
2013	1,535,000	289,337	1,824,337
2014	1,495,000	239,701	1,734,701
2015-2019	4,365,000	644,381	5,009,381
2020-2024	1,420,000	171,640	1,591,640
2025-2026	200,000	18,390	218,390
<b>Total</b>	<b>\$ 15,225,000</b>	<b>\$ 2,610,920</b>	<b>\$ 17,835,920</b>

**Note 10 - Interfund Receivables and Payables**

Interfund receivables and payables at December 31, 2009 were as follows:

<b>Fund</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$ 2,600,219	\$ -
Capital Projects Fund	-	220,219
Sewer Fund	-	1,470,000
Water Fund	-	910,000
	<b>\$ 2,600,219</b>	<b>\$ 2,600,219</b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 11 - Fund Balance Reservations**

Reservations of fund balances of governmental fund types are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

<b><u>Fund</u></b>	<b><u>Balance</u></b>
<b>Government Fund Type:</b>	
General Fund - Retirement	\$ 493,362
General Fund - Reserve for Insurance	295,969
General Fund - Reserve for Workers' Compensation	200,000
General Fund - Reserve for Encumbrances	361,252
<b>Special Revenue Fund Type:</b>	
Sewer Fund - Encumbrances	55,652
Sewer Fund - Retirement	30,558
Water Fund - Encumbrances	42,698
Water Fund - Retirement	24,829
<b>Total</b>	<b><u>\$ 1,504,320</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 12 - Fund Balance Designations**

Designations are not legally required segregations but are segregated for a specific purpose by the City at December 31, 2009 and consist of the following:

Designated for golf course improvements represents available fund balances that can only be appropriated to finance improvements at the Deerwood Golf Course:

<b><u>Fund</u></b>	<b><u>Amount</u></b>
<b>Governmental Fund Type:</b>	
General Fund	<b><u>\$ 86,833</u></b>

**Note 13 - Contingencies**

The City is a recipient of several grants which are subject to audit by agencies of the federal and state governments. Such audits may result in disallowances and a request for a return of funds to the federal and state governments. Based on past audits, the local government administration believes disallowances, if any, will be immaterial.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 14 - Special Grant Fund**

The City has entered into several contracts with the United States Department of Housing and Urban Development. These contracts authorize the City to receive grant assistance for expenditures towards eligible activities for various program years. Any excess of authorizations over revenues are still available to the City as follows:

<b><u>Program Year</u></b>	<b><u>Authorized</u></b>	<b><u>Revenue Received</u></b>	<b><u>Receivable</u></b>
1998	\$ 400,000	\$ 400,000	\$ -
1999	400,000	400,000	
2005	315,790	315,790	
2006	14,715	14,715	
2007	-	-	
2008	-	-	-
	<u>                    </u>	<u>                    </u>	<u>                    </u>
	<b><u>\$ 1,130,505</u></b>	<b><u>\$ 1,130,505</u></b>	<b><u>\$ -</u></b>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 14 - Special Grant Fund (Cont.)**

The City has also entered into contracts with the New York State Housing Trust Fund Corporation for federal grant assistance from the United States Department of Housing and Urban Development passed through the State.

<u>Program Year</u>	<u>Home Rehabilitation Program</u>		
	<u>Authorized</u>	<u>Revenue Received</u>	<u>Receivable</u>
1998	\$ 285,000	\$ 285,000	\$ -
2007	402,660	324,046	78,614
	<u>\$ 687,660</u>	<u>\$ 609,046</u>	<u>\$ 78,614</u>

<u>Program Year</u>	<u>Community Development Block Grant Program</u>		
	<u>Authorized</u>	<u>Revenue Received</u>	<u>Receivable</u>
2000	\$ 857,000	\$ 857,000	\$ -
2003	358,558	358,558	-
2005	285,967	285,967	-
2006	650,000	650,000	-
	<u>\$ 2,151,525</u>	<u>\$ 2,151,525</u>	<u>\$ -</u>

## CITY OF NORTH TONAWANDA, NEW YORK

### Notes to the Financial Statements December 31, 2009

#### **Note 15 - Other Postemployment Benefits/Implementation of GASB Statement 45**

*City* - In addition to providing pension benefits, the City also provides health care benefits for retired employees, their dependents and certain survivors. Substantially all of the City's employees may become eligible for those benefits if they reach normal retirement age while working for the City. Prior to 2008, the City recognized the cost of providing postretirement health insurance benefits by expensing those costs when paid.

During 2008, the City implemented GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, prospectively. This statement establishes standards for the recognition, measurement, and display of other postemployment benefits (retiree health insurance) expenses and related liabilities and note disclosure.

*Plan Description* - The City administers its Retiree Medical Plan (the Plan) as a single-employer defined benefit other postemployment benefit (OPEB) plan. The Plan provides for the continuation of medical benefits to certain qualifying retirees of the City, and their spouses and can be amended by action of the City. The Plan does not carry issue a stand alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan.

*Funding Policy* - The obligations of the Plan members, employers and other entities are established by employment agreements. The required contribution rates of the employer and the members varies depending on the applicable agreement covering the retiree, the retiree's hiring date and number of years of service to the City. The City currently contributes enough money to the Plan to satisfy current obligations on a pay-as-you-go basis. For 2009, the City contributed approximately \$102,753 for current premiums. The costs of administering this plan are paid by the City.

CITY OF NORTH TONAWANDA, NEW YORK

Notes to the Financial Statements  
December 31, 2009

**Note 15 - Other Postemployment Benefits/Implementation of GASB Statement 45 (Cont.)**

*Funded Status and Funding Progress* - The schedule of funding progress presents multi year (when available) trend information that is useful in determining whether the actuary's value of Plan assets, if any, is increasing or decreasing over time relative to the actuarial accrued liability. The following table sets forth the actuarial accrued liability and funded status of the Plan as of March 1, 2008 the latest valuation date.

**Actuarial Accrued Liability (AAL)**

Actuarial accrued liability	\$ 39,490,505
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	<u>39,490,505</u>
Funded ratio	<u>0%</u>
Annual covered payroll	<u>13,939,039</u>
Ratio of unfunded actuarial accrued liability to covered payroll	<u>283.31%</u>
2009 normal cost	<u>461,779</u>

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements  
December 31, 2009**

**Note 15 - Other Postemployment Benefits/Implementation of GASB Statement 45 (Cont.)**

***Funded Status and Funding Progress (Cont.)***

The following table summarizes the amortization calculation of the UAAL as of the latest valuation date:

UAAL	\$ 39,490,505
Amortization period (years)	30
Amortization discount rate	1.94175%
Present value factor	23.0153
2009 UAAL amortization amount	1,726,391

***Annual OPEB Cost and Net OPEB Obligation*** - The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfounded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for 2009:

Normal cost	\$ 461,779
Amortization of UAAL	1,726,391
Interest	-
ARC	2,188,170
Interest on OPEB obligation	-
Adjustment to ARC	-
 OPEB expense	 <u><u>\$ 2,188,170</u></u>

CITY OF NORTH TONAWANDA, NEW YORK

Notes to the Financial Statements  
December 31, 2009

**Note 15 - Other Postemployment Benefits/Implementation of GASB Statement 45 (Cont.)**

*Funded Status and Funding Progress (Cont.)* - The following table reconciles the City's OPEB obligation at December 2009:

Net OPEB obligation at beginning of year	\$ 992,981
2009 OPEB expense	2,188,170
2009 OPEB contributions	<u>(1,195,189)</u>
Net OPEB obligation at end of year	1,985,962
Less: estimated current portion of OPEB obligation	<u>-</u>
Estimated long-term portion of OPEB obligation	<u>\$ 1,985,962</u>
Percentage of expense contributed	<u>54.60%</u>

***Actuarial Methods and Assumptions*** - Actuarial valuation of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revisions as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs (if any) between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used to calculate the costs of the Plan for age, disability, vested and surviving spouse's benefits is the Projected Unit Credit Actuarial Cost Method. Under this method, each participant's projected benefit is calculated at all possible ages based on the Plan provisions as well as the initial data and actuarial assumptions. For active participants, that AAL is determined by pro-rating the projected benefit based upon service accrued to the valuation date divided by service projected to be accrued at the first age of benefit eligibility. The normal cost is determined by dividing the projected benefit by service projected to be accrued at the first age of benefit eligibility.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to the Financial Statements**

**December 31, 2009**

**Note 15 - Other Postemployment Benefits/Implementation of GASB Statement 45 (Cont.)**

*Actuarial Methods and Assumptions (Cont.)* - The measurement date for the calculation was December 31<sup>st</sup> and the discount rate utilized was 5%. No salary increases were assumed since benefits are not based on compensation. Health care costs for both governmental and business-type activities were assumed to increase as follows:

<b><u>Trend Increase</u></b>	
<b><u>Year</u></b>	<b><u>Medical Trend Rate</u></b>
2008	10.0%
2009	9.5%
2010	9.0%
2011	8.5%
2012	8.0%
2013	7.5%
2014	7.0%
2015	6.5%
2016	6.0%
2017	5.5%
2018 and thereafter	5.0%

**Note 16 – Subsequent Events**

The City has evaluated events and transactions for potential recognition or disclosure in the financial statements through May 24, 2010 (the date the financial statements were available to be issued).

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**COMBINING OF INDIVIDUAL  
FUND FINANCIAL STATEMENTS**



**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Real Property Taxes</b>				
A1001.	Real Property Taxes	\$ 13,351,880	\$ 13,342,859	\$ (9,021)	\$ 13,393,699
	<b>Real Property Tax Items</b>				
A1050.	Unneeded Reserve for Uncollected Taxes	830,000	472,371	(357,629)	359,906
A1081.	Other Payments in Lieu of Taxes (Shelter Tax Rent)	300,000	262,992	(37,008)	301,919
A1090.	Interest and Penalties on Taxes	<u>200,000</u>	<u>178,252</u>	<u>(21,748)</u>	<u>189,859</u>
	<b>Total Real Property Tax Items</b>	<u>1,330,000</u>	<u>913,615</u>	<u>(416,385)</u>	<u>851,684</u>
	<b>Nonproperty Tax Items</b>				
A1120.	Sales Tax (from County)	7,275,000	7,100,307	(174,693)	6,962,866
A1130.	Utilities Gross Receipts Tax	900,000	896,896	(3,104)	1,004,796
A1170.	Franchises	<u>320,000</u>	<u>519,836</u>	<u>199,836</u>	<u>166,531</u>
	<b>Total Nonproperty Tax Items</b>	<u>8,495,000</u>	<u>8,517,039</u>	<u>22,039</u>	<u>8,134,193</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Departmental Income</b>					
A1230.	Treasurer's Fees	\$ 110,000	\$ 145,289	\$ 35,289	\$ 126,388
A1231.	Treasurer's Tax Search Fees	20,000	20,463	463	15,903
A1235.	Reimbursement for Tax Sale				
	Advertising Expenses	2,000	2,340	340	2,388
A1255.	City Clerk's Fees	1,500	5,018	3,518	5,473
A1520.	Police Department Fees	10,000	8,467	(1,533)	4,986
A1550.	Public Pound Charges	700	675	(25)	792
A1560	Engineering Bids	-	100	100	500
A1603	Vital Statistics Fees	30,000	27,397	(2,603)	29,793
A1710	Public Works Services	5,000	4,000	(1,000)	3,528
A1980.	Public Market Fees and Charges	38,000	37,660	(340)	37,600
A1989.	Special Assessments	50,000	151,145	101,145	63,775
A2001.	Park and Recreation Charges	53,000	51,898	(1,102)	45,634
A2002.	Park Permits	17,000	10,350	(6,650)	9,940
A2003.	Tree Planting Program	3,000	1,280	(1,720)	1,190
A2004.	Boat Launch Permits	13,000	12,505	(495)	11,930
A2005.	Canal Festival	16,000	14,000	(2,000)	31,000
A2012.	Recreation Concessions	200,000	199,378	(622)	180,982
A2050.	Golf Charges	700,000	718,298	18,298	679,194
A2110.	Zoning Board Fees	4,000	2,300	(1,700)	2,400
A2130.	Refuse and Garbage	500	1,960	1,460	520
A2189	Belmont Shelter Rent	-	1,750	1,750	-
	<b>Total Departmental Income</b>	<u>1,273,700</u>	<u>1,416,273</u>	<u>142,573</u>	<u>1,253,916</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Intergovernmental Charges</b>					
A2210.	Tax and Assessments Services for Other Governments (N.T. School System)	\$ 3,000	\$ 4,466	\$ 1,466	\$ 31,410
A2220.	County Aid - Civil Service Charges	-	17,188	17,188	16,297
A2261.	County Aid - Drunk Driving Program	30,000	30,515	515	46,400
A2357.	County Aid - Nutrition	2,400	2,431	31	2,431
A2359.	County Aid - Youth Court	7,000	3,365	(3,635)	1,790
A2376.	Department of Public Works Recycling	50,000	20,798	(29,202)	25,491
	<b>Total Intergovernmental Charges</b>	<u>92,400</u>	<u>78,763</u>	<u>(13,637)</u>	<u>123,819</u>
<b>Use of Money and Property</b>					
A2401.	Interest and Earnings	150,000	15,919	(134,081)	90,667
A2402.	Interest Earned Capital	50,000	54,403	4,403	21,215
A2410.	Rentals on Real Property	90,000	78,927	(11,073)	77,442
A2450.	Commissions - Telephone	500	559	59	654
	<b>Total Use of Money and Property</b>	<u>290,500</u>	<u>149,808</u>	<u>(140,692)</u>	<u>189,978</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Licenses and Permits</b>				
A2501.	Business Licenses	\$ 2,500	\$ 2,355	\$ (145)	\$ 2,475
A2502.	Occupational Licenses	750	-	(750)	-
A2505.	Marriage Licenses	3,500	-	(3,500)	-
A2506.	Hunting and Fishing Licenses	1,500	1,825	325	1,408
A2508.	Trailer Licenses	300	-	(300)	323
A2540.	Bingo Licenses	3,000	4,174	1,174	3,783
A2541.	Games of Chance Licenses	500	289	(211)	284
A2542.	Dog Licenses	16,000	19,556	3,556	15,419
A2553.	Car Dealership License	1,800	1,800	-	3,100
A2554.	Contractor Licenses	57,000	55,375	(1,625)	57,050
A2555.	Building Alteration Permits	115,000	140,929	25,929	94,115
A2565.	Plumbing Licenses	10,000	10,575	575	9,050
A2566.	Plumbing Permits	37,000	32,250	(4,750)	34,245
A2567.	Electrical Permits	56,000	-	(56,000)	-
A2590.	Grading Permits	1,000	1,150	150	650
	<b>Total Licenses and Permits</b>	<u>305,850</u>	<u>270,278</u>	<u>(35,572)</u>	<u>221,902</u>
	<b>Fines and Forfeitures</b>				
A2610.	Fines and Forfeited Bail	<u>300,000</u>	<u>208,492</u>	<u>(91,508)</u>	<u>264,340</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Sale of Property and Compensation for Loss</b>					
A2650.	Sale of Scrap and Excess Materials	\$ 15,000	\$ 4,827	\$ (10,173)	\$ 32,144
A2655.	Minor Sales, Other	200	40	(160)	61
A2660.	Sale of Real Property	200,000	462,732	262,732	56,251
A2680.	Insurance Recoveries - Workers' Compensation	140,000	154,268	14,268	170,719
A2690.	Other Compensation for Loss	1,000	3,519	2,519	21,375
	<b>Total Sale of Property and Compensation for Loss</b>	<u>356,200</u>	<u>625,386</u>	<u>269,186</u>	<u>280,550</u>
<b>Miscellaneous Local Sources</b>					
A2701.	Refunds of Prior Years' Expenditures	15,000	1,205	(13,795)	29,769
A2770.	Other Unclassified Revenues	15,000	23,867	8,867	17,166
	<b>Total Miscellaneous Local Sources</b>	<u>30,000</u>	<u>25,072</u>	<u>(4,928)</u>	<u>46,935</u>
<b>Interfund Revenues</b>					
A2801.	Interfund Revenues - Gibbons	20,000	20,000	-	35,000
A2802.	Interfund Revenues - Grants	35,000	35,000	-	30,000
A2803.	Interfund Revenues - EDLF	-	-	-	15,000
	<b>Total Interfund Revenues</b>	<u>55,000</u>	<u>55,000</u>	<u>-</u>	<u>80,000</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>State Aid - General</b>					
A3001.	Per Capita	\$ 4,800,000	\$ 4,622,639	\$ (177,361)	\$ 4,564,065
A3005.	Mortgage Taxes	400,000	291,894	(108,106)	324,841
A3040.	State Aid - Tax Administration	10,500	-	(10,500)	6,742
A3088.	Assessor	65,000	-	(65,000)	83
A3089	State Aid - Court System	200,000	84,052	(115,948)	-
A3309.	State Aid - Archive	-	3,800	3,800	4,433
A3310.	State Aid - Police	75,000	114,046	39,046	130,741
A3330.	State Aid - Court Facilities	-	-	-	248,149
A3489	State Aid - Occupancy Safety	-	54,074	54,074	-
A3589.	Highway Maintenance	<u>120,000</u>	<u>123,171</u>	<u>3,171</u>	<u>184,756</u>
	<b>Total State Aid - General</b>	<u>5,670,500</u>	<u>5,293,676</u>	<u>(376,824)</u>	<u>5,463,810</u>
<b>State Aid - Culture and Recreation</b>					
A3820.	Youth Projects (Recreation)	10,290	-	(10,290)	18,399
A3821.	Youth Projects (Youth Board)	21,000	21,894	894	13,162
A3822.	Youth Projects	<u>34,900</u>	<u>25,414</u>	<u>(9,486)</u>	<u>60,179</u>
	<b>Total State Aid - Culture and Recreation</b>	<u>66,190</u>	<u>47,308</u>	<u>(18,882)</u>	<u>91,740</u>
	<b>Total State Aid</b>	<u>5,736,690</u>	<u>5,340,984</u>	<u>(395,706)</u>	<u>5,555,550</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Federal Aid</b>				
A4320.	Federal Aid - COPS	\$ -	\$ 4,901	\$ 4,901	\$ 1,999
A4341.	Federal Aid - Disaster	12,426	15,124	2,698	54,475
	<b>Total Federal Aid</b>	<u>12,426</u>	<u>20,025</u>	<u>7,599</u>	<u>56,474</u>
	 <b>Proceeds from Long Term Obligations</b>				
A5710.	Bond Proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL GENERAL FUND REVENUES</b>		<u><b>\$ 31,629,646</b></u>	<u><b>\$ 30,963,594</b></u>	<u><b>\$ (666,052)</b></u>	<u><b>\$ 30,453,040</b></u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>General Government Support</b>					
	<b>Legislative</b>					
A1010.	Common Council					
.1	Personal Services	\$ 40,500	\$ 40,500	\$ -	\$ -	\$ 40,498
.4	Contractual Expenses	500	506		(6)	198
	<b>Total Legislative</b>	<u>41,000</u>	<u>41,006</u>	<u>-</u>	<u>(6)</u>	<u>40,696</u>
	<b>Executive</b>					
A1210.	Mayor					
.1	Personal Services	134,511	134,511	-	-	130,118
.4	Contractual Expenses	14,326	9,048	2,781	2,497	14,381
	<b>Total Executive</b>	<u>148,837</u>	<u>143,559</u>	<u>2,781</u>	<u>2,497</u>	<u>144,499</u>
	<b>Finance</b>					
A1315.	Accountant (Comptroller)					
.1	Personal Services	191,421	191,421	-	-	185,870
.4	Contractual Expenses	10,234	10,730	-	(496)	10,838
	<b>Total Accountant</b>	<u>201,655</u>	<u>202,151</u>	<u>-</u>	<u>(496)</u>	<u>196,708</u>
A1320.	Auditor					
.4	Contractual Expenses	23,500	16,000	7,500	-	15,900

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A1325	Treasurer					
.1	Personal Services	\$ 164,770	\$ 160,158	\$ -	\$ 4,612	\$ 129,499
.4	Contractual Expenses	23,700	14,623	1,000	8,077	15,031
	Total Treasurer	188,470	174,781	1,000	12,689	144,530
A1355.	Assessment					
.1	Personal Services	223,116	219,051	-	4,065	213,893
.4	Contractual Expenses	92,989	109,393	10,000	(26,404)	84,595
	Total Assessment	316,105	328,444	10,000	(22,339)	298,488
A1362.	Tax Advertising and Expense					
.4	Contractual Expenses	2,500	2,334	-	166	2,232
A1364.	Expense on Property Acquired for Taxes					
.4	Contractual Expenses	14,004	14,004	-	-	13,392
A1366.	Tax Sale Certificates - Other Governments					
.4	Contractual Expenses	433,090	433,090	-	-	379,659
	<b>Total Finance</b>	<b>1,179,324</b>	<b>1,170,804</b>	<b>18,500</b>	<b>(9,980)</b>	<b>1,050,909</b>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Staff</b>					
A1410.	City Clerk					
.1	Personal Services	\$ 188,735	\$ 156,473	\$ -	\$ 32,262	\$ 185,164
.4	Contractual Expenses	24,000	20,586	759	2,655	19,484
	Total City Clerk	<u>212,735</u>	<u>177,059</u>	<u>759</u>	<u>34,917</u>	<u>204,648</u>
A1420.	Law					
.1	Personal Services	154,072	153,706	-	366	149,304
.4	Contractual Expenses	21,200	11,121	5,457	4,622	14,213
	Total Law	<u>175,272</u>	<u>164,827</u>	<u>5,457</u>	<u>4,988</u>	<u>163,517</u>
A1440.	Engineer					
.1	Personal Services	238,096	234,187	-	3,909	231,415
.4	Contractual Expenses	13,000	13,594	75	(669)	13,644
	Total Engineer	<u>251,096</u>	<u>247,781</u>	<u>75</u>	<u>3,240</u>	<u>245,059</u>
A1450.	Elections					
.4	Contractual Expenses	4,750	1,108	-	3,642	2,164
	Total Elections	<u>4,750</u>	<u>1,108</u>	<u>-</u>	<u>3,642</u>	<u>2,164</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A1490.	Public Works Administration					
.1	Personal Services	\$ 396,739	\$ 396,738	\$ -	\$ 1	\$ 387,967
.4	Contractual Expenses	47,593	46,579	5	1,009	36,251
	Total Public Works Administration	444,332	443,317	5	1,010	424,218
	<b>Total Staff</b>	<b>1,088,185</b>	<b>1,034,092</b>	<b>6,296</b>	<b>47,797</b>	<b>1,039,606</b>
	<b>Shared Services</b>					
A1620.	Buildings					
.1	Personal Services	330,277	330,277	-	-	317,475
.2	Equipment	23,600	23,542	-	58	-
.4	Contractual Expenses	257,566	172,564	9,975	75,027	205,653
	Total Buildings	611,443	526,383	9,975	75,085	523,128
A1670.	Central Printing and Mailing					
.2	Equipment	18,824	15,967	2,857	-	28,054
.4	Contractual Expenses	56,176	44,204	401	11,571	34,411
	Total Central Printing and Mailing	75,000	60,171	3,258	11,571	62,465
	<b>Total Shared Services</b>	<b>686,443</b>	<b>586,554</b>	<b>13,233</b>	<b>86,656</b>	<b>585,593</b>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Special Items</b>						
A1910 .4	Unallocated Insurance	\$ 230,000	\$ 154,408	\$ 155,541	\$ (79,949)	\$ 95,050
A1920 .1	Hospitalization Waiver	65,000	47,925	-	17,075	57,650
A1930 .4	Judgments and Claims	210,000	85,532	1,070	123,398	123,213
A1941 .4	Leases and Rights of Way	16,000	12,772	-	3,228	3,842
A1950 .4	Taxes on City Property	71,194	71,193	-	1	40,734
A1980 .4	Provisions for Reserve for Uncollected Taxes	<u>706,268</u>	<u>706,267</u>		<u>1</u>	<u>565,497</u>
	<b>Total Special Items</b>	<u>1,298,462</u>	<u>1,078,097</u>	<u>156,611</u>	<u>63,754</u>	<u>885,986</u>
	<b>Total General Government Support</b>	<u>4,442,251</u>	<u>4,054,112</u>	<u>197,421</u>	<u>190,718</u>	<u>3,747,289</u>
<b>Public Safety</b>						
A3120.	<b>Police</b>					
.1	Personal Services	4,481,698	4,481,698	-	-	4,364,638
.2	Equipment	63,010	63,016	-	(6)	29,976
.4	Contractual Expenses	<u>312,496</u>	<u>267,553</u>	<u>16,065</u>	<u>28,878</u>	<u>257,951</u>
	<b>Total Police</b>	<u>4,857,204</u>	<u>4,812,267</u>	<u>16,065</u>	<u>28,872</u>	<u>4,652,565</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A3310.	<b>Traffic Control</b>					
.1	Personal Services	\$ 308,332	\$ 308,332	\$ -	\$ -	\$ 295,863
.4	Contractual Expenses	115,233	84,392	7,184	23,657	112,342
	<b>Total Traffic Control</b>	<u>423,565</u>	<u>392,724</u>	<u>7,184</u>	<u>23,657</u>	<u>408,205</u>
A3410.	<b>Fire Department</b>					
.1	Personal Services	2,985,294	2,958,717	-	26,577	3,050,405
.2	Equipment	48,500	39,033	10,193	(726)	31,394
.4	Contractual Expenses	406,660	365,281	20,926	20,453	380,141
	<b>Total Fire Department</b>	<u>3,440,454</u>	<u>3,363,031</u>	<u>31,119</u>	<u>46,304</u>	<u>3,461,940</u>
A3510.	<b>Control of Animals</b>					
.4	Contractual Expenses	55,000	48,696	-	6,304	47,736
A3620.	<b>Safety Inspection</b>					
.1	Personal Services	249,808	237,976	-	11,832	226,065
.2	Equipment	-	-	-	-	24,306
.4	Contractual Expenses	22,600	16,515	6,000	85	14,696
	<b>Total Safety Inspection</b>	<u>272,408</u>	<u>254,491</u>	<u>6,000</u>	<u>11,917</u>	<u>265,067</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A3640.	<b>Emergency Management</b>					
.1	Personal Services	\$ 11,700	\$ 11,700	\$ -	\$ -	\$ 6,946
.2	Equipment	1,500	655	1,143	(298)	414
.4	Contractual Expenses	10,550	6,104	2,001	2,445	8,568
	<b>Total Emergency Management</b>	<u>23,750</u>	<u>18,459</u>	<u>3,144</u>	<u>2,147</u>	<u>15,928</u>
A3650.	<b>Building Demolition</b>					
.4	Contractual Expenses	40,000	20,120	-	19,880	1,825
	<b>Total Public Safety</b>	<u>9,112,381</u>	<u>8,909,788</u>	<u>63,512</u>	<u>139,081</u>	<u>8,853,266</u>
	<b>Transportation</b>					
A5110.	<b>Streets Maintenance</b>					
.1	Personal Services	2,216,345	2,179,611	-	36,734	2,127,713
.2	Equipment	11,475	11,305	170	-	11,519
.4	Contractual Expenses	1,077,701	811,120	40,499	226,082	935,765
	<b>Total Streets Maintenance</b>	<u>3,305,521</u>	<u>3,002,036</u>	<u>40,669</u>	<u>262,816</u>	<u>3,074,997</u>
A5142.	<b>Snow and Ice Control</b>					
.1	Personal Services	26,060	26,060	-	-	26,060
.4	Contractual Expenses	161,614	142,292	19,321	1	314,562
	<b>Total Snow and Ice Control</b>	<u>187,674</u>	<u>168,352</u>	<u>19,321</u>	<u>1</u>	<u>340,622</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A5182.	<b>Street Lighting</b>					
.4	Contractual Expenses	\$ 720,000	\$ 570,510	\$ -	\$ 149,490	\$ 675,189
	<b>Total Transportation</b>	<u>4,213,195</u>	<u>3,740,898</u>	<u>59,990</u>	<u>412,307</u>	<u>4,090,808</u>
	<b>Economic Opportunity and Development</b>					
A6520.	<b>Public Market</b>					
.1	Personal Services	6,000	5,763	-	237	6,000
.4	Contractual Expenses	<u>2,500</u>	<u>1,950</u>	<u>-</u>	<u>550</u>	<u>4,347</u>
	<b>Total Public Market</b>	<u>8,500</u>	<u>7,713</u>	<u>-</u>	<u>787</u>	<u>10,347</u>
A6772.	<b>Programs for Aging</b>					
.1	Personal Services	80,821	73,417	-	7,404	114,797
.4	Contractual Expenses	<u>41,400</u>	<u>22,320</u>	<u>-</u>	<u>19,080</u>	<u>31,765</u>
	<b>Total Programs for Aging</b>	<u>122,221</u>	<u>95,737</u>	<u>-</u>	<u>26,484</u>	<u>146,562</u>
	<b>Total Economic Opportunity and Development</b>	<u>130,721</u>	<u>103,450</u>	<u>-</u>	<u>27,271</u>	<u>156,909</u>
	<b>Culture and Recreation</b>					
A7010.	<b>Council on Arts</b>					
.4	Contractual Expenses	<u>7,500</u>	<u>5,542</u>	<u>-</u>	<u>1,958</u>	<u>7,410</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A7020.	<b>Recreation Administration</b>					
.1	Personal Services	\$ 165,969	\$ 138,224	\$ -	\$ 27,745	\$ 164,251
.4	Contractual Expenses	15,000	11,600	-	3,400	17,934
	<b>Total Recreation Administration</b>	<u>180,969</u>	<u>149,824</u>	<u>-</u>	<u>31,145</u>	<u>182,185</u>
A7110.	<b>Parks</b>					
.1	Personal Services	454,417	454,417	-	-	423,805
.4	Contractual Expenses	162,550	150,451	-	12,099	175,673
	<b>Total Parks</b>	<u>616,967</u>	<u>604,868</u>	<u>-</u>	<u>12,099</u>	<u>599,478</u>
A7140.	<b>Playground and Recreation Centers</b>					
.1	Personal Services	143,073	143,072	-	1	127,896
.2	Equipment	5,000	729	4,056	215	3,740
.4	Contractual Expenses	44,500	41,522	-	2,978	37,039
	<b>Total Playground and Recreation Centers</b>	<u>192,573</u>	<u>185,323</u>	<u>4,056</u>	<u>3,194</u>	<u>168,675</u>
A7180.	<b>Swimming Pools</b>					
.1	Personal Services	61,765	61,764	-	1	55,500
.4	Contractual Expenses	30,250	29,838	-	412	32,263
	<b>Total Swimming Pools</b>	<u>92,015</u>	<u>91,602</u>	<u>-</u>	<u>413</u>	<u>87,763</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A7250.	<b>Golf Course</b>					
.1	Personal Services	\$ 484,119	\$ 484,118	\$ -	\$ 1	\$ 457,895
.4	Contractual Expenses	240,500	199,606	150	40,744	229,486
	<b>Total Golf Course</b>	<u>724,619</u>	<u>683,724</u>	<u>150</u>	<u>40,745</u>	<u>687,381</u>
A7310.	<b>Youth Activities or Agencies</b>					
.1	Personal Services	92,921	83,989	-	8,932	74,288
.4	Contractual Expenses	68,250	49,783	-	18,467	49,048
	<b>Total Youth Activities or Agencies</b>	<u>161,171</u>	<u>133,772</u>	<u>-</u>	<u>27,399</u>	<u>123,336</u>
	<b>Total Culture and Recreation</b>	<u>1,975,814</u>	<u>1,854,655</u>	<u>4,206</u>	<u>116,953</u>	<u>1,856,228</u>
	<b>Home and Community Services</b>					
A8010.	<b>Zoning Board of Appeals</b>					
.1	Personal Services	5,220	4,670	-	550	4,858
A8020.	<b>Planning Commission</b>					
.1	Personal Services	123,228	123,228	-	-	121,426
.4	Contractual Expenses	6,346	5,489	-	857	74,542
	<b>Total Planning Commission</b>	<u>129,574</u>	<u>128,717</u>	<u>-</u>	<u>857</u>	<u>195,968</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
A8160.	<b>Garbage/Waste Collection</b>					
.1	Personal Services	\$ 746,348	\$ 668,578	\$ -	\$ 77,770	\$ 659,978
.4	Contractual Expenses	633,000	640,382	235	(7,617)	565,719
	<b>Total Garbage/Waste Collection</b>	<u>1,379,348</u>	<u>1,308,960</u>	<u>235</u>	<u>70,153</u>	<u>1,225,697</u>
A8760.	<b>Emergency Disaster Work</b>					
.4	Contractual Expenses	-	-	-	-	-
	<b>Total Home and Community Services</b>	<u>1,514,142</u>	<u>1,442,347</u>	<u>235</u>	<u>71,560</u>	<u>1,426,523</u>
	<b>Undistributed Employee Benefits</b>					
A9010.	State Retirement	705,387	561,674	-	143,713	624,596
A9015.	Fire and Police Retirement	1,550,000	1,420,069	-	129,931	1,397,540
A9030.	Social Security	1,195,000	1,075,641	-	119,359	1,053,919
A9040.	Workers' Compensation	1,080,000	1,050,135	-	29,865	941,237
A9045.	Life Insurance	50,000	20,804	-	29,196	21,197
A9050.	Unemployment Insurance	75,000	16,655	30,000	28,345	227
A9060.	Hospital and Medical Insurance	4,089,000	4,037,256	5,888	45,856	3,492,936
	<b>Total Employee Benefits</b>	<u>8,744,387</u>	<u>8,182,234</u>	<u>35,888</u>	<u>526,265</u>	<u>7,531,652</u>
	<b>Debt Service - Principal</b>					
A9710.6	Principal on Serial Bonds	1,807,400	1,807,400	-	-	2,068,000
A9736	Principal on BAN	105,000	105,000	-	-	-
	<b>Total Debt Service - Principal</b>	<u>1,912,400</u>	<u>1,912,400</u>	<u>-</u>	<u>-</u>	<u>2,068,000</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**GENERAL FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Debt Service - Interest</b>						
A9710.7	Interest on Serial Bonds	\$ 390,818	\$ 378,376	\$ -	\$ 12,442	\$ 450,638
A9737.7	Interest on Tax Anticipation Notes	43,537	23,432	-	20,105	64,556
A9760.7	Interest on Tax Anticipation Notes	70,000	-	-	70,000	-
A9770.7	Interest on Revenue Anticipation Notes	30,000	38,276	-	(8,276)	18,625
	<b>Total Debt Service - Interest</b>	<u>534,355</u>	<u>440,084</u>	<u>-</u>	<u>94,271</u>	<u>533,819</u>
<b>Transfers To Other Funds</b>						
A9901.0	Transfer to Sewer Fund	-	-	-	-	300,000
A9902.0	Transfer to Capital - Golf	-	-	-	-	81,401
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,401</u>
	<b>Total Undistributed</b>	<u>11,191,142</u>	<u>10,534,718</u>	<u>35,888</u>	<u>620,536</u>	<u>10,514,872</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>		<u>\$ 32,579,646</u>	<u>\$ 30,639,968</u>	<u>\$ 361,252</u>	<u>\$ 1,578,426</u>	<u>\$ 30,645,895</u>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**SPECIAL REVENUE FUND TYPES**

**Combining Balance Sheet  
December 31, 2009**

	<b>Special Grant Fund</b>	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Totals Memorandum Only</b>	
				<b>December 31, 2009</b>	<b>December 31, 2008</b>
<b><u>ASSETS</u></b>					
Unrestricted Cash	\$ 519,671	\$ 882,424	\$ 621,929	\$ 2,024,024	\$ 1,395,101
<b>Receivables:</b>					
Water Rents	-	-	558,952	558,952	505,726
Sewer Rents	-	857,768	-	857,768	792,503
Accounts	155,322	-	-	155,322	173,525
Loans	14,866	-	-	14,866	20,953
State and Federal Aid	78,614	-	-	78,614	427,680
Prepaid Expenses	-	30,558	24,829	55,387	69,578
<b>Total Assets</b>	<b>\$ 768,473</b>	<b>\$ 1,770,750</b>	<b>\$ 1,205,710</b>	<b>\$ 3,744,933</b>	<b>\$ 3,385,066</b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 6,943	\$ 120,207	\$ 51,307	\$ 178,457	\$ 197,687
Accrued Liabilities		43,017	41,458	84,475	82,487
FSS Escrow - PHA	44,699	-	-	44,699	74,928
Due to Other Funds		1,470,000	910,000	2,380,000	1,465,000
Due to Other Governments	217,020			217,020	419,058
Deferred Revenue	248,802	2,199		251,001	620,711
Total Liabilities	517,464	1,635,423	1,002,765	3,155,652	2,859,871
<b>Fund Equity:</b>					
<b>Fund Balance:</b>					
Reserved for Encumbrances	-	55,652	42,698	98,350	56,489
Reserved for Retirement	-	30,558	24,829	55,387	69,578
<b>Unreserved:</b>					
Undesignated	251,009	49,117	135,418	435,544	399,128
Total Fund Equity	251,009	135,327	202,945	589,281	525,195
<b>Total Liabilities and Fund Equity</b>	<b>\$ 768,473</b>	<b>\$ 1,770,750</b>	<b>\$ 1,205,710</b>	<b>\$ 3,744,933</b>	<b>\$ 3,385,066</b>

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**CITY OF NORTH TONAWANDA, NEW YORK**

**SPECIAL REVENUE FUND TYPES**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
For the Year Ended December 31, 2009**

	<u>Special Grant Fund</u>	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Totals Memorandum Only</u>	
				<u>December 31, 2009</u>	<u>December 31, 2008</u>
<b>Revenues:</b>					
Departmental Income	\$ 13,685	\$ 4,244,035	\$ 2,820,637	\$ 7,078,357	\$ 7,107,702
Use of Money and Property	733	14,595	37,755	53,083	52,665
Sale of Property and Compensation for Loss		6,993	29,242	36,235	20,305
Miscellaneous		443	8,168	8,611	99,975
State Aid			1,840	1,840	70,030
Federal Aid	3,513,594	-	-	3,513,594	3,508,747
Total Revenues	<u>3,528,012</u>	<u>4,266,066</u>	<u>2,897,642</u>	<u>10,691,720</u>	<u>10,859,424</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General Governmental Support		66,270	37,698	103,968	26,016
Home and Community Services	3,562,719	2,906,233	1,994,708	8,463,660	8,909,258
Employee Benefits		816,811	541,314	1,358,125	1,361,743
Debt Service - Principal		298,700	246,900	545,600	432,500
Debt Service - Interest		95,823	60,458	156,281	145,947
Total Expenditures	<u>3,562,719</u>	<u>4,183,837</u>	<u>2,881,078</u>	<u>10,627,634</u>	<u>10,875,464</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(34,707)</u>	<u>82,229</u>	<u>16,564</u>	<u>64,086</u>	<u>(16,040)</u>
<b>Other Sources and (Uses):</b>					
Transfer from Other Funds				-	55,000
Transfer to Other Funds	-	-	-	-	-
Total Other Sources and (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,000</u>
Net Change in Fund Balances	(34,707)	82,229	16,564	64,086	38,960
Fund Balances at Beginning of Year	<u>285,716</u>	<u>53,098</u>	<u>186,381</u>	<u>525,195</u>	<u>486,235</u>
<b>Fund Balances at End of Year</b>	<u>\$ 251,009</u>	<u>\$ 135,327</u>	<u>\$ 202,945</u>	<u>\$ 589,281</u>	<u>\$ 525,195</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SPECIAL GRANT FUND**

**Statement of Detailed Revenues**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
<b>Departmental Income</b>			
CD8672.	Economic Development Loan	\$ -	\$ 27,299
CD8673.	Action Grant Loan Repayments	-	-
CD8674.	HOME Rehabilitation Program	8,630	12,219
CD8675.	HOME Loan	<u>5,055</u>	<u>60,841</u>
	<b>Total Departmental Income</b>	<u>13,685</u>	<u>100,359</u>
<b>Use of Money and Property</b>			
CD2401.	Interest and Earnings	<u>733</u>	<u>4,937</u>
<b>Miscellaneous</b>			
CD2701.	Refund of Prior Year Expenditures	-	18,500
CD2770.	Unclassified	<u>-</u>	<u>80,472</u>
	<b>Total Miscellaneous</b>	<u>-</u>	<u>98,972</u>
<b>Federal Aid</b>			
CD4911.	HUD Section 8	-	2,530,191
CD4912.	Bishop Gibbons Section 8	2,705,485	58,783
CD4921.	2004 GOSC Housing Public Facilities	-	-
CD4921.	1998 CDBG Home Improvement Program	-	-
CD4921.	2005 GOSC Economic Development	-	-
CD4921.	2006 CDBG Small Cities Comprehensive Grant	642,545	834,110
CD4927	HOME Program	<u>165,564</u>	<u>85,663</u>
	<b>Total Federal Aid</b>	<u>3,513,594</u>	<u>3,508,747</u>
<b>TOTAL SPECIAL GRANT FUND REVENUES</b>		<b><u>\$ 3,528,012</u></b>	<b><u>\$ 3,713,015</u></b>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SPECIAL GRANT FUND**

**Statement of Detailed Expenditures  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>2009 Actual</u>	<u>2008 Actual</u>
	<b>Home and Community Services</b>		
CD8672.	Rent Assistance Program		
.4	Contractual Expenses	\$ 2,745,485	\$ 2,585,191
CD8684.	Downtown Strategic Plan		
.4	Contractual Expenses	566,949	-
CD8686.	Administrative		
.4	Contractual Expenses	63,240	63,407
CD8668.	Rehabilitation Loans and Grants		
.4	Contractual Expenses	187,045	1,038,122
<b>TOTAL SPECIAL GRANT FUND EXPENDITURES</b>		<b>\$ 3,562,719</b>	<b>\$ 3,686,720</b>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SEWER FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
<b>Departmental Income</b>					
G2120.	Sewer Rents	\$ 4,640,000	\$ 4,079,307	\$ (560,693)	\$ 4,118,280
G2122.	Sewer Service Charges	62,254	67,567	5,313	27,832
G2128.	Interest and Penalties - Sewer Rents	140,000	97,161	(42,839)	103,884
	<b>Total Departmental Income</b>	<u>4,842,254</u>	<u>4,244,035</u>	<u>(598,219)</u>	<u>4,249,996</u>
<b>Use of Money and Property</b>					
G2401.	Interest and Earnings	1,000	283	(717)	2,284
G2410.	Rental Property - Tower	14,000	14,312	312	7,050
	<b>Total Use of Money and Property</b>	<u>15,000</u>	<u>14,595</u>	<u>(405)</u>	<u>9,334</u>
<b>Sale of Property and Compensation for Loss</b>					
G2665	Minor Sales	-	3,478	3,478	-
G2690.	Compensation/Loss	1,000	3,515	2,515	7,810
	<b>Total Sale of Property and Compensation for Loss</b>	<u>1,000</u>	<u>6,993</u>	<u>5,993</u>	<u>7,810</u>
<b>Miscellaneous Revenues</b>					
G2701.	Refund of Prior Year Expenditures	100	443	343	6
<b>State Aid</b>					
G3901.	State Aid	30,000	-	(30,000)	-
<b>Interfund Transfers</b>					
G2811.	Transfer from General Fund	-	-	-	55,000
<b>TOTAL SEWER FUND REVENUES</b>		<u><b>\$ 4,888,354</b></u>	<u><b>\$ 4,266,066</b></u>	<u><b>\$ (622,288)</b></u>	<u><b>\$ 4,322,146</b></u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SEWER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>General Government Support</b>					
	<b>Special Items</b>					
G1910.4	Unallocated Insurance	\$ 40,000	\$ 61,259	\$ -	\$ (21,259)	\$ 18,741
G1920.1	Hospitalization Waiver	4,500	3,690	-	810	1,925
G1930.4	Judgments and Claims	5,000	1,321	-	3,679	1,500
G1990.4	Contingent Account	<u>56,637</u>	<u>-</u>	<u>-</u>	<u>56,637</u>	<u>1,500</u>
	<b>Total General Government Support</b>	<u>106,137</u>	<u>66,270</u>	<u>-</u>	<u>39,867</u>	<u>23,666</u>
G8120.	<b>Sanitary Sewers</b>					
.1	Personal Services	390,244	387,759	-	2,485	353,619
.4	Contractual Expenses	<u>124,275</u>	<u>118,672</u>	<u>-</u>	<u>5,603</u>	<u>119,316</u>
	<b>Total Sanitary Sewers</b>	<u>514,519</u>	<u>506,431</u>	<u>-</u>	<u>8,088</u>	<u>472,935</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SEWER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
G8130	<b>Sewage Treatment</b>					
.1	Personal Services	\$ 1,286,529	\$ 1,286,530	\$ -	\$ (1)	\$ 1,327,123
.2	Equipment	29,609	29,570		39	25,021
.4	Contractual Expenses	1,343,442	1,083,702	55,652	204,088	1,381,782
	<b>Total Sewage Treatment</b>	<u>2,659,580</u>	<u>2,399,802</u>	<u>55,652</u>	<u>204,126</u>	<u>2,733,926</u>
	<b>Total Home and Community Services</b>	<u>3,174,099</u>	<u>2,906,233</u>	<u>55,652</u>	<u>212,214</u>	<u>3,206,861</u>
	<b>Undistributed</b>					
	<b>Employee Benefits</b>					
G9010.8	State Retirement	190,000	132,076		57,924	162,938
G9030.8	Social Security	155,000	129,483		25,517	123,081
G9040.8	Workers' Compensation	140,000	126,183		13,817	112,762
G9045.8	Life Insurance	3,000	1,500		1,500	1,566
G9060.8	Hospital and Medical Insurance	495,000	427,569	-	67,431	400,625
	<b>Total Employee Benefits</b>	<u>983,000</u>	<u>816,811</u>	<u>-</u>	<u>166,189</u>	<u>800,972</u>
	<b>Debt Service - Principal</b>					
G9710.6	Principal on Serial Bonds	350,700	250,700		100,000	245,700
G9730.6	Principal of Bond Anticipation Notes	85,000	48,000	-	37,000	-
	<b>Total Debt Service - Principal</b>	<u>435,700</u>	<u>298,700</u>	<u>-</u>	<u>137,000</u>	<u>245,700</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**SEWER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Debt Service - Interest</b>					
G9710.7	Interest on Serial Bonds	\$ 154,418	\$ 84,335	\$ -	\$ 70,083	\$ 97,087
G9730.7	Interest on Bond Anticipation Notes	35,000	11,488		23,512	-
	<b>Total Debt Service - Interest</b>	<u>189,418</u>	<u>95,823</u>	<u>-</u>	<u>93,595</u>	<u>97,087</u>
	<b>Total Undistributed</b>	<u>1,608,118</u>	<u>1,211,334</u>	<u>-</u>	<u>396,784</u>	<u>1,143,759</u>
	<b>TOTAL SEWER FUND EXPENDITURES</b>	<u><u>\$ 4,888,354</u></u>	<u><u>\$ 4,183,837</u></u>	<u><u>\$ 55,652</u></u>	<u><u>\$ 648,865</u></u>	<u><u>\$ 4,374,286</u></u>

See Independent Auditor's Report.

**CITY OF NORTH TONAWANDA, NEW YORK**

**WATER FUND**

**Statement of Detailed Revenues, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Departmental Income</b>				
F2140	Metered Water Sales	\$ 3,050,000	\$ 2,717,387	\$ (332,613)	\$ 2,674,051
F2142	Unmetered Water Sales	2,200	1,495	(705)	-
F2144	Water Service Sales	23,484	37,427	13,943	17,063
F2148	Interest Penalties on Water Rents	90,000	64,328	(25,672)	66,233
	<b>Total Departmental Income</b>	<u>3,165,684</u>	<u>2,820,637</u>	<u>(345,047)</u>	<u>2,757,347</u>
	<b>Use of Money and Property</b>				
F2401	Interest and Earnings	2,000	489	(1,511)	2,514
F2410	Rental Property	31,200	37,266	6,066	35,880
	<b>Total Use of Money and Property</b>	<u>33,200</u>	<u>37,755</u>	<u>4,555</u>	<u>38,394</u>
	<b>Sale of Property and Compensation for Loss</b>				
F2665	Minor Sales	500	715	215	660
F2680	Sale of Equipment	1,000	5,728	4,728	-
F2690	Other Compensation for Loss	2,000	22,799	20,799	11,835
	<b>Total Sale of Property and Compensation for Loss</b>	<u>3,500</u>	<u>29,242</u>	<u>25,742</u>	<u>12,495</u>
	<b>Miscellaneous Local Sources</b>				
F2701	Refund of Prior Years' Expenditures	-	8,168	8,168	997
	<b>State Aid</b>				
F3901	NYSERDA	-	1,840	1,840	70,030
	<b>TOTAL WATER FUND REVENUES</b>	<u>\$ 3,202,384</u>	<u>\$ 2,897,642</u>	<u>\$ (304,742)</u>	<u>\$ 2,879,263</u>

See Independent Auditor's Report.

**CITY OF NORTH TONAWANDA, NEW YORK**

**WATER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>General Government Support</b>					
	<b>Special Items</b>					
F1910.4	Unallocated Insurance	\$ 17,500	\$ 32,083	\$ -	\$ 14,583	\$ -
F1920.1	Hospitalization Waiver	9,000	5,615	-	(3,385)	3,850
F1930.4	Judgments and Claims	10,000	-	-	(10,000)	-
	<b>Total General Government Support</b>	<u>36,500</u>	<u>37,698</u>	<u>-</u>	<u>(1,198)</u>	<u>3,850</u>
	<b>Home and Community Services</b>					
	<b>Water Administration</b>					
F8310						
.1	Personal Services	226,046	259,796	-	33,750	231,962
.2	Equipment	500	500	-	-	407
.4	Contractual Expenses	63,213	66,313	-	3,100	52,653
	<b>Total Water Administration</b>	<u>289,759</u>	<u>326,609</u>	<u>-</u>	<u>(36,850)</u>	<u>285,022</u>
F8320	<b>Source and Supply, Power and Pumping</b>					
.1	Personal Services	340,335	367,207	-	(26,872)	352,032
.2	Equipment	25,000	22,544	1,000	1,456	23,345
.4	Contractual Expenses	268,750	215,143	-	53,607	289,231
	<b>Total Source and Supply, Power and Pumping</b>	<u>634,085</u>	<u>604,894</u>	<u>1,000</u>	<u>28,191</u>	<u>664,608</u>

See Independent Auditor's Report.

**CITY OF NORTH TONAWANDA, NEW YORK**

**WATER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)**

**For the Year Ended December 31, 2009**

**With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
F8330.	<b>Purification</b>					
.1	Personal Services	\$ 340,335	\$ 367,207	\$ -	\$ (26,872)	\$ 352,032
.2	Equipment	12,400	9,581	457	2,362	7,470
.4	Contractual Expenses	104,000	102,552	8,140	(6,692)	95,911
	<b>Total Purification</b>	<u>456,735</u>	<u>479,340</u>	<u>8,597</u>	<u>(31,202)</u>	<u>455,413</u>
F8340.	<b>Transmission and Distribution</b>					
.1	Personal Services	474,444	459,766		14,678	426,950
.2	Equipment	55,400	40,937	11,161	3,302	46,118
.4	Contractual Expenses	124,000	83,162	21,940	18,898	111,780
	<b>Total Transmission and Distribution</b>	<u>653,844</u>	<u>583,865</u>	<u>33,101</u>	<u>36,878</u>	<u>584,848</u>
	<b>Total Home and Community Services</b>	<u>2,034,423</u>	<u>1,994,708</u>	<u>42,698</u>	<u>(2,983)</u>	<u>1,989,891</u>
	<b>Undistributed</b>					
	<b>Employee Benefits</b>					
F9010.8	State Retirement	150,000	103,664	-	46,336	117,677
F9030.8	Social Security	125,000	103,939	-	21,061	105,320
F9040.8	Workers' Compensation	100,000	88,328	-	11,672	78,933
F9045.8	Life Insurance	3,000	1,615	-	1,385	1,610
F9060.8	Hospital and Medical Insurance	325,000	243,768	-	81,232	257,231
	<b>Total Employee Benefits</b>	<u>703,000</u>	<u>541,314</u>	<u>-</u>	<u>161,686</u>	<u>560,771</u>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**WATER FUND**

**Statement of Detailed Expenditures, Compared to Budget (Non-GAAP Basis of Budgeting)  
For the Year Ended December 31, 2009  
With Comparative Actual Amounts for the Year Ended December 31, 2008**

<u>Account Number</u>	<u>Account Name</u>	<u>Budget</u>	<u>Actual</u>	<u>Encumbrance</u>	<u>Variance</u>	<u>2008 Actual</u>
	<b>Debt Service - Principal</b>					
F9710.6	Principal on Serial Bonds	\$ 211,900	\$ 181,900	\$ -	\$ 30,000	\$ 186,800
F9730.6	Principal of Bond Anticipation Notes	115,000	65,000	-	-	-
	<b>Total Debt Service - Principal</b>	<u>326,900</u>	<u>246,900</u>	<u>-</u>	<u>30,000</u>	<u>186,800</u>
	<b>Debt Service - Interest</b>					
F9710.7	Interest on Serial Bonds	71,561	40,823		30,738	48,860
F9730.7	Interest on Bond Anticipation Notes	30,000	19,635	-	10,365	-
	<b>Total Debt Service - Interest</b>	<u>101,561</u>	<u>60,458</u>	<u>-</u>	<u>41,103</u>	<u>48,860</u>
	<b>Total Undistributed</b>	<u>1,131,461</u>	<u>848,672</u>	<u>-</u>	<u>232,789</u>	<u>796,431</u>
	<b>TOTAL WATER FUND EXPENDITURES</b>	<u><b>\$ 3,202,384</b></u>	<u><b>\$ 2,881,078</b></u>	<u><b>\$ 42,698</b></u>	<u><b>\$ 228,608</b></u>	<u><b>\$ 2,790,172</b></u>

See Independent Auditor's Report.

**CITY OF NORTH TONAWANDA, NEW YORK  
CAPITAL PROJECTS FUNDS**

**Combining Balance Sheet by Project  
December 31, 2009**

<u>Project Number</u>	<u>Project Description</u>	<u>Cash</u>	<u>Due from Other Funds</u>	<u>Retained Percentages</u>	<u>Due to Other Funds</u>	<u>BAN Payable</u>	<u>Deferred Revenues</u>	<u>Other Liabilities</u>	<u>Unappropriated Fund Balance</u>	<u>Total Liabilities &amp; Fund Balances</u>
<b>General Improvements:</b>										
H-10	Entrance Roof PG Tank '96	\$ 273,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	273,000	\$ 273,000
H-95	Sherwood San Lift '95	313,594	-	-	-	-	-	-	313,594	313,594
H-104	Roblin Steel Remediation Site '0	461,219	-	-	-	-	-	-	461,219	461,219
H-201	Tank Reno-Riverwalk '02	(612,558)	-	-	-	-	-	-	(612,558)	(612,558)
H-202	Golf/Dock/City Hall '02	(118,900)	-	18,475	-	-	-	-	(137,375)	(118,900)
H-401	Riverwalk/Docks/HVAC '04	(192,394)	-	-	-	-	-	-	(192,394)	(192,394)
H-501	Canal Lighting/Pool '05	(47,732)	-	-	-	-	-	-	(47,732)	(47,732)
H-508	Grants Project '05	(74,579)	-	-	-	-	-	-	(74,579)	(74,579)
H-601	Meadow Drive Ext '06	473,839	-	-	-	-	-	-	473,839	473,839
H-602	City Hall Alarm/Data '06	71,935	-	-	-	-	-	-	71,935	71,935
H-604	DPW Fleet/Wash Sys '06	32,524	-	15,340	-	-	-	-	17,184	32,524
H-701	Durkey Bridge '07	195,289	-	-	-	-	-	-	195,289	195,289
H-703	Chambers/Gateway '07	277,479	-	-	-	-	-	-	277,479	277,479
H-708	Recreation Grants '07	(116,795)	-	-	-	-	-	-	(116,795)	(116,795)
H-803	DPW Wash/Clair/Bins '08	321,862	-	20,412	-	-	-	-	301,450	321,862
H-808	Keller Building Roof '08	73,953	-	9,266	-	-	-	-	64,687	73,953
H-809	Playground '08	(44,078)	-	-	-	-	-	-	(44,078)	(44,078)
H-810	Gratwick Greenway '08	190,428	-	-	-	-	-	-	190,428	190,428
H-901	Technology Upgrade 09	165,868	-	-	-	-	-	-	165,868	165,868
H-904	Police/Fire/Golf 09	5,505	-	-	-	-	-	-	5,505	5,505
H-905	DPW Equipment-Lift-S/W 09	990,238	-	-	-	-	-	-	990,238	990,238
H-906	Water 4 Projects 09	73,558	-	-	-	-	-	-	73,558	73,558
H-907	Waste Water 5 Project 09	313,714	-	-	-	-	-	-	313,714	313,714
H-908	Buffalo Bolt Infrastructure 09	(54,710)	-	-	-	-	-	-	(54,710)	(54,710)
H-909	Water Front/Brown Fld 09	(20,638)	-	-	-	-	-	-	(20,638)	(20,638)

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK  
CAPITAL PROJECTS FUNDS**

**Combining Balance Sheet by Project  
December 31, 2009**

<u>Project Number</u>	<u>Project Description</u>	<u>Cash</u>	<u>Due from Other Funds</u>	<u>Retained Percentages</u>	<u>Due to Other Funds</u>	<u>BAN Pavable</u>	<u>Deferred Revenues</u>	<u>Other Liabilities</u>	<u>Unappropriated Fund Balance</u>	<u>Total Liabilities &amp; Fund Balances</u>
<b>Paving and Curbs:</b>										
H-82-1	CHIPS Highway Resurfacing	\$ (200,998)	\$ -	\$ -	\$ 220,219	\$ -	\$ -	\$ -	\$ (421,217)	\$ (200,998)
<b>Sanitary Sewers:</b>										
H-707	WWTP Carbon/Pump 07	20,572	-	-	-	-	-	-	20,572	20,572
H-807	WWTP Digester/Carbon 08	18,412	-	-	-	-	-	-	18,412	18,412
H-903	Marcia-Sweeney San/Ext '08	165,161	-	24,695	-	-	-	-	140,466	165,161
<b>Storm Sewer:</b>										
H-902	Ward Road Storm '99	182,002	-	-	-	-	-	-	182,002	182,002
<b>Water Lines:</b>										
H-405	Water Plant/Warner/RS 04	(155,099)	-	-	-	-	-	-	(155,099)	(155,099)
<b>Totals</b>		<b>\$ 2,981,671</b>	<b>\$ -</b>	<b>\$ 88,188</b>	<b>\$ 220,219</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,673,264</b>	<b>\$ 2,981,671</b>

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**CAPITAL PROJECTS FUNDS**

**Statement of Expenditures and Appropriations by Project - Capital Projects Fund  
December 31, 2009**

<b>Project Number</b>	<b>Project Description</b>	<b>Original Appropriations</b>	<b>Revised Appropriation</b>	<b>Prior Years' Expenditures</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Remaining Appropriation</b>
<b>General Improvements:</b>							
H-10	Entrance Roof PG Tank '96	\$ 170,000	\$ 670,000	\$ 121,447	\$ 30,048	\$ 151,495	\$ 518,505
H-76	Erie Avenue Renovation	789,000	1,089,000	77,164	44,403	121,567	967,433
H-104	Roblin Steel Remediation Site '01	3,176,000	3,176,000	25,879	-	25,879	3,150,121
H-201	Tank Reno-Riverwalk '02	100,000	500,000	176,009	332,797	508,806	(8,806)
H-202	Golf/Dock/City Hall '02	420,000	720,000	629,757	-	629,757	90,243
H-401	Riverwalk/Docks/HVAC '04	1,948,092	1,948,092	729,321	7,662	736,983	1,211,109
H-404	Rec Tennis/Skid/Golf '09	76,000	76,000	-	81,918	81,918	(5,918)
H-501	Canal Lighting/Pool '05	642,000	642,000	188,109	-	188,109	453,891
H-508	Grants Project '05	155,000	155,000	72,262	-	72,262	82,738
H-601	Meadow Drive Ext '06	3,700,000	3,700,000	98,718	35,833	134,551	3,565,449
H-602	City Hall Alarm/Data '06	172,000	172,000	98,486	51,580	150,066	21,934
H-603	Police/Fire Car/Reno '06	318,000	318,000	431,688	3,825	435,513	(117,513)
H-604	DPW Fleet/Wash Sys '06	1,390,000	1,390,000	1,193,456	179,360	1,372,816	17,184
H-701	Durkey Bridge '07	1,500,000	1,500,000	85,627	-	85,627	1,414,373
H-703	Chambers/Gateway '07	453,000	453,000	100,953	7,068	108,021	344,979
H-704	Kingston Reconstruction '07	205,000	205,000	205,000	-	205,000	-
H-708	Recreation Grants '07	119,000	119,000	116,795	-	116,795	2,205
H-709	Main Street Scape '07	200,000	329,900	299,500	30,400	329,900	-
H-803	Police Comm/Range '00	183,000	840,000	310,881	195,797	506,678	333,322
H-805	Water/Payne/Plant '08	817,000	817,000	598,303	233,370	831,673	(14,673)
H-808	Keller Building Roof '08	250,000	250,000	-	185,313	185,313	64,687
H-809	Playground '08	105,000	105,000	24,568	19,511	44,079	60,921
H-810	Gratwick Greenway '08	255,000	255,000	37,301	14,550	51,851	203,149
H-901	Technology Upgrade 09	250,000	250,000	-	84,132	84,132	165,868
H-904	Police/Fire/Golf '09	100,000	100,000	-	94,495	94,495	5,505

**See Independent Auditor's Report.**

**CITY OF NORTH TONAWANDA, NEW YORK**

**CAPITAL PROJECTS FUNDS**

**Statement of Expenditures and Appropriations by Project - Capital Projects Fund  
December 31, 2009**

<b>Project Number</b>	<b>Project Description</b>	<b>Original Appropriations</b>	<b>Revised Appropriation</b>	<b>Prior Years' Expenditures</b>	<b>Current Year Expenditures</b>	<b>Total Expenditures</b>	<b>Remaining Appropriation</b>
<b>General Improvements (Cont.):</b>							
H-905	DPW Equipment-Lift-S/w '09	\$ 1,190,000	\$ 1,190,000	\$ -	\$ 199,762	\$ 199,762	990,238
H-908	Buffalo Bolt Infrastructure	1,390,000	1,390,000	-	54,710	54,710	1,335,290
H-909	Water Front/Brown Field '09	252,750	252,750	-	20,637	20,637	232,113
<b>Paving and Curbs:</b>							
H-82-1	CHIPS Highway Resurfacing	1,130,000	8,130,000	7,667,856	462,144	8,130,000	-
<b>Sanitary Sewers:</b>							
H-95	Sherwood San Lift	300,000	675,000	46,615	-	46,615	628,385
H-608	Sewer Capital '06	950,000	950,000	886,056	63,944	950,000	-
H-707	WWTP Carbon/Pump '07	250,000	250,000	121,907	2,400	124,307	125,693
H-807	WWTP Digester Carbon	218,000	218,000	198,000	1,588	199,588	18,412
H-903	Marcia-Sweeney San/Ext '08	125,000	583,000	-	442,535	442,535	140,465
<b>Storm Sewer:</b>							
H-902	Ward Road Storm '99	200,000	200,000	-	-	-	200,000
<b>Water Lines:</b>							
H-405	Water Plant/Warner/RS '04	1,330,000	1,330,000	7,726	-	7,726	1,322,274
H-906	Water 4 Projects '09	220,000	220,000	-	146,442	146,442	73,558
H-907	Waste Water 5 Projects '09	605,000	605,000	-	291,286	291,286	313,714
<b>Totals</b>		<b>\$ 27,430,842</b>	<b>\$ 37,550,742</b>	<b>\$ 15,209,556</b>	<b>\$ 3,317,510</b>	<b>\$ 19,158,437</b>	<b>\$ 18,392,305</b>

**See Independent Auditor's Report.**



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

Honorable Mayor and  
Members of Common Council  
City of North Tonawanda  
North Tonawanda, New York

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of North Tonawanda, New York as of and for the year ended December 31, 2009, which collectively comprise the City of North Tonawanda, New York's basic financial statements and have issued our report thereon dated May 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

***Internal Control Over Financial Reporting***

In planning and performing our audit, we considered the City of North Tonawanda, New York's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of North Tonawanda, New York's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of North Tonawanda, New York's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.



A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of North Tonawanda, New York's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of North Tonawanda, New York's financial statements that is more than inconsequential will not be prevented or detected by the City of North Tonawanda, New York's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of North Tonawanda, New York's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

We noted no matters that we reported to management of the City of North Tonawanda, New York, in a separate letter dated May 24, 2010.

This report is intended solely for the information and use of management, the audit committee, City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

May 24, 2010



## **REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Mayor and  
Members of Common Council  
City of North Tonawanda  
North Tonawanda, New York

### **Compliance**

We have audited the compliance of the City of North Tonawanda, New York with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2009. The City of North Tonawanda, New York's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of North Tonawanda, New York's management. Our responsibility is to express an opinion on the City of North Tonawanda, New York's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of North Tonawanda, New York's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the City of North Tonawanda, New York's compliance with those requirements.

In our opinion, the City of North Tonawanda, New York complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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Tonawanda, New York 14150  
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email: info@amatofox.com



### **Internal Control Over Compliance**

The management of the City of North Tonawanda, New York is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City of North Tonawanda, New York's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

### **Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of North Tonawanda, New York as of and for the year ended December 31, 2009, and have issued our report thereon dated May 24, 2010. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of North Tonawanda, New York's, basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the members of management of the City of North Tonawanda, New York and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

May 24, 2010



**CITY OF NORTH TONAWANDA, NEW YORK**

**Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2009**

<u>Federal Grantor/Pass-through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Housing and Urban Development:</u></b>			
<b>Direct Programs:</b>			
<b>Community Development Block Grant:</b>			
Economic Development (GOSC)	14.219	N/A	\$ <u>642,545</u>
<b>Pass-through Programs:</b>			
<b>Lower Income-Housing Assistance Program-Cluster:</b>			
Section 8 Rental Voucher Program	14.855	N/A	<u>2,705,485</u>
<b>HOME Program</b>			
Home Rehabilitation Program	14.239	N/A	<u>165,564</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<u>3,513,594</u>
<b><u>Federal Emergency Management Agency:</u></b>			
<b>Passed through New York State Department of</b>			
<b>Military and Naval Emergency:</b>			
Emergency Management - State Aid and Local Assistance	83.554	N/A	<u>15,124</u>
<b><u>Department of Justice:</u></b>			
Community Oriented Policing Services (COPS) Grant	16.710	N/A	<u>4,901</u>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 3,533,619</u></b>

The accompanying notes are an integral part of this schedule. See Note 1 to the City of North Tonawanda, New York's Basic Financial Statements with Independent Auditor's Report for the Year Ended December 31, 2009 for the Summary of Significant Accounting Policies.

See Report on Compliance with Requirements Applicable to each Major Program  
and Internal Control Over Compliance in Accordance with OMB Circular A-133.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Notes to Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2009**

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of North Tonawanda, New York and is presented on the Modified Accrual Basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2 - Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the City of North Tonawanda, New York provided no federal awards to subrecipients.

**Note 3 - Program Income**

Federal expenditures presented on the Schedule of Expenditures of Federal Awards do not include the expenditure of program income. None of the program income was expended under the Community Development Block Grants for the year ended December 31, 2009

**CITY OF NORTH TONAWANDA, NEW YORK**

**Schedule of Findings and Questioned Costs  
December 31, 2009**

**Section 1 - Summary of Auditor's Results:**

**Financial Statements:**

Type of Auditor's Report Issued: Unqualified

**Internal Control Over Financial Reporting**

Material weaknesses identified?	_____yes	__x__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____yes	__x__ none reported
Noncompliance material to financial statements noted?	_____yes	__x__ no

**Federal Awards:**

**Internal Control Over Major Programs:**

Material weaknesses identified?	_____yes	__x__ no
Significant deficiencies identified that are not considered to be material weaknesses?	_____yes	__x__ none reported
Type of Auditor's Report issued on Compliance for Major Programs:	<u>Unqualified</u>	
Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?	_____yes	__x__ no

**Identification of Major Programs:**

**CFDA Numbers**

**Name of Federal Program or Cluster**

14.855	Low Income Housing Assistance Program
14.219	Community Development Block Grant
83.534	Federal Emergency Management Assistant

**CITY OF NORTH TONAWANDA, NEW YORK**

**Schedule of Findings and Questioned Costs  
December 31, 2009**

**Section 1 - Summary of Auditor's Results (Cont.):**

**Identification of Major Programs (Cont.):**

Dollar threshold used to distinguish between Type A and Type B Programs:

\$ 300,000

Auditee qualified as a low-risk auditee?

yes       no

**Section II - Financial Statement Findings:**

As of and for the year ended December 31, 2009 the City of North Tonawanda, New York had no findings that were required to be reported in accordance with GAGAS.

**Section III - Federal Award Findings and Questioned Costs:**

As of and for the year ended December 31, 2009 the City of North Tonawanda, New York had no findings that were required to be reported in accordance with Section 510(a) of Circular A-133.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 2009**

There were no audit findings included in the prior audit's schedule of findings and questioned costs relative to federal awards.

**CITY OF NORTH TONAWANDA, NEW YORK**

**Corrective Action Plan  
For the Year Ended December 31, 2008**

There is no Corrective Action Plan for the City of North Tonawanda, New York.