



NEWS FROM THE OFFICE OF
ERIE COUNTY COMPTROLLER
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ERIE COUNTY COMPTROLLER DAVID SHENK RELEASES 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Buffalo, NY – Erie County Comptroller David J. Shenk today issued Erie County’s audited [2011 Comprehensive Annual Financial Report \(CAFR\)](#). The CAFR provides citizens and taxpayers with a complete accounting of Erie County’s finances, and is similar to the Annual Financial Report (AFR) that publicly traded corporations provide to shareholders.

“As Comptroller, my mission is to guard the long-term fiscal health of our community,” said Erie County Comptroller David J. Shenk. “Although the County ended fiscal year 2011 with a General Fund fund balance of approximately \$116.1 million, it is my duty to highlight areas of concern. For example, over the past decade, sales tax, which tracks closely to fluctuations in the overall economy, has become our primary source of revenue. The County benefitted from an increase in sales tax revenue of 4.4% in 2011 over 2010, which brought in an additional \$29.2 million. Through April 2012, sales tax revenue has increased 1.9% as compared to budgeted projections of 2.5%. If this trend continues, the County will not be able to count on extra sales tax revenue to close any unforeseen budget gaps, as has been the pattern in recent years.”

Shenk notes opportunities to encourage greater spending by Canadian shoppers, who generate a significant portion of sales tax revenue. “In April, Visit Buffalo Niagara announced the results of a study conducted by tourism marketing research firm Longwoods International that identified strategies for encouraging greater spending by Canadian consumers. Recommendations include improving way-finding materials to cultural and historic destinations as well as working with area retailers on cooperative advertising and promotional campaigns. I encourage members of the County Legislature and the County Executive to partner with Visit Buffalo Niagara in order to explore ways to fully implement these ideas.”

“We remain saddled with poor decisions from prior administrations,” continued Shenk. “In 2011 the County’s net obligation to the Erie County Medical Center Corporation (ECMCC) increased \$7.7 million over the 2010 amount. Clearly, Erie County remains financially tied to ECMCC despite claims by the prior administration to the contrary.”

Other Highlights of the 2011 CAFR:

- The County’s liabilities exceeded assets at the close of fiscal year 2011 by \$31.7 million (net deficit). This consists of \$27.3 million restricted for specific purposes (restricted net assets), \$379 million invested in capital assets, net of related debt, and a deficit in unrestricted net assets of \$438 million at December 31, 2011.

- As of December 31, 2011, the County's governmental funds reported combined fund balances of \$262.7 million which is a decrease of \$10.9 million as compared to fiscal year 2010. Approximately 31.6% of the total combined governmental funds fund balance, \$83.4 million, is available to meet the County's current and future needs (unassigned fund balance).
- At the end of fiscal year 2011, unassigned fund balance for the General Fund was \$83.4 million or 71.9% of the total General Fund fund balance of \$116.1 million. Total non-spendable, restricted and assigned General Fund fund balance totaled \$32.6 million at December 31, 2011.
- The total bonded debt of the primary government increased by \$77.3 million or 9.1% during the 2011 fiscal year.

The 2011 financial statements, prepared by the Office the of Erie County Comptroller and audited by Drescher & Malecki LLP, have been submitted to the Government Finance Officers Association for consideration of its Certificate of Achievement for Excellence in Financial Reporting. Erie County received this certificate each year for its independently audited financial statements for fiscal years 2005-2010.

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