



ECLEG APR29'11 AM11:54

County of Erie

MARK C. POLONCARZ
COMPTROLLER

April 29, 2011

Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, NY 14202

Honorable Christopher C. Collins
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, NY 14202

Dear Honorable Members and County Executive Collins:

We have prepared an Interim Financial Report ("Report") of the County of Erie, New York ("County") as of and for the three-month period ended March 31, 2011 (i.e., "First Quarter 2011"). The Report, which is enclosed for your review, consists of the following elements:

- Financial Statements
- Investment Report
- Cash Flow Statement
- Property and Sales Tax Summary
- Debt Schedules
- Miscellaneous Financial Data (including data on short and long-term bonded indebtedness, property tax rates and constitutional taxing power)

We provide the following observations and comments for your consideration:

Federal Medical Assistance Percentage Revenue

The County has budgeted \$13 million in Federal Medical Assistance Percentage ("FMAP") stimulus funds as revenue in 2011. This is anticipated to be a non-recurring revenue source that is scheduled to expire on June 30, 2011. However, it appears the County will ultimately receive approximately \$16.7 million in FMAP benefit/funds in 2011. In First Quarter 2011, the County received \$8,353,112 in FMAP benefit funds. Note that in 2010, the County received a total of \$42,958,847 in FMAP benefit/funds including \$9,146,280 in First Quarter 2010.

Sales Tax

During First Quarter 2011, excluding prior period adjustments, the County experienced a 4.17% increase in sales tax revenue (on a cash basis) compared to First Quarter 2010. The County had a negative prior period adjustment for First Quarter 2011 with a \$280,000 county share. As you are aware, the 2011 Budget (which has yet to be formally adopted as it is the subject of an ongoing lawsuit and as of this date has not been approved by the Erie County Fiscal Stability Authority) amount of \$386,760,445 is predicated on a .8% increase in sales tax revenue over the 2010 actual sales tax revenue.

For First Quarter 2011, the increase in sales tax revenue is in part attributed to the increase in consumer energy prices, particularly fuel and food prices, compared to First Quarter 2010. With respect to the impact of higher fuel prices, for 1Q 2011 approximately \$850,000 of the sales tax revenue increase is due to the increase in wholesale fuel prices as compared to 1Q 2010.

State legislation to extend the County's 1% sales tax beyond the expiration date November 30, 2011 was introduced in the New York State by Senator Michael Ranzenhofer and in the New York State Assembly by Assemblyman Robin Schimminger.

Redistribution of 3% Sales Tax to Municipalities

The County's change in population, as presented by the 2010 Census, has impacted the 3% sales tax sharing formula – as well as the remittance of \$12,500,000 of sales tax revenue – for determining the share of monies to distribute to cities, towns, villages and school districts. The decline in the City of Buffalo's population has led to a reduction in the City of Buffalo's share of sales tax money resulting in an increase in monies available for all other municipalities.

The outcome of the First Quarter 2011 distribution will be repeated for future distributions subject to established changes to the formula for sharing sales tax revenue among individual County municipalities each calendar quarter (i.e., first and third quarters by assessed values, second and fourth by population).

Debt and Property Tax Levels and Limits

Through First Quarter 2011, the County's debt level is 16.79% of the total Net Debt Contracting Margin allowed by State law. As for the County's property tax levy position in relation to the County Charter's stated property tax limit, the County is at 49.25% of the County's total taxing power.

State Hold-Back on Reimbursements

With respect to the State's 2010-2011 Adopted Budget, an amendment was passed in late summer 2010 containing a provision specifying that the State hold back 1.1% of reimbursements due and owing to counties in the event that the State experienced a shortfall in FMAP funds from the federal government. This provision took effect on September 16, 2010 and expired March 31, 2011 and was a minor cash flow issue for the County in First Quarter 2011; i.e., the County received approximately \$108,000 less in reimbursement payments than anticipated.

Erie Tax Certificate Corporation

Although Erie Tax Certificate Corporation's ("ETCC") Board of Directors voted in 2010 to terminate its contractual relationship with XSPAND and dissolve ETCC effective December 31, 2010, operations continued through First Quarter 2011 due to identification of a substantial number of properties held in tax foreclosure. On April 13, 2011 the County conducted a foreclosure sale of 26 properties in which the County realized \$142,050 in revenue.

In May 2011 the Certification of Dissolution will be filed with the New York State Attorney General's Office and ETCC's operations are expected to conclude by May 31, 2011. As a result, full responsibility for delinquent property tax collection and servicing will return to the County beginning June 1, 2011.

2006 October Storm (Emergency Response fund)

The County received a final payment of \$2.1 million from the NYS Emergency Management Office on October 15, 2010. Currently the Emergency Response fund has an unreserved fund balance of approximately \$1.4 million and an open receivable remains from the City of Buffalo for \$216,958.

Short-term Borrowing in 2011

As of March 31, 2011, my office projects that the County will require a \$90 million revenue anticipation note ("RAN"), with the note to be issued in September 2011. Ultimately the final dollar amount and timing of the issuance will be determined as the County's actual cash position is monitored and projections are adjusted, as applicable, throughout the year. The primary reasons for the anticipated increase in required RAN proceeds is the reduction and ultimate loss of FMAP assistance and the expected use of 2010 surplus proceeds in 2011.

First Quarter 2011 Financial Report
April 29, 2011
Page 4 of 4

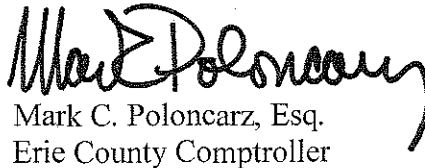
The financial statements and other information contained in this Report have been compiled largely from the official accounting records maintained in the County's SAP system. The financial statements for ECMCC, the Erie Community College, the Erie County Tobacco Securitization Corporation, the Erie Tax Certificate Corporation and the Erie County Fiscal

Stability Authority are not included because financial information for the aforementioned entities is maintained separately from the County. Information contained in this Report has not been reviewed by the County's independent auditor; therefore, no opinion on this Report is expressed.

Please note that the 2010 information contained in this Report (e.g., 2011 beginning fund balance) is subject to change pending the results of the County's annual independent audit which is currently underway.

If you have any questions regarding this submission, please contact me at 858-8400.

Sincerely yours,



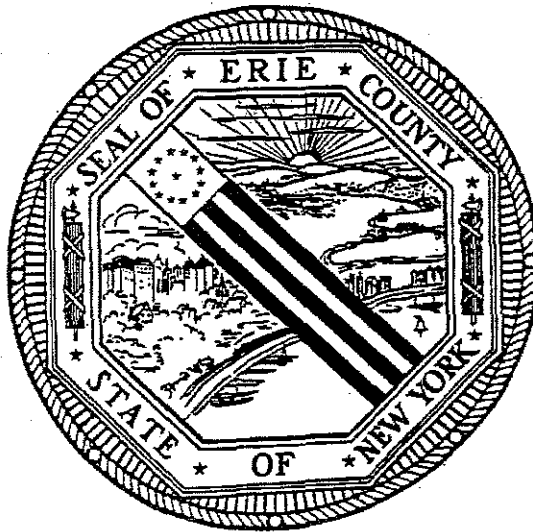
Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr
Enclosure

cc: Erie County Fiscal Stability Authority
Gregory G. Gach, Director of Budget and Management

COUNTY OF ERIE, NEW YORK INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2011



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

APRIL 29, 2011

COUNTY OF ERIE, NEW YORK

TABLE OF CONTENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2011

FINANCIAL STATEMENTS

Fund Financial Statements:

Balance Sheet – Governmental Funds.....	1
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.....	2
Statement of Net Assets – Utility Fund.....	3
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Utility Fund.....	4
Statement of Fiduciary Net Assets – Agency Fund	5
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	6-7
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	8-9
Library Component Unit:	
Balance Sheet – Library Component Unit.....	10
Statement of Revenues, Expenditures and Changes in Fund Balance – Library Component Unit...	11

INVESTMENT REPORT

Quarterly Investment Report, 1st Quarter, 2011	12-13
--	-------

CASH FLOW STATEMENT

Cash Flow Statement, 1 st Quarter 2011 Actual; 2 nd , 3 rd and 4 th Quarters 2011 Projected	14
---	----

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections	15
Sales Tax Revenue	16

DEBT SCHEDULES

Annual Debt Service Requirements for Long-Term General Obligation Indebtedness of the County	17
Direct General Obligation Indebtedness Outstanding.....	18
Calculation of Constitutional Debt Limit.....	19
Calculation of Total Net Indebtedness.....	20

MISCELLANEOUS FINANCIAL DATA

Property Tax Collection History	21
Short-Term Borrowing History.....	22
Outstanding Long-Term Direct Indebtedness	23
Valuations, Tax Levies and Rates.....	24
Computation of Constitutional Taxing Power for 2011.....	25

FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK

Balance Sheet

Governmental Funds

March 31, 2011

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and cash equivalents	\$ 173,439	\$ 122,190	\$ 295,629
Investments	-	200	200
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	102,297	799	103,096
Other	8,887	28,365	37,252
Due from other funds	23,348	56,437	79,785
Due from component unit	124	7	131
Due from other governments	241,523	29,174	270,697
Prepaid items	156	-	156
Advances to other funds	-	-	-
Loan receivable	1,402	-	1,402
Restricted cash	10,800	-	10,800
Total assets	\$ 561,976	\$ 237,172	\$ 799,148
LIABILITIES:			
Accounts payable	\$ 9,523	\$ 8,023	\$ 17,546
Accrued liabilities	47,813	3,848	51,661
Due to other funds	39,782	25,124	64,906
Due to component unit	3,741	-	3,741
Due to other governments	368	909	1,277
Retained percentages payable	9	1,681	1,690
Unearned revenue	40,046	28,236	68,282
Deferred revenue	47,713	-	47,713
Short-term debt	65,000	7,841	72,841
Total liabilities	253,995	75,662	329,657
FUND BALANCES:			
Reserved for:			
Encumbrances	75,175	38,831	114,006
Debt service	-	13,064	13,064
Loan receivable	1,402	-	1,402
Prepaid items	156	-	156
E-911 system costs	-	1,405	1,405
Handicapped parking	109	-	109
Law enforcement	124	-	124
Unreserved, reported in:			
General fund			
Designated	-	-	-
Undesignated	231,015	-	231,015
Special revenue funds			
Designated	-	-	-
Undesignated	-	42,936	42,936
Capital projects fund			
Designated	-	-	-
Undesignated (Deficit)	-	65,274	65,274
Total fund balances	307,981	161,510	469,491
Total liabilities and fund balances	\$ 561,976	\$ 237,172	\$ 799,148

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the three months ended March 31, 2011

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Real property taxes and tax items	\$ 222,919	\$ 35,574	\$ 258,493
Sales and use taxes	157,955	1,159	159,114
Transfer taxes	-	2,309	2,309
Intergovernmental	83,988	13,065	97,053
Interfund revenues	-	-	-
Departmental	24,417	9,303	33,720
Interest	290	279	569
Miscellaneous	2,261	1,243	3,504
Total revenues	491,830	62,932	554,762
EXPENDITURES:			
Current:			
General government support	89,227	2,391	91,618
Public safety	27,265	3,227	30,492
Health	16,605	2,667	19,272
Transportation	5,339	7,648	12,987
Economic assistance and opportunity	128,242	3,258	131,500
Culture and recreation	4,855	-	4,855
Education	19,402	39	19,441
Home and community service	480	10,765	11,245
Capital outlay	-	4,968	4,968
Debt service:			
Principal retirement	-	7,203	7,203
Interest and fiscal charges	-	3,140	3,140
Total expenditures	291,415	45,306	336,721
(Deficiency) excess of revenues over expenditures	200,415	17,626	218,041
OTHER FINANCING SOURCES (USES):			
Issuance of general obligation debt	-	-	-
Premium on bond issuance	-	-	-
Sale of property	35	-	35
Transfers in	-	17,540	17,540
Transfers out	(17,260)	(280)	(17,540)
Total other financing sources (uses)	(17,225)	17,260	35
Net change in fund balances	183,190	34,886	218,076
Fund balances at beginning of year	124,791	126,624	251,415
Fund balances at end of three months	\$ 307,981	\$ 161,510	\$ 469,491

COUNTY OF ERIE, NEW YORK

Statement of Net Assets

Proprietary Fund

March 31, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
ASSETS:	
Current Assets:	
Cash	\$
Receivables (net of allowances)	685
Due from other funds	
Due from component unit	
Due from other governments	5,101
Prepaid items	
Total current assets	5,786
Noncurrent Assets:	
Capital assets, net of depreciation:	
Construction in progress	-
Other capital assets, net of depreciation ..	-
Total noncurrent assets	-
Total assets	5,786
LIABILITIES	
Current Liabilities:	
Accounts payable	12
Accrued liabilities	1,166
Due to other funds	1,338
Fringe benefits payable - current	-
Deferred revenue	-
Total current liabilities	2,516
Noncurrent Liabilities:	
Fringe benefits payable	-
Net OPEB obligation	-
Total noncurrent liabilities	-
Total liabilities	2,516
NET ASSETS (DEFICIT):	
Invested in capital assets	-
Unrestricted (Deficit), reported in:	
Community College	-
Nonmajor Fund	3,270
Total net assets (Deficit)	\$ 3,270

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the three months ended March 31, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
OPERATING REVENUES:	
Student tuition and fees	\$ -
Intergovernmental revenues and charges	-
State and local contracts	-
Interfund revenues	1,894
Other operating revenue	6,280
Total operating revenue	8,174
OPERATING EXPENSES:	
Employee wages	12
Employee benefits	4
Scholarships	-
Supplies	-
Utilities and telephone	7,385
Depreciation	-
Total operating expenses	7,401
Operating loss	773
NONOPERATING REVENUES (EXPENSES):	
Unrestricted state and local appropriations	-
Federal and state student financial aid	-
Income from investments	-
Loss on disposal of plant assets	-
Loss before transfers	773
Transfers in	-
Change in net assets	773
Total net assets - beginning	2,497
Total net assets at end of three months	\$ 3,270

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets

Fiduciary Fund

March 31, 2011

(amounts expressed in thousands)

	Agency Fund
ASSETS:	
Cash and cash equivalents	\$ 30,659
Receivables:	
Other receivables	617
Bonds and securities held in custody	19
Total assets	\$ 31,295
LIABILITIES:	
Held in custody for others	\$ 31,295
Total liabilities	\$ 31,295

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds include the Road, Sewer, Downtown Mall, E-911, Emergency Response, Grants and Community Development Funds.

- **Road Special Revenue Fund**

Used to account for all revenues and expenditures related to the maintenance of County roads and bridges, snow removal, construction and reconstruction of County roads not required to be recorded in a Capital Projects Fund.

- **Sewer Special Revenue Fund**

Used to account for the activities of the various sewer districts currently in operation within the County.

- **Downtown Mall Special Revenue Fund**

Used to account for revenues raised through a special district charge levy and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall.

- **E-911 Special Revenue Fund**

Used to account for revenues raised through a telephone access line surcharge and the subsequent expenditure of these monies for the establishment and maintenance of an enhanced 911 emergency telephone system.

- **Emergency Response Special Revenue Fund**

Used to account for revenues received from the Federal Emergency Management Agency (FEMA) and expenditures associated with the on-going clean up of major storm damage that occurred in October, 2006.

- **Grants Fund**

Used to account for federal and state operating grants (except the Community Development Block Grant) earmarked for specific programs, so that grantor accounting and reporting requirements can be satisfied.

- **Community Development Special Revenue Fund**

Used to assist participating municipalities in the development of locally approved community or economic development activities that are eligible under federal program regulations.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and for the payment of, general long-term bond principal, interest and related costs of the County.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities:

- **General Government Buildings, Equipment and Improvements Fund**

Used to account for capital projects administered by the Department of Public Works involving the acquisition, construction, or reconstruction of major or permanent facilities having a relatively long useful life and equipment purchased from the proceeds of long-term debt.

- **Highways, Roads, Bridges and Equipment Fund**

Utilized to account for capital projects administered by the Department of Public Works for the construction or reconstruction of County roads and bridges and the acquisition of equipment not accounted for in the Road Fund.

- **Sewers, Facilities, Equipment and Improvements Fund**

Used to account for capital projects relating to the construction and acquisition of sewer facilities and equipment by the operating sewer districts.

- **Tobacco Proceeds Fund**

Used to account for the net proceeds from the County's securitization of its share of the 1998 Master Settlement Agreement with the tobacco industry that will be used to fund capital projects that otherwise would have been supported by operating funds or the issuance of bonds

- **Special Capital Projects Fund**

Utilized to account for capital projects administered by departments other than Public Works that are primarily for the acquisition or construction of buildings, improvements and equipment.

- **Erie County Medical Center Corporation (ECMCC) Fund**

Utilized to account for capital projects that are for the acquisition or construction of buildings, improvements and equipment for the Erie County Medical Center Corporation.

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet

Nonmajor Governmental Funds

March 31, 2011

(amounts expressed in thousands)

Special Revenue								
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total
ASSETS:								
Cash and cash equivalents	\$ 770	\$ 13,464	\$ 483	\$ 1,586	\$ 1,197	\$ -	\$ 151	\$ 17,651
Investments	-	-	-	-	-	-	-	-
Receivables (net of allowances)	-	-	-	-	-	-	-	-
Real property taxes, interest, penalties and liens	-	-	799	-	-	-	-	799
Other	-	12	-	576	-	153	27,624	28,365
Due from other funds	-	43,686	1	-	-	731	-	44,418
Due from component unit	7	-	-	-	-	-	-	7
Due from other governments	590	1,770	-	-	217	14,587	195	17,359
Prepaid items	-	-	-	-	-	-	-	-
Total assets	\$ 1,367	\$ 58,932	\$ 1,283	\$ 2,162	\$ 1,414	\$ 15,471	\$ 27,970	\$ 108,599
LIABILITIES:								
Accounts payable	\$ 2,022	\$ 1,885	\$ -	\$ 80	\$ -	\$ 2,151	\$ 67	\$ 6,205
Accrued liabilities	589	651	1,283	193	-	705	48	3,469
Due to other funds	-	-	-	-	-	12,232	-	12,232
Due to other governments	-	-	-	-	-	10	1	11
Retained percentages payable	-	6	-	-	-	63	-	69
Unearned revenue	-	-	-	-	-	310	27,854	28,164
Deferred revenue	-	-	-	-	-	-	-	-
Short-term debt	-	-	-	-	-	-	-	-
Total liabilities	2,611	2,542	1,283	273	-	15,471	27,970	50,150
FUND BALANCES:								
Reserved for:								
Encumbrances	2,718	10,906	-	484	-	-	-	14,108
Debt service	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
E-911 system costs	-	-	-	1,405	-	-	-	1,405
Unreserved, reported in:								
Special revenue funds								
Designated	-	-	-	-	-	-	-	-
Undesignated	(3,962)	45,484	-	-	1,414	-	-	42,936
Capital projects fund								
Designated	-	-	-	-	-	-	-	-
Undesignated (Deficit)	-	-	-	-	-	-	-	-
Total fund balances (Deficit)	(1,244)	56,390	-	1,889	1,414	-	-	58,449
Total liabilities and fund balances	\$ 1,367	\$ 58,932	\$ 1,283	\$ 2,162	\$ 1,414	\$ 15,471	\$ 27,970	\$ 108,599

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet

Nonmajor Governmental Funds

March 31, 2011

(amounts expressed in thousands)

Capital Projects									
	Debt Service	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS:									
Cash and cash equivalents	\$ 271	\$ 50,736	\$ 27,347	\$ 11,868	\$ 16	\$ 10,986	\$ 3,315	\$ 104,268	\$ 122,190
Investments	-	-	-	-	200	-	-	200	200
Receivables (net of allowances)	-	-	-	-	-	-	-	-	-
Real property taxes, interest, penalties and liens	-	-	-	-	-	-	-	-	799
Other	-	-	-	-	-	-	-	-	28,365
Due from other funds	12,019	-	-	-	-	-	-	-	56,437
Due from component unit	-	-	-	-	-	-	-	-	7
Due from other governments	956	2,198	8,405	256	-	-	-	10,859	29,174
Prepaid items	-	-	-	-	-	-	-	-	-
Total assets	\$ 13,246	\$ 52,934	\$ 35,752	\$ 12,124	\$ 216	\$ 10,986	\$ 3,315	\$ 115,327	\$ 237,172
LIABILITIES:									
Accounts payable	\$ -	\$ 774	\$ 919	\$ 93	\$ -	\$ 31	\$ 1	\$ 1,818	8,023
Accrued liabilities	58	4	126	188	-	-	3	321	3,848
Due to other funds	124	2,315	6,309	3,905	-	237	2	12,768	25,124
Due to other governments	-	-	898	-	-	-	-	898	909
Retained percentages payable	-	1,035	-	544	-	-	33	1,612	1,681
Unearned revenue	-	-	72	-	-	-	-	72	28,236
Deferred revenue	-	-	-	-	-	-	-	-	-
Short-term debt	-	-	-	7,841	-	-	-	7,841	7,841
Total liabilities	182	4,128	8,324	12,571	-	268	39	25,330	75,662
FUND BALANCES:									
Reserved for:									
Encumbrances	-	10,391	8,963	4,523	-	756	90	24,723	38,831
Debt service	13,064	-	-	-	-	-	-	-	13,064
Prepaid items	-	-	-	-	-	-	-	-	-
E-911 system costs	-	-	-	-	-	-	-	-	1,405
Unreserved, reported in:									
Special revenue funds									
Designated	-	-	-	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-	-	-	42,936
Capital projects fund									
Designated	-	-	-	-	-	-	-	-	-
Undesignated (Deficit)	-	38,415	18,465	(4,970)	216	9,962	3,186	65,274	65,274
Total fund balances (Deficit)	13,064	48,806	27,428	(447)	216	10,718	3,276	89,997	161,510
Total liabilities and fund balances	\$ 13,246	\$ 52,934	\$ 35,752	\$ 12,124	\$ 216	\$ 10,986	\$ 3,315	\$ 115,327	\$ 237,172

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds
For the three months ended March 31, 2011
(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total
REVENUES:								
Real property taxes and tax items	\$ -	\$ 34,325	\$ 1,249	\$ -	\$ -	\$ -	\$ -	\$ 35,574
Sales and use taxes	-	-	-	1,159	-	-	-	1,159
Transfer taxes	2,309	-	-	-	-	-	-	2,309
Intergovernmental	-	26	-	9	-	8,274	127	8,436
Interfund revenues	-	-	-	-	-	-	-	-
Departmental	23	8,033	-	-	-	548	699	9,303
Interest	-	17	-	-	-	-	-	17
Miscellaneous	-	894	-	-	-	331	18	1,243
Total revenues	2,332	43,295	1,249	1,168		9,153	844	58,041
EXPENDITURES:								
Current:								
General government support	-	-	1,249	-	-	1,142	-	2,391
Public safety	-	-	-	1,276	-	1,951	-	3,227
Health	-	-	-	222	-	2,445	-	2,667
Transportation	7,648	-	-	-	-	-	-	7,648
Economic assistance and opportunity	-	-	-	-	-	3,211	47	3,258
Culture and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	39	-	39
Home and community service	-	9,297	-	-	-	671	797	10,765
Capital outlay	-	-	-	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-
Total expenditures	7,648	9,297	1,249	1,498	-	9,459	844	29,995
(Deficiency) excess of revenues over expenditures	(5,316)	33,998	-	(330)	0	(306)		28,046
OTHER FINANCING SOURCES (USES):								
Issuance of general obligation debt	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-
Sale of property	-	-	-	-	-	-	-	-
Transfers in	3,221	-	-	639	-	306	-	4,166
Transfers out	-	(280)	-	-	-	-	-	(280)
Total other financing sources (uses)	3,221	(280)	-	639	-	306	0	3,886
Net change in fund balances	(2,095)	33,718	-	309	0	0	-	31,932
Fund balances (Deficit) at beginning of year	851	22,672	-	1,580	1,414	-	-	26,517
Fund balances (Deficit) at end of year	\$ (1,244)	\$ 56,390	\$ -	\$ 1,889	\$ 1,414	\$ 0	\$ -	\$ 58,449

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds
For the three months ended March 31, 2011
(amounts expressed in thousands)

	Capital Projects							Total Nonmajor Governmental Funds
	Debt Service	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMCC Capital Projects	
REVENUES:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$ 35,574
Sales and use taxes								1,159
Transfer taxes								2,309
Intergovernmental	956	133	3,302	238				13,065
Interfund revenues								-
Departmental								0
Interest	247	2		13				15
Miscellaneous								0
Total revenues	1,203	135	3,302	251	0	0	0	3,688
EXPENDITURES:								
Current:								
General government support								2,391
Public safety								3,227
Health								2,667
Transportation								7,648
Economic assistance and opportunity								3,258
Culture and recreation								-
Education								39
Home and community service								10,765
Capital outlay		4,082	361	479		45	1	4,968
Debt service:								
Principal retirement	7,203							7,203
Interest and fiscal charges	3,140							3,140
Total expenditures	10,343	4,082	361	479	0	45	1	4,968
(Deficiency) excess of revenues over expenditures	(9,140)	(3,947)	2,941	(228)	0	(45)	(1)	(1,280)
OTHER FINANCING SOURCES (USES) :								
Issuance of general obligation debt								0
Premium on bond issuance								-
Sale of property								-
Transfers in	13,374							0
Transfers out								0
Total other financing	13,374	-	-	-	-	-	0	0
Net change in fund balances	4,234	(3,947)	2,941	(228)	-	(45)	(1)	(1,280)
Fund balances (Deficit) at beginning of year	8,830	52,753	24,487	(219)	216	10,763	3,277	91,277
Fund balances (Deficit) at end of year	\$ 13,064	\$ 48,806	\$ 27,428	\$ (447)	\$ 216	\$ 10,718	\$ 3,276	\$ 89,997
								\$ 161,510

LIBRARY COMPONENT UNIT

The financial data shown for the Buffalo and Erie County Public Library is derived from records maintained on its behalf by the County. The Library does not issue separate financial statements. The inclusion of the Library as a component unit in the County's financial statements reflects the County's financial accountability for this legally separate entity.

COUNTY OF ERIE, NEW YORK

Balance Sheet

Component Unit

March 31, 2011

(amounts expressed in thousands)

	Component Unit
ASSETS:	
Cash and cash equivalents	\$ 20,255
Receivables (net of allowances)	
Other	-
Due from primary government	3,512
Due from other governments	824
Prepaid items	35
Total assets	\$ 24,626
LIABILITIES:	
Accounts payable	\$ 448
Accrued liabilities	763
Due to primary government	
Unearned revenue	559
Total liabilities	1,770
FUND BALANCES:	
Reserved for:	
Encumbrances	865
Prepaid items	35
Unreserved, reported in:	
Designated	8,055
Undesignated	13,901
Total fund balances	22,856
Total liabilities and fund balances	\$ 24,626

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balance

Component Unit

For the three months ended March 31, 2011

(amounts expressed in thousands)

	Component Unit
REVENUES:	
Real property taxes and tax items	\$ 18,172
Intergovernmental	497
Departmental	154
Interest	4
Miscellaneous	21
Total revenues	<u>18,848</u>
EXPENDITURES:	
Current:	
Culture and recreation	<u>6,897</u>
Total expenditures	<u>6,897</u>
Excess of revenues over expenditures	<u>11,951</u>
OTHER FINANCING SOURCES (USES) :	
Transfers in	-
Proceeds from General Obligation Debt	-
Premium on Obligation	-
Total other financing sources (uses)	<u>-</u>
Net change in fund balances	11,951
Fund balance at beginning of year	10,905
Fund balances at end of three months	<u>\$ 22,856</u>

INVESTMENT REPORT

COUNTY OF ERIE
Quarterly Investment Report
January 1, 2011 through March 31, 2011

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2011 is hereby submitted. The primary objectives of the investment program, as set out in established guidelines, are as follows in order of importance:

- compliance with legal requirements
- safeguarding of principal
- ensuring sufficient liquidity
- obtaining a reasonable rate of return

Our cash management program offers the County a good return on its investments without assuming unnecessary risks. A total of 376 investments were made during the first three months, resulting in \$326,522 in total interest earnings for all funds. The weighted average yield for the first three months was .55%. For comparison, during the first three months of 2010, 443 investments were effectuated which generated \$375,729 in total interest earnings for all funds at an average weighted yield of .62%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - March		Average Investment (in millions) Jan - March		Average Length of Investment (days) Jan - March	
	2011	2010	2011	2010	2011	2010
JP Morgan Chase, N.A.	368	260	21.5	21.1	4	6
Citizens Bank	3	3	.2	.2	29	29
Bank of America	N/A	N/A	N/A	N/A	N/A	N/A
HSBC Bank USA, N.A.	5	177	43.7	28.1	5	2
Key Bank, N.A.	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturers & Traders Trust	N/A	3	N/A	11.2	N/A	22
Totals	376	443				

COUNTY OF ERIE
Quarterly Investment Report
January 1, 2011 through March 31, 2011

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$136,550	\$28,007	\$144,664	\$17,301	\$326,522
Year to date	\$136,550	\$28,007	\$144,664	\$17,301	\$326,522

Please note the 2011 Adopted Budget General Fund interest earnings is \$919,000.00. The actual year to date earnings for the General Fund as of March 31, 2011 is \$136,550.00. For comparison, as of March 31, 2010, the General Fund interest earnings were \$186,762.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2011	2010
January	.55%	.62%
February	.54%	.61%
March	.55%	.63%
Weighted Average for Quarter	.55%	.62%

CASH FLOW STATEMENT

As a matter of procedure, the Erie County Comptroller's Office does not report public projections regarding future cash flows or other results. However, the Comptroller's Office has prepared projected cash flow information, set forth in the following schedule, to present the projected cumulative cash flow of Erie County for the year ending December 31, 2011.

The projected financial information is subject to change based on various intervening factors, and was not produced to comply with guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Rather, it was prepared by the Comptroller's Office based on data provided by the Division of Budget, Management and Finance and other sources to reflect the best and currently available estimates and judgments, and presents, to the best of the Comptroller's Office's knowledge, the expected future cash flow of the County.

This information is not static or audited, and should not be relied upon as indicative of future results.

NEITHER THE COUNTY'S INDEPENDENT AUDITORS NOR ANY OTHER INDEPENDENT ACCOUNTANTS HAVE COMPILED, EXAMINED OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROSPECTIVE CASH FLOW INFORMATION CONTAINED HEREIN. IN ADDITION, THEY HAVE NOT EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION.

County Of Erie
Cash Flow Statement
1st Quarter 2011 Actual; 2nd, 3rd and 4th Quarters 2011 Projected

Description	Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	TOTAL
Opening Balance	27,030,702												
** Receipts **													
DSS	5,633,801	9,312,550	46,817,164	4,764,979	14,045,324	20,502,950	22,289,604	26,705,699	25,545,827	15,897,405	13,321,059	30,270,369	235,106,732
Sales Tax	46,967,258	55,798,331	45,631,945	61,443,134	49,162,849	66,789,864	43,118,495	51,908,926	50,918,849	64,110,657	49,119,898	70,380,009	655,350,215
Real Property Tax	6,576,426	46,008,092	201,650,478	25,455,712	8,233,559	5,462,231	4,752,065	3,779,403	3,173,150	2,679,666	3,600,101	4,258,995	315,629,877
Other	20,619,697	21,544,372	26,712,880	(6,587,052)	8,191,197	15,960,729	29,615,017	17,660,962	30,364,772	17,261,903	9,686,654	36,204,351	227,235,483
RAN Proceeds	0	0	0	0	0	0	0	0	90,000,000	0	0	0	90,000,000
EFSCA Set Aside Release	1,044,147	0	1,070,881	0	9,106,656	0	3,299,147	0	949,081	0	3,410,256	0	18,880,169
Total Receipts	107,872,031	132,663,345	321,883,349	85,076,774	88,739,586	108,715,773	103,074,327	100,054,990	200,951,679	99,949,631	79,137,968	141,113,724	1,542,202,476
** Disbursements **													
DSS	27,253,405	27,025,626	31,925,838	29,233,377	30,014,838	28,664,651	40,530,583	34,896,711	31,320,586	39,464,816	34,736,311	31,582,920	386,649,663
Payroll	30,584,194	25,473,320	25,488,162	32,239,999	24,198,561	24,889,182	27,672,943	24,006,203	36,559,004	26,103,955	24,542,033	28,823,753	330,581,310
Vendor	28,491,566	57,059,006	89,175,154	66,840,166	32,834,430	75,328,226	42,859,088	26,824,461	74,890,485	39,325,069	24,228,586	117,195,228	675,051,464
Debt Service	2,932,573	53,057	5,129,136	6,930,288	775,799	6,627,621	663,070	1,415,063	5,039,994	3,504,615	10,989,727	11,355,337	55,416,279
RAN Set Asides Aug & Dec '10	0	0	10,800,000	25,700,000	16,000,000	12,500,000	0	0	0	0	0	0	65,000,000
ECFSA Bond Set Asides	1,578,197	1,578,314	1,578,314	1,928,914	1,928,914	2,066,610	2,066,610	2,066,610	2,066,610	2,066,610	2,066,610	2,066,610	23,058,923
ECFSA Debt Service	1,044,147	0	1,070,881	0	9,106,656	0	3,299,147	0	949,081	0	3,410,256	0	18,880,169
Total Disbursements	91,884,082	111,189,324	165,167,485	162,872,743	114,859,197	150,076,290	117,091,440	89,209,049	150,825,761	110,465,065	99,973,523	191,023,849	1,554,637,807
Monthly Cash Flow	15,987,948	21,474,021	156,715,865	(77,795,969)	(26,119,612)	(41,360,517)	(14,017,113)	10,845,940	50,125,918	(10,515,434)	(20,835,554)	(49,910,124)	(12,435,331)
Cumulative Cash Flow	15,987,948	37,461,970	194,177,834	116,381,865	90,262,254	48,901,737	34,884,624	45,730,565	95,856,483	85,341,049	64,505,495	14,595,370	

Note: Does not recognize \$7.9 Million Legislature expenditure cuts

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
Property Tax Collections
Three Months Ended March 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Gross Levy	\$ 648,241,682	\$ 638,372,017
Less: Amount Retained by Towns	(343,478,506)	(335,712,346)
Net Collectible by County	<u>304,763,176</u>	<u>302,659,671</u>
Less: January - March Collections	(245,869,639)	(239,870,103)
Net Outstanding at March 31	<u>\$ 58,893,537</u>	<u>\$ 62,789,568</u>
Percentage Collected at March 31	<u>80.7%</u>	<u>79.3%</u>

COUNTY OF ERIE, NEW YORK
Sales Tax Revenue
Three Months Ended March 31, 2011 and 2010

	(1) <u>2011 Adopted Budget</u>	(2) <u>March 2011 Y-T-D Revenue</u>	<u>% of Budget Realized</u>	<u>2010 Adopted Budget</u>	<u>March 2010 Y-T-D Revenue</u>	<u>% of Budget Realized</u>
Sales And Use Tax	\$ 146,057,048	\$ 35,003,297	24.0%	\$ 141,802,959	\$ 34,007,839	24.0%
1 % Sales Tax - Erie County Purposes	138,543,491	33,044,494	23.9%	134,508,244	32,096,556	23.9%
0.25 % Sales Tax	34,053,618	8,231,252	24.2%	33,061,765	7,981,581	24.1%
0.50 % Sales Tax	<u>68,106,288</u>	<u>16,462,503</u>	24.2%	<u>66,122,610</u>	<u>15,963,162</u>	24.1%
Totals	<u>\$ 386,760,445</u>	<u>\$ 92,741,546</u>	24.0%	<u>\$ 375,495,578</u>	<u>\$ 90,049,138</u>	24.0%

Note:

(1) Through March 31, 2011 year to date, \$ 64,141,569 was recorded as both a revenue and an expenditure in the County's General Fund for sales tax shared with local municipalities. This revenue amount is excluded from the table above.

(2) Includes accrual estimate for portion to be received in May 2011.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
Annual Debt Service Requirements for Long-Term General Obligation
Indebtedness of the County (1)
As of March 31, 2011

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2011	\$ 44,175,036.85	\$ 20,115,909.96	\$ 64,290,946.81 (2)
2012	47,174,962.49	20,904,707.58	68,079,670.07
2013	42,581,544.56	18,688,824.51	61,270,369.07
2014	43,261,667.00	16,754,075.28	60,015,742.28
2015	44,155,285.99	14,862,125.48	59,017,411.47
2016	42,989,099.02	12,881,265.92	55,870,364.94
2017	44,281,341.01	10,921,160.65	55,202,501.66
2018	38,888,583.94	8,801,027.21	47,689,611.15
2019	32,734,727.01	7,100,424.41	39,835,151.42
2020	33,156,970.01	5,588,254.63	38,745,224.64
2021	19,804,213.01	4,153,641.00	23,957,854.01
2022	20,671,456.01	3,171,642.03	23,843,098.04
2023	21,613,699.01	2,137,170.71	23,750,869.72
2024	5,380,941.92	1,483,215.79	6,864,157.71
2025	5,123,185.00	1,230,936.26	6,354,121.26
2026	2,775,428.00	1,026,970.58	3,802,398.58
2027	2,832,671.00	905,406.50	3,738,077.50
2028	2,904,913.00	780,519.79	3,685,432.79
2029	2,982,156.00	651,962.72	3,634,118.72
2030	2,099,399.00	544,462.47	2,643,861.47
2031	2,166,642.00	458,476.56	2,625,118.56
2032	1,826,497.00	371,683.20	2,198,180.20
2033	1,745,000.00	291,482.68	2,036,482.68
2034	1,630,000.00	212,967.81	1,842,967.81
2035	1,525,000.00	142,477.84	1,667,477.84
2036	755,000.00	72,760.12	827,760.12
2037	280,000.00	38,435.16	318,435.16
2038	285,000.00	25,546.72	310,546.72
2039	295,000.00	12,428.12	307,428.12
	<u>\$ 510,095,418.83</u>	<u>\$ 154,329,961.69</u>	<u>\$ 664,425,380.52</u>

Notes:

(1) Table updated for EFC Refunding issue of \$650,000 in February 2011:
and EFC Refunded Bonds of \$650,000 in February 2011

(2) Amount is net of debt service payments of \$10,342,760.13 made from January 1, 2011 to
March 31, 2011.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
Direct General Obligation Indebtedness Outstanding
As of March 31, 2011

Bonds:		
Buildings and other Improvements	\$138,691,029.80	
Highway Improvements	119,843,778.93	
Court House Facilities	64,067,620.94	
Sewer District Facilities	68,465,397.68	
Hospital	17,056,117.47	(1)
HSBC Arena	17,180,000.00	
Computer System	17,902,725.66	
Ralph Wilson Stadium	21,007,482.74	
Community College	23,849,242.76	
Convention Center	10,304,753.56	
Prison Facilities	11,598,386.76	
Nursing Home	128,882.53	(1)
Total Long-Term Debt		\$510,095,418.83 (2)
Bond Anticipation Notes - Sewer District Facilities	7,841,238.64	
Revenue Anticipation Notes	65,000,000.00	
Total Short-Term Debt		72,841,238.64
Gross Direct Debt		582,936,657.47
Exclusions :		
Sewer District Debt	76,306,636.32	
Budgeted Appropriations	41,468,217.59	
Revenue Anticipation Notes	65,000,000.00	
Total Deductions		182,774,853.91
Net Direct Debt		\$400,161,803.56

Note:

(1) Pursuant to the agreement governing the sale of the County hospital and nursing home to Erie County Medical Center Corporation, the County continues to be directly responsible for the payment of certain bonded debt for these facilities. Bonded debt in the amount of \$97,150,000 of Erie County Medical Center Corporation for which the County has indirect responsibility as guarantor is not included above.

(2) This schedule reflects remaining principal for bonds issued from 1992 to 2011 by the County.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
Calculation of Constitutional Debt Limit
As of March 31, 2011

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2006	\$ 38,102,215,587
2007	40,477,680,885
2008	42,445,603,001
2009	44,382,615,337
2010	<u>46,194,212,750</u>
Total five year full valuation	\$ <u>211,602,327,560.00</u>
5 Year Average full valuation	\$ <u>42,320,465,512.00</u>
Debt limit - 7% of average full valuation	\$ <u>2,962,432,585.84</u>

Source: NYS Office of the State Comptroller - Data Management Unit

COUNTY OF ERIE, NEW YORK
Calculation of Total Net Indebtedness
As of March 31, 2011

Five year average full valuation (2006-2010)	\$ 42,320,465,512.00
---	----------------------

Debt Limit - 7% of average full valuation	\$ 2,962,432,585.84
---	---------------------

Outstanding Indebtedness:

Bonds - General	\$ 441,630,021.15
Bonds - Sewer	68,465,397.68
Bond Anticipation Notes - Sewer	7,841,238.64
Bond Guaranty - ECMCC (1)	97,150,000.00
Revenue Anticipation Note	65,000,000.00

Total Indebtedness	<u>680,086,657.47</u>
--------------------	-----------------------

Less Exclusions:

Sewer Exclusion	76,306,636.32
Revenue Anticipation Note	65,000,000.00
Budgeted Appropriations	41,468,217.59

Total Exclusions	<u>182,774,853.91</u>
------------------	-----------------------

Total Net Indebtedness	<u>497,311,803.56</u>
------------------------	-----------------------

Net Debt Contracting Margin	\$ <u>2,465,120,782.28</u>
-----------------------------	----------------------------

Percentage of Debt Contracting Power Exhausted	<u>16.79%</u>
--	---------------

Note:

(1) Erie County Medical Center Corporation

MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK
Property Tax Collection History
Last Ten Fiscal Years

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Collected in Year of Levy	Percentage Collected
2001	\$ 424,554,739	\$ 231,109,689	\$ 13,104,632	\$ 411,135,430	96.84%
2002	430,565,663	235,033,457	13,899,502	416,506,625	96.73
2003	447,035,372	250,233,121	14,124,489	446,461,743	99.87
2004	464,433,235	265,812,020	14,152,464	463,669,059	99.84
2005	493,517,706	289,697,275	13,788,438	492,180,009	99.73
2006	540,580,523	303,202,950	14,103,478	528,350,674	97.74
2007	569,219,471	314,868,342	16,162,844	555,858,355	97.65
2008	590,816,323	317,148,178	17,053,523	575,132,293	97.35
2009	612,199,787	329,189,492	15,362,283	595,839,865	97.33
2010	638,372,017	335,712,346	16,958,457	622,129,949	97.46

Notes:

- (a) Includes Countywide property tax, all town taxes, and relevied village and school taxes.
Does not include initial school district levies.
- (b) Includes amount levied by the County for general town, special district, fire district and highway purposes. Also includes levy for Grand Island School District, the taxes for which are not separately levied in accordance with the procedure described above. All of such amounts are collected by the respective tax collectors in each town.
- (c) Represents amount of school taxes returned to the County as uncollected as of December 1st in the year in which they are levied, which taxes are extended on the County rolls for subsequent collection together with other County taxes.

SOURCE: Erie County Department of Real Property Tax Services.
Erie County Govern Tax Collection System.

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History (1)
1995 - 2011

<u>Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995	\$ 80,000,000	RAN (2)	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
.....	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
.....	40,000,000	RAN	10/30/97	10/29/98
1998	60,000,000	RAN	10/14/98	10/13/99
1999	-	N/A	N/A	N/A
2000	-	N/A	N/A	N/A
2001	-	N/A	N/A	N/A
2002	43,000,000	RAN	09/18/02	09/17/03
2003	90,000,000	RAN	06/24/03	06/23/04
2004	82,500,000	RAN	07/14/04	07/13/05
2005	80,000,000	RAN	03/11/05	03/10/06
.....	80,000,000	RAN	07/14/05	07/13/06
2006	110,000,000	RAN	06/13/06	06/13/07
2007	75,000,000	RAN	06/27/07	06/27/08
2008	75,000,000	RAN	09/30/08	06/30/09
2009	103,534,867	BAN (3)	05/20/09	05/18/10
2009	65,000,000	RAN	10/27/09	06/30/10
2010	45,000,000	RAN	08/12/10	06/30/11
.....	20,000,000	RAN	12/14/10	04/14/11

Notes:

(1) Excludes all Bond Anticipation Notes ("BANs") issued by the Environmental Facilities Corporation.

(2) Revenue Anticipation Notes ("RANs") may be issued in any fiscal year in anticipation of the collection or receipt of taxes (other than real property taxes) and certain other types of revenue which are due and payable in such fiscal year and moneys to be received from the State or Federal government which are due in such fiscal year. Pursuant to State law, such notes must mature within one year after the date of issuance, and may be renewed from time to time for periods of up to one year; however, the maturity of such notes, including renewals, may not extend beyond the end of the second fiscal year following the fiscal year in which such notes were originally issued.

The issuance of RANs has been necessitated, in part, by the State's practice of requiring local governments to pay 100% of the expenditures for various programs in advance, and then providing subsequent, often delayed reimbursement for the non-local share.

(3) BANs may be issued in anticipation of bond proceeds to be received at a later date. On May 17, 2010, the BANs were paid by the issuance of long-term general obligation bonds by the ECFA pursuant to an agreement entered into by the parties.

COUNTY OF ERIE, NEW YORK
 Outstanding Long-Term Direct Indebtedness
 Last Ten Fiscal Years

Outstanding Long-Term Direct Indebtedness (a)
 (As of December 31)

<u>Fiscal Year</u>	<u>Amount</u>	<u>Fiscal Year</u>	<u>Amount</u>
2001	221,209,139	2006	460,910,906
2002	256,295,578	2007	423,582,245
2003	327,032,146	2008	379,245,466
2004	384,124,771	2009	336,954,031
2005	446,656,115	2010	400,161,804

(a) Excludes all sewer debt payable from special assessments.

SOURCES: Erie County General Purpose Financial Statements – 2001 (Audited)
 Erie County Basic Financial Statements – 2002-2009 (Audited)
 Erie County Basic Financial Statements – 2010 (Unaudited)

COUNTY OF ERIE, NEW YORK
Valuations, Tax Levies and Rates
Last Five Fiscal Years

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Assessed Valuation	\$34,922,263,145	\$33,446,388,926	\$32,158,167,722	\$31,165,324,890	\$30,105,315,955
Equalized Full Valuation	46,194,212,750	44,434,521,055	42,866,825,529	40,477,681,759	38,102,215,597
Levied for County Purposes (a)	232,413,974	223,306,326	211,837,793	200,031,205	188,094,445
Rates for \$1,000 of Equalized Full Valuation	\$5.03	\$5.03	\$4.94	\$4.94	\$4.94

Note:

(a) Includes County and Library property taxes, but excludes taxes for election expenses and Community College chargebacks.

SOURCES: 2006-2008: Annual Adopted Budget Messages & Summaries
2009-2010 Assessed and Equalized Full Valuations: 2009-2010 Budget Message & Summary
2010 Levied for County Purposes: 2010 Adopted Budget

COUNTY OF ERIE, NEW YORK
Computation of Constitutional Taxing Power for 2011

<u>Tax Year</u>	<u>Full Valuation</u>
2007	\$ 40,477,680,885
2008	42,445,603,001
2009	44,382,615,337
2010	46,120,909,981
2011	<u>46,759,758,193</u>
 Total	 <u>\$ 220,186,567,397</u>
 Five-Year Average Full Valuation	 \$ 44,037,313,479
Tax Limit (1.5%) (b)	660,559,702
Total Exclusions	<u>59,646,910</u>
Total Taxing Power	720,206,612
Total Levy for 2010 (c).....	<u>246,243,492</u>
Tax Margin (b)	<u>\$ 473,963,120</u>

Notes:

- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
- (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2011 total taxing power under this local law is \$500,020,045 leaving a tax margin of \$253,776,553.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.