



ECLEG OCT28'11 PM 2:19

County of Erie

MARK C. POLONCARZ
COMPTROLLER

October 28, 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 nine-month period ended September 30, 2011 (i.e., "Third 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)

As of this writing, the Collins Administration has not yet submitted the required monthly Budget Monitoring Reports ("BMR's") for the periods ending July 31, 2011 and August 31, 2011. This is a significant matter. The Comptroller's Office utilizes the reports, particularly the year-end projections and insights contained therein, as tools for consideration and analysis. Erie County Code Section 18.04 (g) states that BMR's must be filed with the County Legislature each month, on or before the last calendar day of the subsequent calendar month.

Currently the only reported estimate for expected year-end results are contained in the Administration's new Four-Year Operations Plan for fiscal years 2012-2015 ("Four-Year Plan") which estimates the 2011 general fund year-end budget surplus at \$16,721,902, the same amount as the appropriated fund balance in the fiscal year ("FY") 2011 Adopted Budget. Since the latest BMR's have not been distributed, the estimated \$16,721,902 surplus cannot be substantiated.

Third Quarter 2011 Financial Report
October 28, 2011
Page 2 of 6

The FY 11 Adjusted Budget shows \$33,435,065 in fund balance has been appropriated for 2011. However, the Four-Year Plan only discloses half this amount (\$16.7 million), thus reporting a projected net use of \$0. Without disclosing the additional appropriated fund balance, an uninformed reader would be misled to believe that the County is right on track. When appropriated fund balance is properly stated (i.e., \$33,435,065), the projected budget surplus of

\$16,721,902 will only partially replenish fund balance usage, leading to a net use of \$16,713,163. As such, any difference in the actual 2011 budget surplus from the Administration's estimated amount will increase or decrease this net use by a like amount; i.e., the budget surplus will have to be \$33,435,065 to achieve a net use of \$0.

While it is questionable whether the County will achieve a surplus of exactly \$16,721,902 to offset the initial planned use of fund balance, the latest report by the county executive, in which he targets the surplus at "\$5million, \$8 million, \$10 million" raises additional doubt whether this is a good faith surplus estimate.

We provide the following observations and comments for your consideration.

Federal Medical Assistance Percentage Revenue

The County budgeted \$13 million in Federal Medical Assistance Percentage ("FMAP") stimulus funds as revenue in the 2011 Adopted Budget; however, the County will receive approximately \$17.6 million in FMAP benefit/funds in 2011.

Sales Tax

During Third Quarter 2011, excluding prior period adjustments, the County experienced a 3.81% increase in sales tax revenue (on a cash basis) compared to Third Quarter 2010 and 4.51% growth year-to-date in 2011. The County's 2011 Budget amount of \$386.76 million is predicated on a 0.8% increase in sales tax revenue over the County's 2010 Adopted Budget sales tax revenue.

For Third Quarter 2011, the increase in sales tax revenue is partially attributed to higher consumer energy prices, particularly fuel and food prices, compared to Third Quarter 2010. Approximately \$2.2 million of the sales tax revenue increase for Third Quarter 2011 is attributed to the increase in wholesale fuel prices as compared to Third Quarter 2010.

Third Quarter 2011 Financial Report
October 28, 2011
Page 3 of 6

This amount grows to a \$4.5 million revenue increase when comparing Third Quarter 2011 year-to-date to Third Quarter 2010 year-to date. In addition, we recognize the strong Canadian dollar – relative to the US dollar – coupled with Canada’s strengthening economy, has likely resulted in a greater number of sales of products and services to Canadian shoppers.

In Second Quarter 2011 the County Legislature acted to amend the Erie County Sales and Use Tax Resolution, consistent with legislation passed by the State Senate and Assembly, authorizing extension of the imposed additional 1% and 0.75% through November 30, 2013. On July 28, 2011, Governor Andrew Cuomo signed the legislation into law, and the additional 1% and 0.75% extensions are established through November 30, 2013.

Real Property Tax Levy

The 2011 Budget, which includes the 2011 real property tax levy of \$235.18 million plus \$69.58 million for sewer charges, returned school and village taxes, community college chargebacks and Board of Elections chargebacks translating to the net total collectible of \$304.76 million by the County, is not yet formally adopted due to the ongoing lawsuit regarding the powers of the County Executive to declare certain cuts made by the County Legislature to the County Executive's 2011 tentative budget “null and void.” The Collins Administration’s \$7.9 million over-levy of assessed real property taxes may adversely impact the County if the court rules that County taxpayers must be reimbursed.

At September 30, 2011, the County collected 92.4% (\$281.48 million) of the total net collectible by the County for FY 2011. By comparison, through Third Quarter 2010, 92.3% (\$279.42 million) of the total net collectible by the County in FY 2010 was collected.

Erie Tax Certificate Corporation

ETCC’s Board of Directors voted in 2010 to terminate its purpose and dissolve ETCC effective December 31, 2010; however, operations continued into fiscal year 2011 due to identification in First Quarter 2011 of a substantial number of properties held in tax foreclosure.

Beginning June 1, 2011, full responsibility for delinquent property tax collection and servicing returned to the County. Further, ETCC’s tax liens were transferred to Erie County and recorded in the Erie County Clerk’s Office on July 8, 2011.

ETCC's operations continued until all of ETCC's identifiable and invoiced liabilities were paid. As a matter of subsequent consideration, the County filed the Certificate of Dissolution with the New York State Attorney General's Office on October 12, 2011, and ETCC's operations terminated.

Short-term Borrowing in 2011

On July 21, 2011, the County Legislature authorized my office to issue revenue anticipation notes ("RAN's") not to exceed \$90 million. At the time, the estimated amount to be issued was \$84 million.

After obtaining competitive proposals from banking and financial institutions, the County pursued Moody's Investors Service's ("Moody's") MIG 1 "Best Quality" rating for short-term borrowings. However, in mid-September, the County was only able to secure Moody's MIG 2 "High Quality" rating thereby preventing the County from conducting its own short-term (RAN) borrowing at a rate that is equal to the Erie County Fiscal Stability Authority's ("ECFSA") MIG 1 credit rating. Therefore, with a Declaration of Need resolution already approved by the Legislature, on September 16 the ECFSA was requested to conduct the borrowing on behalf of the County.

On September 21, the 2011 RAN was increased to \$88 million due to the County's unanticipated notification from the New York State Department of Health that the County's required Disproportionate Share (Medicaid) payment, for State Fiscal Year 2010-11 to Erie County Medical Center Corporation ("ECMCC"), was increased by \$6.8 million and due by September 28, 2011. (The County made its initial required payment in October 2010; the notification specified an adjusted increase to the original payment amount.)

The County's \$88 million RAN closed on October 6, 2011, through a mirror BAN-RAN arrangement with the ECFSA.

Long-term borrowing in 2011

On August 11, 2011, the County closed a mirror bond transaction with ECFSA involving a principal amount of \$16.81 million in "new County money" for capital projects and \$27.7 million to partially refund the \$27.6 million of the 2004B series bonds. In addition, the ECFSA issued bonds which generated proceeds of \$96.9 million. The total of those funds was passed through the County to ECMCC for its planned construction of a new skilled nursing facility.

Third Quarter 2011 Financial Report
October 28, 2011
Page 5 of 6

With respect to the County's total net indebtedness, after statutory exclusions (self-financing Sewer Districts), total net indebtedness decreased from \$524.9 million at YE 2007 to \$514.2 at September 30, 2011, i.e., a \$10.7 million (2.04%) reduction. At December 31, 2011, the County's total net indebtedness will be \$511.6 million translating to a total decrease, from YE 2007 to YE 2011, of \$13.3 million (2.5%).

The primary reason for the decreases is the Collins Administration's decision to implement the Comptroller's recommendations specified in last year's and prior years' budget reviews admonishing the Administration to make a conscious effort to reduce the County's debt.

Subsequent Events

During the Third Quarter 2011, the County remitted \$12,831,775 in special Medicaid Upper Payment Limit ("UPL") and Disproportionate Share Hospital ("DSH") program payments for ECMCC's benefit. In Fourth Quarter 2011, my office expects the County to remit a total of another \$27,599,510 in mandated DSH payments for ECMCC, amounting to a total of \$40,431,285 for FY 2011. Taking into account the FMAP benefit payment reduction in the amount of \$1,398,810, the County's total DSH and UPL program cost in FY 2011 is expected to be \$39,032,475 less (and exhausting of) the Excess Operating Support ("EOS") credit reimbursement available from ECMCC (\$15,171,861), bringing the County's entire obligation for 2011 to \$23,860,613.

Considering the county executive's budgeted amount of \$16,200,000 in 2011 for such ECMCC support, ultimately in 2011 the County is expected to remit \$7,660,613 over the budgeted amount.

For the first time in Erie County's history, in 2012 the County's total property tax revenue will be regulated by the Property Tax Cap Law (Chapter 7 of NYS Laws of 2011). The County is preparing to implement the mandated Property Tax Cap, which will be finalized and filed with the State once the 2012 Adopted Budget is established. Currently, the proposed property tax levy specified in the 2012 tentative budget is within the calculated allowable limit for 2012 (as specified by the Property Tax Cap Law).

Third Quarter 2011 Financial Report
October 28, 2011
Page 6 of 6

Conclusion

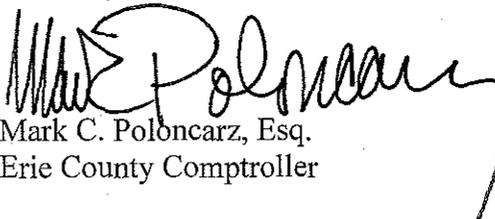
The financial statements and other information contained in this Report have been compiled largely from the official accounting records maintained in the County's SAP system. The financial statements for ECMCC, the Erie Community College, the Erie County Tobacco Securitization Corporation, the Erie Tax 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 this is the final quarterly report for 2011 as the "Fourth Quarter Financial Report" will be incorporated into the County's 2011 year-end Comprehensive Annual Financial Report. The next quarterly financial report will be issued in April 2012 for First Quarter 2012.

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 NINE MONTHS ENDED SEPTEMBER 30, 2011



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

OCTOBER 28, 2011

COUNTY OF ERIE, NEW YORK

TABLE OF CONTENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011

FINANCIAL STATEMENTS

Fund Financial Statements:
Balance Sheet - Governmental Funds...2
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds...3
Statement of Net Assets - Proprietary Fund...4
Statement of Revenues, Expenses, and Changes in
Fund Net Assets - Proprietary Fund...5
Statement of Fiduciary Net Assets - Fiduciary Fund...6
Combining and Individual Fund Statements and Schedules:
Narrative...8-9
Nonmajor Governmental Funds:
Combining Balance Sheet - Nonmajor Governmental Funds...10-13
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances - Nonmajor Governmental Funds...14-17
Library Component Unit:
Narrative...18
Balance Sheet - Library Component Unit...19
Statement of Revenues, Expenditures and Changes in Fund Balance - Library Component Unit...20

INVESTMENT REPORT

Investment Report...22-23

CASH FLOW STATEMENT

Narrative...24
Cash Flow Statement, 1st, 2nd and 3rd Quarter 2011 Actual; 4th Quarter 2011 Projected...25-27

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections...29
Sales Tax Revenue...30

DEBT SCHEDULES

Annual Debt Service Requirements for Long-Term General Obligation Indebtedness of the County...32
Direct General Obligation Indebtedness Outstanding...33
Calculation of Constitutional Debt Limit...34
Calculation of Total Net Indebtedness...35

MISCELLANEOUS FINANCIAL DATA

Property Tax Collection History...37
Short-Term Borrowing History...38
Outstanding Long-Term Direct Indebtedness...39
Valuations, Tax Levies and Rates...40
Computation of Constitutional Taxing Power for 2011...41

FUND FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK

Balance Sheet

Governmental Funds

September 30, 2011

(amounts expressed in thousands)

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 312	\$ 136,378	\$ 136,690
Investments	-	200	200
Receivables (net of allowances) Real property taxes, interest, penalties and liens	60,848	61	60,909
Other	2,464	29,166	31,630
Due from other funds	28,474	23,774	52,248
Due from component unit	170	-	170
Due from other governments	271,385	31,490	302,875
Prepaid items	156	-	156
Loan, receivable	491	-	491
Total assets	\$ 364,300	\$ 221,069	\$ 585,369
LIABILITIES:			
Accounts payable	\$ 9,966	\$ 4,267	\$ 14,233
Accrued liabilities	56,396	5,621	62,017
Due to other funds	4,078	35,681	39,759
Due to component unit	2,071	-	2,071
Due to other governments	303	908	1,211
Retained percentages payable	9	1,455	1,464
Unearned revenue	19,975	29,777	49,752
Deferred revenue	47,689	-	47,689
Total liabilities	140,487	77,709	218,196
FUND BALANCES:			
Reserved for:			
Encumbrances	32,574	49,839	82,413
Debt service	-	7,721	7,721
Loan receivable	491	-	491
Prepaid items	156	-	156
E-911 system costs	-	1,121	1,121
Handicapped parking	109	-	109
Law enforcement	64	-	64
Unreserved, reported in:			
General fund			
Undesignated	190,419	-	190,419
Special revenue funds			
Undesignated	-	28,615	28,615
Capital projects fund			
Undesignated	-	56,064	56,064
Total fund balances	223,813	143,360	367,173
Total liabilities and fund balances	\$ 364,300	\$ 221,069	\$ 585,369

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds

For the nine months ended September 30, 2011

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Real property taxes and tax items	\$ 224,175	\$ 36,277	\$ 260,452
Sales and use taxes	502,979	2,985	505,964
Transfer taxes	-	6,593	6,593
Intergovernmental	277,544	43,995	321,539
Departmental	49,662	10,984	60,646
Interest	881	995	1,876
Miscellaneous	3,770	2,227	5,997
Total revenues	1,059,011	104,056	1,163,067
EXPENDITURES:			
Current:			
General government support	268,010	6,331	274,341
Public safety	88,647	9,062	97,709
Health	49,666	6,738	56,404
Transportation	15,813	16,680	32,493
Economic assistance and opportunity	410,493	12,641	423,134
Culture and recreation	11,268	-	11,268
Education	52,459	275	52,734
Home and community service	1,492	32,930	34,422
Capital outlay	-	34,539	34,539
Debt service:			
Principal retirement	-	30,323	30,323
Interest and fiscal charges	403	14,828	15,231
Total expenditures	898,251	164,347	1,062,598
(Deficiency) excess of revenues over expenditures	160,760	(60,291)	100,469
OTHER FINANCING SOURCES (USES):			
Issuance of general obligation debt	-	28,994	28,994
Premium on bond issuance	-	5,824	5,824
Issuance of refunding bonds	-	30,695	30,695
Payments to refunding bond escrow	-	(34,469)	(34,469)
Sale of property	273	8	281
Long-term loan proceeds from ECFSA	-	96,864	96,864
Long-term loan proceeds to ECMCC	-	(96,864)	(96,864)
Transfers in	-	61,054	61,054
Transfers out	(62,533)	(15,742)	(78,275)
Total other financing sources (uses)	(62,260)	76,364	14,104
Net change in fund balances	98,500	16,073	114,573
Fund balances at beginning of year	125,313	127,287	252,600
Fund balances at end of nine months	\$ 223,813	\$ 143,360	\$ 367,173

Statement of Net Assets

Proprietary Fund

September 30, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
ASSETS:	
Current Assets:	
Cash	\$ 217
Receivables (net of allowances)	61
Due from other governments	3,300
Total current assets	 3,578
Total assets	 3,578
LIABILITIES	
Current Liabilities:	
Accounts payable	69
Accrued liabilities	1,043
Total current liabilities	 1,112
Total liabilities	 1,112
NET ASSETS:	
Unrestricted	2,466
Total net assets	 \$ 2,466

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the nine months ended September 30, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
OPERATING REVENUES:	
Interfund revenues	\$ 5,998
Other operating revenue	13,853
Total operating revenue	19,851
OPERATING EXPENSES:	
Employee wages	36
Employee benefits	15
Utilities and telephone	19,831
Total operating expenses	19,882
Operating loss	(31)
Change in net assets	(31)
Total net assets - beginning	2,497
Total net assets at end of nine months	\$ 2,466

Statement of Fiduciary Net Assets

Fiduciary Fund

September 30, 2011

(amounts expressed in thousands)

	Agency Fund
ASSETS:	
Cash and cash equivalents	\$ 32,197
Receivables:	
Other receivables	629
Bonds and securities held in custody	19
Total assets	\$ 32,845
LIABILITIES:	
Held in custody for others	\$ 32,845
Total liabilities	\$ 32,845

**COMBINING & INDIVIDUAL
FUND STATEMENTS & SCHEDULES**

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 and expenditures associated with the on-going clean up of major winter storm damage that occurred in October 2006.
- **Grants Special Revenue 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 current payments of principal and interest on general obligation long-term debt, and for financial resources that have been accumulated to make future principal and interest payments on general long term indebtedness.

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) Capital Projects 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

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
ASSETS:				
Cash and cash equivalents	\$ 3	\$ 25,582	\$ 83	\$ 1,090
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	61	-
Other	-	-	-	573
Due from other funds	-	10,752	1	-
Due from other governments	8,348	-	-	510
Total assets	\$ 8,351	\$ 36,334	\$ 145	\$ 2,173
LIABILITIES:				
Accounts payable	\$ 156	\$ 137	\$ -	\$ -
Accrued liabilities	995	1,354	145	342
Due to other funds	6,349	-	-	-
Due to other governments	-	-	-	-
Retained percentages payable	-	6	-	-
Unearned revenue	-	-	-	-
Total liabilities	7,500	1,497	145	342
FUND BALANCES:				
Reserved for:				
Encumbrances	2,761	6,067	-	369
Debt service	-	-	-	-
E-911 system costs	-	-	-	1,121
Unreserved, reported in:				
Special revenue funds				
Undesignated	(1,910)	28,770	-	341
Capital projects fund				
Undesignated	-	-	-	-
Total fund balances	851	34,837	-	1,831
Total liabilities and fund balances	\$ 8,351	\$ 36,334	\$ 145	\$ 2,173

(Continued)

COUNTY OF ERIE, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

(amounts expressed in thousands)

Special Revenue

	<u>Emergency Response</u>	<u>Grants</u>	<u>Community Development</u>	<u>Total</u>
ASSETS:				
Cash and cash equivalents	\$ 1,197	\$ -	\$ 370	\$ 28,325
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	61
Other	-	260	28,333	29,166
Due from other funds	-	-	-	10,753
Due from other governments	217	14,510	80	23,665
Total assets	\$ 1,414	\$ 14,770	\$ 28,783	\$ 91,970
LIABILITIES:				
Accounts payable	\$ -	\$ 1,191	\$ 31	\$ 1,515
Accrued liabilities	-	817	261	3,914
Due to other funds	-	11,644	-	17,993
Due to other governments	-	10	-	10
Retained percentages payable	-	-	-	6
Unearned revenue	-	1,108	28,491	29,599
Total liabilities	-	14,770	28,783	53,037
FUND BALANCES:				
Reserved for:				
Encumbrances	-	-	-	9,197
Debt service	-	-	-	-
E-911 system costs	-	-	-	1,121
Unreserved, reported in:				
Special revenue funds				
Undesignated	1,414	-	-	28,615
Capital projects fund				
Undesignated	-	-	-	-
Total fund balances	1,414	-	-	38,933
Total liabilities and fund balances	\$ 1,414	\$ 14,770	\$ 28,783	\$ 91,970

(Continued)

COUNTY OF ERIE, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 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
ASSETS:					
Cash and cash equivalents	\$ -	\$ 48,957	\$ 22,532	\$ 16,990	\$ 16
Investments	-	-	-	-	200
Receivables (net of allowances)					
Real property taxes, interest, penalties and liens	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	11,481	-	1,540	-	-
Due from other governments	478	765	6,565	17	-
Total assets	\$ 11,959	\$ 49,722	\$ 30,637	\$ 17,007	\$ 216
LIABILITIES:					
Accounts payable	\$ -	\$ 529	\$ 1,949	\$ 270	\$ -
Accrued liabilities	59	323	819	454	-
Due to other funds	4,179	1,130	3,665	6,675	-
Due to other governments	-	-	898	-	-
Retained percentages payable	-	670	-	722	-
Unearned revenue	-	-	178	-	-
Total liabilities	4,238	2,652	7,509	8,121	-
FUND BALANCES:					
Reserved for:					
Encumbrances	-	9,529	17,845	4,805	-
Debt service	7,721	-	-	-	-
E-911 system costs	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds					
Undesignated	-	-	-	-	-
Capital projects fund					
Undesignated	-	37,541	5,283	4,081	216
Total fund balances	7,721	47,070	23,128	8,886	216
Total liabilities and fund balances	\$ 11,959	\$ 49,722	\$ 30,637	\$ 17,007	\$ 216

(Continued)

COUNTY OF ERIE, NEW YORK

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2011

(amounts expressed in thousands)

Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 16,290	\$ 3,268	\$ 108,053	\$ 136,378
Investments	-	-	200	200
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	61
Other	-	-	-	29,166
Due from other funds	-	-	1,540	23,774
Due from other governments	-	-	7,347	31,490
Total assets	\$ 16,290	\$ 3,268	\$ 117,140	\$ 221,069
LIABILITIES:				
Accounts payable	\$ -	\$ 4	\$ 2,752	\$ 4,267
Accrued liabilities	49	3	1,648	5,621
Due to other funds	2,037	2	13,509	35,681
Due to other governments	-	-	898	908
Retained percentages payable	33	24	1,449	1,455
Unearned revenue	-	-	178	29,777
Total liabilities	2,119	33	20,434	77,709
FUND BALANCES:				
Reserved for:				
Encumbrances	8,411	52	40,642	49,839
Debt service	-	-	-	7,721
E-911 system costs	-	-	-	1,121
Unreserved, reported in:				
Special revenue funds				
Undesignated	-	-	-	28,615
Capital projects fund				
Undesignated	5,760	3,183	56,064	56,064
Total fund balances	14,171	3,235	96,706	143,360
Total liabilities and fund balances	\$ 16,290	\$ 3,268	\$ 117,140	\$ 221,069

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2011

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
REVENUES:				
Real property taxes and tax items	\$ -	\$ 35,028	\$ 1,249	\$ -
Sales and use taxes	-	-	-	2,985
Transfer taxes	6,593	-	-	-
Intergovernmental	7,512	37	-	1,016
Departmental	95	8,565	-	-
Interest	-	104	-	-
Miscellaneous	7	903	-	-
Total revenues	14,207	44,637	1,249	4,001
EXPENDITURES:				
Current:				
General government support	-	-	1,249	-
Public safety	-	-	-	4,083
Health	-	-	-	763
Transportation	16,680	-	-	-
Economic assistance and opportunity	-	-	-	-
Education	-	-	-	-
Home and community service	-	28,934	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	15	-	-
Total expenditures	16,680	28,949	1,249	4,846
(Deficiency) excess of revenues over expenditures	(2,473)	15,688	-	(845)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunding bond escrow	-	-	-	-
Sale of property	-	-	-	-
Long-term loan proceeds from ECFSA	-	-	-	-
Long-term loan proceeds to ECMCC	-	-	-	-
Transfers in	4,013	-	-	1,096
Transfers out	(1,540)	(3,493)	-	-
Total other financing sources (uses)	2,473	(3,493)	-	1,096
Net change in fund balances	-	12,195	-	251
Fund balances at beginning of year	851	22,642	-	1,580
Fund balances at end of nine months	\$ 851	\$ 34,837	\$ -	\$ 1,831

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2011

(amounts expressed in thousands)

Special Revenue

	Emergency Response	Grants	Community Development	Total
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 36,277
Sales and use taxes	-	-	-	2,985
Transfer taxes	-	-	-	6,593
Intergovernmental	-	25,574	2,471	36,610
Departmental	-	1,480	644	10,784
Interest	-	-	-	104
Miscellaneous	-	699	53	1,662
Total revenues	-	27,753	3,168	95,015
EXPENDITURES:				
Current:				
General government support	-	4,865	-	6,114
Public safety	-	4,979	-	9,062
Health	-	5,975	-	6,738
Transportation	-	-	-	16,680
Economic assistance and opportunity	-	12,493	148	12,641
Education	-	275	-	275
Home and community service	-	968	3,028	32,930
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	15
Total expenditures	-	29,555	3,176	84,455
(Deficiency) excess of revenues over expenditures	-	(1,802)	(8)	10,560
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunding bond escrow	-	-	-	-
Sale of property	-	-	8	8
Long-term loan proceeds from ECFSA	-	-	-	-
Long-term loan proceeds to ECMCC	-	-	-	-
Transfers in	-	1,802	-	6,911
Transfers out	-	-	-	(5,033)
Total other financing sources (uses)	-	1,802	8	1,886
Net change in fund balances	-	-	-	12,446
Fund balances at beginning of year	1,414	-	-	26,487
Fund balances at end of nine months	\$ 1,414	\$ -	\$ -	\$ 38,933

(Continued)

COUNTY OF ERIE, NEW YORK

**Combining Statement of Revenues, Expenditures
and Changes in Fund Balances**

Nonmajor Governmental Funds

For the nine months ended September 30, 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
REVENUES:					
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Transfer taxes	-	-	-	-	-
Intergovernmental	956	1,553	4,638	238	-
Departmental	-	9	78	113	-
Interest	853	1	-	37	-
Miscellaneous	-	521	44	-	-
Total revenues	1,809	2,084	4,760	388	-
EXPENDITURES:					
Current:					
General government support	126	-	-	91	-
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	-	-	-	-	-
Economic assistance and opportunity	-	-	-	-	-
Education	-	-	-	-	-
Home and community service	-	-	-	-	-
Capital outlay	-	11,889	16,052	5,617	-
Debt service:					
Principal retirement	30,323	-	-	-	-
Interest and fiscal charges	14,813	-	-	-	-
Total expenditures	45,262	11,889	16,052	5,708	-
(Deficiency) excess of revenues over expenditures	(43,453)	(9,805)	(11,292)	(5,320)	-
OTHER FINANCING SOURCES (USES) :					
Issuance of general obligation debt	-	9,323	1,971	12,184	-
Premium on bond issuance	3,900	1,067	226	-	-
Issuance of refunding bonds	27,690	-	-	3,005	-
Payments to refunding bond escrow	(31,464)	-	-	(3,005)	-
Sale of property	-	-	-	-	-
Long-term loan proceeds from ECFSA	-	-	-	-	-
Long-term loan proceeds to ECMCC	-	-	-	-	-
Transfers in	42,724	-	8,283	3,136	-
Transfers out	-	(6,267)	(616)	(2,026)	-
Total other financing sources (uses)	42,850	4,123	9,864	13,294	-
Net change in fund balances	(603)	(5,682)	(1,428)	7,974	-
Fund balances at beginning of year	8,324	52,752	24,556	912	216
Fund balances at end of nine months	\$ 7,721	\$ 47,070	\$ 23,128	\$ 8,886	\$ 216

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2011

(amounts expressed in thousands)

Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 36,277
Sales and use taxes	-	-	-	2,985
Transfer taxes	-	-	-	6,593
Intergovernmental	-	-	6,429	43,995
Departmental	-	-	200	10,984
Interest	-	-	38	995
Miscellaneous	-	-	565	2,227
Total revenues	-	-	7,232	104,056
EXPENDITURES:				
Current:				
General government support	-	-	91	6,331
Public safety	-	-	-	9,062
Health	-	-	-	6,738
Transportation	-	-	-	16,680
Economic assistance and opportunity	-	-	-	12,641
Education	-	-	-	275
Home and community service	-	-	-	32,930
Capital outlay	939	42	34,539	34,539
Debt service:				
Principal retirement	-	-	-	30,323
Interest and fiscal charges	-	-	-	14,828
Total expenditures	939	42	34,630	164,347
(Deficiency) excess of revenues over expenditures	(939)	(42)	(27,398)	(60,291)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	5,516	-	28,994	28,994
Premium on bond issuance	631	-	1,924	5,824
Issuance of refunding bonds	-	-	3,005	30,695
Payments to refunding bond escrow	-	-	(3,005)	(34,469)
Sale of property	-	-	-	8
Long-term loan proceeds from ECFSA	-	96,864	96,864	96,864
Long-term loan proceeds to ECMCC	-	(96,864)	(96,864)	(96,864)
Transfers in	-	-	11,419	61,054
Transfers out	(1,800)	-	(10,709)	(15,742)
Total other financing sources (uses)	4,347	-	31,628	76,364
Net change in fund balances	3,408	(42)	4,230	16,073
Fund balances at beginning of year	10,763	3,277	92,476	127,287
Fund balances at end of nine months	\$ 14,171	\$ 3,235	\$ 96,706	\$ 143,360

(Concluded)

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

Library Component Unit

September 30, 2011

(amounts expressed in thousands)

	<u>Library</u>
ASSETS:	
Cash and cash equivalents	\$ 13,126
Receivables (net of allowances)	
Other	55
Due from primary government	1,388
Due from other governments	842
Prepaid items	35
Total assets	<u>\$ 15,446</u>
LIABILITIES:	
Accounts payable	\$ 256
Accrued liabilities	1,177
Unearned revenue	875
Total liabilities	<u>2,308</u>
FUND BALANCES:	
Reserved for:	
Encumbrances	439
Prepaid items	35
Unreserved:	
Designated	8,055
Undesignated	4,609
Total fund balances	<u>13,138</u>
Total liabilities and fund balances	<u>\$ 15,446</u>

Statement of Revenues, Expenditures and Changes in Fund Balance

Library Component Unit

For the nine months ended September 30, 2011

(amounts expressed in thousands)

	Library
REVENUES:	
Real property taxes and tax items	\$ 18,172
Intergovernmental	2,852
Departmental	353
Interest	21
Miscellaneous	63
Total revenues	21,461
EXPENDITURES:	
Current:	
Culture and recreation	19,172
Total expenditures	19,172
Excess of revenues over expenditures	2,289
Net change in fund balances	2,289
Fund balance at beginning of year	10,849
Fund balances at end of nine months	\$ 13,138

INVESTMENT REPORT

Investment Report

January 1, 2011 through September 30, 2011

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first nine 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 1,179 investments were made during the first nine months, resulting in \$949,383 in total interest earnings for all funds. The weighted average yield for the first nine months was .50%. For comparison, during the first nine months of 2010, 1,362 investments were effectuated which generated \$1,453,126 in total interest earnings for all funds at an average weighted yield of .60%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - Sept		Average Investment (in millions) Jan - Sept		Average Length of Investment (days) Jan - Sept	
	2011	2010	2011	2010	2011	2010
JP Morgan Chase, N.A.	1,147	942	\$10.8	\$16.0	4	5
Citizens Bank	7	8	.4	.2	32	31
Bank of America	N/A	N/A	N/A	N/A	N/A	N/A
HSBC Bank USA, N.A.	19	401	30.0	51.2	21	6
Key Bank, N.A.	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturers & Traders	6	11	9.4	.2	30	1
Totals	1,179	1,362				

Investment Report

January 1, 2011 through September 30, 2011

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 st Quarter	\$136,550	\$28,007	\$144,664	\$17,301	\$326,522
2 nd Quarter	\$168,008	\$23,940	\$121,503	\$49,135	\$362,586
3 rd Quarter	\$83,873	\$17,893	\$123,098	\$35,411	\$260,275
Year to date	\$388,431	\$69,840	\$389,265	\$101,847	\$949,383

Please note the 2011 Adopted Budget General Fund interest earnings is \$919,000. The actual year to date earnings for the General Fund as of September 30, 2011 is \$388,431. For comparison, as of September 30, 2010, the General Fund interest earnings were \$743,031.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2011	2010
January	.55%	.62%
February	.54%	.61%
March	.55%	.63%
April	.53%	.59%
May	.44%	.55%
June	.44%	.58%
July	.49%	.60%
August	.49%	.59%
September	.45%	.60%
Weighted Average Jan. – Sept.	.50%	.60%

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, NEW YORK

Cash Flow Statement

1st, 2nd and 3rd Quarter 2011 Actual; 4th Quarter 2011 Projected

Description	Actual January	Actual February	Actual March	Actual April	Actual May
Opening Balance	\$ 27,030,702				
RECEIPTS:					
DSS	\$ 5,633,801	\$ 9,312,550	\$ 46,817,164	\$ 1,956,948	\$ 4,655,104
Sales Tax	46,967,258	55,798,331	45,631,945	61,443,134	50,920,806
Real Property Tax	6,576,426	46,008,092	201,650,478	24,023,821	5,839,913
Other	20,619,697	21,544,372	26,712,880	(12,668,668)	8,428,640
RAN Proceeds	-	-	-	-	-
EFSCA Set Aside Release	1,044,147	-	1,070,881	-	9,106,656
Total Receipts	107,872,031	132,663,345	321,883,349	74,755,235	78,951,119
DISBURSEMENTS:					
DSS	27,253,405	27,025,626	31,925,838	28,728,995	31,048,082
Payroll	30,584,194	25,473,320	25,488,162	34,299,941	22,062,612
Vendor	28,491,566	57,059,006	89,175,154	63,507,188	25,255,926
Debt Service	2,932,573	53,057	5,129,136	6,913,336	775,525
RAN Set Asides Aug & Dec '10	-	-	10,800,000	25,700,000	16,000,000
ECFSA Bond Set Asides	1,578,197	1,578,314	1,578,314	1,928,914	1,928,914
ECFSA Debt Service	1,044,147	-	1,070,881	-	9,106,656
Total Disbursements	91,884,082	111,189,324	165,167,485	161,078,374	106,177,715
Monthly Cash Flow	\$ 15,987,948	\$ 21,474,021	\$ 156,715,865	\$ (86,323,139)	\$ (27,226,596)
Cumulative Cash Flow	\$ 15,987,948	\$ 37,461,970	\$ 194,177,834	\$ 107,854,695	\$ 80,628,099

(Continued)

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

COUNTY OF ERIE, NEW YORK

Cash Flow Statement

1st, 2nd and 3rd Quarter 2011 Actual; 4th Quarter 2011 Projected

Description	Actual June	Actual July	Actual August	Actual September	Projected October
Opening Balance					
RECEIPTS:					
DSS	\$ 6,924,214	\$ 28,177,776	\$ 48,175,550	\$ 7,952,467	\$ 21,700,277
Sales Tax	68,523,425	48,480,467	52,081,414	51,277,024	68,745,074
Real Property Tax	5,080,770	4,473,691	3,683,051	3,419,434	2,679,666
Other	23,468,668	32,364,084	15,580,575	20,010,526	18,513,039
RAN Proceeds	-	-	-	-	88,000,000
EFSCA Set Aside Release	-	3,299,147	-	949,081	578,375
Total Receipts	103,997,077	116,795,165	119,520,589	83,608,532	200,216,431
DISBURSEMENTS:					
DSS	28,703,748	29,090,080	34,639,504	42,819,140	31,025,660
Payroll	24,525,810	28,035,854	23,213,005	33,962,749	25,909,301
Vendor	69,609,090	44,474,048	28,647,838	71,376,805	39,331,555
Debt Service	6,648,483	664,350	1,415,063	5,039,994	3,504,615
RAN Set Asides Aug & Dec '10	12,500,000	-	-	-	-
ECFSA Bond Set Asides	2,066,610	2,066,610	2,644,985	2,178,893	2,176,393
ECFSA Debt Service	-	3,299,147	-	949,081	578,375
Total Disbursements	144,053,741	107,630,089	90,560,395	156,326,662	102,525,899
Monthly Cash Flow	\$ (40,056,664)	\$ 9,165,076	\$ 28,960,194	\$ (72,718,130)	\$ 97,690,532
Cumulative Cash Flow	\$ 40,571,435	\$ 49,736,511	\$ 78,696,705	\$ 5,978,574	\$ 103,669,106

(Continued)

COUNTY OF ERIE, NEW YORK

Cash Flow Statement

1st, 2nd and 3rd Quarter 2011 Actual; 4th Quarter 2011 Projected

Description	Projected November	Projected December	TOTAL
Opening Balance			
RECEIPTS:			
DSS	\$ 13,321,059	\$ 32,477,681	\$ 227,104,592
Sales Tax	49,119,898	70,380,009	669,368,785
Real Property Tax	3,600,101	4,258,995	311,294,437
Other	18,013,638	25,016,081	217,603,531
RAN Proceeds	-	-	88,000,000
EFSCA Set Aside Release	3,410,256	-	19,458,544
Total Receipts	87,464,952	132,132,766	1,532,829,888
DISBURSEMENTS:			
DSS	62,036,877	31,343,764	405,640,720
Payroll	24,542,033	28,823,753	326,920,733
Vendor	24,228,586	113,079,357	654,236,119
Debt Service	10,989,727	11,355,337	55,421,195
RAN Set Asides Aug & Dec '10 .	-	-	65,000,000
ECFSA Bond Set Asides	2,351,553	2,351,553	24,429,251
ECFSA Debt Service	3,410,256	-	19,458,544
Total Disbursements	127,559,031	186,953,765	1,551,106,562
Monthly Cash Flow	\$ (40,094,079)	\$ (54,820,998)	\$ (18,276,673)
Cumulative Cash Flow	\$ 63,575,027	\$ 8,754,028	

(Concluded)

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections

Nine Months Ended September 30, 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	304,763,176	302,659,671
Less: January - September Collections	(281,478,985)	(279,419,471)
Net Outstanding at September 30	<u>\$ 23,284,191</u>	<u>\$ 23,240,200</u>
Percentage Collected through September 30 ...	<u>92.4%</u>	<u>92.3%</u>

COUNTY OF ERIE, NEW YORK

Sales Tax Revenue

Nine Months Ended September 30, 2011 and 2010

	2011 Adopted Budget ⁽¹⁾	September 2011 Y-T-D Revenue ⁽²⁾	% of Budget Realized	2010 Adopted Budget	September 2010 Y-T-D Revenue	% of Budget Realized
Sales And Use Tax	\$ 146,057,048	\$ 110,864,163	75.9%	\$ 141,802,959	\$ 106,476,677	75.1%
1% Sales Tax - Erie County Purposes . . .	138,543,491	104,663,939	75.5%	134,508,244	100,509,782	74.7%
0.25% Sales Tax	34,053,618	25,961,005	76.2%	33,061,765	24,931,946	75.4%
0.50% Sales Tax	68,106,288	51,922,010	76.2%	66,122,610	49,863,892	75.4%
Totals	\$ 386,760,445	\$ 293,411,117	75.9%	\$ 375,495,578	\$ 281,782,297	75.0%

Notes:

(1) Through September 30, 2011 year to date, \$203,148,322 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 November 2011.

DEBT SCHEDULES

Annual Debt Service Requirements for Long-Term General Obligation Indebtedness of the County ⁽¹⁾

As of September 30, 2011

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2011	\$ 21,467,125.00	\$ 8,370,556.55	\$ 29,837,681.55 ⁽²⁾
2012	48,447,801.49	21,874,820.55	70,322,622.04
2013	44,094,123.56	19,625,368.89	63,719,492.45
2014	44,824,506.00	17,654,894.86	62,479,400.86
2015	45,728,124.99	15,724,162.42	61,452,287.41
2016	44,571,938.02	13,718,772.46	58,290,710.48
2017	45,884,180.01	11,728,513.59	57,612,693.60
2018	40,536,422.94	9,570,651.84	50,107,074.78
2019	34,572,566.01	7,814,600.67	42,387,166.68
2020	35,084,809.01	6,218,828.97	41,303,637.98
2021	21,812,052.01	4,705,079.85	26,517,131.86
2022	22,754,295.01	3,629,655.80	26,383,950.81
2023	23,786,538.01	2,495,001.77	26,281,539.78
2024	5,768,780.92	1,829,160.86	7,597,941.78
2025	5,516,024.00	1,563,861.65	7,079,885.65
2026	3,183,267.00	1,345,953.98	4,529,220.98
2027	3,245,510.00	1,209,511.00	4,455,021.00
2028	3,327,752.00	1,068,601.48	4,396,353.48
2029	3,409,995.00	923,244.56	4,333,239.56
2030	2,537,238.00	798,238.75	3,335,476.75
2031	2,614,481.00	694,880.25	3,309,361.25
2032	2,279,336.00	590,402.36	2,869,738.36
2033	2,217,839.00	490,741.96	2,708,580.96
2034	2,107,839.00	392,220.61	2,500,059.61
2035	2,017,839.00	300,401.02	2,318,240.02
2036	1,257,839.00	207,902.50	1,465,741.50
2037	792,839.00	150,322.14	943,161.14
2038	807,839.00	113,703.70	921,542.70
2039	832,839.00	76,261.84	909,100.84
2040	552,839.00	38,798.58	591,637.58
2041	550,000.00	13,051.52	563,051.52
	<u>\$ 516,584,577.98</u>	<u>\$ 154,938,166.98</u>	<u>\$ 671,522,744.96</u>

SOURCE: Erie County Comptroller's Office

Notes:

(1) Table updated for EFC Refunding Issue of \$650,000 in February 2011: EFC Refunded Bonds of \$650,000 in February 2011, EFC Bond Issue of \$535,170 in May 2011, EFC Bond Issue of \$12,149,740 in June 2011, EFC Refunding Issue of \$2,355,000 in June 2011, EFC Refunded Bonds of \$2,355,000 in June 2011, County Bond Issue of \$16,810,000 in August 2011, County Refunding Bond Issue of \$27,690,000 in August 2011 and County Refunded Bonds of \$27,575,000 in August 2011.

(2) Amount is net of debt service payments of \$45,136,409.46 made from January 1, 2011 to September 30, 2011.

Direct General Obligation Indebtedness Outstanding

As of September 30, 2011

Bonds:		
Buildings and other Improvements	\$ 136,801,345.18	
Highway Improvements	114,115,035.92	
Court House Facilities	62,035,848.05	
Sewer District Facilities	79,667,773.83	
Hospital	17,056,117.47 ⁽¹⁾	
First Niagara Center	16,365,000.00	
Computer System	17,093,035.76	
Ralph Wilson Stadium	22,204,222.68	
Community College	28,298,696.94	
Convention Center	9,915,567.16	
Prison Facilities	12,903,052.46	
Nursing Home	<u>128,882.53</u> ⁽¹⁾	
Total Long-Term Debt		<u>516,584,577.98</u> ⁽²⁾
 Gross Direct Debt		 516,584,577.98
 Exclusions :		
Sewer District Debt	79,667,773.83	
Budgeted Appropriations	<u>19,830,000.59</u>	
 Total Deductions		 <u>99,497,774.42</u>
 Net Direct Debt		 <u><u>\$ 417,086,803.56</u></u>

SOURCE: Erie County Comptroller's Office

Notes:

(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.

Calculation of Constitutional Debt Limit

As of September 30, 2011

For Fiscal Year Ended December 31	Equalized Full Valuation of Taxable Real Property
2006	\$ 38,102,215,587.00
2007	40,477,680,885.00
2008	42,445,603,001.00
2009	44,382,615,337.00
2010	46,194,212,750.00
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

MISCELLANEOUS FINANCIAL DATA

Property Tax Collection History

Last Ten Fiscal Years

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes ⁽¹⁾	Towns Levy ⁽²⁾	Returned School Tax ⁽³⁾	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%

Sources:

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

Notes:

(1) Includes Countywide property tax, all town taxes, and relieved village and school taxes. Does not include initial school district levies.

(2) 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.

(3) 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.

Short-Term Borrowing History ⁽¹⁾

1995 - 2011

Year	Amount	Type	Issue Date	Maturity Date
1995	\$ 80,000,000	RAN ⁽²⁾	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
1996	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
1997	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
2005	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
2010	20,000,000	RAN	12/14/10	04/14/11
2011	88,000,000	RAN	10/06/11	06/29/12

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.

At September 30, 2011 the County did not have any RANs outstanding. On October 6, 2011, the Erie County Fiscal Stability Authority ("ECFSA") issued a BAN totaling \$87,395,000 with an interest rate of 0.44%. On the same date, the ECFSA paid the County \$88,000,000 for the County's RAN. The RAN matures on June 29, 2012 with an interest rate of 0.65%.

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 ECFSA pursuant to an

Outstanding Long-Term Direct Indebtedness ⁽¹⁾

Last Ten Fiscal Years

As of December 31

Fiscal Year	Amount (2)
2001	\$ 221,209,139
2002	256,295,578
2003	327,032,146
2004	384,124,771
2005	446,656,115
2006	460,910,906
2007	423,582,245
2008	379,245,466
2009	336,954,031
2010	448,722,294

Sources:

Erie County General Purpose Financial Statements – 2001 (Audited)

Erie County Basic Financial Statements – 2002-2010 (Audited)

Note:

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

(2) Excludes ECMCC bond guaranty of \$101,375,000 for 2004-2008, \$99,305,000 for 2009 and \$97,150,000 for 2010.

Valuations, Tax Levies and Rates

Last Five Fiscal Years

	2011	2010	2009	2008	2007
Assessed Valuation	\$ 35,483,249,993	\$ 34,922,263,145	\$ 33,446,388,926	\$ 32,158,167,722	\$ 31,165,324,890
Equalized Full Valuation	46,759,758,193	46,194,212,750	44,434,521,055	42,866,825,529	40,477,681,759
Levied for County Purposes ⁽¹⁾	235,182,208	232,413,974	223,306,326	211,837,793	200,031,205
Rates for \$1,000 of Equalized Full Valuation	\$5.03	\$5.03	\$5.03	\$4.94	\$4.94

Sources:

2007-2008: *Annual Adopted Budget Messages & Summaries*

2009-2011 *Assessed and Equalized Full Valuations: 2009-2011 Budget Messages & Summaries*

2009-2011 *Levied for County Purposes: 2009-2011 Adopted Budgets*

Note:

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

Computation of Constitutional Taxing Power for 2011 ⁽¹⁾⁽²⁾

<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	46,759,758,193
Total	<u>\$ 220,186,567,397</u>
Five-Year Average Full Valuation	\$ 44,037,313,479
Tax Limit (1.5%) ⁽²⁾	660,559,702
Total Exclusions	<u>59,646,910</u>
Total Taxing Power	720,206,612
Total Levy for 2011 ⁽³⁾	<u>246,243,492</u>
Tax Margin ⁽²⁾	<u>\$ 473,963,120</u>

Notes:

(1) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.

(2) 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.

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