

**COUNTY OF ERIE
NEW YORK**

Comprehensive Annual Financial Report



For the Year Ended December 31, 2020

**STEFAN I. MYCHAJLIW
Erie County Comptroller**



COUNTY OF ERIE, NEW YORK

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2020

Prepared by:

Erie County Comptroller's Office
Stefan I. Mychajliw
Erie County Comptroller



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2020

	<u>Page</u>
Introductory Section:	
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
Organizational Chart.....	viii
Summary of Elected Officials.....	ix
Financial Section:	
Independent Auditors’ Report.....	1
Management’s Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet—Governmental Funds	17
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds to the Government-wide Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual (Non-GAAP Basis of Accounting)—General Fund	21
Statement of Net Position—Proprietary Funds.....	22
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds	23
Statement of Cash Flows—Proprietary Funds.....	24
Statement of Fiduciary Net Position—Custodial Fund.....	26
Statement of Changes in Fiduciary Net Position—Custodial Fund.....	27
Notes to the Financial Statements	28

(continued)



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2020

	<u>Page</u>
Required Supplementary Information:	
Schedule of the County’s Proportionate Share of the Net Pension Liability—Employees’ Retirement System—Primary Government	84
Schedule of the County’s Contributions—Employees’ Retirement System— Primary Government.....	85
Schedule of the County’s Proportionate Share of the Net Pension Liability/(Asset)—Teachers’ Retirement System—Primary Government.....	86
Schedule of the County’s Contributions—Teachers’ Retirement System— Primary Government.....	87
Schedule of Changes in the County’s Total OPEB Liability and Related Ratios	88
Notes to the Required Supplementary Information.....	91
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet—Nonmajor Governmental Funds.....	92
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	95
Schedules of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual (Non-GAAP Basis of Accounting)—Nonmajor Governmental Funds:	
Road Special Revenue Fund.....	98
Sewer Special Revenue Fund	99
Downtown Mall Special Revenue Fund.....	100
E-911 Special Revenue Fund	101
Emergency Response Special Revenue Fund.....	102
Debt Service Fund	103
Balance Sheet—Library Component Unit.....	104
Reconciliation of the Balance Sheet—Library Component Unit to the Government-wide Statement of Net Position.....	105
Statement of Revenues, Expenditures and Changes in Fund Balance— Library Component Unit to the Government-wide Statement of Activities	106
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance—Library Component Unit to the Government-wide Statement of Activities	107
Combining Statement of Net Position—Other Component Units.....	108
Combining Statement of Revenues, Expenses, and Changes in Net Position— Other Component Units.....	109

(continued)



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2020

(concluded)

Page

Statistical Section:

Financial Trends:

Net Position by Component	110
Changes in Net Position	111
Fund Balances of Governmental Funds	114
Changes in Fund Balances of Governmental Funds	115

Revenue Capacity:

Taxable Sales by Category	117
Assessed and Equalized Full Value of Taxable Property	118
Direct and Overlapping Property Tax Rates	119
Principal Taxpayers	120
Property Tax Levies and Collections	121

Debt Capacity:

Ratios of Outstanding Debt by Type	122
Ratios of General Bonded Debt Outstanding	123
Legal Debt Margin Information	124
Pledged-Revenue Coverage	125
Direct and Overlapping Governmental Activities Debt	126

Demographic and Economic Information:

Demographic and Economic Statistics	127
Principal Employers	128

Operating Information:

Full-time County Government Employees by Function	129
Operating Indicators by Function/Program	130
Capital Asset Statistics by Function	131



INTRODUCTORY SECTION

This section contains the following:

- **LETTER OF TRANSMITTAL**
- **GFOA CERTIFICATE OF ACHIEVEMENT**
- **ORGANIZATIONAL CHART**
- **SUMMARY OF ELECTED OFFICIALS**





June 16, 2021

ERIE COUNTY COMPTROLLER

HON. STEFAN I. MYCHAJLIW

The Honorable
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

Honorable Mark C. Poloncarz
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear Honorable Members and County Executive Poloncarz:

The Comprehensive Annual Financial Report ("CAFR") of the County of Erie, New York (the "County"), for the fiscal year ended December 31, 2020 is submitted in accordance with the requirements of Section 1202 (i) of the Erie County Charter.

INTRODUCTION

This report was prepared by the Erie County Comptroller's Office in conformance with current accounting and financial reporting principles promulgated by the Governmental Accounting Standards Board ("GASB") and the New York Office of the State Comptroller. County management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm Drescher & Malecki LLP, the County's independent external auditor, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2020. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Basic Information

The County is a metropolitan center covering 1,058 square miles that is located on the western border of New York State, adjacent to Lake Erie. Situated within the County are 3 cities, 25 towns, and 16 villages, including the City of Buffalo, which serves as the County seat and is the State's second most populous and largest city. The County provides a variety of mandated and discretionary services covering the areas of culture, parks and recreation, social services, police, libraries, youth, health, senior services, roads, mental health, probation, corrections, emergency services, license bureau, and sanitary sewerage.

OFFICE OF ERIE COUNTY COMPTROLLER STEFAN I. MYCHAJLIW • 95 FRANKLIN STREET • ROOM 1100 • BUFFALO, N.Y. • 14202
PHONE: (716) 858-8400 • FAX: (716) 858-6195 • E-MAIL: COMPTROLLER@ERIE.GOV
WHISTLEBLOWER HOTLINE FOR REPORTING WASTE, FRAUD & ABUSE: (716) 858-7722 OR E-MAIL: WHISTLEBLOWER@ERIE.GOV

The County is a major New York industrial and commercial center, and is favorably located relative to the commercial markets of both the United States and Canada. Access to these markets is enhanced by the County's standing of being among the largest rail centers in the United States; that it is provided trucking services by numerous transcontinental, international and common carriers and is a focal point of international water-borne transportation.

Subject to the New York State Constitution and Laws, the County operates pursuant to a County Charter ("Charter") and Administrative Code. Additionally, various New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government.

Legislative authority of the County is vested in an 11-member governing body known as the County Legislature ("Legislature"), each member of which is elected for a two-year term. Principal functions of the Legislature include adoption of the annual budget, levying of taxes, review and approval of budget modifications, adoption of local laws, and authorization of the incurrence of all County indebtedness.

In addition to the members of the Legislature, there are five County-wide elected officials, each elected to four-year terms: County Executive, County Comptroller, County Clerk, District Attorney, and Sheriff. The County Comptroller serves as the County's chief fiscal, accounting, financial reporting and auditing officer.

Component Units

Consistent with criteria promulgated in the GASB Codification, the financial statement reporting entity includes the County of Erie, New York (the primary government) and its significant component units: the Buffalo and Erie County Public Library, the Erie County Medical Center Corporation and its three component units (i.e., Research for Health in Erie County, Inc., ECMC Foundation, Inc. and The Grider Initiative, Inc.), two component units of the Erie Community College proprietary fund (i.e., the Auxiliary Services Corporation of Erie Community College, Inc. and the Erie Community College Foundation, Inc.), the Erie County Fiscal Stability Authority, the Erie Tobacco Asset Securitization Corporation ("ETASC"), and the Buffalo and Erie County Industrial Land Development Corporation, Inc. ("ILDC").

Additional detailed information relating to the specific organizations and the manner of inclusion (discrete presentation or blending) in the reporting entity as component units, and the basis for making such determinations, are also discussed in Note I (B) to the financial statements.

Erie County Fiscal Stability Authority

In July 2005, the New York State Legislature and Governor created the Erie County Fiscal Stability Authority ("ECFSA") to monitor the County's finances. Under the Erie County Fiscal Stability Authority Act ("Act"), the legislation establishing the ECFSA, the County is required to develop and submit a Four Year Financial Plan to ECFSA for its approval. Under the Act, if the County fails to meet certain criteria, or if the County meets other criteria such as the County having "incurred a major operating funds deficit of one percent or more in the aggregate results of operations of such funds of the County during its fiscal year," (§ 3959 of the Act) the ECFSA may declare and enter into a "control period." Under the Act, in a control period, the ECFSA may engage in a number of actions including establishing a wage and/or hiring freeze, setting maximum levels of County spending and requiring its approval for any County borrowing. On November 3, 2006, citing deficiencies in the County's 2007-2010 Four Year Financial Plan, ECFSA imposed a control period on Erie County, which continued until June 2009, at which time the ECFSA voted to return to an advisory status in which it continues to function.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Historically the local economy was built on railroad commerce, steel manufacturing, automobile production, Great Lakes shipping and grain storage. However, following heavy job losses in the manufacturing sector in the 1970's and early 1980's, the local economy has become more diversified with growth in the financial, health and service sectors. This diversification has cushioned local impacts during economic downturns, but redevelopment of the local economic base and improvement of the local economy has been a gradual, sometimes sporadic, ongoing process since the mid-1980s.

Erie County has increasingly become a center of bioinformatics and medical research including development at the University at Buffalo, Hauptman-Woodward Medical Research Institute, and Roswell Park Cancer Institute. The Buffalo Niagara Medical Campus in downtown Buffalo has continued to grow since its inception in 2001.

One of the largest projects in Buffalo has been the redevelopment of Seneca One, the tallest building in the city. The structure has been brought back to life with office space, apartments and event office. The mixed-use building's anchor tenant is M&T Bank, which is also one of the region's largest employers. The Buffalo News wrote, "M&T's presence ensures the tallest building in the Buffalo Niagara region will become a catalyst for the ongoing reinvention of downtown." In addition to M&T Bank, several tech companies have made the move into Seneca One.

Western New York was awarded \$67.3 million from New York State Economic and Community Development Resources through the 2020 Regional Council Competition. This supported 109 projects. One of the projects was \$1 million for Kleinhans Music Hall Campaign for A New Century to embark on necessary repairs and upgrades to the building mechanicals and structure. Additionally, \$2.5 million was awarded to Buffalo Niagara Waterkeeper to aid in the transformation of the Ralph C. Wilson, Jr. Centennial Park, an aging park on the shore of Lake Erie in the City of Buffalo, through natural shoreline restoration, wetlands and bioretention areas. Local company Steuben Foods in Elma received \$714,000 to expand its advanced food and beverage manufacturing facility by acquiring additional equipment to keep up with growing demand from its customers. (Source: www.governor.ny.gov)

OTHER RELEVANT INFORMATION

Relevant Financial Policies

The County Charter, amended by Local Law 3-2006 and the Budget Modernization Act Local Law 2-2012, includes specific provisions for fund balance. The Charter requires the County to establish and maintain "a balance in the General Fund established in the budget equal to or greater than five percent of the amount contained in the budget of the Fund in the immediately preceding fiscal year." The Charter also provides for limits and specific requirements governing the County's use/appropriation of fund balance including legislative approval and that the County may not appropriate fund balance below the five percent level.

Monthly Accrual/Monitoring System

Since 1985, the County has maintained a Budget Monitoring System which compares budgetary estimates at the department and account level to fully accrued actual data on a monthly basis. The monitoring reports are used as a management tool during the fiscal year. All major variances are reconciled and, as appropriate, corrective measures are taken to ensure any projected deficit condition will be prevented or minimized.

The County Administration is also required to submit monthly budget monitoring reports to the County Legislature.

Independent Audit

Since 1975, it has been the County's policy to have an independent external audit of its annual financial statements performed by a certified public accounting firm. The Charter provides for an independent Audit Committee that is responsible for recommending one or more specific firms to conduct annual audits of the County and the Erie Community College. The County has complied with the Charter's requirement to have an independent audit performed and the auditors' opinion is provided in the Financial Section of this report.

Erie County's 2021 Budget

Under the Charter, the County Executive is required to submit the tentative annual budget to the County Legislature by October 15th. On October 15, 2020, the County Executive presented his 2021 Tentative Budget to the Legislature for review and action. On December 3, 2020, the County Legislature adopted the 2021 Amended Budget.

COVID-19

The outbreak of COVID-19, a serious respiratory disease caused by a novel strain of coronavirus, was declared a pandemic by the World Health Organization on March 11, 2020.

Economic Impacts

The outbreak of COVID-19 has drastically affected travel, commerce and financial markets globally. As almost all nations have experienced a rise in infections and implemented containment measures that in the case of some nations (including the United States) have been drastic, economies have suffered in the extreme. The full impact is difficult to predict due to uncertainties regarding the duration and severity of the COVID-19 pandemic.

Uncertainty regarding the short, medium and long-term effects of the COVID-19 pandemic has caused extreme volatility across all financial markets, including the primary and secondary markets for municipal bonds. In the United States, Congress and the Federal Reserve have taken significant steps to backstop those markets and to provide liquidity, but the markets have experienced significant volatility, and such volatility may continue.

County Response

County Charter Section 2511 provides as follows: "If at any time during the fiscal year it appears, from cash flow projections or other generally accepted accounting principles, that the revenues available, as projected through the end of the fiscal year, will be insufficient to meet either (a) the amounts appropriated, or (b) expenses anticipated to be incurred through the end of the fiscal year, such that the cumulative effect thereof is a projected year-end deficit in excess of fifty percent of the County's undesignated, unreserved fund balance as of the end of the immediately preceding fiscal year, the County Executive or the Comptroller shall submit a report to the Legislature setting forth the estimated amount of the deficit with appropriate details and explanations."

Accordingly, on May 4, 2020, the County Comptroller issued a deficit declaration to the County Legislature informing them of an estimated \$206,609,425 revenue deficit for 2020. Such declaration stated that revenues as projected through the end of the year will be insufficient to meet the amounts appropriated,

such that the cumulative effect thereof is a projected year-end deficit in excess of fifty percent of the County's \$51,449,393 undesignated, unreserved fund balance as of the end of the 2019 fiscal year.

The County Executive on May 8, 2020 issued an executive order extending the time for his response from seven days to thirty days. On June 4, 2020, the County Executive presented to the County Legislature a proposed 2020 COVID-19 Deficit Reduction Plan (the "Deficit Reduction Plan") which, based on updated economic information, estimated the amount of the County's current fiscal year budget deficit to be \$137,800,000. According to the County Executive's transmittal message the Deficit Reduction Plan "was developed with input solicited from all department heads and independently elected officials to make strategic cuts within Fiscal Year 2020 and to prepare the County for what we believe will be another challenging fiscal year in 2021. Measures we have put in place already include a hiring freeze on non-essential, non-grant funded personnel, fund blocks on various budget lines, and a significant allocation of 2019 surplus funding for deficit reduction purposes which serve as the basis for this plan. It is important to highlight there are still many unknowns. Attempting to both quantify the exact size of the deficit and account for further actions taken by the State and Federal Governments presents a tremendous challenge. This plan accounts for that by providing some flexibility in the use of various gap closing measures and through the use of the monthly BMR process to gauge the county's financial position."

To address the projected deficit, proposed measures under the Deficit Reduction Plan implemented include: (i) the application of \$29,000,000 fiscal year 2019 operating surplus funds, (ii) the application of \$25,150,000 from unassigned cumulative fund balances, (iii) close-out of \$4,673,937 of old capital projects, (iv) \$8,000,000 of unexpended fringe costs, (v) \$16,000,000 savings from decreased healthcare utilization by County employees and retirees and rebates earned from prescription costs paid by the County in 2020 but not distributed by the Labor Management Healthcare Fund until 2021, (vi) application (in accordance with written guidance dated May 4, 2020 from the United States Department of the Treasury) of \$15,000,000 in federal aid provided by Congress' passage of the CARES Act in April 2020 for County payroll expenses related to classes of employees whose services are "substantially dedicated to mitigating or responding to the COVID 19 public health emergency, and (vii) \$40,056,234 of cost control measures for various County government departments including vacancy control for unfilled positions, elimination or modification of select positions, and reduction or elimination of various administrative lines, as well as certain departmental reorganizations.

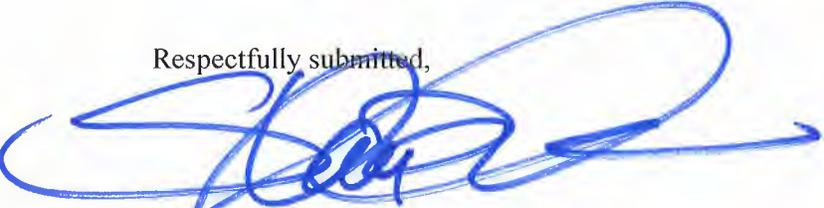
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the fifteenth consecutive year that the County has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe the County's CAFR for fiscal year 2020 continues to meet the Certificate of Achievement Program's requirements and we will submit the document to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efforts of the Comptroller's Office's Accounting Division staff, other cooperating County departments, and Drescher & Malecki LLP. Furthermore, I extend my appreciation to everyone who assisted and contributed to the preparation of the County's CAFR for fiscal year 2020.

Respectfully submitted,



Stefan I. Mychajliw
Eric County Comptroller

SIM/kt



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Erie
New York**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

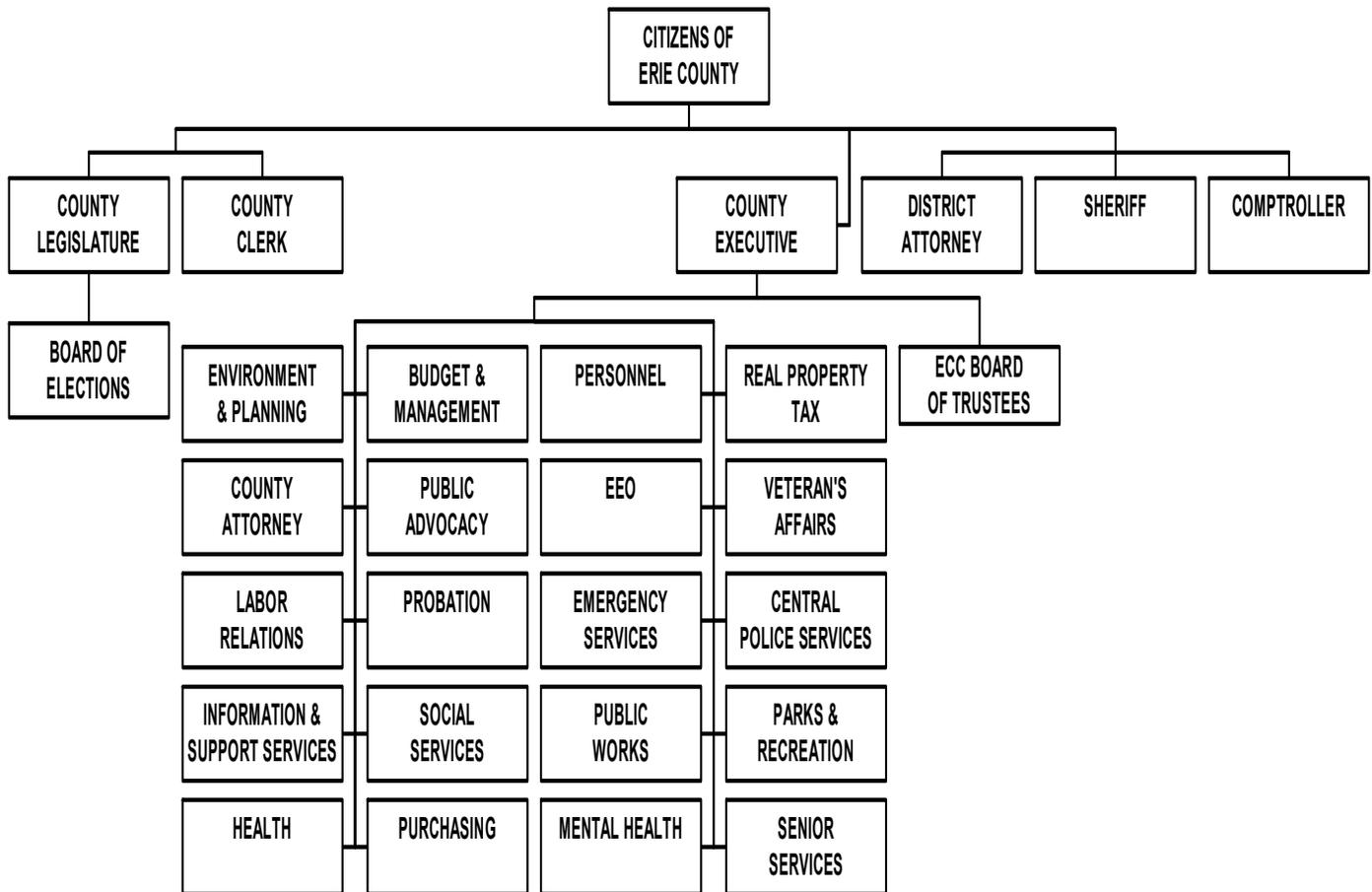
Christopher P. Morill

Executive Director/CEO



COUNTY OF ERIE, NEW YORK ORGANIZATIONAL CHART

December 31, 2020



COUNTY OF ERIE, NEW YORK
SUMMARY OF ELECTED OFFICIALS
December 31, 2020

COUNTY CLERK	COUNTY EXECUTIVE	DISTRICT ATTORNEY	SHERIFF	COUNTY COMPTROLLER
Michael P. Kearns	Mark C. Poloncarz	John J. Flynn	Timothy B. Howard	Stefan I. Mychajliw

ERIE COUNTY LEGISLATORS

District No. 1	Howard Johnson	District No. 7	Tim Meyers
District No. 2	April N.M. Baskin	District No. 8	Frank J. Todaro
District No. 3	Lisa Chimera	District No. 9	John J. Gilmour
District No. 4	Kevin R. Hardwick	District No. 10	Joseph C. Lorigo
District No. 5	Jeanne M. Vinal	District No. 11	John J. Mills
District No. 6	Edward A. Rath III		

FINANCIAL SECTION

This section contains the following:

- **INDEPENDENT AUDITORS' REPORT**
- **MANAGEMENT'S DISCUSSION AND ANALYSIS**
- **BASIC FINANCIAL STATEMENTS**
- **REQUIRED SUPPLEMENTARY INFORMATION**
- **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Honorable County Executive
Honorable County Comptroller
Honorable Members of the County Legislature
County of Erie, New York:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Erie, New York (the "County"), as of and for the year ended December 31, 2020 (with the Erie Community College for the year ended August 31, 2020), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Erie County Fiscal Stability Authority ("ECFSA"), which represent 4.3% and 3.1% of the assets and revenues, respectively, of the governmental activities. We did not audit the financial statements of the Buffalo and Erie County Industrial Land Development Corporation, Inc. ("ILDC"), which represent 12.6% and 1.3% of the assets and revenues, respectively, of the business-type activities. We did not audit the financial statements of Erie County Medical Center Corporation ("ECMCC"), a discretely presented component unit. We did not audit the financial statements of the Erie Community College Foundation, Inc. ("Foundation"), which is shown as an aggregate discretely presented component unit, and represents 69.7% and 52.3% of the assets and revenues, respectively, of the aggregate discretely presented other component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the ECFSA, ILDC, ECMCC, and Foundation, is based solely on the reports of such other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during the year ended December 31, 2020, the County implemented Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Introductory Section, Combining and Individual Fund Financial Statements and Schedules, and Statistical Section, as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Introductory Section and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Drescher & Malecki LLP

June 16, 2021



COUNTY OF ERIE, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2020

As management of the County of Erie, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2020. We encourage the reader to consider the information contained in this analysis in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. For comparative purposes, certain data from the prior year has been reclassified to conform to the current year presentation. All amounts in this Management's Discussion and Analysis, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The primary government's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the 2020 fiscal year by \$1,128,484. This consists of \$112,082 restricted for specific purposes (restricted net position), \$508,668 net investment in capital assets and unrestricted net position of \$(1,749,234) at December 31, 2020.
- As a result of current year activity, the primary government's total net position decreased by \$86,254. Governmental activities decreased the County's net position by \$65,479 and business-type activities decreased the County's net position by \$20,775.
- As of December 31, 2020, the County's governmental funds reported combined fund balances of \$409,794, a decrease of \$6,767 in comparison to the prior year. Approximately 25.3% of the total combined governmental funds fund balance, \$103,590, is available to meet the County's current and future needs (*unassigned fund balance*).
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$104,050, or 77.6%, of the total General Fund fund balance of \$134,025. Nonspendable, restricted and assigned General Fund fund balance totaled \$29,975 at December 31, 2020.
- The total bonded debt of the primary government decreased by \$20,317, or 2.2%, during the 2020 fiscal year as a result of principal payments made during the year and refunded bonds, partially offset by the issuance of general obligation serial and refunding bonds, and annual net interest accretion of the ETASC Subordinate Turbo Capital Appreciation Bonds ("CABs").

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, other supplementary information is included.

Government-wide Financial Statements—The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all County assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, health, transportation, economic assistance and opportunity, culture and recreation, education, and home and community service.

The business-type activities of the County include Erie Community College (“College”), the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) and the Utilities Aggregation Fund. A fiscal year ending August 31 is mandated by New York State law for the College. Accordingly, financial information for the College is presented as of and for the fiscal year then ended.

On July 12, 2005, the Governor of the State of New York signed legislation creating the Erie County Fiscal Stability Authority (“ECFSA”). The ECFSA began its work during 2005 in an advisory role and provides the County with financial oversight while giving local leaders the ability to improve the County’s fiscal condition without further State intervention. The ECFSA is included within governmental activities in the government-wide financial statements.

The government-wide financial statements include not only the County itself (i.e., *the primary government*) but also the legally separate Buffalo and Erie County Public Library (the “Library”), Erie County Medical Center Corporation (the “ECMCC”) and other component units. Financial information for these *discretely presented component units* of the County is reported separately from the financial information presented for the primary government itself. The Library does not issue separate financial statements.

Fund Financial Statements—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All funds of the County are divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds’ Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains fourteen (14) individual governmental funds. Additionally, the County reports the activities of its *blended component units* within its governmental funds. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, and the General Fund of the ECFSAs blended component unit (reported as a major special revenue fund). Data from the other governmental funds and nonmajor blended component units are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund.

Proprietary funds—The County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the College, ILDC, and the Utilities Aggregation Fund, which is used to account for the bulk purchase and resale of gas, oil, and electric utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The College and the ILDC are considered to be major proprietary funds of the County.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has one fiduciary fund, the Custodial Fund, which is used to report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

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

Required Supplementary Information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liability/(asset), and the changes in the County's total other postemployment benefits ("OPEB") obligation. Required supplementary information and the related notes to the required supplementary information can be found immediately following the notes to the financial statements.

Combining and Individual Fund Financial Statements and Schedules—This report also provides combining statements and schedules for nonmajor governmental funds and combining statements for other component units. They are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$1,128,484 at the close of the most recent fiscal year.

Summary Statement of Net Position as of December 31, 2020 and 2019

	PRIMARY GOVERNMENT					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 972,400	\$ 836,627	\$ 40,449	\$ 50,960	\$ 1,012,849	\$ 887,587
Capital assets	811,774	823,607	28,562	31,007	840,336	854,614
Total assets	<u>1,784,174</u>	<u>1,660,234</u>	<u>69,011</u>	<u>81,967</u>	<u>1,853,185</u>	<u>1,742,201</u>
Total deferred outflows of resources	<u>441,398</u>	<u>206,520</u>	<u>64,367</u>	<u>30,934</u>	<u>505,765</u>	<u>237,454</u>
Current and other liabilities	345,578	200,412	16,655	17,177	362,233	217,589
Long-term liabilities	<u>2,435,826</u>	<u>2,382,898</u>	<u>227,598</u>	<u>226,642</u>	<u>2,663,424</u>	<u>2,609,540</u>
Total liabilities	<u>2,781,404</u>	<u>2,583,310</u>	<u>244,253</u>	<u>243,819</u>	<u>3,025,657</u>	<u>2,827,129</u>
Total deferred inflows of resources	<u>393,056</u>	<u>166,853</u>	<u>68,721</u>	<u>27,903</u>	<u>461,777</u>	<u>194,756</u>
Net position:						
Net investment in capital assets	480,108	475,918	28,560	31,004	508,668	506,922
Restricted	111,876	80,411	206	221	112,082	80,632
Unrestricted	<u>(1,540,872)</u>	<u>(1,439,738)</u>	<u>(208,362)</u>	<u>(190,046)</u>	<u>(1,749,234)</u>	<u>(1,629,784)</u>
Total net position	<u>\$ (948,888)</u>	<u>\$ (883,409)</u>	<u>\$ (179,596)</u>	<u>\$ (158,821)</u>	<u>\$ (1,128,484)</u>	<u>\$ (1,042,230)</u>

A significant portion of the County’s primary government net position at December 31, 2020, \$508,668, reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment), net of accumulated depreciation and less any related debt used to acquire those assets that is still outstanding and any unspent proceeds from bond issues. The County uses these capital assets to provide services to citizens; accordingly, these assets are *not* available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County’s primary government net position, \$112,082, represents resources that are subject to external restrictions on how they may be used.

The remaining component of the County’s primary government net position, \$(1,749,234), represents *unrestricted net position* which reflects all liabilities that are not related to the County’s capital assets and which are not expected to be repaid from restricted resources. Long-term liabilities are typically funded annually in the funds with revenues of that year. The combined total of (1) Erie Tobacco Asset Securitization Corporation (“ETASC”, a blended component unit of the County) bonds net of discount, (\$354,718), issued to be paid back with future tobacco proceeds which are anticipated to be received annually over the next forty (40) years, and (2) the long-term liability associated with other post-employment benefits (“OPEB”) (\$1,345,295), is greater than this deficit. As the revenue recognition criteria for the future funding of these liabilities has not been met, no assets have been recorded to offset these liabilities.

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the County as a whole. Governmental and business-type activities have an unrestricted net position of \$(1,540,872) and \$(208,362), respectively, at December 31, 2020.

The following table indicates the changes in net position for governmental and business-type activities for the current and prior fiscal years:

Summary of Changes in Net Position for the Years Ended December 31, 2020 and 2019

	PRIMARY GOVERNMENT					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 91,722	\$ 90,020	\$ 44,786	\$ 53,928	\$ 136,508	\$ 143,948
Operating grants and contributions	486,180	399,873	13,077	6,469	499,257	406,342
Capital grants and contributions	16,561	14,160	-	-	16,561	14,160
General revenues:						
Property taxes	320,608	309,801	-	-	320,608	309,801
Sales and use taxes	819,939	846,543	-	-	819,939	846,543
Transfer and other taxes	14,632	15,522	-	-	14,632	15,522
Federal, state and local appropriations	-	-	58,614	61,999	58,614	61,999
Unrestricted interest earnings	3,551	7,899	101	267	3,652	8,166
Miscellaneous and other	14,072	9,719	-	-	14,072	9,719
Total revenues	<u>1,767,265</u>	<u>1,693,537</u>	<u>116,578</u>	<u>122,663</u>	<u>1,883,843</u>	<u>1,816,200</u>
Expenses:						
General government support	493,026	474,170	-	-	493,026	474,170
Public safety	181,426	178,216	-	-	181,426	178,216
Health	170,829	94,365	-	-	170,829	94,365
Transportation	91,030	97,446	-	-	91,030	97,446
Economic assistance and opportunity	644,893	621,673	-	-	644,893	621,673
Culture and recreation	29,576	21,351	-	-	29,576	21,351
Education	73,839	84,592	-	-	73,839	84,592
Home and community services	90,835	61,465	-	-	90,835	61,465
Interest and fiscal charges	38,486	37,189	-	-	38,486	37,189
College	-	-	139,415	134,427	139,415	134,427
ILDC	-	-	769	1,521	769	1,521
Purchase and resale of utilities	-	-	15,973	17,275	15,973	17,275
Total expenses	<u>1,813,940</u>	<u>1,670,467</u>	<u>156,157</u>	<u>153,223</u>	<u>1,970,097</u>	<u>1,823,690</u>
Excess (deficiency) before transfers	(46,675)	23,070	(39,579)	(30,560)	(86,254)	(7,490)
Transfers	<u>(18,804)</u>	<u>(18,684)</u>	<u>18,804</u>	<u>18,804</u>	<u>-</u>	<u>-</u>
Change in net position	(65,479)	4,386	(20,775)	(11,756)	(86,254)	(7,490)
Net position - beginning of year	<u>(883,409)</u>	<u>(887,795)</u>	<u>(158,821)</u>	<u>(147,065)</u>	<u>(1,042,230)</u>	<u>(1,034,860)</u>
Net position - ending	<u>\$ (948,888)</u>	<u>\$ (883,409)</u>	<u>\$ (179,596)</u>	<u>\$ (158,821)</u>	<u>\$ (1,128,484)</u>	<u>\$ (1,042,230)</u>

Governmental Activities

During the year ended December 31, 2020, governmental activities decreased the County's net position by \$65,479. Revenues increased by \$73,728 (4.2%) and expenses increased by \$143,473 (8.6%) from 2019 to 2020. Key elements of these changes are as follows:

- The \$86,307 (17.8%) increase in the operating grants and contributions category was primarily the result of increased federal aid related to the CARES Act in response to the COVID-19 pandemic.
- The \$10,807 (3.4%) increase in the property taxes category was primarily the result of increased collections of property taxes.
- Health expenses increased by \$76,464 (81.0%) primarily due to an increase in costs related to the County's response for the COVID-19 pandemic (\$71,116).
- Home and community services expenses increased by \$29,370 (47.8%) primarily due to an increase in professional services contracts related to the County's response to the COVID-19 pandemic (\$20,006).
- Economic assistance and opportunity expenses increased \$23,220 (3.6%) primarily due to increases within virtual learning assistance (\$7,172), rent and mortgage assistance (\$6,170), and child care expenses (\$4,500), offset by decreases within local share medicaid expenses (\$12,093).

Business-type Activities

Business-type activities decreased the County's net position by \$20,775 in the 2020 fiscal year. The College generated a decrease in net position of \$21,572 and a decrease of \$11,309 for the years ended August 31, 2020 and 2019, respectively. The College's operating loss at August 31, 2020 was more than the operating loss at August 31, 2019 by \$6,786, as operating revenues decreased \$1,724 and operating expenses increased \$5,062. Revenues generated during the fiscal year ended August 31, 2020 decreased primarily due to a decrease in net tuition and fees. These decreases were partially offset by increased federal aid from the Coronavirus Aid, Relief, and Economic Security ("CARES") Act funding. The County sponsorship share of support to the College for the College's fiscal year ended August 31, 2020 was \$18,804, and is reported as a 2020 operating transfer to the College from the County's General (\$17,724) and Special Capital (\$1,080) Funds. The ILDC generated a decrease in net position of \$783 and \$403 for the years ended December 31, 2020 and 2019, respectively.

Financial Analysis of the County's Funds

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

Governmental funds—The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance*, which is available to meet the County's current and future operational needs, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At December 31, 2020, the County's governmental funds reported combined fund balances of \$409,794, which is a decrease of \$6,767 in comparison with the prior year.

Nonspendable fund balance totaling \$13,274 consists of prepaid items. Nonspendable amounts represent net current financial resources that are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance in the amount of \$214,798 is constrained to specific purposes and consists of \$155 for education, advocacy and increased public awareness of handicapped parking laws, \$26,812 for community development loans, \$43,621 for the future repayment of bonded debt service and \$144,210 to fund capital projects and the purchase of capital assets.

Assigned fund balance includes amounts intended to be used for a specific purpose that are subject to a purpose constraint imposed by a formal action of the Erie County Legislature. Significant assignments by the County at December 31, 2020 include \$25,189 to meet expenditure requirements in the 2021 fiscal year, \$432 assigned to fund future settlements of various claims and litigation, \$6,976 for approved supplemental appropriations in the 2021 fiscal year, \$18,667 to fund year-end encumbrances, and \$26,867 that represents the positive residual balances.

Approximately 25.3% of the County's total fund balances consists of *unassigned fund balance*, \$103,590.

Following is a discussion of the significant balances and operations of the major and selected nonmajor funds.

- **General Fund**—The General Fund is the chief operating fund of the County. At December 31, 2020, unassigned fund balance of the General Fund was \$104,050, while total fund balance was \$134,025. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 7.6% of total expenditures (excluding other financing uses), while total fund balance represents 9.8% of that same amount. Fund balance in the County's General Fund decreased by \$39,723 during the 2020 fiscal year, primarily due to less revenue received by the County in comparison to the 2019 fiscal year. Sales and use tax revenue decreased by \$13,961 due to less sales tax receipts, while intergovernmental revenue decreased by \$43,425 due to state aid withheld by the State as a result of the COVID-19 pandemic.
- **ECFSA General Fund**—This fund is the chief operating fund of the ECFSA and is reported as a special revenue fund of the County. Total fund balance at the end of the current fiscal year was \$384, an increase of \$67 from the 2019 amount, and is classified as nonspendable for prepaid items (\$16) and assigned fund balance (\$368) in the County's fund financial statements. The ECFSA General Fund increased from the 2019 fiscal year due to a decrease in transfers out.
- **Road Special Revenue Fund**—Ending fund balance increased by \$4,033 from 2019. Total expenditures increased by \$2,489. Total revenues decreased by \$3,265 which is primarily due to a decrease in consolidated highway aid (\$2,378) and a decrease in transfer taxes (\$917), partially offset by a decrease of \$1,282 in transfers in.
- **Sewer Special Revenue Fund**—Total fund balance at the end of the current fiscal year was \$43,853, a decrease of \$216 from the 2019 amount. Revenues increased by \$939 primarily from an increase in user charges (\$449) and an increase in real property taxes (\$435).
- **Emergency Response Special Revenue Fund**—Ending fund balance decreased by \$231 compared to a \$45 decrease during 2019. Total expenditures increased by \$130,156 due to the County's costs related to the COVID-19 pandemic response. Similarly, total revenues increased by \$129,970 due to state and federal funding received as a response to pandemic.
- **Capital Projects Funds**—The County reports five (5) capital projects funds which account for the construction and re-construction of general public improvements. At the end of the 2020 fiscal year, the total fund balances restricted for future capital projects amounted to \$144,210, of which \$14,197 was encumbered for contracted projects underway.

During 2020, the County’s capital outlay increased in the General Government Buildings, Equipment and Improvements Fund (\$3,231) while it decreased within the Highways, Roads, Bridges and Equipment Fund (\$5,881), Sewers, Facilities, Equipment and Improvements Fund (\$1,176) and the Special Capital Projects Fund (\$1,194).

Proprietary funds—The County’s proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The College had an unrestricted net position of \$(216,338) at August 31, 2020, while ILDC and the Utilities Aggregation Fund had unrestricted net position of \$6,837 and \$1,139, respectively, at December 31, 2020.

The following table shows actual revenues, expenses, and results of operations for the current and prior fiscal years:

Summary of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2020 and 2019

	Major Funds				Nonmajor Fund		Total	
	College (August 31,)		ILDC		Utilities Aggregation			
	2020	2019	2020	2019	2020	2019	2020	2019
Operating revenues	\$ 40,324	\$ 42,048	\$ 390	\$ 71	\$ 15,987	\$ 17,231	\$ 56,701	\$ 63,542
Operating expenses	139,404	134,342	666	237	15,973	17,275	156,043	155,200
Operating (loss) income	(99,080)	(92,294)	(276)	(166)	14	(44)	(99,342)	(91,658)
Non-operating revenues, net	58,704	62,181	1,059	(237)	-	-	59,763	61,589
Net (loss) income before contributions and transfers	(40,376)	(30,113)	783	(403)	14	(44)	(39,579)	(30,069)
Transfers	18,804	18,804	-	-	-	-	18,804	18,554
Change in net position	<u>\$ (21,572)</u>	<u>\$ (11,309)</u>	<u>\$ 783</u>	<u>\$ (403)</u>	<u>\$ 14</u>	<u>\$ (44)</u>	<u>\$ (20,775)</u>	<u>\$ (11,515)</u>

The net loss before contributions and transfers of enterprise funds during 2020 of \$39,579 is comprised of a net loss of \$40,376 for the College, and net income of \$783 for ILDC and \$14 for the Utilities Aggregation Fund.

The College reported a total deficit net position of \$187,778 at August 31, 2020. The ILDC reported net position of \$7,043, while the Utilities Aggregation Fund reported net position of \$1,139 at December 31, 2020.

Other factors concerning the activities of these funds have been addressed in the previous discussion of the County’s business-type activities.

General Fund Budgetary Highlights

An annual appropriated budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles, except that encumbrances are reported as budgeted expenditures in the year of incurrence of commitment to purchase.

During the 2020 fiscal year there was a \$544,736 decrease in total budgeted revenues between the original and final budget. The main component of the net decrease is the reclassification of \$497,461 from the ‘Sales and use taxes’ line to the ‘Transfers in’ line to match sales tax transfers received from the ECFSA which intercepts the County portion of sales tax remitted by the New York State Department of Taxation and Finance.

The budget for other financing sources was increased during the year by \$471,001, for the sales and use taxes reclassification referred to in the previous paragraph.

Budgeted appropriations and other financing uses decreased by \$74,458. Budgeted expenditures decreased in general government support (\$13,965), primarily for sales tax (\$8,074), payroll expenses (\$2,222), and fringe benefits (\$1,777); public safety (\$13,867), primarily for payroll expenses (\$8,208) and fringe benefits (\$3,745); economic assistance and opportunity (\$44,484), primarily for payroll expenses (\$12,569), fringe benefits (\$6,068), and for various social services programs (\$20,935).

For the year, actual revenues were less than budgeted revenues by \$12,214. This was mainly due to a negative variance in the intergovernmental aid revenue of (\$24,139), primarily due to lower than expected claims for various social services programs (\$16,391). There were positive budgetary variances the departmental revenue category of (\$6,998), in the sales and use taxes category of (\$3,962), and the miscellaneous category of (\$1,628).

Actual expenditures were more than budget by \$3,129, primarily due to economic assistance and opportunity (\$20,747), due to a greater than expected Medicaid Disproportionate Share Hospital (“DSH”) payments (\$30,201). This difference was offset by less than expected costs for foster care (\$2,891), pivot wage subsidies (\$1,875), and child care expenses (\$1,709). The economic assistance and opportunity negative variance was offset by lower than expected expenditures in public safety (\$16,719), mainly due to savings in payroll (\$5,989), fringe benefits (\$3,466), and professional services (\$1,061).

The County experienced a negative variance in other financing uses (\$23,314), mainly due to a (\$21,506) negative variance for COVID-19 related interfund transfers.

The total budget to budgetary actual variance for the year amounted to a negative \$38,657.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounted to \$840,336 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings and improvements, improvements other than buildings, equipment, College library collections, and construction in progress. The total decrease in the County’s investment in capital assets for the current period was 1.67%.

The County’s infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements as required by GASB. The County has elected to depreciate infrastructure assets.

Major capital asset events during the current fiscal year included an increase to the governmental activities buildings and improvements and transportation networks of \$9,087 and \$19,460 respectively. Construction in progress increased by \$13,396.

Capital assets net of depreciation for the governmental and business-type activities are presented below:

Summary of Capital Assets at December 31, 2020 and 2019 (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 34,951	\$ 34,951	\$ -	\$ -	\$ 34,951	\$ 34,951
Construction in progress	54,405	41,009	652	566	55,057	41,575
Buildings and improvements	270,055	282,427	22,924	24,673	292,979	307,100
Sewer and transportation networks	424,730	438,833	-	-	424,730	438,833
Improvements other than buildings	18,063	15,546	15	18	18,078	15,564
Machinery and equipment	9,570	10,841	4,071	4,714	13,641	15,555
Library collections	-	-	900	1,036	900	1,036
Total	<u>\$ 811,774</u>	<u>\$ 823,607</u>	<u>\$ 28,562</u>	<u>\$ 31,007</u>	<u>\$ 840,336</u>	<u>\$ 854,614</u>

Additional information on the County’s capital assets can be found in Notes 1 and 6 of this report.

Debt Administration

At December 31, 2020, the primary government had total bonded debt outstanding of \$923,393, as compared to \$943,710 in the prior year. During the year, payments and other reductions of bonded debt amounted to \$89,845, while additions and accretions amounted to \$69,528. The issuance of long-term debt is a direct function of the County and is reported within the governmental activities columns in the government-wide financial statements.

Summary of Long-term Bonded Debt Outstanding at December 31, 2020 and 2019

	Governmental Activities	
	2020	2019
Erie County bonds	\$ 365,427	\$ 386,672
Less: ECFSA mirror bonds	<u>(114,790)</u>	<u>(153,195)</u>
Net Erie County bonds	250,637	233,477
ECFSA bonds	258,295	299,960
ETASC tobacco settlement bonds	365,205	360,151
Unamortized bond discounts - ETASC	(10,487)	(10,596)
Unamortized bond premiums	<u>59,743</u>	<u>60,718</u>
Total primary government long-term bonded debt outstanding	<u>\$ 923,393</u>	<u>\$ 943,710</u>

Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County.

New York State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year valuation. The current available debt-limitation for the County is \$3,710,123, which is only 8.86% exhausted by the County’s outstanding general obligation debt of \$360,625 (which includes a \$68,820 bond guaranty to ECMCC).

The County's current bond ratings are as follows: Standard & Poor's at AA- (stable outlook); Moody's at A1 (stable outlook); and Fitch Ratings at A+ (stable outlook).

Additional information on the County's long-term debt can be found in Note 13 of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Erie County Office of the Comptroller, 95 Franklin Street, Room 1100, Buffalo, New York 14202.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

BASIC FINANCIAL STATEMENTS



**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF ERIE, NEW YORK
Statement of Net Position
December 31, 2020
(dollars in thousands)

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Library	ECMCC	Other
ASSETS						
Cash and cash equivalents	\$ 144,390	\$ 21,332	\$ 165,722	\$ 13,173	\$ 122,383	\$ 1,951
Investments	19,808	-	19,808	-	17,466	5,546
Restricted cash and cash equivalents	208,618	-	208,618	-	208,149	-
Receivables (net of allowance):						
Real property taxes, interest, penalties and lien:						
Other	99,153	-	99,153	-	-	-
Other	38,896	9,541	48,437	122	144,512	236
Due from primary government	-	-	-	-	16,000	-
Due from component unit	164,724	4,677	169,401	-	-	-
Internal balances	7,728	(3,246)	4,482	-	-	-
Intergovernmental receivables	275,809	914	276,723	323	-	-
Prepaid items	13,274	307	13,581	704	17,997	24
Noncurrent other assets	-	24	24	-	-	611
Land held for sale	-	6,900	6,900	-	-	-
Capital assets not being depreciated	89,356	652	90,008	11,614	18,704	-
Capital assets, net of accumulated depreciation	722,418	27,910	750,328	5,728	315,459	313
Other assets	-	-	-	-	5,824	22
Total assets	<u>1,784,174</u>	<u>69,011</u>	<u>1,853,185</u>	<u>31,664</u>	<u>866,494</u>	<u>8,703</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	14,717	-	14,717	-	-	-
Deferred outflows—relating to pensions	185,329	25,900	211,229	8,448	167,313	-
Deferred outflows—relating to OPEB	225,519	38,467	263,986	11,929	56,939	-
Deferred outflows—relating to forward purchase agreement swap	15,833	-	15,833	-	-	-
Deferred outflows—other	-	-	-	-	14,964	-
Total deferred outflows of resources	<u>441,398</u>	<u>64,367</u>	<u>505,765</u>	<u>20,377</u>	<u>239,216</u>	<u>-</u>
LIABILITIES						
Accounts payable	30,894	3,453	34,347	308	50,728	52
Accrued liabilities	105,429	6,650	112,079	527	63,723	78
Loans payable	-	-	-	-	-	305
Net assets held on behalf of others	-	-	-	-	-	611
Due to component unit	16,000	-	16,000	-	-	-
Due to primary government	-	-	-	-	169,401	-
Due to other governments	30,194	306	30,500	-	-	-
Retainaged percentages payable	1,597	-	1,597	24	-	-
Unearned revenue	36,464	6,246	42,710	2,102	127,708	44
Revenue anticipation note	125,000	-	125,000	-	-	-
Noncurrent liabilities:						
Due within one year	74,085	4,156	78,241	751	20,415	-
Due in more than one year	2,361,741	223,442	2,585,183	91,331	771,700	-
Total liabilities	<u>2,781,404</u>	<u>244,253</u>	<u>3,025,657</u>	<u>95,043</u>	<u>1,203,675</u>	<u>1,090</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	122	-	122	-	-	-
Deferred inflows—relating to pensions	9,479	2,716	12,195	432	14,403	-
Deferred inflows—relating to OPEB	383,455	66,005	449,460	27,411	87,172	-
Total deferred inflows of resources	<u>393,056</u>	<u>68,721</u>	<u>461,777</u>	<u>27,843</u>	<u>101,575</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	480,108	28,560	508,668	17,342	106,297	-
Restricted for:						
Community development loans	26,812	-	26,812	-	-	-
Capital projects	51,081	-	51,081	-	-	-
Debt service	33,828	-	33,828	-	-	-
Other purposes	155	206	361	-	102,762	7,613
Unrestricted (deficit)	(1,540,872)	(208,362)	(1,749,234)	(88,187)	(408,599)	-
Total net position	<u>\$ (948,888)</u>	<u>\$ (179,596)</u>	<u>\$ (1,128,484)</u>	<u>\$ (70,845)</u>	<u>\$ (199,540)</u>	<u>\$ 7,613</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Activities
For the Year Ended December 31, 2020
(dollars in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units				
					Governmental Activities	Business-type Activities	Total	Library	ECMCC	Other	
Primary government:											
Governmental activities:											
General government support	\$ 493,026	\$ 26,664	\$ 31,748	\$ 367	\$ (434,247)	\$ -	\$ (434,247)	\$ -	\$ -	\$ -	
Public safety	181,426	3,368	3,602	-	(174,456)	-	(174,456)	-	-	-	
Health	170,829	2,004	51,387	-	(117,438)	-	(117,438)	-	-	-	
Transportation	91,030	-	9,625	12,213	(69,192)	-	(69,192)	-	-	-	
Economic assistance and opportunity	644,893	25,869	346,536	47	(272,441)	-	(272,441)	-	-	-	
Culture and recreation	29,576	1,156	2,832	2,963	(22,625)	-	(22,625)	-	-	-	
Education	73,839	95	30,416	948	(42,380)	-	(42,380)	-	-	-	
Home and community services	90,835	32,566	6,141	23	(52,105)	-	(52,105)	-	-	-	
Interest and fiscal charges	38,486	-	3,893	-	(34,593)	-	(34,593)	-	-	-	
Total governmental activities	<u>1,813,940</u>	<u>91,722</u>	<u>486,180</u>	<u>16,561</u>	<u>(1,219,477)</u>	<u>-</u>	<u>(1,219,477)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Business-type activities											
College	139,415	28,409	11,915	-	-	(99,091)	(99,091)	-	-	-	
ILDC	769	390	1,162	-	-	783	783	-	-	-	
Utilities aggregation	15,973	15,987	-	-	-	14	14	-	-	-	
Total business-type activities	<u>156,157</u>	<u>44,786</u>	<u>13,077</u>	<u>-</u>	<u>-</u>	<u>(98,294)</u>	<u>(98,294)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total primary government	<u>\$ 1,970,097</u>	<u>\$ 136,508</u>	<u>\$ 499,257</u>	<u>\$ 16,561</u>	<u>(1,219,477)</u>	<u>(98,294)</u>	<u>(1,317,771)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Component units:											
Library	\$ 29,542	\$ 292	\$ 2,811	\$ -				(26,439)	-	-	
ECMCC	795,727	605,763	100,053	9,269				-	(80,642)	-	
Other	2,797	2,035	1,109	-				-	-	347	
Total component units	<u>\$ 828,066</u>	<u>\$ 608,090</u>	<u>\$ 103,973</u>	<u>\$ 9,269</u>				<u>(26,439)</u>	<u>(80,642)</u>	<u>347</u>	
General revenues:											
Property taxes levied for mall, sewer, and general purposes					320,608	-	320,608	-	-	-	
Property taxes levied for library					-	-	-	25,409	-	-	
Sales and use taxes					819,939	-	819,939	-	-	-	
Transfers and other taxes					14,632	-	14,632	-	-	-	
Unrestricted state and local appropriations					-	30,344	30,344	-	-	-	
Federal and state student financial aid					-	28,270	28,270	-	-	-	
Interest earnings					3,551	101	3,652	5	169	18	
Gain on sale of capital assets					1,103	-	1,103	-	-	-	
Miscellaneous					12,969	-	12,969	171	12,114	70	
Transfers					(18,804)	18,804	-	-	-	-	
Total general revenues and transfers					<u>1,153,998</u>	<u>77,519</u>	<u>1,231,517</u>	<u>25,585</u>	<u>12,283</u>	<u>88</u>	
Change in net position					(65,479)	(20,775)	(86,254)	(854)	(68,359)	435	
Net position—beginning, as restated					<u>(883,409)</u>	<u>(158,821)</u>	<u>(1,042,230)</u>	<u>(69,991)</u>	<u>(131,181)</u>	<u>7,178</u>	
Net position—ending					<u>\$ (948,888)</u>	<u>\$ (179,596)</u>	<u>\$ (1,128,484)</u>	<u>\$ (70,845)</u>	<u>\$ (199,540)</u>	<u>\$ 7,613</u>	

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

COUNTY OF ERIE, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2020
(dollars in thousands)

	<u>General Fund</u>	<u>ECFSA General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 68,664	\$ 426	\$ 75,300	\$ 144,390
Investments	-	-	19,808	19,808
Restricted cash and cash equivalents	155	978	207,485	208,618
Receivables (net of allowance):				
Real property taxes, interest, penalties and liens	86,375	-	46	86,421
Other	7,205	-	31,691	38,896
Due from other funds	92,528	16	25,450	117,994
Due from component unit	24	-	1	25
Intergovernmental receivables	187,767	52,201	35,841	275,809
Prepaid items	9,725	16	3,533	13,274
Total assets	<u>\$ 452,443</u>	<u>\$ 53,637</u>	<u>\$ 399,155</u>	<u>\$ 905,235</u>
LIABILITIES				
Accounts payable	\$ 16,740	\$ 47	\$ 14,107	\$ 30,894
Accrued liabilities	78,970	-	17,552	96,522
Due to other funds	207	53,196	56,863	110,266
Due to other governments	30,123	-	71	30,194
Retainaged percentages payable	-	-	1,597	1,597
Unearned revenue	2,874	10	33,580	36,464
Revenue anticipation note	125,000	-	-	125,000
Total liabilities	<u>253,914</u>	<u>53,253</u>	<u>123,770</u>	<u>430,937</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	64,504	-	-	64,504
Total deferred inflows of resources	<u>64,504</u>	<u>-</u>	<u>-</u>	<u>64,504</u>
FUND BALANCES				
Nonspendable:				
Prepaid items	9,725	16	3,533	13,274
Restricted:				
Handicapped parking	155	-	-	155
Community development loans	-	-	26,812	26,812
Debt service	-	-	43,621	43,621
Capital expenditures	-	-	144,210	144,210
Assigned:				
Subsequent year's expenditures	10,000	-	15,189	25,189
Judgments and claims	432	-	-	432
Other purposes	9,663	368	42,480	52,511
Unassigned	104,050	-	(460)	103,590
Total fund balances	<u>134,025</u>	<u>384</u>	<u>275,385</u>	<u>409,794</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 452,443</u>	<u>\$ 53,637</u>	<u>\$ 399,155</u>	<u>\$ 905,235</u>

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

COUNTY OF ERIE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2020
(dollars in thousands)

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Total fund balances—governmental funds (page 17)		\$ 409,794
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,062,586 and the accumulated depreciation is \$1,250,812.		811,774
Uncollected property taxes are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		64,504
A long-term asset owed to ETASC by New York State is not available to pay for current period expenditures and, therefore, is not reported in the funds.		12,732
ECFSA interest receivable is reported when earned in the government-wide financial statements, but in the fund financial statements income is reported only if it will be received within sixty days of year-end.		886
Due from a component unit was deemed to be not due and payable in the current period and, therefore, not reported in the funds.		164,699
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 28,003	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion for pensions	157,326	
Deferred inflows of resources related to pensions	(9,479)	
Deferred outflows related to OPEB liability	225,519	
Deferred inflows related to OPEB liability	<u>(383,455)</u>	17,914
Certain deferred outflows of resources represent a consumption of net position in a future period and certain deferred inflows of resources represent an acquisition of net position and, therefore, are not reported in the funds.		
Unamortized deferred charge on refundings	\$ 497	
Unamortized deferred gain on refundings	(122)	
Unamortized deferred charge on refundings - ETASC	<u>14,220</u>	14,595
Net accrued interest expense for general obligation bonds of \$6,898, accrued interest on revenue anticipation note of \$1,942 and accrued interest on ETASC bonds of \$953 is not reported in the funds.		(9,793)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds—County	\$ (508,932)	
Unamortized bond premiums—County	(59,743)	
ETASC Tobacco Settlement Bonds and Subordinate Turbo CABs accreted interest	(365,205)	
ETASC Tobacco Settlement Bonds and Subordinate Turbo CABs discount	10,487	
Compensated absences	(28,734)	
Judgments and claims	(51,268)	
Other postemployment benefits obligation	(1,155,047)	
Net pension liability	(261,551)	
Due to component unit	<u>(16,000)</u>	<u>(2,435,993)</u>
Net position of governmental activities		<u>\$ (948,888)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures, and
Changes in Fund Balances—Governmental Funds
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>General Fund</u>	<u>ECFSA General Fund</u>	<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Real property taxes and tax items	\$ 291,061	\$ -	\$ 23,466	\$ 314,527
Sales and use taxes	348,083	467,847	4,009	819,939
Transfer and other taxes	212	-	14,420	14,632
Intergovernmental	288,549	-	212,072	500,621
Interfund revenues	270	-	132	402
Departmental	58,676	-	33,638	92,314
Interest	721	138	7,047	7,906
Miscellaneous	8,580	-	8,305	16,885
Total revenues	<u>996,152</u>	<u>467,985</u>	<u>303,089</u>	<u>1,767,226</u>
EXPENDITURES				
Current:				
General government support	438,447	4,140	16,859	459,446
Public safety	149,505	-	19,487	168,992
Health	84,464	-	79,672	164,136
Transportation	24,355	-	30,013	54,368
Economic assistance and opportunity	576,884	-	43,484	620,368
Culture and recreation	25,898	-	563	26,461
Education	69,122	-	868	69,990
Home and community services	5,018	-	70,402	75,420
Debt service:				
Principal retirement	-	-	64,076	64,076
Interest and fiscal charges	440	-	34,841	35,281
Capital outlay	-	-	61,733	61,733
Total expenditures	<u>1,374,133</u>	<u>4,140</u>	<u>421,998</u>	<u>1,800,271</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(377,981)</u>	<u>463,845</u>	<u>(118,909)</u>	<u>(33,045)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation debt	-	-	34,785	34,785
Premium on bond issuance	-	-	9,558	9,558
Issuance of refunding bonds	-	-	16,181	16,181
Payments to refunded bond escrow	-	-	(16,545)	(16,545)
Sale of property	1,103	-	-	1,103
Transfers in	467,415	16	201,347	668,778
Transfers out	(130,260)	(463,794)	(93,528)	(687,582)
Total other financing sources (uses)	<u>338,258</u>	<u>(463,778)</u>	<u>151,798</u>	<u>26,278</u>
Net change in fund balances	(39,723)	67	32,889	(6,767)
Fund balances—beginning	173,748	317	242,496	416,561
Fund balances—ending	<u>\$ 134,025</u>	<u>\$ 384</u>	<u>\$ 275,385</u>	<u>\$ 409,794</u>

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

COUNTY OF ERIE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
For the Year Ended December 31, 2020
(dollars in thousands)

Amounts reported for governmental activities in the statement of activities (page 16) are different because:		
Net change in fund balances—total governmental funds (page 19)	\$	(6,767)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.		
Capital asset additions	\$	53,197
Loss on disposal of assets		(14)
Depreciation expense		<u>(65,016)</u>
		(11,833)
Certain tax and other revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.		
ETSAC tobacco revenue	\$	(2,767)
Real property taxes		<u>6,081</u>
		3,314
Revenues of the ECFSA in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
		(462)
Governmental funds report loans to a component unit to be repaid on a long-term basis as expenditures. In the statement of net position, however, the cost of those outlays increases the due from component unit and does not affect the statement of activities. Similarly, repayment of long-term loan principal is a revenue in the governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, repayment of long-term loan principal reduces the amount due from the component unit and does not affect the statement of activities.		
		(3,916)
Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:		
County pension contributions	\$	810
Cost of benefits earned net of employee contributions		<u>(51,016)</u>
		(50,206)
Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization and are as follows:		
Changes of assumptions	\$	137,925
Differences between expected and actual experience		(271,571)
Benefit payments subsequent to the measurement date		<u>(4,102)</u>
		(137,748)
In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid.		
		(1,562)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:		
Issuance of serial bonds	\$	(34,785)
Issuance of refunding bonds		(16,181)
Refunded bonds		15,345
Repayment of serial bonds		60,126
Premium on serial bonds issued		(9,558)
Amortization of premiums on serial bonds		10,533
Repayment of ETASC Tobacco Settlement Bonds		3,950
Accreted interest on ETASC Subordinate Turbo CABs		(9,004)
Amortization of ETASC bond discounts		(109)
Change in deferred charge		(1,741)
Change in deferred gain		(122)
Change in judgments and claims		1,308
Change in compensated absences		(3,261)
Change in other postemployment benefits obligation		<u>127,200</u>
		<u>143,701</u>
Change in net position of governmental activities	\$	<u>(65,479)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Budgeted Amounts</u>		<u>Budgetary</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Real property taxes and tax items	\$ 296,129	\$ 291,129	\$ 291,061	\$ (68)
Sales and use taxes	841,582	344,121	348,083	3,962
Transfer and other taxes	167	167	212	45
Intergovernmental	355,434	312,688	288,549	(24,139)
Interfund revenues	270	270	270	-
Departmental	55,862	51,678	58,676	6,998
Interest	1,361	1,361	721	(640)
Miscellaneous	<u>2,297</u>	<u>6,952</u>	<u>8,580</u>	<u>1,628</u>
Total revenues	<u>1,553,102</u>	<u>1,008,366</u>	<u>996,152</u>	<u>(12,214)</u>
EXPENDITURES				
Current:				
General government support	454,149	440,184	438,807	1,377
Public safety	181,714	167,847	151,128	16,719
Health	76,141	80,719	84,566	(3,847)
Transportation	25,522	24,904	24,904	-
Economic assistance and opportunity	601,752	557,268	578,015	(20,747)
Culture and recreation	20,413	21,633	20,897	736
Education	79,174	73,012	69,122	3,890
Home and community services	4,705	3,931	5,188	(1,257)
Debt service:				
Interest and fiscal charges	<u>103</u>	<u>440</u>	<u>440</u>	<u>-</u>
Total expenditures	<u>1,443,673</u>	<u>1,369,938</u>	<u>1,373,067</u>	<u>(3,129)</u>
Excess (deficiency) of revenues over expenditures	<u>109,429</u>	<u>(361,572)</u>	<u>(376,915)</u>	<u>(15,343)</u>
OTHER FINANCING SOURCES (USES)				
Sale of property	258	372	1,103	731
Transfers in	1,334	471,498	467,415	(4,083)
Transfers out	<u>(111,021)</u>	<u>(110,298)</u>	<u>(130,260)</u>	<u>(19,962)</u>
Total other financing sources (uses)	<u>(109,429)</u>	<u>361,572</u>	<u>338,258</u>	<u>(23,314)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (38,657)</u>	<u>\$ (38,657)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Net Position—
Proprietary Funds
December 31, 2020
(dollars in thousands)

	Business-Type Activities			
	Major Funds		Nonmajor Fund	
	SUNY Erie College (August 31, 2020)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	Total Enterprise Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 19,387	\$ 1,945	\$ -	\$ 21,332
Receivables (net of allowances)	9,015	514	-	9,529
Loan receivables	-	12	-	12
Due from other funds	1,947	-	164	2,111
Due from component unit	-	-	4,677	4,677
Intergovernmental receivables	-	-	914	914
Prepaid items	301	-	6	307
Total current assets	<u>30,650</u>	<u>2,471</u>	<u>5,761</u>	<u>38,882</u>
Noncurrent assets:				
Loan receivables, net	-	24	-	24
Land held for sale	-	6,900	-	6,900
Capital assets, net of depreciation:				
Construction in progress	652	-	-	652
Other capital assets, net of depreciation	27,908	2	-	27,910
Total noncurrent assets	<u>28,560</u>	<u>6,926</u>	<u>-</u>	<u>35,486</u>
Total assets	<u>59,210</u>	<u>9,397</u>	<u>5,761</u>	<u>74,368</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows—relating to pensions	25,900	-	-	25,900
Deferred outflows—relating to OPEB	38,467	-	-	38,467
Total deferred outflows of resources	<u>64,367</u>	<u>-</u>	<u>-</u>	<u>64,367</u>
LIABILITIES				
Current liabilities:				
Accounts payable	2,244	33	1,176	3,453
Accrued liabilities	6,644	-	6	6,650
Due to other funds	1,940	-	3,417	5,357
Due to other governments	-	283	23	306
Unearned revenue	4,208	2,038	-	6,246
Fringe benefits payable - current	4,156	-	-	4,156
Total current liabilities	<u>19,192</u>	<u>2,354</u>	<u>4,622</u>	<u>26,168</u>
Noncurrent liabilities:				
Accrued liabilities	1,083	-	-	1,083
Fringe benefits payable	3,975	-	-	3,975
Net OPEB obligation	190,248	-	-	190,248
Net pension liability	28,136	-	-	28,136
Total noncurrent liabilities	<u>223,442</u>	<u>-</u>	<u>-</u>	<u>223,442</u>
Total liabilities	<u>242,634</u>	<u>2,354</u>	<u>4,622</u>	<u>249,610</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows—relating to pensions	2,716	-	-	2,716
Deferred inflows—relating to OPEB	66,005	-	-	66,005
Total deferred inflows of resources	<u>68,721</u>	<u>-</u>	<u>-</u>	<u>68,721</u>
NET POSITION				
Net investment in capital assets	28,560	-	-	28,560
Restricted—Erie County Buisness Development Fund	-	206	-	206
Unrestricted (deficit)	(216,338)	6,837	1,139	(208,362)
Total net position	<u>\$ (187,778)</u>	<u>\$ 7,043</u>	<u>\$ 1,139</u>	<u>\$ (179,596)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—
Proprietary Funds
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Business-Type Activities</u>			<u>Total Enterprise Funds</u>
	<u>Major Funds</u>		<u>Nonmajor Fund</u>	
	<u>SUNY Erie College (August 31, 2020)</u>	<u>Buffalo and Erie County ILDC</u>	<u>Utilities Aggregation Fund</u>	
OPERATING REVENUES				
Student tuition and fees	\$ 28,409	\$ -	\$ -	\$ 28,409
Intergovernmental revenues and charges	8,418	-	-	8,418
Administrative fees	-	390	-	390
State and local contracts	2,797	-	-	2,797
Interfund revenues	-	-	5,768	5,768
Other operating revenue	700	-	10,219	10,919
Total operating revenues	<u>40,324</u>	<u>390</u>	<u>15,987</u>	<u>56,701</u>
OPERATING EXPENSES				
Employee wages	66,198	-	145	66,343
Employee benefits	37,580	-	75	37,655
Scholarships	13,837	-	-	13,837
Supplies, services and general	16,876	188	-	17,064
Utilities and telephone	1,954	-	15,753	17,707
Depreciation	2,959	1	-	2,960
Transfer to Erie County Industrial Development Agency	-	477	-	477
Total operating expenses	<u>139,404</u>	<u>666</u>	<u>15,973</u>	<u>156,043</u>
Operating income (loss)	(99,080)	(276)	14	(99,342)
NONOPERATING REVENUES (EXPENSES)				
Unrestricted state and local appropriations	30,344	-	-	30,344
Federal and state student financial aid	28,270	-	-	28,270
Income from investments, net	101	-	-	101
Grant income	-	1,162	-	1,162
Grant expenses	-	(103)	-	(103)
Loss on disposal of plant assets	(11)	-	-	(11)
Total nonoperating revenues (expenses)	<u>58,704</u>	<u>1,059</u>	<u>-</u>	<u>59,763</u>
Income (loss) before transfers	(40,376)	783	14	(39,579)
TRANSFERS IN				
County contributions	<u>18,804</u>	<u>-</u>	<u>-</u>	<u>18,804</u>
Total transfers in	<u>18,804</u>	<u>-</u>	<u>-</u>	<u>18,804</u>
Change in net position	(21,572)	783	14	(20,775)
Net position—beginning	<u>(166,206)</u>	<u>6,260</u>	<u>1,125</u>	<u>(158,821)</u>
Net position—ending	<u>\$ (187,778)</u>	<u>\$ 7,043</u>	<u>\$ 1,139</u>	<u>\$ (179,596)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Cash Flows—
Proprietary Funds
For the Year Ended December 31, 2020
(dollars in thousands)

	Business-Type Activities			
	Major Funds		Nonmajor Fund	Total Enterprise Funds
	SUNY Erie College (August 31, 2020)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	
CASH FLOWS FROM OPERATING ACTIVITIES				
Tuition and fees	\$ 30,561	\$ -	\$ -	\$ 30,561
Receipts from utility customers	-	-	20,831	20,831
Federal grants and contracts	4,311	-	-	4,311
State grants and contracts	1,708	-	-	1,708
Local grants	(815)	-	-	(815)
Other sources	800	390	-	1,190
Personal service payments	(65,786)	-	-	(65,786)
Payments for wages and fringe benefits	(26,783)	-	(220)	(27,003)
Payments to suppliers	(18,723)	(165)	(15,649)	(34,537)
Payments for scholarships	(13,837)	-	-	(13,837)
Internal activity—payments from other funds	-	-	(4,962)	(4,962)
Transfer to Erie County Industrial Development Agency	-	(319)	-	(319)
Net cash (used for) operating activities	<u>(88,564)</u>	<u>(94)</u>	<u>-</u>	<u>(88,658)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
State appropriations	42,941	-	-	42,941
County contributions	18,804	-	-	18,804
Federal and state student financial aid grants	14,432	-	-	14,432
Chargeback revenues	<u>1,238</u>	<u>-</u>	<u>-</u>	<u>1,238</u>
Net cash provided by noncapital financing activities	<u>77,415</u>	<u>-</u>	<u>-</u>	<u>77,415</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition/funding of capital projects	(526)	(884)	-	(1,410)
Grant income	-	2,818	-	2,818
Grant expense	<u>-</u>	<u>(103)</u>	<u>-</u>	<u>(103)</u>
Net cash (used for) provided by capital and related financing activities	<u>(526)</u>	<u>1,831</u>	<u>-</u>	<u>1,305</u>
CASH FLOW FROM INVESTING ACTIVITIES				
Interest, dividends, and realized gains on investments	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Net cash provided by investing activities	<u>100</u>	<u>-</u>	<u>-</u>	<u>100</u>
Net (decrease) increase in cash and cash equivalents	(11,575)	1,737	-	(9,838)
Cash and cash equivalents—beginning	<u>30,962</u>	<u>208</u>	<u>-</u>	<u>31,170</u>
Cash and cash equivalents—ending	<u>\$ 19,387</u>	<u>\$ 1,945</u>	<u>\$ -</u>	<u>\$ 21,332</u>

(continued)

COUNTY OF ERIE, NEW YORK
Statement of Cash Flows—
Proprietary Funds
For the Year Ended December 31, 2020
(dollars in thousands)

(concluded)

	Business-Type Activities			
	Major Funds		Nonmajor Fund	
	SUNY Erie College (August 31, 2020)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	Total Enterprise Funds
Reconciliation of operating (loss) income to net cash (used for) operating activities:				
Operating (loss) income	\$ (99,080)	\$ (276)	\$ 14	\$ (99,342)
Adjustments to reconcile operating (loss) income to net cash provided by (used for) operating activities:				
Depreciation expense	2,959	1	-	2,960
Decrease in student receivables, net	2,152	-	-	2,152
(Increase) decrease in other receivables, net	(4,601)	123	75	(4,403)
Decrease in loan receivables	-	1	-	1
(Increase) in due from other funds	-	-	(57)	(57)
Decrease in due from component unit	-	-	10,542	10,542
Decrease in net pension asset	2,595	-	-	2,595
(Increase) in prepaid items	-	-	(6)	(6)
(Increase) in deferred outflows of resources	(33,433)	-	-	(33,433)
Increase in accounts payable	785	24	-	809
Increase in accrued liabilities	411	-	104	515
Increase in retirement liabilities	316	-	-	316
Increase in other liabilities	821	33	-	854
(Decrease) in due to other funds	-	-	(10,672)	(10,672)
(Decrease) in unearned revenues	(2,806)	-	-	(2,806)
(Decrease) in net OPEB obligation	(21,025)	-	-	(21,025)
Increase in net pension liability	21,524	-	-	21,524
Increase in deferred inflows of resources	40,818	-	-	40,818
Total adjustments	<u>10,516</u>	<u>182</u>	<u>(14)</u>	<u>10,684</u>
Net cash (used for) operating activities	<u>\$ (88,564)</u>	<u>\$ (94)</u>	<u>\$ -</u>	<u>\$ (88,658)</u>

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

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Position—
Custodial Fund
December 31, 2020
(dollars in thousands)

	<u>Custodial Fund</u>
ASSETS	
Restricted cash and cash equivalents	\$ 37,143
Receivables	430
Bonds and securities held in custody	<u>20</u>
Total assets	<u><u>\$ 37,593</u></u>
LIABILITIES	
Held in custody for others	<u>9,367</u>
Total liabilities	<u><u>9,367</u></u>
NET POSITION	
Total restricted net position	<u><u>\$ 28,226</u></u>

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

COUNTY OF ERIE, NEW YORK
Statement of Changes in Fiduciary Net Position—
Custodial Fund
December 31, 2020
(dollars in thousands)

	Custodial Fund
ADDITIONS	
Funds received on behalf of individuals	\$ 404,541
Total additions	404,541
 DEDUCTIONS	
Funds distributed to individuals	406,313
Total deductions	406,313
Change in net position	(1,772)
Net position—beginning, as restated	29,998
Net position—ending	\$ 28,226

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

COUNTY OF ERIE, NEW YORK
Notes to the Financial Statements
For the Year Ended December 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The County was established in 1821. Subject to the New York State Constitution, the County operates pursuant to its Charter and Administrative Code (the “Charter”), as well as various local laws. Additionally, certain New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government. The Charter was enacted by local law and approved by the electorate at a general election held in November 1959. The Administrative Code was enacted into local law in 1961. The County Legislature is the legislative body responsible for overall operations, the County Executive serves as chief executive officer, and the County Comptroller serves as chief fiscal, accounting, reporting and auditing officer.

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families and Safety Net. The County also provides services and facilities in the areas of culture, recreation, police, libraries, youth, health, senior services, roads, and sanitary sewerage. These general governmental programs and services are financed by various taxes, state and federal aid, and departmental revenue (which is primarily comprised of service fees and various types of program-related charges). Additionally, the County operates the Erie Community College (“the College”).

The financial reporting entity includes the County (the “primary government”) and its significant component units. A component unit is either a legally separate organization for which the elected officials of a primary government are financially accountable, or another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Units—The following blended component units are legally separate entities from the County, but are, in substance, part of the County’s operations and therefore data from the units are combined with data of the primary government.

- **Erie County Fiscal Stability Authority**—Erie County Fiscal Stability Authority (“ECFSA”) is included as a blended component unit of the County’s primary government pursuant to GASB because exclusion would be misleading. The ECFSA was created to monitor and oversee the finances of the County. Agencies and departments examined by the ECFSA’s activities include all of the County’s departments and sewer districts, the College and the Library. It reports using the governmental model and its general fund is reported as part of the County’s special revenue funds.

The ECFSA is a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created by the Erie County Fiscal Stability Authority Act, Chapter 182 of the Laws of 2005, as supplemented by Chapter 183 of the Laws of 2005 (the “Act”). The Act became effective July 12, 2005.

The ECFSA is governed by seven directors, each appointed by the Governor, including one each appointed upon the recommendation of the Majority Leader of the State Senate, the Speaker of the State Assembly and the State Comptroller. The Governor also designates the chairperson and vice-chairperson from among the directors.

The ECFSA has power under the Act to monitor and oversee the finances of the County, and upon declaration of a “Control Period” as defined in the Act, additional oversight authority. The ECFSA is also empowered to issue its bonds and notes for various County purposes, defined in the Act as “Financeable Costs.”

On November 3, 2006, the Authority imposed a control period on the County in accordance with Section 3595(1)(e) of New York Public Authorities Law through resolution 06-49. The resolution empowered the ECFSA to operate with its maximum authorized complement of control and oversight powers over County finances. During a control period all County contracts of \$50,000 or more and filling of any positions are subject to ECFSA approval and ECFSA has the power to approve or reject all proposed County borrowings and the County may not borrow without formal ECFSA approval. In addition, the ECFSA has the right to freeze wages, although it has not elected to exercise that right. On June 2, 2009, the ECFSA revoked the control period and reverted to an advisory status with limited control and oversight powers over County finances.

In 2011, the ECFSA issued serial bonds to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby the ECFSA loaned the proceeds to the County, who in turn loaned the monies to ECMCC. The facility was opened in February 2013.

Revenues of the ECFSA consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sales and use of tangible personal property and services in the County (“Sales Tax Revenues”), and investment earnings on money and investments on deposit in various ECFSA accounts. Sales tax revenues collected by the State Comptroller for transfer to the ECFSA are not subject to appropriation by the State or County. Revenues of the ECFSA that are not required to pay debt service, operating expenses and other costs of the ECFSA are payable to the County as frequently as practicable. Separate financial statements for ECFSA can be obtained from the Erie County Fiscal Stability Authority, 295 Main Street, Room 946, Buffalo, NY, 14203.

- **Erie County Tobacco Asset Securitization Corporation**—Erie Tobacco Asset Securitization Corporation (“ETASC”) is a special purpose local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from the County. ETASC was incorporated for the sole purpose of issuing tobacco settlement asset backed bonds in order to provide funds to purchase from the County all of the County’s right, title, and interest in annual payments to be received in settlement of certain smoking-related litigation. Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County. Although legally separate and independent of the County, ETASC is considered an affiliated organization under GASB and reported as a component unit of the County for financial reporting purposes and, accordingly, is included in the County’s financial statements. Separate financial statements for ETASC can be obtained from the Erie Tobacco Asset Securitization Corporation, Treasurer, 95 Franklin Street, Room 1600, Buffalo, NY, 14202.
- **SUNY Erie**—SUNY Erie (the “College”) is a locally sponsored, two-year College established for the purpose of providing education services primarily to the residents of the County. Resources received and used for college purposes are accounted for through the College. The College is not a legally separate entity from the County. A fiscal year ending August 31 is mandated by New York State law for the College. Accordingly, financial information for the College is presented as of and for the 2019-2020 fiscal year then ended.

The College does not account for certain capital projects, certain capital assets or certain indebtedness. These are direct functions of the County and are reported within the governmental activities columns in the government-wide financial statements.

Additional information as excerpted from the College’s financial statements is as follows:

- The County Executive and the County Legislature approve the College’s annual budget, with the County providing funding for one-half and approximately one-fifth of capital and operating costs, respectively.
 - Equipment of the College has been included in the business-type activities column in the statement of net position. This equipment is recorded at cost or estimated historical cost. Donated assets are stated at estimated fair value as of the date received.
- **The Buffalo and Erie County Industrial Land Development Corporation**—The Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) is a legally separate entity of which the County, acting by and through the County Executive, is the sole member. It is discretely presented in the County’s financial statements because the County is financially accountable for it. The ILDC is managed by its Board of Directors. Although ILDC does not meet the GASB requirements to be presented as a major fund, the County has elected to show ILDC as a major fund.

In 2009, ILDC by-laws and organizing documents were changed and specific activities first became under the direct governance of the County. These changes allow the ILDC to provide tax-exempt bond financing for not-for-profit organizations. Such debt of the ILDC can never be the debt of the County or any political subdivision thereof and can only be paid out of specific revenues and receipts of the ILDC. The ILDC provides no services to the County. Separate financial statements can be obtained from Buffalo and Erie County Industrial Land Development Corporation Inc., Chief Operating Officer, 275 Oak Street, Buffalo, NY 14203.

Discretely Presented Component Units—The component units column in the basic financial statements includes the financial data of the County’s discretely presented component units. These units are reported separately from the financial data of the primary government to emphasize that they are legally separate from the County.

- **The Buffalo and Erie County Public Library**—The Buffalo and Erie County Public Library (the “Library”), formed through a consolidation of several public and private libraries, was established by the County and chartered by the State University Board of Regents in 1953. It is a separate and distinct legal corporation that receives an annual budgetary contribution from the County. Library operations are governed by a Board of Trustees who are appointed by the County Legislature. Bonds and notes for Library capital costs are issued by the County and are obligations of the County. Title to real and personal property acquired with County funds vests with the County. The Library is included as a component unit of the County in the financial statements based on the fact that it is a legally separate entity for which the County is financially accountable. The Library does not issue separate financial statements.
- **Erie County Medical Center Corporation**—Erie County Medical Center Corporation (“ECMCC”) is a public benefit corporation created in 2003 for the purpose of acquiring and operating the health facilities of the County. Effective January 1, 2004, a transaction was executed which transferred ownership of the capital assets, equipment, inventories and certain other assets to ECMCC in exchange for a payment of \$85,000,000 from ECMCC to the County. Concurrent with the transaction, \$101,375,000 of ECMCC bonds were issued, which are guaranteed by the County. Pursuant to consent decrees entered into between the County and ECMCC, the County is committed to providing ongoing operating and capital support to ECMCC. The following component units are included within ECMCC:
 - **Research for Health in Erie County, Inc.** (“RHEC”) is a nonprofit organization dedicated to developing and increasing the facilities of the public health institutions, agencies, and departments of the County. Additionally, RHEC is committed to provide more extensive conduct of studies and research into the causes, nature, and treatment of diseases, disorders, and defects of particular importance to the public health. RHEC’s support comes primarily from investment income. The financial statements of RHEC have been prepared on the accrual basis of accounting. RHEC is exempt from income tax as a not-for-profit corporation under Section 501 (c)(3) of the Internal Revenue Code. The entity has not been receiving funding in recent years. The annual financial report can be obtained by writing Grant Administration, Research for Health in Erie County, Inc., 462 Grider Street, Buffalo, NY 14215.
 - **ECMC Foundation, Inc.** (the “Foundation”), formerly the ECMC Lifeline Foundation, Inc., is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed for the purpose of supporting ECMC programs. The annual financial report can be obtained by writing to: Executive Director, ECMC Foundation, Inc., 462 Grider Street, Buffalo, NY 14215.
 - **The Grider Initiative, Inc.** (the “Physician Endowment”) is a nonprofit organization exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Physician Endowment was formed in 2009, and funded in 2010, for the purpose of recruiting physicians who shall practice on the Grider Street campus of ECMCC. The entity was funded with an initial transfer of \$10,000 from ECMCC. Earnings from the investment of the initial transfer may be used only for physician recruitment and reasonable and necessary expenses of the entity. The annual financial report can be obtained by writing to: Chair, The Grider Initiative, Inc., 424 Main Street, Suite 2000, Buffalo, NY 14202.

ECMCC is considered to be a component unit of the County and is discretely presented based on the fact that it is a legally separate entity for which the County is financially accountable. Separate financial statements for ECMCC can be obtained from ECMCC, 462 Grider Street, Buffalo, NY 14215.

- **The Auxiliary Services Corporation of Erie Community College, Inc.** (the “ECC Auxiliary Corporation”), and the **Erie Community College Foundation, Inc.** (the “ECC Foundation”) are both included as discretely presented component units of the County’s primary government based on the fact that they are legally separate entities for which the College and County are financially accountable. They receive or hold economic resources that are significant to, and can be accessed by, the College that are entirely or almost entirely for the direct benefit of its constituents (students).

The purpose of the ECC Auxiliary Corporation, a New York nonprofit corporation, is to promote and cultivate educational and social relations through the operation of bookstores, on-campus dining services, vending facilities, childcare, and student centers for the convenience of the students, faculty and staff of the College. The ECC Auxiliary Corporation is funded through sales of merchandise and food, federal and state grants, and other fees. Separate financial statements can be obtained from the Auxiliary Services Corporation of Erie Community College, Inc., Executive Director, 4041 Southwestern Blvd., Orchard Park, NY 14127.

The ECC Foundation is a New York State nonprofit corporation established to support the College. Its purpose is to raise, receive, and administer all private gifts and program services for the College, its programs, and its students. Separate financial statements can be obtained from Erie Community College Foundation, Inc., Executive Director, 121 Ellicott Street, Buffalo, NY 14203.

Excluded from the Financial Reporting Entity—Although the following are related to the County, they are not included in the County reporting entity:

- **Related Organizations**—County elected officials nominate and confirm the three-member board of the Erie County Water Authority, (“Water Authority”) and also appoint a voting majority of the board of the Buffalo Convention Center Management Corporation (“BCCMC”). The Erie County Industrial Development Agency (“ECIDA”), is a public benefit corporation created to promote and assist private sector industrial/business development thereby advancing job opportunities and economic well-being to the people of Erie County. The County’s accountability for these legally separate organizations does not extend beyond making the board appointments. Specifically, the County cannot impose its will on any of these organizations. In addition, in the case of the Water Authority, no financial operating assistance is provided to, nor is the County liable for, any debt issued by this public benefit corporation. In regard to the not-for-profit BCCMC, the entity and the County are parties to an exchange transaction under which the BCCMC is responsible for operating and managing the area’s convention center. These related organizations are not component units of the County and do not meet the basic criteria for inclusion in the County reporting entity.
- **Joint Ventures:**
 - **Western Regional Off-Track Betting Corporation**—The County is a participant in the Western Regional Off-Track Betting Corporation (“OTB”), a public benefit corporation established under New York State Racing, Pari-Mutuel Wagering and Breeding Law. The OTB conducts within the region a system of off-track pari-mutuel betting on horse races, and distributes net revenues to the participants in accordance with a predetermined formula. Separate financial data for this joint venture has been excluded from the financial statements, consistent with GASB. Additional information about this joint venture is presented in Note 18.

- **Buffalo Erie Niagara Land Improvement Corporation**—The Buffalo Erie Niagara Land Improvement Corporation (“BENLIC”) was organized on June 6, 2012, pursuant to Article 16 of the Not-for-Profit Corporation Law of the State of New York. BENLIC was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda. BENLIC was created to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties. Separate financial data for this joint venture has been excluded from the financial statements, consistent with GASB. Additional information about this joint venture is presented in Note 18.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the County’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements.

As discussed earlier, the County has four discretely presented component units, with two major component units being shown in separate columns and two nonmajor component units being aggregated into a single column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used such as Utilities Aggregation Fund billings to other funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the County’s funds, including its fiduciary fund and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the County and is used to account for all financial resources of the general government except those required to be accounted for in other funds.
- *ECFSA General Fund*—The ECFSA General Fund is used to account for all of the operations of the ECFSA, included as a blended component unit. This fund accounts for sales tax revenues received by ECFSA and for general operating expenditures of ECFSA.

The County reports two major enterprise funds:

- *SUNY Erie*—SUNY Erie is a blended component unit of the government, is a locally sponsored, two-year college established for the purpose of providing education services primarily to the residents of the County.

- *ILDC*—The ILDC is a blended component unit of the government, incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of capital assets by industrial companies locating or expanding within the County.

Additionally, the County reports the following fund type:

- *Fiduciary Funds*—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies from outside entities, controlled and administered by the County for the benefit of others.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfer in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and considers all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments,

are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Information

Annual appropriated budgets are adopted and employed for control of the General Fund; the Road, Sewer, Downtown Mall, E-911, and Emergency Response Special Revenue Funds; the Utilities Aggregation Enterprise Fund; and the Debt Service Fund, minimally detailed to the department and account level. These budgets are adopted on a basis consistent with GAAP, except that encumbrances are reported as budgetary expenditures in the year of incurrence of commitment to purchase in the General Fund, the enumerated Special Revenue Funds and the Debt Service Fund. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified. Annual appropriated budgets are not employed for the Grants and Community Development Special Revenue Funds.

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

Cash, Cash Equivalents and Investments—All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents. Investments are stated at fair value, the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Restricted Cash and Cash Equivalents—Restricted cash represents amounts to support restricted fund balance, amounts with constraints placed on their use by either external parties and/or statute, amounts held on behalf of others, and for unspent bond proceeds.

Receivables—Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs. All major revenues of the County are considered “susceptible to accrual” under the modified accrual basis. These include property tax, sales tax, State and Federal aid, and various grant program revenues.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets—All capital assets which are acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are accounted for and reported in the government-wide financial statements as capital assets, if they meet the County’s capitalization criteria. These statements also contain the County’s infrastructure assets that are required to be capitalized

under GAAP. Infrastructure assets include public domain assets such as roads, bridges, and sewer systems. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Equipment with an initial individual cost equal to or greater than \$10,000 and an estimated useful life of three or more years is capitalized. All purchases of library books are capitalized because there is no minimum capitalization threshold.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

	Estimated Useful Life (Years)
Improvements other than buildings	5-25
Buildings and improvements	15-40
Infrastructure	20-100
Library collections	5-10

The Buffalo and Erie County Public Library has a rare book collection that is classified as a Work of Art and Historical Treasure for financial reporting purposes. This collection is deemed an inexhaustible asset, and therefore, is not depreciated.

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

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new police vehicle included as part of *expenditures—public safety*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. The County received cash in advance related to grants, but has not performed the services, and therefore recognizes a liability.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2020, the County’s primary government has four items that qualify for reporting in this category. The first item is related to the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second relates to pensions and represents the effect of the net change in the County’s proportion of the collective net pension asset or liability, the difference during the measurement periods between the County’s contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The third item represents the effects of the change in the County’s proportion of the collective net OPEB liability and difference during the

measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The last item relates to the deferred outflow on ETASC's forward purchase agreement swap relating to the accumulated increase in its fair value.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2020, the primary government of the County has four items that qualify for reporting in this category. The first item is a deferred gain on refunding, which the County reports within its governmental activities. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item represents the effect of the net change in the County's proportion of the collective net pension liability and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension system not included in pension expense and is reported on the government-wide statements. The third item represents the effects of the change in the County's proportion of the collective net OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability and is reported on the government-wide financial statements. The final item, reported within the governmental fund financial statements represents unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County's highest level of decision-making authority. The Erie County Legislature is the highest level of decision-making authority for the County that can, by adoption of a Legislative Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to rescind or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature authorizes assigned amounts of fund balance. The County Legislature may also assign fund balance when

appropriating fund balance to lower a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Tax Revenue Recognition—The County-wide property tax is levied by the County Legislature effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on January 1 of the year for which they are levied. Accordingly, property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the fund financial statements.

Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are recorded as deferred inflow—unavailable revenue in the fund financial statements. The portion of delinquent property taxes for prior years estimated to be uncollectible at December 31, 2020, amounted to \$51,592,600. This amount has been recorded as an allowance against the property taxes receivable account.

Compensated Absences—Most employees are granted vacation, personal, and sick leave and earn compensatory time in varying amounts. When they leave service, employees are entitled to payment for accumulated vacation and unused compensatory time at various rates subject to certain maximum limitations. In addition, depending on the applicable collective bargaining agreement, retirees may be eligible to receive a direct cash payment for a portion of unused sick time upon retirement.

Compensated absences for governmental fund type employees are reported as a liability and expense in the government-wide financial statements. Governmental funds recognize the expenditure when paid. For proprietary fund type employees, the accumulation is recorded as an accrued liability and/or other long-term obligation of the proprietary fund type.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due. Financial information regarding compensated absences is included in Note 13.

Pension Plans—The County is mandated by New York State law to participate in the New York State Teacher's Retirement System and the New York State Local Employees' Retirement System. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plan, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 8.

Other Postemployment Benefits—In addition to providing pension benefits, the County provides health insurance benefits for retired employees as required by the union contracts. The employees become eligible for these benefits if they reach normal retirement age while working for the County. More information regarding OPEB is included in Note 9.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing educational services and the purchase and resale of utilities in connection with the proprietary fund’s ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the College and the ILDC, the County’s major proprietary funds, are charges to students for tuition and fees and administrative fees, respectively. Operating expenses for the College include employee wages and benefits and student scholarships. Operating expenses for the ILDC include supplies and services, depreciation expense, and a transfer to the Erie County Industrial Development Agency.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures/expenses, assets, liabilities, deferred outflows of resources, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows—For purposes of reporting cash flows, cash and cash equivalents include the following items: cash on hand; cash in checking and time accounts; and certain short-term items maturing three months or less from the date acquired, as permitted by State statute.

Reclassifications—Certain amounts were reclassified from ECFSA’s financial statements to conform to the County’s reporting presentation. In the ECFSA’s statement of revenue, expenditures, and changes in fund balances, \$55,337,231 representing principal and interest revenue received from the County relating to mirror bonds and a revenue anticipation note purchased by the ECFSA, and \$463,794,121 representing sales tax revenue and other distributions to the County, were reclassified as transfers in and transfers out, respectively.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2020, the County implemented GASB Statements No. 83, *Certain Asset Retirement Obligations*; No. 84, *Fiduciary Activities*; No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*; and No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. GASB Statement No. 83 establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (“AROs”). GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. GASB Statement No. 88 improves the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. GASB Statement No. 90 improves the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. Other than matter discussed in Note 19, the implementation of GASB Statements No. 83, 84, 88, and 90 did not have a material impact on the County’s financial position or results from operations.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*; and No. 93, *Replacement of Interbank Offered Rates*, effective for the year ending December 31, 2021, No. 87, *Leases*; No. 91, *Conduit Debt Obligations*; No. 92, *Omnibus 2020*; and No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the year ending December 31, 2022, and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; and No. 96, *Subscription-Based Information Technology Arrangements*, effective for the

year ending December 31, 2023. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 87, 89, 91, 92, 93, 94, 96, and 97 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

- In accordance with the County Charter and Administrative Code, no later than October 15, the County Executive submits a tentative operating and capital budget which details proposed expenditures and the proposed means of financing to the Erie County Legislature for the fiscal year commencing the following January 1. The College budget is not included in the County Executive’s tentative budget, since it is separately adopted during the first County legislative meeting in July for the fiscal year commencing September 1.
- After public hearings are conducted to obtain taxpayer comments, the County Legislature (governing board) adopts the budget no later than the second Tuesday in December.
- The County Executive is authorized to make budget transfers within the same administrative unit up to a cumulative total of \$10,000 between accounts or line items. Any proposed transfer which would result in an increase exceeding \$10,000 in any one line item in the budget, as adopted during the fiscal year or would affect any salary rate or salary total, would need prior approval by resolution of the County Legislature. In no instance shall a transfer be made from appropriations for debt service, and no appropriations may be reduced below any amount which is required by law to be appropriated. During the year ended December 31, 2020, County’s Director of Budget and Management was authorized by the Legislature to make the required budgetary adjustments to implement all budgetary actions due to impacts of the COVID-19 pandemic.
- The Emergency Response Special Revenue Fund was established to account for revenues received from the Federal Emergency Management Agency and expenditures associated with the cleanup of major storm damage that occurred in October 2006 and November 2014. This fund also includes activities related to the County’s COVID-19 pandemic response.
- Capital Projects Funds are subject to project budgets determined primarily by the bonding authorizations used to fund a particular project rather than annual budgetary appropriations. These budgets do not lapse at year-end; rather, they lapse upon termination of the project.
- Expenditures within the General, Special Revenue, Utilities Aggregation Enterprise, and the Debt Service funds may not legally exceed the amount appropriated for such accounts within a department. During the year, numerous supplementary appropriations were necessary.

Individual governmental fund comparisons of budgetary and actual data at the legal level of control established by the adopted budget (i.e., minimally the department and account level) are not presented in this report for those funds with annual appropriated budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information. This report can be obtained from the Erie County Office of the Comptroller, 95 Franklin Street, Room 1100, Buffalo, New York 14202.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable

appropriations, is employed in all County funds except the Enterprise Funds and the Custodial Fund. Outstanding encumbrances at year end, except for grant-related commitments that are not reported in the financial statements, are presented for GAAP reporting purposes as assignments of fund balances, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Unencumbered appropriations lapse at fiscal year-end.

The County reports its budgetary status with the actual data including encumbrances as charges against budgeted appropriations. Following is a reconciliation of the budgetary basis (i.e. non-GAAP) and the GAAP basis operating results (dollars in thousands):

	<u>General Fund</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses - GAAP basis	\$ (39,723)
Less:	
Encumbrances at December 31, 2020	6,185
Plus:	
Encumbrances at January 1, 2020	<u>7,251</u>
Deficiency of revenues and other financing sources under expenditures and other financing uses - basis of budgeting	<u>\$ (38,657)</u>

Budget columns presented in the accompanying financial statements reflect deficiencies of revenues and other financing sources over expenditures and other financing uses. These deficiencies are caused by the anticipated use of prior-year's fund balance, which had been assigned for 2020 expenditures through the budget process. The County overspent on Health, due to expenditures for mental health services; Economic Assistance and Opportunity, due largely to expenditures for Medicaid costs; Home and Community Services, due mainly to expenditures for professional services.

Commitments related directly to the Grants and the Community Development Special Revenue Funds in the amounts of \$11,107,854 and \$2,862,569, respectively, at December 31, 2020, are not reported on the GAAP financial statements. Budget appropriations are not made available for these commitments until grant revenues are recognized at the time of expenditure.

Deficit Net Position—The Governmental Activities reported a total net position deficit of approximately \$948,888,000 at December 31, 2020, resulting primarily from the effect of GASB required recognition of the obligation for other post-employment benefits annually and also from ETASC's net position deficit of \$307,311,061, which is caused by its recognition of bonds payable with no offsetting capital assets.

The College Proprietary Fund reported a total net position deficit of \$187,778,430 that primarily represents the effect of GASB required recognition of other post-employment benefits annually. It is anticipated that this trend will continue.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government, Fiduciary Fund and Library Component Unit

Available cash of the County is deposited and invested in accordance with the County's own written investment guidelines which have been established by the Comptroller's Office, approved by the County Legislature and are in compliance with provisions of applicable State statutes. The ECFSA does not have a formal investment policy.

Custodial Fund bank accounts are maintained at financial institutions where monies of the County's other funds are also on deposit. In addition, the Library does not maintain a separate bank account; instead, it participates in the pooled cash of the County. The banks calculate and report FDIC coverage and collateral

requirements for the County's Custodial Fund, the County's other funds and Library together, separately from that of the College.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is the County's policy to generally limit investments to municipal bonds or investments of 180 days or less.

Credit Risk—In compliance with New York State law, it is the County's policy to limit its investments to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of New York, time deposit accounts and certificates of deposit issued by a bank or trust company located in and authorized to do business in New York State and certain joint or cooperative investment programs.

Custodial Credit Risk—For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the market value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the County's name. For deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of New York State General Municipal Law. New York State Education Law does not require collateral for college checking accounts, unless the Board of Trustees deems it necessary. If collateral is required, it can be in the form of a surety bond or obligations of the United States, the State, or any municipality or college of the State. Certain balances for accounts held in trust are collateralized by the State of New York.

Concentration of Credit Risk—To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions. The general rule is not to place more than \$200,000,000 or 50% of the County's total investment portfolio, whichever is less, in overnight investments with any one institution.

Deposits—The County deposits cash into a number of bank accounts. Monies must be deposited in demand, time or NOW accounts or certificates of deposit issued by FDIC-insured commercial banks or trust companies located within the State. Some of the County's accounts are required by various statutes and borrowing restrictions for specific funds, while the remainder are used for County operating cash and for investment purposes.

As of December 31, 2020 (August 31, 2020 as to the College), the bank deposits of the primary government, Library, and Custodial Fund were either FDIC insured or fully collateralized with securities held by the pledging financial institution's agent in the County's name with exception of bank deposits of the primary government which were under collateralized at year-end in the amount of \$19,000.

Cash and Cash Equivalents—All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents. Existing policies require that any underlying securities for repurchase transactions must be only federal obligations. Such obligations are explicitly guaranteed by the U.S. Government and therefore not considered to have credit risk. At December 31, 2020, the fair value of money market accounts was \$119,102,440 which were fully collateralized with securities held by the pledging financial institution's agent in the County's name. In addition, ECFSA has \$24,413,928 in money market accounts at December 31, 2020.

Investments—All investments are carried at fair value and are held by a third party in the County’s, ETASC’s or ECFSA’s name. Investments for the primary government at year-end are shown below (dollars in thousands):

	Fair Value
Municipal bonds	\$ 200
Corporate commercial paper	19,608
Total investments	<u>\$ 19,808</u>

The County’s investment in municipal bonds at December 31, 2020 consists of \$200,000 of Gulf Coast Waste Disposal Authority of Texas revenue bonds maturing September 1, 2025 that were rated Aaa by Moody’s.

ETASC’s investment in corporate commercial paper at December 31, 2020 consisted of \$19,607,900 of General Electric Capital Corporation Commercial Paper which was rated P-1 by Moody’s.

Fair Value Measurements—The County has adopted GASB No. 72, *Fair Value Measurement and Application*. This guidance requires entities to expand their fair value disclosures by determining major categories of debt and equity securities within the fair value hierarchy on the basis of the nature and risk of the investment. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management utilizes valuation techniques that maximize the use of observable inputs (Level 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

- Level 1 - Valuations based on quoted prices in active markets for identical assets that the County has the ability to access.
- Level 2 - Valuations based on quoted prices in active markets for similar assets, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. These are generally company generated inputs and are not market-based inputs. The County has no Level 3 assets.

The primary government has the following fair value measurements as of December 31, 2020:

Description	Level 1	Level 2	Level 3	Total
Debt Securities:				
Municipal bonds	\$ 200	\$ -	\$ -	\$ 200
Corporate commercial paper	19,608	-	-	19,608
Total	<u>\$ 19,808</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,808</u>

Erie County Medical Center Corporation (“ECMCC”)

The ECMCC maintains various accounts for depositing, disbursing and investing its funds. The ECMCC’s investments are made in accordance with State regulations and its investment guidelines.

Cash and Cash Equivalents—Include cash on hand and monies deposited in checking and money market accounts. Excluding assets whose use is limited, cash and cash equivalents total \$122,383,000 as of December 31, 2020.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is the ECMCC’s policy to generally limit investments to maturities of less than one year.

Investments—All investments are carried at fair value, and are categorized as insured or uninsured, and collateralized by securities held by the pledging financial institution in the ECMCC’s name. The ECMCC’s investments and restricted cash and cash equivalents as of December 31, 2020 are shown below (dollars in thousands).

	Fair Value
Money market mutual funds, bank accounts and deposits	\$ 138,780
Marketable equity securities	27,549
Corporate bonds	3,616
Short term fixed income	<u>40,839</u>
Total investments and restricted cash and cash equivalents	
ECMCC primary government	210,784
Foundation Component Unit	3,815
RHEC Component Unit	1,073
Physician Endowment Component Unit	<u>9,943</u>
Total ECMCC investments and restricted cash and cash equivalents	<u>\$ 225,615</u>
	Fair Value
Investments - unrestricted	\$ 17,466
Restricted cash and cash equivalents	<u>208,149</u>
Total	<u>\$ 225,615</u>

Fair Value Measurements—ECMCC primary government has the following fair value measurements as of December 31, 2020 (dollars in thousands):

Description	Level 1	Level 2	Level 3	Total
Investments and assets whose use is limited:				
Cash and cash equivalents	\$ 138,780	\$ -	\$ -	\$ 138,780
Marketable equity securities:				
Mid-cap value equities	5,141	-	-	5,141
Growth equities	1,795	-	-	1,795
Global core equities	10,411	-	-	10,411
International equities	10,202	-	-	10,202
Short-term fixed income	40,839	-	-	40,839
Corporate bonds	-	3,616	-	3,616
Total	\$ 207,168	\$ 3,616	\$ -	\$ 210,784

Other Component Units

Erie Community College Foundation, Inc.—The Foundation considers all money market mutual funds and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Foundation to off-balance-sheet credit risk include cash and cash equivalents on deposit with financial institutions which were insured for up to \$250,000 by the U.S. Federal Deposit Insurance Corporation. At various times throughout the year ended August 31, 2020 the Foundation’s balance in its accounts has exceeded these federally insured limits.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Foundation’s investments are reported at fair value as follows (dollars in thousands):

	Fair Value	Quoted Market Prices (Level 1)
Fixed income	\$ 2,082	\$ 2,082
Equity securities	3,464	3,464
	\$ 5,546	\$ 5,546

Auxiliary Services Corporation of Erie Community College, Inc.—For the year ended August 31, 2020 the Corporation reported cash, cash equivalents and investments of \$1,592,678 and receivables of \$77,271, as financial assets available for general expenditure that are, without donor or other restrictions limiting their use, within one year of the balance sheet date. The Corporation ensures funds are invested to provide high levels of safety and liquidity, while also looking to maximize yield in a conservative manner. An adequate amount of reserves will be maintained separately from the Corporation’s investments, to be able to sustain operations for a three month period.

3. RESTRICTED CASH AND CASH EQUIVALENTS

Primary Government

Restricted Cash and Cash Equivalents—At December 31, 2020 the County reported the following restricted cash and cash equivalents (dollars in thousands):

	<u>Fair Value</u>
Handicapped parking	\$ 155
ECFSA General Fund	978
Emergency response	38,328
Debt service	25,147
Capital expenditures	<u>144,010</u>
Total	<u>\$ 208,618</u>

Erie County Medical Center Corporation (“ECMCC”)

Assets Whose Use is Limited—Assets whose use is limited are reported as restricted cash and cash equivalents at December 31, 2020 and consist of the following (dollars in thousands), as shown below.

	<u>Fair Value</u>
Patient and resident's trust cash	\$ 576
Restricted for debt service principal and interest	12,014
Medical and dental staff funds	687
Designated for retiree health obligations	24,831
Designated for self insurance	38,232
Designated for long-term investment	18,595
Designated for DSRIP program	79,969
NYS voluntary defined contribution plan escrow	201
Foundation Component Unit	3,815
Restricted for capital projects	12,425
Physicians Endowment Component Unit	9,943
Restricted - insured workers' compensation collateral	<u>6,861</u>
Total	<u>\$ 208,149</u>

4. PROPERTY TAXES

The Countywide property tax is levied by the County upon the taxable real property in the towns and cities in the County in late December of each year at the last meeting of the County Legislature and becomes a lien on the next succeeding January 1. Such taxes are collected by the respective collection officers in each town and in the cities of Lackawanna and Tonawanda until the date established for return of the tax rolls to the County, which can be no later than September 15. For the City of Buffalo, the County collects these taxes from the lien date.

With respect to the cities, the County taxes are due by February 15, and penalties are imposed as follows: 1.5% prior to March 1; 3% prior to March 16; 4.5% prior to April 1; 6% prior to April 16; 7.5% prior to May 1; and 1.5% additional each month thereafter. The cities each levy and collect their city taxes, and the County is not responsible for any unpaid city taxes. The County is responsible only for uncollected County taxes levied in such cities.

With respect to the towns, the countywide property tax is levied by the County together with town property taxes, which include special district, fire district, and highway taxes. In towns of the first class, taxes are due without penalties by February 15. Penalties are 1.5% prior to March 1; 3% prior to March 16; 4.5% prior to April 2; 6% prior to April 16; 7.5% prior to May 1; and 1.5% additional for each month thereafter. In towns of the second class, taxes are due without penalty within ten days after receipt of the tax roll by the respective collection agency. Penalties are 1.5% prior to March 16 unless waived; 7.5% prior to May 1; and 1.5% additional each month thereafter. All towns first retain their share of taxes from collections and remit the balance to the County. The County is responsible for uncollected taxes of all subordinate jurisdictions, except for the three cities.

The County levies taxes for most school districts throughout the County and is responsible for uncollected school district taxes outside the cities of Buffalo, Lackawanna, and Tonawanda.

Additionally, at the option of villages within the County, the County may also be responsible for uncollected village taxes.

Constitutional Tax Limit—The amount that may be raised by the countywide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the County Legislature) of the five-year average full valuation of taxable real estate of the County, per New York State statutes. On November 13, 1978, a local law became effective which limits the maximum amount of real estate taxes which can be levied other than for debt service to one per centum of such average full valuation of all the taxable real estate within the County.

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2020 is computed as follows (dollars in thousands):

Five-year average full valuation of taxable real estate (2016-2020)	<u>\$ 58,146,260</u>
Tax limit @ 1.5%	\$ 872,194
Statutory additions	<u>69,912</u>
Total taxing power	942,106
Total levy	<u>(338,391)</u>
Tax margin	<u>\$ 603,715</u>

5. RECEIVABLES

All major revenues of the County’s governmental funds are considered “susceptible to accrual” based on the 60 day rule under the modified accrual basis. These include property tax, sales tax, state and federal aid, and various grant program revenues. The proprietary funds record revenues using the accrual basis of accounting.

Major revenues accrued by the County in the various governmental fund types at December 31, 2020 include real property taxes, interest, penalties and liens of \$138,013,124, net of an allowance for estimated uncollectible property taxes of \$51,592,600; sales and use taxes in the amount of \$52,201,106; state and federal assistance for social services of \$162,550,331; and other state and federal aid (including grants) approximating \$61,059,000.

Receivables at year-end of the County’s major individual funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined on the following page (dollars in thousands).

Receivables and due from other governments - Governmental Funds	General Fund	ECFSA General	Other Governmental Funds	Total
Real property taxes, interest, penalties and liens	\$ 137,967	\$ -	\$ 46	\$ 138,013
Sales and use tax	-	52,201	-	52,201
Federal and state assistance for social services programs	162,550	-	-	162,550
Other federal and state aid	25,217	-	35,841	61,058
Other	7,205	-	31,691	38,896
Gross receivables	332,939	52,201	67,578	452,718
Less: allowances for uncollectibles	51,592	-	-	51,592
Total receivables	<u>\$ 281,347</u>	<u>\$ 52,201</u>	<u>\$ 67,578</u>	<u>\$ 401,126</u>

Receivables and due from other governments - Proprietary Funds	College (8/31/20)	ILDC	Utilities Aggregation Fund	Total
Accounts receivable	\$ 21,881	\$ -	\$ -	\$ 21,881
Grant receivable	-	514	-	514
Other	-	12	914	926
Gross receivables	21,881	526	914	23,321
Less: allowances for uncollectibles	12,866	-	-	12,866
Total receivables	<u>\$ 9,015</u>	<u>\$ 526</u>	<u>\$ 914</u>	<u>\$ 10,455</u>

All Governmental and Proprietary Fund receivables are expected to be collected within one year.

6. CAPITAL ASSETS

Primary Government

Governmental activities—Capital asset activity for governmental activities for fiscal year ended December 31, 2020 follows (dollars in thousands):

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, not being depreciated:				
Land	\$ 34,951	\$ -	\$ -	\$ 34,951
Construction in progress	41,009	27,474	(14,078)	54,405
Total capital assets not being depreciated	<u>75,960</u>	<u>27,474</u>	<u>(14,078)</u>	<u>89,356</u>
Capital assets, being depreciated:				
Buildings and improvements	716,131	9,087	-	725,218
Transportation network	717,962	19,460	-	737,422
Sewer network	334,446	4,798	-	339,244
Improvements other than buildings	40,672	4,115	-	44,787
Machinery and equipment	127,184	2,341	(2,966)	126,559
Total capital assets being depreciated	<u>1,936,395</u>	<u>39,801</u>	<u>(2,966)</u>	<u>1,973,230</u>
Less accumulated depreciation for:				
Buildings and improvements	(433,704)	(21,459)	-	(455,163)
Transportation network	(489,506)	(32,149)	-	(521,655)
Sewer network	(124,069)	(6,212)	-	(130,281)
Improvements other than buildings	(25,126)	(1,598)	-	(26,724)
Machinery and equipment	(116,343)	(3,598)	2,952	(116,989)
Total accumulated depreciation	<u>(1,188,748)</u>	<u>(65,016)</u>	<u>2,952</u>	<u>(1,250,812)</u>
Total capital assets, being depreciated, net	<u>747,647</u>	<u>(25,215)</u>	<u>(14)</u>	<u>722,418</u>
Governmental activities capital assets, net	<u>\$ 823,607</u>	<u>\$ 2,259</u>	<u>\$ (14,092)</u>	<u>\$ 811,774</u>

Depreciation expense was charged to functions and programs of the governmental activities as follows:

Governmental activities:	
General government support	\$ 16,010
Public safety	5,166
Health	314
Transportation	32,939
Economic assistance and opportunity	143
Culture and recreation	1,732
Education	1,174
Home and community services	7,538
Total depreciation expense—governmental activities	<u>\$ 65,016</u>

Business-type activities—Capital asset activity for business-type activities for fiscal year ended December 31, 2020 follows (dollars in thousands):

	Beginning Balance*	Increases	Decreases	Ending Balance*
Capital assets, not being depreciated:				
Construction in progress	\$ 566	\$ 86	\$ -	\$ 652
Total capital assets, not being depreciated	<u>566</u>	<u>86</u>	<u>-</u>	<u>652</u>
Capital assets, being depreciated:				
Building improvements	34,979	-	-	34,979
Land improvements	64	-	-	64
Equipment	21,162	374	(27)	21,509
Library collections	2,101	66	(221)	1,946
Total capital assets, being depreciated	<u>58,306</u>	<u>440</u>	<u>(248)</u>	<u>58,498</u>
Less accumulated depreciation for:				
Building improvements	(10,306)	(1,749)	-	(12,055)
Land improvements	(46)	(3)	-	(49)
Equipment	(16,448)	(1,016)	26	(17,438)
Library collections	(1,065)	(191)	210	(1,046)
Total accumulated depreciation	<u>(27,865)</u>	<u>(2,959)</u>	<u>236</u>	<u>(30,588)</u>
Total capital assets, being depreciated, net	<u>30,441</u>	<u>(2,519)</u>	<u>(12)</u>	<u>27,910</u>
Total capital assets, net	<u>\$ 31,007</u>	<u>\$ (2,433)</u>	<u>\$ (12)</u>	<u>\$ 28,562</u>

*Capital asset table above presented for the period of September 1, 2019 through August 31, 2020 for the College and for the period of January 1, 2020 through December 31, 2020 for the ILDC.

Depreciation expense for the College was \$2,958,806 for the year ended August 31, 2020. The Utilities Aggregation Fund does not have capital assets.

ILDC's land held for resale is recorded at net realizable value based on the assessment of the fair value of each project. The net realizable value as of December 31, 2020 amounted to \$6,900,166. The ILDC also had capital assets in the amount of \$1,625 at December 31, 2020 and reported depreciation expense of \$975.

Discretely Presented Component Units

The Buffalo and Erie County Public Library (the "Library")

Capital asset activity for the Library for the year ended December 31, 2020 was as follows (dollars in thousands):

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, not being depreciated:				
Rare book collection	\$ 11,590	\$ 24	\$ -	\$ 11,614
Capital assets, being depreciated:				
Machinery, equipment, and library materials	54,177	2,763	(3,554)	53,386
Less accumulated depreciation for:				
Machinery, equipment, and library materials	(48,125)	(2,769)	3,236	(47,658)
Total capital assets, being depreciated, net	<u>6,052</u>	<u>(6)</u>	<u>(318)</u>	<u>5,728</u>
Total capital assets, net	<u>\$ 17,642</u>	<u>\$ 18</u>	<u>\$ (318)</u>	<u>\$ 17,342</u>

Depreciation expense for the Library was \$2,769,126 for the year ended December 31, 2020.

Erie County Medical Center Corporation (“ECMCC”)

Capital asset activity for ECMCC for the year ended December 31, 2020 was as follows (dollars in thousands):

	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Capital assets, not being depreciated:				
Construction in progress	\$ 92,064	\$ 41,532	\$ (114,892)	\$ 18,704
Total capital assets not being depreciated	<u>92,064</u>	<u>41,532</u>	<u>(114,892)</u>	<u>18,704</u>
Capital assets, being depreciated:				
Land and land improvements	28,731	11,724	-	40,455
Buildings and improvements	435,501	92,858	-	528,359
Fixed/major moveable equipment	<u>182,953</u>	<u>16,277</u>	<u>(652)</u>	<u>198,578</u>
Total capital assets being depreciated	<u>647,185</u>	<u>120,859</u>	<u>(652)</u>	<u>767,392</u>
Less accumulated depreciation	<u>(419,718)</u>	<u>(32,234)</u>	<u>19</u>	<u>(451,933)</u>
Total capital assets, being depreciated, net	<u>227,467</u>	<u>88,625</u>	<u>(633)</u>	<u>315,459</u>
Total capital assets, net	<u>\$ 319,531</u>	<u>\$ 130,157</u>	<u>\$ (115,525)</u>	<u>\$ 334,163</u>

Depreciation expense for ECMCC was \$32,234,000 for the year ended December 31, 2020.

7. PAYABLES, ACCRUED LIABILITIES AND DUE TO OTHER GOVERNMENTS

Accrued liabilities reported by the governmental funds and proprietary funds at December 31, 2020, were as follows (dollars in thousands):

Accounts and retained percentage payable, accrued liabilities and due to other governments - Governmental Funds	General Fund	ECFSA General	Other Nonmajor Governmental Funds	Total
Accounts payable	\$ 16,740	\$ 47	\$ 14,107	\$ 30,894
Other governments	30,123	-	71	30,194
Health and social service programs and agencies	52,077	-	13,822	65,899
Retained percentages	-	-	1,597	1,597
Salaries & fringes	9,371	-	1,816	11,187
Other	<u>17,522</u>	<u>-</u>	<u>1,914</u>	<u>19,436</u>
Total	<u>\$ 125,833</u>	<u>\$ 47</u>	<u>\$ 33,327</u>	<u>\$ 159,207</u>
Accounts payable, accrued liabilities due to other governments and fringe benefits payable - current Proprietary Funds	College (8/31/20)	ILDC	Utilities Aggregation Fund	Total
Accounts payable	\$ 2,244	\$ 33	\$ 1,176	\$ 3,453
Fringes benefits payable - current	4,156	-	-	4,156
Other	<u>6,644</u>	<u>283</u>	<u>29</u>	<u>6,956</u>
Total	<u>\$ 13,044</u>	<u>\$ 316</u>	<u>\$ 1,205</u>	<u>\$ 14,565</u>

8. PENSION PLANS

All tables within this note present dollars in thousands.

Plan Descriptions and Benefits Provided

New York State and Local Employees' Retirement System ("ERS")—The County participates in the ERS, a cost-sharing multiple-employer retirement system (the "System"). ERS provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the ERS. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for those employees who joined the ERS after July 27, 1976 who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010, who generally contribute 3.0% to 3.5% of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute a percentage ranging from 3% to 6%, based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions based on the salaries paid during the ERS's fiscal year ending March 31.

New York State Teachers' Retirement System ("TRS")—The County participates in the TRS, a cost-sharing multiple-employer retirement system (the "System"). TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the NYSRSSL. TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Comprehensive Annual Financial Report which can be found on TRS's website at www.nystrs.org.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2020, the County reported the following liabilities/(asset) for its proportionate share of the net pension liability/(asset) for ERS and TRS (dollars in thousands), shown on the following page. The net pension liability/(asset) was measured as of March 31, 2020 for ERS and as of June 30, 2020 for TRS. The total pension liability/(asset) used to calculate the net pension liability/(asset) were determined by actuarial valuations as of April 1, 2019 and June 30, 2019, respectively, with update procedures used to roll forward the total net pension liability/(asset) to the measurement dates. The County's proportion of the net pension liability/(asset) were based on projections of the County's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the Systems in reports provided to the County and College. For ERS, the Library is under the County's plan. The County determined a percentage allocated to the Library for their portion of the County's net pension liability.

	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Measurement date	March 31, 2020	March 31, 2020	March 31, 2020	June 30, 2020
Net pension liability	\$ 261,551	\$ 25,360	\$ 286,911	\$ 2,776
County's portion of the Plan's total net pension liability	0.992138%	0.091138%	1.083276%	0.100454%

For the year ended December 31, 2020, the County recognized ERS pension expense of \$87,171,108 and \$8,451,309 for governmental activities and business-type activities, respectively. The County recognized TRS pension expense of \$3,692,047 for business-type activities. At December 31, 2020 and August 31, 2020 (as to the College), the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources			
	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Differences between expected and actual experiences	\$ 15,393	\$ 1,493	\$ 16,886	\$ 2,432
Changes in assumptions	5,266	511	5,777	3,511
Net difference between projected and actual earnings on pension plan investments	134,084	13,001	147,085	1,813
Changes in proportion and differences between the County's contributions and proportionate share of contributions	2,583	247	2,830	127
County contributions subsequent to the measurement date	<u>28,003</u>	<u>1,506</u>	<u>29,509</u>	<u>1,259</u>
Total	<u>\$ 185,329</u>	<u>\$ 16,758</u>	<u>\$ 202,087</u>	<u>\$ 9,142</u>

	Deferred Inflows of Resources			
	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Differences between expected and actual experiences	\$ 2	\$ -	\$ 2	\$ 142
Changes in assumptions	4,545	441	4,986	1,252
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>4,932</u>	<u>477</u>	<u>5,409</u>	<u>404</u>
Total	<u>\$ 9,479</u>	<u>\$ 918</u>	<u>\$ 10,397</u>	<u>\$ 1,798</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021 and August 31, 2021 (as to the College).

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as shown below.

Year Ending December 31, (*August 31,)	ERS			TRS
	Governmental Activities	Business-type Activities*	Primary Government	Business-type Activities*
2021	\$ 24,057	\$ 2,332	\$ 26,389	\$ 1,036
2022	36,883	3,576	40,459	2,138
2023	47,984	4,652	52,636	1,764
2024	38,923	3,774	42,697	1,047
2024	-	-	-	(17)
Thereafter	-	-	-	117

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used the actuarial assumptions presented below:

	ERS	TRS
Measurement date	March 31, 2020	June 30, 2020
Actuarial valuation date	April 1, 2019	June 30, 2019
Interest rate	6.80%	7.10%
Salary scale	4.20%	1.90%-4.72%
Decrement tables	April 1, 2010- March 31, 2015	July 1, 2009- June 30, 2014
Inflation rate	2.50%	2.20%
Cost-of-living adjustment	1.30%	1.30%

For TRS, annuitant mortality rates are based on July 1, 2009 – June 30, 2014 System experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP2018, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014.

For TRS, the actuarial assumptions used in the June 30, 2019 valuation are based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014. For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term rate of return on pension plan investments was determined using a building block method in which the best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the table on the following page.

Measurement date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2020	March 31, 2020
Asset class:				
Domestic equities	33.0 %	36.0 %	7.1 %	4.1 %
International equities	16.0	14.0	7.7	6.2
Global equities	4.0	0.0	7.4	0.0
Private equity	8.0	10.0	10.4	6.8
Real estate	11.0	10.0	6.8	4.9
Absolute return strategies	0.0	2.0	0.0	3.3
Domestic fixed income securities	16.0	0.0	1.8	0.0
Global fixed income securities	2.0	0.0	1.0	0.0
High-yield fixed income securities	1.0	0.0	0.0	0.0
Opportunistic portfolio	0.0	3.0	0.0	4.7
Private debt	1.0	0.0	5.2	0.0
Real assets	0.0	3.0	3.9	6.0
Bonds and mortgages	7.0	17.0	3.6	0.8
Short-term	1.0	1.0	0.7	0.0
Inflation-indexed bonds	0.0	4.0	0.0	0.5
Total	<u>100.0 %</u>	<u>100.0 %</u>		

Discount Rate—The discount rate used to calculate the total pension liability/(asset) was 7.1% for TRS and 6.8% for ERS. The projection of cash flows used to determine the discount rate assumes that the contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the County’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.1% for TRS and 6.8% for ERS, as well as what the County’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.1% for TRS and 5.8% for ERS) or one percentage-point higher (8.1% for TRS and 7.8% for ERS) than the current assumption.

ERS	1% Decrease (5.8%)	Current Assumption (6.8%)	1% Increase (7.8%)
Governmental Activities:			
Employer's proportionate share of the net pension liability	\$ 480,020	\$ 261,551	\$ 60,340
Business-type Activities:			
Employer's proportionate share of the net pension liability	\$ 46,543	\$ 25,360	\$ 5,851
Primary Government:			
Employer's proportionate share of the net pension liability	\$ 526,563	\$ 286,911	\$ 66,191
TRS	1% Decrease (6.1%)	Current Assumption (7.1%)	1% Increase (8.1%)
Business-type Activities (College):			
Employer's proportionate share of the net pension liability/(asset)	\$ 17,534	\$ 2,776	\$ (9,610)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability/(asset) of the employers as of the respective valuation dates, were as follows:

	TRS	ERS
Valuation date	June 30, 2019	April 1, 2019
Employers' total pension liability	\$ 123,242,776	\$ 194,596,261
Plan fiduciary net position	120,479,505	168,115,682
Employers' net pension liability	<u>\$ 2,763,271</u>	<u>\$ 26,480,579</u>
System fiduciary net position as a percentage of total pension liability	97.8%	86.4%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended August 31, 2020 are paid to the System in September, October and November 2020. Accrued retirement contributions as of August 31, 2020 represent employee and employer contributions for the fiscal year ended August 31, 2020 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. The College reports accrued retirement contributions as of August 31, 2020 of \$1,805,170.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends of March 31st. Accrued retirement contributions as of August 31, 2020 represent the projected employer contribution for the period of April 1, 2020 through August 31, 2020 based on paid ERS wages multiplied by the employer's contribution rate, by tier. The College reports accrued retirement contributions as of August 31, 2020 of \$2,168,598.

Defined Contribution Plan

Teachers' Insurance and Annuity Association – College Retirement Equities Fund

Plan Description—TIAA/CREF is a college Optional Retirement Program (“ORP”) and offers benefits through annuity contracts. The TIAA/CREF issues a publicly available financial report that contains financial statements and required supplementary information for the System. The Report may be obtained by writing to the Teachers’ Insurance and Annuity Association – College Retirement Equities Fund, 730 Third Avenue, New York, New York, 10017.

Funding Policy—TIAA/CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent (3.0%) of their salary. For employees enrolled after July 27, 1992, the College contributes 8 percent (8.0%) of salary for the first seven years of employment and 10 percent (10.0%) of salary thereafter. For employees enrolled between July 27, 1976 and July 17, 1992, the College contributes 9 percent (9.0%) of the first \$16,500 in salary and 12 percent (12.0%) thereafter. Those joining after April 1, 2013 contribute a percentage ranging from 3 percent (3.0%) to 6 percent (6.0%), based on salary for their entire length of service. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The College’s contributions to TIAA/CREF for the most recent three fiscal years are as follows:

<u>Year Ended August 31,</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
2020	\$ 1,904,697	\$ 70,584
2019	1,823,662	106,630
2018	1,845,073	107,882

The College’s contribution made to the TIAA/CREF was equal to 100 percent of the contributions required for each year.

9. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

All tables within this note present dollars in thousands.

Plan Description—The County provides continuation of medical insurance coverage to employees if they have been continuously employed by the County for the equivalent of at least five years at the time of retirement through a single employer defined benefit plan. The obligation of the County to contribute to the cost of these benefits has been established pursuant to legislative resolution and various collective bargaining agreements. The retiree and his or her beneficiaries receive this coverage for the life of the retiree. Healthcare benefits for non-union employees are similar to those of union employees. The retiree’s share of premium costs in most instances range from 0% to 50% depending on the employee group, length of service and year of retirement.

Employees Covered by Benefit Terms—At January 1, 2020, the valuation date, the following employees were covered by the benefit terms:

	Governmental Activities	Business-type Activities
Active employees	4,047	748
Inactive employees or beneficiaries currently receiving benefit payments	3,863	413
Total	<u>7,910</u>	<u>1,161</u>

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability—The County’s governmental activities and business-type activities total OPEB liabilities of \$1,155,046,724 and \$190,248,225, respectively, were measured as of December 31, 2019, and were determined by actuarial valuations as of January 1, 2020.

Actuarial Methods and Assumptions—Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) and on the historical pattern of cost sharing between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Included coverages are “experience-rated” and annual premiums for experience-rated coverages were used as a proxy for claims costs with age adjustments for pre-65 and post-65 participants.

In the January 1, 2020 actuarial valuation, the liabilities were computed using the entry age normal actuarial cost method, over a level percent of pay was used. The actuarial assumptions utilized an inflation rate of 2.25%. The single discount rate changed from 3.71% effective January 1, 2019 to 2.75% effective December 31, 2019 which is based on the projected long-term earning rate of the assets expected to be available to pay benefits. Because the County does not currently segregate funding for these benefits, the rate selected is the expected return on the County’s assets. The expected rate of compensation increase was assumed to be 1.50%. The valuation assumes healthcare cost trends as follows: pre-65 medical, 6.75%; post-65 medical, 4.50% and prescription, 7.00%. Healthcare trends are reduced by decrements to reach a rate of 3.78% in 2075.

Medical Reimbursements—The County’s Medicare Part D prescription drug subsidy, which reduces the cost of retiree healthcare premiums, is accrued as revenue only in the current year. Projected subsidies for future years cannot be recognized as a reduction to the actuarial accrued liability.

Business-type activities— In the January 1, 2020 actuarial valuation, the entry age normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 3.71% effective January 1, 2019 to 2.75% effective December 31, 2019. The salary scale assumed to increase at 2.25% per year. The sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with scale MP-2019 mortality improvement scale on a generational basis were used for mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 7.00% while the

ultimate healthcare cost trend rate is 3.78%. An inflation rate of 2.25% was assumed for developing the rate of increase in healthcare costs.

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

	Total OPEB Liability		
	Governmental Activities	Business-type Activities*	Primary Government
Balance at December 31, 2019 (August 31, 2019*)	\$ 1,282,247	\$ 211,273	\$ 1,493,520
Changes for the year:			
Service cost	24,887	4,987	29,874
Interest	47,915	7,949	55,864
Changes of assumptions	154,973	28,714	183,687
Differences between expected and actual experience	(323,707)	(58,675)	(382,382)
Change of benefit terms	(16)	-	(16)
Benefit payments	(31,252)	(4,000)	(35,252)
Net changes	(127,200)	(21,025)	(148,225)
Balance at December 31, 2020 (August 31, 2020*)	\$ 1,155,047	\$ 190,248	\$ 1,345,295

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the net OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the net OPEB liability:

	1% Decrease (1.75%)	Current Discount Rate (2.75%)	1% Increase (3.75%)
Governmental activities:			
Net OPEB liability	\$ 1,372,871	\$ 1,155,047	\$ 983,828
Business-type activities:			
Net OPEB liability	\$ 223,250	\$ 190,248	\$ 163,708
Primary Government:			
Net OPEB liability	\$ 1,596,121	\$ 1,345,295	\$ 1,147,536

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the OPEB liability of a 1% change in the initial (7.00%)/ultimate (3.78%) healthcare cost trend rates.

	1% Decrease (6.0%/2.78%)	Healthcare Cost Trend Rates (7.0%/3.78%)	1% Increase (8.0%/4.78%)
Governmental activities:			
Net OPEB liability	\$ 972,536	\$ 1,155,047	\$ 1,391,026
Business-type activities:			
Net OPEB liability	\$ 161,631	\$ 190,248	\$ 226,546
Primary Government:			
Net OPEB liability	\$ 1,134,167	\$ 1,345,295	\$ 1,617,572

Funding Policy—Governmental activities—Authorization for the County to pay all, a portion, or none of retiree health insurance premiums was enacted by resolution of the Legislature or through union contracts, which are ratified by the Legislature. Retirees hired on or prior to August 7, 2014 with fifteen or more years’ service and retire on or prior to December 31, 2020 will have 100% of their retiree health insurance premium paid by Erie County. Retirees hired on or prior to August 7, 2014 with less than fifteen years’ service and retire on or prior to December 31, 2020 will pay an adjusted percentage based on years of service per the ratified contract. Retirees hired on or prior to August 7, 2014 and retire after January 1, 2020 will have 95% of their retiree health insurance paid by the County. The County has no contribution requirement for employees hired after August 7, 2014. The County currently pays for governmental activities post-employment health care benefits on pay-as-you-go basis, primarily from the General Fund (86%). The remainder is allocated to Road, Sewer, E-911, Grants and Community Development Special Revenue Funds. These financial statements assume that pay-as-you-go funding will continue. The County contributed \$31,252,390 for the year ended December 31, 2020.

Funding Policy—Business-type activities—Authorization for the College to pay a portion, or all, of retiree health insurance premiums was enacted by resolution of the Board of Trustees or through union contracts, which are ratified by the Board. Retirees responsible for a portion of their health insurance premiums pay based on one of two scenarios. Employees who retired prior to January 1, 2003, pay approximately 50% of health insurance costs while the College pays the remainder. Individuals who retired on or after January 1, 2003 pay between 0% and 25% of premiums based on the amount of sick leave the retiree has banked as of their retirement date. The remainder of the retirees make no contribution and the College pays 100% of premiums. The College recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the County or by the health insurance provider. The College contributed \$3,999,565 for the year ended August 31, 2020.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer’s contributions and its proportionate share of the total of certain contributions from employers included in the collective net OPEB liability. The table below presents the County’s deferred outflows of resources and deferred inflows of resources for governmental activities and business-type activities at December 31, 2020 and August 31, 2020, respectively.

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Governmental Activities	Business-type Activities	Primary Government	Governmental Activities	Business-type Activities	Primary Government
Differences between expected and actual experience	\$ 2,608	\$ 1,532	\$ 4,140	\$ 270,830	\$ 48,924	\$ 319,754
Changes of assumptions	189,264	33,719	222,983	112,625	17,081	129,706
Benefit payments subsequent to the measurement date	33,647	3,216	36,863	-	-	-
Total	<u>\$ 225,519</u>	<u>\$ 38,467</u>	<u>\$ 263,986</u>	<u>\$ 383,455</u>	<u>\$ 66,005</u>	<u>\$ 449,460</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2021 and August 31, 2021 for governmental and business-type activities, respectively. Other amounts reported as deferred outflows and deferred inflows of related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31, (*August 31)	Governmental Activities	Business-type Activities*	Primary Government
2021	\$ (35,089)	\$ (6,333)	\$ (41,422)
2022	(35,089)	(6,333)	(41,422)
2023	(35,089)	(6,333)	(41,422)
2024	(52,095)	(6,625)	(58,720)
2025	(30,859)	(5,047)	(35,906)
Thereafter	(3,362)	(83)	(3,445)

10. CONSTRUCTION AND OTHER COMMITMENTS

Construction Commitments—The County has a number of active construction projects at December 31, 2020. The amounts spent to date and remaining commitments (encumbrances) presented by major project groupings are as follows (dollars in thousands):

Capital Projects Fund	Spent-to-date	Construction Commitments
General Government Buildings, Equipment, and Improvements	\$ 2,014	\$ 6,256
Highways, Roads, Bridges and Equipment	593	7,941
Total	<u>\$ 2,607</u>	<u>\$ 14,197</u>

Operating Leases—Operating lease obligations are primarily for rental of space and equipment. Lease expenditures/expenses for the year were approximately \$10,259,328 for the primary government and approximately \$5,256,000 for the ECMCC component unit. The future minimum rental payments required by the primary government and ECMCC for noncancelable operating leases are as follows (dollars in thousands):

Fiscal Year Ending December 31,	Primary Government	ECMCC Component Unit
2021	\$ 8,050	\$ 6,715
2022	7,254	6,380
2023	6,020	6,006
2024	2,323	4,219
2025	1,003	3,304
2026-2030	-	8,102
Total	<u>\$ 24,650</u>	<u>\$ 34,726</u>

11. RISK MANAGEMENT

Insurance—The County assumes the liability for most risk including, but not limited to, property damage, personal injury liability, medical malpractice, and workers' compensation. Asserted and incurred but not reported judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Such recording is consistent with the requirements of GAAP. Governmental fund type estimated current contingent loss liabilities for property damage, personal injury liability, medical malpractice, and workers' compensation are reported within governmental activities in the government-wide financial statements.

Loss contingency liabilities arising from operations of the College are recorded in accordance with GASB by the County and are reported in full within governmental activities in the government-wide financial statements and in the General Fund when payment is due. They are only recognized as a College liability when invoiced from the County.

Self-Insurance Programs—The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; injuries to employees; and natural disasters. The County assumes the liability for risks relating to property damage, personal injury liability, medical malpractice and workers’ compensation. The County has also elected to purchase some minor policies from commercial insurers to provide for items such as comprehensive crime and boiler/machinery coverage, as well as protection of valuable papers and records; settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Judgments and claims are recognized as liabilities in the government-wide financial statements when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include an estimate of claims that have been incurred but not reported, and the effects of both specific, incremental claims adjustment expenditures/expenses and estimated recoveries on unsettled claims, if any. Judgments and claims reportable as part of the County’s governmental type fund activities are recognized as expenditures and liabilities in the General Fund when payment is due.

The County Attorney is responsible for analyzing the County’s judgments and claims and providing an opinion regarding the County’s ability to cover its liabilities in the self-insurance programs. Based on this analysis, judgments and claims of \$51,268,255 were recorded as governmental activities long-term liabilities at December 31, 2020.

In addition, the County has claims in the range of \$949,468 to \$8,475,000 for which there is a reasonable possibility of a future loss. No accrual has been recorded for such possible losses as of December 31, 2020.

The amounts and classifications of the judgments and claims noted above are based upon information and opinions from the County Attorney.

The changes since December 31, 2017 in the County’s judgment and claims liability for risk financing activities were as follows (dollars in thousands):

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments	Liability, End of Year
2020	\$ 52,576	\$ 7,640	\$ 8,948	\$ 51,268
2019	52,844	9,307	9,575	52,576
2018	54,180	10,348	11,684	52,844

Erie County Medical Center Corporation (“ECMCC”)

Losses from asserted and unasserted claims identified under ECMCC’s incident reporting system are accrued based on actuarial estimates that incorporate ECMCC’s past experience, the nature of each claim or incident, relevant trend factors, and estimated recoveries on unsettled claims. Approximately \$22,085,000 has been accrued at December 31, 2020, discounted at 2.00% and included as liabilities in the accompanying statement of net position. ECMCC has recorded liabilities of approximately \$28,539,000 for workers’ compensation related exposure, discounted at 1.75%. Effective April 1, 2016, ECMCC became self-insured for workers’ compensation through a combination of self-insurance and a high-deductible plan.

12. SHORT-TERM DEBT

Short-term debt of the County may include revenue, tax, and/or bond anticipation notes. These notes are reported as a fund liability in the fund receiving the proceeds in accordance with the criteria set forth in GASB Statement No. 62.

The following is a summary of changes in the County's short-term debt for the year ended December 31, 2020 (dollars in thousands):

Description	Interest Rate	Balance 1/1/2020	Increases	Decreases	Balance 12/31/2020
Revenue anticipation note ("RAN")	3.00%	\$ -	\$ 125,000	\$ -	\$ 125,000
Total		\$ -	\$ 125,000	\$ -	\$ 125,000

13. LONG-TERM DEBT

Bonded Indebtedness

Bonded indebtedness is reported in the government-wide financial statements.

On October 22, 2020, the County issued \$31,840,000 in Series 2020A, and \$2,945,000 in Series 2020B general obligation serial bonds, all of which were issued for governmental activities. The serial bonds were issued at a premium of \$9,558,060 and at an interest rate of 4.0 percent to 5.0 percent. Principal payments on the bonds begin September 15, 2022 and will be fully matured on September 15, 2035.

On October 22, 2020, the County issued \$12,495,000 in 2020 refunding serial bonds, which partially refunded the previously issued 2012 and 2014 serial bonds. The refunding bonds included issuance costs of \$135,397. The interest on the refunding bonds ranges from 1.1 percent to 1.7 percent. The County deposited \$12,359,603 with an escrow agent and as a result, the portions of the original bonds are considered refunded and the liability of these bonds, \$11,160,000, has been removed from the financial statements.

On November 1, 2020, the County issued \$3,686,184 in 2020 New York State Environmental Facilities Corporation ("EFC") refunding bonds, which fully refunded the previously issued 2010C EFC bond series. The interest on the refunding bonds ranges from 3.2 percent to 4.6 percent. The County deposited \$4,185,000 with an escrow agent and as a result, the portions of the original bonds are considered refunded and the liability of these bonds, \$4,185,000, has been removed from the financial statements.

The table as shown on the following page is a summary of bond transactions of the County for the year ended December 31, 2020 (dollars in thousands).

<u>Purpose (1)</u>	<u>Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Governmental activities general obligation bonds issued by County of Erie:								
Capital	2001	2031	0.00	\$ 2,192	\$ -	\$ 170	\$ 2,022	\$ 173
Capital	2002	2031	1.362-5.082	620	-	50	570	50
Capital	2002	2024	2.521-6.181	1,480	-	275	1,205	285
Capital	2003	2032	1.031-4.901	705	-	45	660	45
Capital	2003	2029	2.549-6.259	5,880	-	795	5,085	830
Capital	2003	2032	0.00	217	-	16	201	16
Capital	2003	2032	0.790-4.612	650	-	45	605	45
Capital	2004	2033	1.02-4.63	610	-	35	575	35
Capital	2005	2034	1.56-4.57	1,839	-	101	1,738	101
Capital	2005	2033	2.06-4.13	1,460	-	85	1,375	90
Capital	2006	2035	0.00	1,105	-	70	1,035	70
Capital	2007	2036	3.63-4.79	3,350	-	165	3,185	165
Capital	2010	2023	2.00-4.99	60,290	-	13,995	46,295	14,675
Capital	2010	2039	0.290-4.60	4,345	-	4,345	-	-
Refunding	2010	2020	3.865-21.455	6,835	-	6,835	-	-
Refunding	2010	2022	2.001-5.00	1,570	-	1,355	215	125
Capital	2011	2040	0.00	374	-	18	356	18
Capital & Refunding	2011	2041	0.28-4.95	11,105	-	455	10,650	465
Capital	2011	2023	3.00-5.00	6,690	-	1,560	5,130	1,635
Capital	2012	2026	2.00-5.00	12,800	-	9,425	3,375	1,645
Capital	2012	2042	0.27-4.27	2,595	-	80	2,515	80
Capital	2013	2024	2.726-5.00	14,105	-	2,560	11,545	2,675
Refunding	2013	2024	2.00-5.00	6,745	-	5,975	770	225
Capital	2013	2023	2.00-5.00	16,365	-	3,800	12,565	3,985
Capital	2014	2026	2.00-5.00	16,080	-	4,620	11,460	2,075
Capital	2014	2028	2.00-5.00	1,705	-	810	895	160
Capital	2015	2028	5.00	22,475	-	2,040	20,435	2,140
Refunding	2015	2029	5.00	14,555	-	1,905	12,650	1,835
Capital	2015	2028	3.00-5.00	1,610	-	155	1,455	160
Capital	2016	2029	4.00-5.00	26,735	-	2,125	24,610	2,230
Capital	2016	2028	3.00-5.00	1,760	-	160	1,600	170
Capital	2017	2031	3.00-5.00	30,275	-	1,890	28,385	1,985
Refunding	2017	2036	2.00-5.00	10,320	-	435	9,885	455
Capital	2017	2047	0.96-3.98	14,420	-	425	13,995	425
Capital	2018	2031	4.00-5.00	37,635	-	2,365	35,270	2,485
Capital	2018	2033	3.375-5.00	2,185	-	110	2,075	115
Capital	2019	2034	4.00-5.00	42,990	-	2,916	40,074	2,490
Capital	2020	2035	4.00-5.00	-	34,785	-	34,785	-
Refunding	2020	2028	1.07-1.71	-	12,495	-	12,495	320
Refunding	2020	2039	3.23-4.60	-	3,686	-	3,686	96
Total				<u>386,672</u>	<u>50,966</u>	<u>72,211</u>	<u>365,427</u>	<u>44,574</u>

(continued)

<u>Purpose (1)</u>	<u>Issue</u>	<u>Maturity</u>	<u>Interest Rate (%)</u>	<u>Balance 1/1/20</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/20</u>	<u>Due Within One Year</u>
Totals brought forward				\$ 386,672	\$ 50,966	\$ 72,211	\$ 365,427	\$ 44,574
Less bonds issued by the County to ECFSA (mirror bonds):								
Capital	2010	2023	2.00-4.99	(60,290)	-	(13,995)	(46,295)	(14,675)
Refunding	2010	2020	2.25-5.24	(6,835)	-	(6,835)	-	-
Refunding	2010	2022	2.00-5.00	(1,570)	-	(1,355)	(215)	(125)
Capital	2011	2023	3.00-5.00	(6,690)	-	(1,560)	(5,130)	(1,635)
Capital	2013	2024	2.726-5.00	(14,105)	-	(2,560)	(11,545)	(2,675)
Refunding	2013	2024	2.00-5.00	(6,745)	-	(5,975)	(770)	(225)
Capital	2013	2023	2.00-5.00	(16,365)	-	(3,800)	(12,565)	(3,985)
Capital	2017	2031	3.00-5.00	(30,275)	-	(1,890)	(28,385)	(1,985)
Refunding	2017	2036	0.96-3.98	(10,320)	-	(435)	(9,885)	(455)
Total mirror bonds				(153,195)	-	(38,405)	(114,790)	(25,760)
Net general obligation bonds issued by County of Erie				233,477	50,966	33,806	250,637	18,814
Governmental activities general obligation bonds issued by ECFSA:								
Capital	2010	2023	2.0-5.0	13,995	-	13,995	-	-
Refunding	2010	2020	2.25-5.24	6,835	-	6,835	-	-
Refunding	2010	2022	2.0-5.0	1,570	-	1,355	215	125
Capital	2011	2023	2.00-5.00	6,690	-	1,560	5,130	1,635
Capital	2013	2024	2.00-5.00	14,105	-	2,560	11,545	2,675
Refunding	2013	2024	2.00-5.00	6,745	-	5,975	770	225
Capital	2013	2023	2.00-5.00	16,365	-	3,800	12,565	3,985
Refunding	2016	2023	3.375-5.00	44,335	-	-	44,335	14,040
Capital	2017	2031	4.00-5.00	30,275	-	1,890	28,385	1,985
Refunding	2017	2036	2.00-5.00	10,320	-	435	9,885	455
ECMCC facility	2017	2034	3.00-5.00	57,610	-	2,760	54,850	2,900
ECMCC capital	2017	2039	3.00-5.00	91,115	-	500	90,615	1,965
Total general obligation bonds issued by ECFSA				299,960	-	41,665	258,295	29,990
Total general obligation bonds issued by County of Erie and ECFSA				533,437	50,966	75,471	508,932	48,804
Premium on bond issuance				27,013	9,558	4,618	31,953	-
Premium on bond issuance-ECFSA				33,705	-	5,915	27,790	-
Total County of Erie and ECFSA bonds payable-net				594,155	60,524	86,004	568,675	48,804
Governmental activities bonds issued by ETASC(2):								
Tobacco refunding	2005	varies	varies	230,585	-	3,950	226,635	-
Subordinate CABs	2005	varies	varies	32,870	-	-	32,870	-
Subordinate CABs	2006	varies	varies	17,695	-	-	17,695	-
Subordinate CABs	2005-06	varies	varies	79,001	9,004	-	88,005	-
Subtotal bonds issued by ETASC				360,151	9,004	3,950	365,205	-
Discount on ETASC bonds				(9,177)	-	(90)	(9,087)	-
Discount on ETASC subordinate CABs				(1,419)	-	(19)	(1,400)	-
Total ETASC bonds payable-net				349,555	9,004	3,841	354,718	-
Governmental activities bonds payable for financial statement purposes				\$ 943,710	\$ 69,528	\$ 89,845	\$ 923,393	\$ 48,804

(concluded)

- (1) Capital—Capital acquisition and construction.
- (2) Refer to discussion following this table regarding outstanding ETASC bonds payable, including Capital Appreciation Bonds (CABs).

Erie Tobacco Asset Securitization Corporation (“ETASC”)

In 2000, ETASC issued \$246,325,000 of tobacco settlement asset-backed bonds, Series 2000, pursuant to an indenture dated as of September 1, 2000. The \$246,325,000 bond issuance was comprised of \$196,985,000 tobacco settlement asset-backed bonds Series 2000A and \$49,340,000 tobacco settlement asset-backed bonds Series 2000B. The net proceeds of the Series 2000 Bonds were used to purchase from the County all of the County’s right, title, and interest to TSR to which the County would otherwise be entitled under the MSA and the Decree.

On August 15, 2005, ETASC issued \$318,834,680 in tobacco settlement asset-backed bonds (Series 2005A, E) and capital appreciation bonds (“CABs”) (Series 2005B, C, D), with interest rates ranging from 5.00% to 6.75% to advance refund \$239,060,000 of outstanding Series 2000 Bonds bearing interest rates ranging from 5.0% to 6.5% originally issued in 2000. The net proceeds amounted to \$305,330,026 after original issuance discount and payment of \$13,504,654 for underwriting fees, insurance, and other issuance costs, of which \$267,037,311 was used to fund an irrevocable trust to defease the remaining original bonds. This transaction enabled ETASC to release \$55,231,709 in previously restricted funds for debt service and trapping events to the County.

On September 15, 2005, ETASC entered into an agreement with the bondholders to replace the government securities in the irrevocable trust with government agency securities. This transaction generated a savings of \$2,802,806. Of this, \$1,331,893 was transferred to the County and the remainder less costs of sale was paid to the bondholders for their concessions. During 2010, the bonds were called and the balance in the irrevocable trust was used to satisfy all required debt payments.

On January 5, 2006, ETASC issued \$17,694,720 of tobacco settlement asset-backed CABs, Series 2006A, with an interest rate of 7.65%. ETASC entered into a purchase and sale agreement with the County on January 1, 2006, in which ETASC purchased the County’s sole undivided beneficial interest in and to the trust established by ETASC pursuant to the Declaration and Agreement of Trust dated September 1, 2000, between ETASC and the Wilmington Trust Company (“2000 Residential Trust”), in its capacity as trustee, including the County’s right to receive residual tobacco settlement revenues payable to the County, as sole beneficiary of the 2000 Residential Trust. The net proceeds of \$15,638,465 were transferred to the County.

The payment of the Series 2005 and Series 2006 Bonds is dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors, including cigarette consumption and the continued operations of the OPMs. Such bonds are secured by and payable solely from TSRs and investment earnings pledged under the Indenture and amounts established and held in accordance with the Indenture. ETASC has no financial assets other than the collections and reserves and amounts held in the other funds and accounts established under the Bond Indenture.

ETASC has covenanted to apply 100% of funds not used to make principal and interest payments, if any, in the turbo redemption account to the special mandatory redemption (“Turbo Redemption”) of the authorized denominations of the Series 2005 Bonds in order of maturity and then to the Series 2006A Bonds to the extent that there exists excess funds. Any such surplus revenues shall be applied on each distribution date beginning on June 1, 2006.

Interest on the Series 2005A and E bonds are payable each June 1 and December 1. The 2005 Series B, C, and D and the Series 2006A are subordinate CABs and accrete interest throughout the life of the bonds but is payable at redemption. Series 2005B, C, and D CABs were subject to redemption at the option of ETASC beginning in years after 2016. The Series 2006A CABs were subject to redemption after May 31, 2017.

Details of long-term debt as of December 31, 2020, are as follows:

		Series 2005 \$318,834,680 Term Bond	
Issue Amount	Rate	Description	Final Turbo Redemption Date
\$ 30,330,000	5.000 %	Series 2005A Bonds due June 1, 2031, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2031
74,685,000	5.000	Series 2005A Bonds due June 1, 2038, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2038
111,480,000	5.000	Series 2005A Bonds due June 1, 2045, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2045
9,163,000	5.750	Series 2005B Bonds due June 1, 2047, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2047
12,565,080	6.250	Series 2005C Bonds due June 1, 2050, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2050

(continued)

(concluded)

11,141,600	6.750	Series 2005D Bonds due June 1, 2055, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2055
69,470,000	6.000	Series 2005E Taxable Bonds due June 1, 2028, semiannual interest only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2028
		Series 2006 \$17,694,720 Term Bond	

<u>Issue Amount</u>	<u>Rate</u>	<u>Description</u>	<u>Final Turbo Redemption Date</u>
\$ 17,694,720	7.650 %	Series 2006A Taxable Bonds due June 1, 2060, semiannual interest accrued but not payable until maturity, subordinate to the Series 2005A-E Bonds, subject to redemption at the option of ETASC anytime after June 1, 2016 at accreted values as follows: June 1, 2016 through May 31, 2017, 102%; June 1, 2017 through May 31, 2018, 101%; and June 1, 2018 and thereafter, 100%.	June 1, 2060

Changes in ETASC bonded indebtedness for the year ended December 31, 2020 were as follows (dollars in thousands):

	<u>Tobacco Settlement Bonds</u>	<u>Subordinate CABs</u>	<u>Total</u>
Bonds payable at January 1, 2020	\$ 230,585	\$ 129,566	\$ 360,151
Principal payments during 2020	(3,950)	-	(3,950)
Annual net interest accretion	-	9,004	9,004
Bonds payable at December 31, 2020	<u>\$ 226,635</u>	<u>\$ 138,570</u>	<u>\$ 365,205</u>

The ETASC’s debt service requirements for the Series 2005A and 2005E as of December 31, 2020, are as follows (dollars in thousands):

Year Ending December 31,	Principal	Interest	Total
2021	\$ -	\$ 11,433	\$ 11,433
2022	-	11,433	11,433
2023	-	11,433	11,433
2024	-	11,433	11,433
2025	-	11,433	11,433
2026-2030	10,140	55,645	65,785
2031-2035	30,330	47,300	77,630
2036-2040	74,685	37,206	111,891
2041-2045	111,480	25,083	136,563
Total	<u>\$ 226,635</u>	<u>\$ 222,399</u>	<u>\$ 449,034</u>

Amortization of Bond Premiums and Discounts—The total unamortized discount as of December 31, 2020 was \$10,486,163. The County’s governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities. The total unamortized premium as of December 31, 2020 was \$59,743,383. ETASC issued serial bonds and CABs which included a bond discount. The discounts are being amortized using the effective interest rate and straight-line methods over the life of the bonds, with maturity dates ranging from 2028 to 2060.

Erie County Medical Center Corporation (“ECMCC”)

Bonds Payable—The following is a summary of long-term bonded debt at December 31, 2020:

Erie County—Guaranteed Senior Revenue Bonds, Series 2004 (interest of 4.1% to 5.7%)	<u>\$ 68,820</u>
----------------------------------------------------------------------------------------	------------------

The Series 2004 bonds are secured by a pledge of the gross receipts of ECMCC and amounts on deposit in certain debt service reserve funds. To the extent that the debt service reserve funds fall below their requirements, the County has agreed to restore such accounts to their requirement.

Pursuant to a Guaranty Agreement, the County has unconditionally guaranteed to ECMCC the punctual payment of the principal, interest and redemption premium, if any, on the Series 2004 Bonds, as the same shall become due and payable, and has pledged the faith and credit of the County for the performance of such guaranty. A municipal bond insurance policy has been purchased by ECMCC to guarantee all debt service payments in case of default by ECMCC and the County.

The Series 2004 Bonds require ECMCC to make monthly payments to certain debt service accounts for the semiannual payment of interest and the annual payment of principal (principal payments commenced November 1, 2009).

Other Long-Term Liabilities

Retirement Liabilities—The College’s total liability relating to retirement is \$4,033,148 as of August 31, 2020. Of this, \$3,781,373 is recorded in current liabilities as of August 31, 2020, and \$251,775 is recorded as noncurrent liabilities as of August 31, 2020.

Compensated Absences—The value recorded in the government-wide financial statements for compensated absences at December 31, 2020, for governmental activities is \$28,733,740 classified as a long-term liability in the accompanying financial statements, which includes \$14,907,000 due within one year. The following governmental funds have been used in prior years to liquidate this liability: General Fund and the Road, Sewer, E-911, Grants and Community Development Special Revenue Funds.

Compensated absences of \$4,098,646 have been reported for business-type activities, classified as fringe benefits payable, on the fund financial statements, which includes \$375,000 due within one year.

Compensated absences of the Library component unit totaling \$1,645,062 have been reported as a long-term liability, which includes \$750,618 due within one year. Compensated absences of the ECMCC component unit totaling approximately \$14,757,000 have been reported as an accrued liability.

Judgments and Claims—As explained in Note 11, the County is self-insured. Liabilities are established for workers’ compensation, general and malpractice claims in accordance with GAAP. Estimated long-term contingent loss liabilities of governmental fund types total \$51,268,255 and have been reported as long-term liabilities in the government-wide financial statements.

Also, as further explained in Note 11, ECMCC is self-insured and has recorded approximately \$22,085,000 and \$28,539,000 for the long-term portions of medical malpractice and workers’ compensation liability related exposures, respectively.

OPEB Obligation—As discussed in Note 9, the County’s net OPEB obligation at December 31, 2020 is estimated to be \$1,155,046,724 and \$190,248,225 for governmental activities and business-type activities, respectively.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$261,550,834 and \$28,136,213 in the governmental activities and business-type activities, respectively. Refer to Note 8 for additional information related to the County’s net pension liability.

Accrued Derivative Liability (“ETASC”)—At December 31, 2020, ETASC reported deferred outflows of resources in the amounts of \$15,833,402 on the government-wide financial statements, relating to the accumulated increase in fair value of its forward purchase agreement swap.

Summary of Changes in Long-Term Liabilities

A summary of the County's long-term debt at December 31, 2020 follows:

	Balance 1/1/2020	Additions	Reductions	Balance 12/31/2020	Due Within One Year
Governmental activities:					
Serial bonds and Subordinate Turbo CABS, net	\$ 943,710	\$ 69,528	\$ (89,845)	\$ 923,393	\$ 48,804
Compensated absences	25,473	5,187	(1,926)	28,734	14,907
Judgments and claims	52,576	7,640	(8,948)	51,268	10,374
Other postemployment benefits obligation	1,282,247	227,775	(354,975)	1,155,047	-
Net pension liability*	67,488	194,063	-	261,551	-
Accrued derivative liability-ETASC	11,404	4,429	-	15,833	-
Total governmental activities	<u>\$ 2,382,898</u>	<u>\$ 508,622</u>	<u>\$ (455,694)</u>	<u>\$ 2,435,826</u>	<u>\$ 74,085</u>

*Additions to the net pension liability are shown net of reductions.

The General Fund or applicable special revenue funds are the governmental funds that generally have been used in prior years to liquidate compensated absences, judgments and claims, other postemployment benefits obligation and net pension liabilities.

	Balance 9/1/2019	Additions	Reductions	Balance 8/31/2020	Due Within One Year
Business-type activities:					
Retirement liabilities	\$ 4,300	\$ 6,856	\$ (7,123)	\$ 4,033	\$ 3,781
Compensated absences	4,457	1,184	(460)	5,181	375
Other postemployment benefits obligation	211,273	12,936	(33,961)	190,248	-
Net pension liability*	6,612	21,524	-	28,136	-
Total governmental activities	<u>\$ 226,642</u>	<u>\$ 42,500</u>	<u>\$ (41,544)</u>	<u>\$ 227,598</u>	<u>\$ 4,156</u>

*Additions to the net pension liability are shown net of reductions.

Component Units

The Buffalo and Erie County Public Library (the "Library")

The following is a summary of changes in long-term liabilities for the year ended December 31, 2020 (dollars in thousands):

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20	Due Within One Year
Compensated absences	\$ 1,545	\$ 143	\$ (43)	\$ 1,645	\$ 751
OPEB liability	88,980	15,473	(25,934)	78,519	-
Net pension liability*	3,267	8,651	-	11,918	-
Library Component Unit long-term liabilities	<u>\$ 93,792</u>	<u>\$ 24,267</u>	<u>\$ (25,977)</u>	<u>\$ 92,082</u>	<u>\$ 751</u>

*Additions to the net pension liability are shown net of reductions.

Erie County Medical Center Corporation (“ECMCC”)

The following is a summary of changes in long-term liabilities for the year ended December 31, 2020 (dollars in thousands):

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20	Due Within One Year
Bonds payable for financial statement purposes	\$ 72,365	\$ -	\$ 3,545	\$ 68,820	\$ 3,740
Long-term loan (1)	170,615	-	5,916	164,699	6,815
Payroll Protection Program ("PPP") loan	-	10,000	-	10,000	553
Medicare Advance Payment program	-	39,101	-	39,101	15,275
Capital lease	4,889	2,555	1,919	5,525	847
Judgments and claims (2)	36,064	5,588	-	41,652	-
OPEB obligation*	399,980	-	2,059	397,921	-
Net pension liability *	57,240	167,957	-	225,197	-
Other	3,803	96	-	3,899	-
ECMCC Component Unit long-term liabilities	<u>\$ 744,956</u>	<u>\$ 225,297</u>	<u>\$ 13,439</u>	<u>\$ 956,814</u>	<u>\$ 27,230</u>

* Additions to the OPEB obligation and the net pension liability are shown net of reductions.

(1) Refer to discussion within Note 15 regarding long-term loan due to primary government.

(2) Refer to discussions within Note 11 regarding judgments and claims of ECMCC.

Additional judgments and claims liabilities for workers’ compensation and medical malpractice, along with other post-employment benefits have been recorded by ECMCC as accrued liabilities in the amounts of \$7,026,000, \$1,893,000 and \$12,076,000 respectively.

Maturity Schedules

The table below presents the primary government’s remaining annual maturities of long-term liabilities as of December 31, 2020 (dollars in thousands):

Year	Total	Bonds	Retirement	Compensated Absences and Fringe Benefits	Judgments and Claims	OPEB	Net Pension Liability	Accrued Derivative Liability - ETASC
2021	\$ 78,241	\$ 48,804	\$ 3,781	\$ 15,282	\$ 10,374	\$ -	\$ -	\$ -
2022	53,617	53,364	253	-	-	-	-	-
2023	55,742	55,742	-	-	-	-	-	-
2024	35,324	35,324	-	-	-	-	-	-
2025	33,185	33,185	-	-	-	-	-	-
2023-2030	153,106	153,106	-	-	-	-	-	-
2031-2035	114,178	114,178	-	-	-	-	-	-
2036-2040	125,175	125,175	-	-	-	-	-	-
2041-2045	115,380	115,380	-	-	-	-	-	-
2046-2050	13,875	13,875	-	-	-	-	-	-
2051-2055	11,142	11,142	-	-	-	-	-	-
2056-2060	17,695	17,695	-	-	-	-	-	-
Various (1) . . .	1,807,510	97,168	-	18,633	40,894	1,345,295	289,687	15,833
	2,614,170	874,138	<u>\$ 4,034</u>	<u>\$ 33,915</u>	<u>\$ 51,268</u>	<u>\$ 1,345,295</u>	<u>\$ 289,687</u>	<u>\$ 15,833</u>
	(10,487)	(10,487)						
	31,953	31,953						
	27,790	27,790						
	<u>\$ 2,663,426</u>	<u>\$ 923,394</u>						

(1) Payment of Subordinate CABs, compensated absences, judgments and claims, OPEB, and net pension liabilities are dependent upon many factors; therefore, timing of future payments is not readily determinable.

The table below presents the primary government's remaining annual interest payments due on serial bonds as of December 31, 2020 (dollars in thousands):

<u>Year</u>	<u>Primary Government</u>	<u>ECMCC Component Unit</u>
2021	\$ 34,614	\$ 3,890
2022	32,379	3,685
2023	29,744	3,468
2024	27,445	3,239
2025	25,865	2,997
2026-2030	106,257	10,710
2031-2035	69,188	2,381
2036-2040	44,330	-
2041-2045	25,675	-
2046-2047	52	-
Totals	<u>\$ 395,549</u>	<u>\$ 30,370</u>

The table below presents the remaining principal and interest payments due on County mirror bonds to ECFSA as of December 31, 2020 (dollars in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 25,760	\$ 5,086
2022	26,905	3,816
2023	28,270	2,476
2024	6,015	1,482
2025	2,975	1,258
2026-2030	17,310	3,850
2031-2035	7,250	497
2036-2040	305	7
Totals	<u>\$ 114,790</u>	<u>\$ 18,472</u>

The table below presents the remaining annual maturities of long-term liabilities of the Library (County Component Unit) as of December 31, 2020 (dollars in thousands):

<u>Year</u>	<u>Total</u>	<u>Compensated Absences</u>	<u>OPEB</u>	<u>Net Pension Liability</u>
2021	\$ 751	\$ 751	\$ -	\$ -
Various (1)	<u>91,331</u>	<u>894</u>	<u>78,519</u>	<u>11,918</u>
Totals	<u>\$ 92,082</u>	<u>\$ 1,645</u>	<u>\$ 78,519</u>	<u>\$ 11,918</u>

(1) Payment of compensated absences, OPEB and net pension liabilities are dependent on many factors; therefore, timing of future payments is not readily determinable.

The table below presents the remaining annual maturities of long-term liabilities of ECMCC (County Component Unit) as of December 31, 2020 (dollars in thousands):

Year	Total	Serial Bonds	Long-term Loan	Capital Lease and PPP loan	Medicare Advance Payment Program	Judgments and Claims	OPEB	Net Pension Liability	Other
2021	\$ 27,230	\$ 3,740	\$ 6,815	\$ 1,400	\$ 15,275	\$ -	\$ -	\$ -	\$ -
2022	14,550	3,945	6,990	3,615	-	-	-	-	-
2023	15,017	4,165	7,170	3,682	-	-	-	-	-
2024	15,497	4,390	7,357	3,750	-	-	-	-	-
2025	14,274	4,635	7,549	2,090	-	-	-	-	-
2026-2030	69,251	27,435	40,828	988	-	-	-	-	-
2031-2035	68,558	20,510	48,048	-	-	-	-	-	-
2036-2040	39,942	-	39,942	-	-	-	-	-	-
Various (1)	692,495	-	-	-	23,826	41,652	397,921	225,197	3,899
Totals	\$ 956,814	\$ 68,820	\$ 164,699	\$ 15,525	\$ 39,101	\$ 41,652	\$ 397,921	\$ 225,197	\$ 3,899

- (1) Payment of the medicare advance payment program, judgments and claims, OPEB and net pension liabilities is dependent on many factors; therefore, timing of future payments is not readily determinable.

Permanent Financing Requirements

Under New York State statutes, permanent bonding of general County improvements must take place within five to seven years of the date of initial financing. Specially assessed improvements, (e.g., sewer), have no limitation as to their period of temporary financing, except that a three-year limitation exists where such financing has been obtained through the New York State Environmental Facilities Corporation. The County has permanently financed all significant indebtedness subject to this permanent financing statute.

Constitutional Debt Limit

The County constitutional debt limit at December 31, 2020 is computed as follows (dollars in thousands):

Five-year average full valuation of taxable real estate (2016-2020)	<u>\$ 58,153,540</u>
Debt limit @ 7%	\$ 4,070,748
Net indebtedness (after statutory exclusions)	<u>360,625</u> *
Net debt contracting margin	<u>\$ 3,710,123</u>
Percentage of debt contracting power exhausted	<u>8.86%</u>

*Net indebtedness includes general obligation bonds of \$291,805,000 and ECMCC bond guaranty of \$68,820,000 (excludes ETASC bonds of \$365,205,360 to be paid with tobacco settlement proceeds by ETASC, sewer bonds for self-supporting districts of \$73,622,165, and ECFSA bonds of \$90,615,000 for capital projects and \$54,850,000 for the nursing home refunding, totaling \$145,465,000 to be paid by ECMCC. The capital projects bonds will mature in September 2039 while the refunding bonds will mature in September 2034).

Defeasance

In prior years, the ECFSA defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the ECFSA's financial statements. At December 31, 2020, \$97,600,000 of defeased bonds remains outstanding.

ECFSA Transactions

The County entered into a loan agreement and a capitalized interest liability assumption agreement in the year ended December 31, 2017, with the Erie County Medical Center, with the assistance of the Erie County Fiscal Stability Authority. The proceeds of the loan were used to finance the construction of a new Level 1 Adult Trauma Center and Emergency Department, fund various other capital projects on the Erie County Medical Center's campus as well as refinance the 2011 loan. The loan has an interest rate of 3.377% with monthly principal and interest payments ranging from \$38 to \$930 during the term of the loan. In addition to the loan, the Erie County Medical Center assumed the liability related to funds borrowed to pay capitalized interest during construction on the various projects noted above. The capitalized interest liability assumption has an interest rate of 3.377% with monthly principal and interest payments ranging from \$3 to \$77 during the term of the loan. The new money portion of the loan and the capitalized interest assumption agreement is fully amortized and matures in 2039. The refinancing component of the loan has an interest rate of 2.649% with monthly principal and interest payments ranging from \$300 to \$460 during the term of the loan and is fully amortized and maturing in 2034.

In September 2017, the Authority issued \$62,745,000 in sales tax and State aid secured refunding bonds with interest rates ranging from 3.0% to 5.0% to advance refund \$70,355,000 of outstanding Series 2011C serial bonds with interest rates of 5.0%. Proceeds of \$79,884,255 (including a premium of \$11,621,859 and other debt set-aside funds of \$5,517,396) were used to purchase U.S. Government Securities of \$79,491,279 and to fund estimated costs of issuance in the amount of \$392,976. The securities were placed in an irrevocable trust with an escrow agent to pay for all future debt service payments of the original bonds until their call date of December 1, 2021. As a result, the original bonds are considered to be defeased and the liability has been removed from the financial statements. The amount outstanding on the original bonds at December 31, 2020 was \$97,600,000.

14. NET POSITION AND FUND BALANCE

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment In Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- ***Restricted Net Position***—This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted Net Position***—This category represents net position of the County not restricted for any project or other purpose.

In the governmental fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2020 includes prepaid items.

- **Prepaid Items**—\$13,274,000 representing amounts prepaid to vendors that are applicable to future accounting periods. The County reported prepaid items in the amount of \$13,274,000 at December 31, 2020.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance of the County at December 31, 2020 includes:

- **Handicapped Parking**—\$154,854 representing monies restricted for education, advocacy and increased public awareness of handicapped parking laws.
- **Community Development Loans**—\$26,812,118 representing amounts offset for community development loans receivable, which are legally required to be maintained intact.
- **Debt Service**—\$43,620,867 representing funds to be used toward the future repayment of bonded debt service.
- **Capital Expenditures**—\$144,209,191 representing funds that have been reserved to fund capital projects and the purchase of capital assets. This amount includes commitments (encumbrances) of \$34,865,533 for capital projects currently in process.

The County Legislature authorizes assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. In the fund financial statements, assignments by the County at December 31, 2020 include:

- **Subsequent Year's Expenditures**—Represents available fund balance of \$25,189,577 appropriated to meet expenditure requirements in the 2021 fiscal year.
- **Judgments and Claims**—Represents amounts to fund future settlements of various claims and litigation in the amount of \$432,518.
- **Other Purposes**—Includes amounts assigned for supplemental appropriations (\$6,976,610) within the 2021 year which were approved by the Legislature subsequent to the adoption of the 2021 budget, encumbrances (\$12,480,757) and positive residual balances of (\$368,226) and (\$26,499,424) in the ECFSA General Fund and Special Revenue Funds, respectively; and General Fund encumbrances (\$6,186,439).

Accounting prescription set by the Erie County Comptroller provides for a sunset provision of one fiscal year for all fund balance assignments. Legislature approval is required to establish and subsequently appropriate fund balance assignments.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$1,000,000 for a particular purpose. As of December 31, 2020, significant encumbrances are as follows (dollars in thousands):

Purpose	Other Governmental Funds
Countywide COVID-19 emergency response	\$ 4,282
Countywide Road Construction and Preservation	7,941
Countywide Capital Overlay Program	6,256
Countywide sewer costs	3,841
Total	<u>\$ 22,320</u>

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, it is the County's policy that the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

15. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year.

The composition of interfund balances as of December 31, 2020 is shown below:

Receivable Fund	Payable Fund	Amount
General Fund	ECFSA General	\$ 53,196
	Nonmajor Governmental Funds	31,262
	College	4,653
	Nonmajor Proprietary Fund	3,417
		<u>92,528</u>
ECFSA General Fund	Nonmajor Governmental Funds	<u>16</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>25,450</u>
College	General Fund	<u>1,947</u>
Nonmajor Proprietary Fund	College	141
	General Fund	23
		<u>164</u>
Total receivables		120,105
Less: timing differences		<u>(4,482)</u>
Total payables		<u>\$ 115,623</u>

Interfund receivables exceed interfund payables by \$4,482,000. This difference represents interfund receivables recorded by the County and the College that are not reflected as interfund payables in the corresponding balance sheets because of the difference between the County and the College fiscal year end.

All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due To/From Component Unit and Primary Government—Amounts due between the component units and the primary government at December 31, 2020, consisted of the following (dollars in thousands):

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government-General Fund	ECMCC Component Unit	\$ 24
Primary Government-Governmental Activities	ECMCC Component Unit	\$ 164,699
Primary Government-Nonmajor Governmental Fund	ECMCC Component Unit	\$ 1
Primary Government-Nonmajor Proprietary Fund	ECMCC Component Unit	\$ 4,677
ECMCC Component Unit	Primary Government-Governmental Activities	\$ 16

During 2011, the ECFSA issued serial bonds in the amount of \$86,250,000 to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby the ECFSA loaned the proceeds and net premium of \$10,614,413 to the County, who in turn loaned the monies to ECMCC. In 2017, these serial bonds were refunded through a similar agreement. The par amount of the refunded bonds issued was \$62,745,000. Although the amortization schedules on the bonds and the loan are approximately the same in total, the principal and interest components vary. On a monthly basis, ECMCC pays the County directly, while the ECFSA withholds sales tax revenue that otherwise would be transferred to the County. The ECFSA retains these monies until the semi-annual debt service on the bonds are due. Principal and interest payments on long-term obligations between the ECFSA and the County are reported as transfers in and transfers out in the fund financial statements.

Principal payments received from ECMCC during 2020 totaling \$5,781,026 are recorded within miscellaneous revenues in the County's Debt Service Fund and eliminated in the government-wide statements. The remaining amount due from ECMCC in the amount of \$164,699,000 is reported on the government-wide financial statements only. This balance is shown as a reconciling item on the Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.

The remaining principal and interest payments on ECMCC's long-term loan payable to the County are as follows (dollars in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 6,815	\$ 4,905	\$ 11,720
2022	6,990	4,705	11,695
2023	7,170	4,499	11,669
2024	7,357	4,288	11,645
2025	7,549	4,072	11,621
2026-2030	40,828	16,911	57,739
2031-2035	48,049	10,478	58,527
2036-2040	39,941	2,377	42,318
Totals	\$ 164,699	\$ 52,235	\$ 216,934

The County made the following transfers during the year ended December 31, 2020:

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>	<u>Purpose - provide financial resources:</u>
General Fund	Nonmajor Governmental Funds	\$ 4,902	For the local share of Grant programs
	Nonmajor Governmental Funds	20,453	For highway improvements
	Nonmajor Governmental Funds	5,233	To support E-911 operations
	Nonmajor Governmental Funds	126	To support community development grants
	Nonmajor Governmental Funds	70,001	For general debt service
	Nonmajor Governmental Funds	11,821	To support various capital projects
	College	17,724	To support College operations
		<u>130,260</u>	
ECFSA	General Fund	<u>463,794</u>	For general operations from sales tax receipts
Nonmajor Governmental Funds	Nonmajor Governmental Funds	19,311	To support various capital projects
	Nonmajor Governmental Funds	360	For Sewer operations
	Nonmajor Governmental Funds	6,259	For sewer debt service
	Nonmajor Governmental Funds	7,444	For general debt service
	Nonmajor Governmental Funds	55,337	For ECFSA debt service
	Nonmajor Governmental Funds	100	For ETASC debt service
	ECFSA General Fund	16	For ECFSA general service
	General Fund	3,621	For general operations
	College	1,080	For movable equipment
		<u>93,528</u>	
Total transfers out/transfers in		<u>\$ 687,582</u>	

16. TAX ABATEMENTS

As of December 31, 2020, the County provides property tax abatements through a Housing for Low and Very Low Income Households Payment in Lieu of Taxes (“PILOT”) program. The program was established to stimulate development of affordable housing in the region, especially for those with the lowest level of incomes.

The State of New York passed Articles 5 and 11 of the New York State Private Housing Finance Law and section 421-e of the New York State Real Property Tax Law, which allows municipal governments to enter into agreements with developers to make a PILOT agreement. In 1999, the Erie County PILOT Policy was approved by the Erie County Legislature through resolution 21E-26. This policy defined two PILOT agreements for low income households in Erie County.

PILOT A refers to PILOT agreements that are used with housing for low income households. The criteria for PILOT A agreements is that 60% of units are affordable (no more than 30% of resident’s imputed income) to people earning no more than 60% median income for the area.

PILOT B refers to PILOT agreements that are used with housing for very low income households. The criteria for PILOT B agreements is that 60% of units are affordable (no more than 30% of resident’s imputed income) to people earning no more than 50% median income for the area.

Both PILOTs A & B must have a fifteen year commitment for low-income use that includes appropriate regulatory restrictions.

Applicants for a PILOT agreement must supply the Erie County Department of Environment and Planning and the local taxing jurisdiction with information that includes, but is not limited to, the percentage of units for low and very low income residents, the planned development's five year operating budget, the number of residential units and square footage and a letter indicating community support from the chief elected official.

Once the application is received by Erie County, the Commissioner of Environment and Planning will respond within fifteen business days with a letter acknowledging the receipt of the application. The Commissioner will then write a letter of recommendation to approve or disapprove the PILOT request within thirty days of receipt of the completed application. If recommended for approval, the Commissioner will submit the PILOT agreement to the County Legislature within forty days of receipt of the application. Once approved by the Legislature, the PILOT agreement will be submitted to the County Executive for his signature. It is expected that the applicant will concurrently seek approval from the local taxing jurisdiction in which the planned development is located.

The initial PILOT payment will be 5% of the housing project's Total Effective Income for PILOT A agreements, and 3% of the housing project's Total Effective Income for PILOT B agreements. Under both PILOT agreements, in each and every subsequent year, a 3% escalator will be applied to the previous year's PILOT payment. Payments will continue for 15 years, after which time the property will be subject to full taxation. Of the PILOT payments, 75% will be paid directly to the local taxing jurisdiction in which the Development is located, and 25% of will be paid directly to the County.

During 2020, the County received payments for 47 PILOT agreements from within the City of Buffalo, which encompassed 175 properties. The County real property taxes for these properties totaled \$1,020,471 while \$256,446 was received for PILOT payments. This resulted in tax abatements totaling \$764,025.

There were also two additional agreements with properties in the Town of Amherst that were not covered under an IDA. The County real property taxes for these properties totaled \$52,108 while \$24,366 was received for PILOT payments. This resulted in tax abatements totaling \$27,742.

The County also is subject to tax abatements granted by six (6) Industrial Development Agencies ("IDA's"), entities created under New York State Law. The IDA's in Erie County have adopted a Countywide Industrial Development Agency Uniform Tax Exemption Policy to provide for uniform policies for the claiming of IDA incentives. Permissible business activities include traditional manufacturing, distributive services, business services, and arts, entertainment and recreation.

Property tax abatements for the year ended December 31, 2020 were as follows:

IDA*	Real Property Taxes	PILOT Payments	Tax Abatements
Amherst	\$ 1,173,883	\$ 654,907	\$ 518,976
Clarence	247,390	176,965	70,425
Erie County (ECIDA)	4,196,771	2,332,873	1,863,898
Hamburg	606,330	335,337	270,993
Lancaster	679,615	360,681	318,934
Total	<u>\$ 6,903,989</u>	<u>\$ 3,860,763</u>	<u>\$ 3,043,226</u>

*Concord IDA property tax abatement information is not available for the year ended December 31, 2020.

17. CONTINGENCIES

Litigation—The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the County's financial condition or results of operation.

Sales Tax Audits—The State of New York periodically audits its distribution of sales tax revenues to counties throughout the State. Subsequent revisions to the revenues recorded as of December 31, 2020, if any, would be reflected in the operating statement in the year that they are calculated.

Supplemental 1% Sales Tax—Through legislation approved by the County and the State of New York, first effective in March of 1985, the County extended an additional 1% sales and compensating use tax. An added requirement of this legislation commencing in 2007, is that the County is required to share \$12,500,000 of this tax with other local municipalities. This tax generated approximately \$169,968,814 (gross) for the year ended December 31, 2020. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Supplemental 0.25% Sales Tax—Through legislation approved by the County and the State of New York, the County initiated an additional 0.25% sales and compensating use tax effective July 1, 2005. This tax generated approximately \$42,484,686 for the year ended December 31, 2020. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Supplemental 0.50% Sales Tax—The County Legislature approved a home rule message requesting approval of the New York State Legislature to raise the sales tax 0.50%, to 8.75%. The New York State Legislature approved the Sales Tax Request in January 2006 and the County Legislature enacted the tax increase effective January 15, 2006. This tax generated approximately \$84,969,372 for the year ended December 31, 2020. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Federal and State Aid—The County receives federal aid, state aid, or both for a portion of its mandated social services program expenditures (reported in the Economic Assistance and Opportunity category in the financial statements), such as Medicaid, Family Assistance and Safety Net. The County appropriates only the local share of state administered Medicaid expenditures. Conversely, the County appropriates total expenditures for Family Assistance and Safety Net programs, and budgets state and/or federal aid as revenue. Federal and state aid represents approximately 40% of 2020 County appropriations for social services programs.

The County also receives certain federal, state and private grants. These grants are used primarily to augment current operations, and for special demonstration projects and programs. Should funding of any such grant be stopped at any point, the County may assume the cost thereof in its operating budget or suspend the programs funded by such grant.

The Federal and State governments are not constitutionally obligated to maintain or continue current levels of federal and state aid to the County. Accordingly, no assurance can be given that present federal and state aid levels will be maintained in the future. Federal and state budgetary restrictions which may eliminate or substantially reduce federal or state aid could have a material adverse effect upon the County, requiring either a counterbalancing increase in revenues from other sources or a curtailment of non-mandated expenditures. Social Services and Medicaid expenditures are generally mandated by New York State law.

Financial Assistance Audits—As discussed on the previous page, the County receives significant financial assistance from numerous federal and state governmental agencies and third-party payors. The disbursement of monies received under these programs generally requires compliance with terms and conditions specified in the related agreements and are subject to audit by the funding agencies or payors. Any disallowed expenditures resulting from such audits could become a liability of the governmental or proprietary funds. At December 31, 2020, ECMCC, a component unit of the County, has recorded \$1,112,000 as an accrued liability for probable third-party payor settlements. The amount of any other expenses that may be disallowed cannot be determined at this time, although ECMCC expects such other amounts to be immaterial.

Pollution Remediation—The County has identified two pollution remediation sites that trigger the obligating event criteria relating to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The County is aware that the New York State Department of Environmental Conservation has classified these sites as Class 2, meaning that remediation action is required due to a significant threat posed to the public health or environment. Although a loss is probable, it is not possible at this time to reasonably estimate the amount of any obligation for remediation that would be material to the County's financial statements because the extent of environmental impact, allocation among the potentially responsible parties, remediation alternatives (which could involve no or minimal efforts), and concurrence of the regulatory authorities have not yet advanced to the stage where a reasonable estimate of any loss that would be material to the County can be made.

18. JOINT VENTURES

Western Regional Off-Track Betting—Pursuant to authority provided by New York State statute, a regional off-track betting corporation was established in 1973 to operate a system of off-track pari-mutuel betting within the Western New York area. This public benefit corporation, known as the Western Regional Off-Track Betting Corporation (“OTB”), is governed by a Board of Directors comprised of one member from each participating county and city. The OTB net revenue is divided among the participating counties, with one-half being distributed based on population and the remainder based on each entity’s share of the total wagering in the region. A county containing an eligible city that has elected to participate in the OTB must relinquish a portion of the revenue to which it would otherwise be entitled to such city in an amount equal to the percentage of the county population attributable to the city. In the case of Erie County, both the County and the City of Buffalo participate in the OTB.

The OTB has the power to issue bonds and notes to carry out the purposes for which it was formed. Such bonds, notes or other, obligations are not a debt of the participating municipalities, and they may only be paid from the OTB’s funds.

OTB total undistributed net revenue increased by \$8,103,986 for the year ended December 31, 2020. The OTB reported net revenue available for distribution to participating municipalities of \$722,740. Separate financial statements for this joint venture can be obtained from the OTB Comptroller at 8315 Park Road, Batavia, New York, 14020.

Buffalo Erie Niagara Land Improvement Corporation—The Buffalo Erie Niagara Land Improvement Corporation (“BENLIC”) was established on June 6, 2012 under New York State’s Land Bank Act (Article 16 of the Not-for-Profit Corporation Law). BENLIC’s mission is to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties. BENLIC was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda and is governed by a Board of Directors comprised of 11 members.

BENLIC has the power to incur debt to carry out the purposes for which it was formed. Such debt is not an obligation of the participating municipalities, and may only be paid from BENLIC funds.

BENLIC is eligible to receive financial assistance from federal and state governmental agencies in the form of grants. BENLIC reported revenues and other support totaling \$2,226,519 and expenses totaling \$1,973,948 for year ended December 31, 2020. BENLIC reported net assets of \$4,584,012 at December 31, 2020, all of which was reported as net assets without donor restrictions.

Separate financial statements for this joint venture can be obtained from the BENLIC Executive Director at 403 Main Street, Buffalo, New York, 14203.

19. RESTATEMENT OF NET POSITION

During the year ended December 31, 2020, the County implemented GASB Statement No. 84, *Fiduciary Activities*. The implementation of GASB Statement No. 84 establishes criteria for identifying fiduciary activities of state and local governments. This Statement also provides for the recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

The effect of this restatement to the County’s fiduciary funds is summarized as follows (dollars in thousands):

	Custodial Fund
Net position—December 31, 2019, as previously stated	\$ -
GASB Statement No. 84 implementation	<u>29,998</u>
Net position—December 31, 2019, as restated	<u>\$ 29,998</u>

Additionally, during the year ended December 31, 2020, a County discretely presented component unit, ECMCC, restated beginning net position within its component unit, the Foundation. The Foundation restated its net position by \$269,000 due to the adjustment of program services and grant expenses, as well as an adjustment within its investment loss balance.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2021, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION



**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF ERIE, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability—
Employees' Retirement System—Primary Government
Last Seven Fiscal Years*
(dollars in thousands)

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
County's proportion of the net pension liability	1.0832760%	1.0962539%	1.0292170%	1.0072770%	0.9999660%	0.9912870%	0.9912870%
County's proportionate share of the net pension liability	\$ 286,911	\$ 74,100	\$ 33,217	\$ 94,646	\$ 160,497	\$ 33,488	\$ 44,795
County's covered payroll	\$ 287,023	\$ 276,331	\$ 259,301	\$ 250,626	\$ 244,605	\$ 228,878	\$ 232,489
County's proportionate share of the net pension liability as a percentage of its covered payroll	100.0%	26.8%	12.8%	37.8%	65.6%	14.6%	19.3%
Plan fiduciary net position as a percentage of the total pension liability	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended December 31, 2014 is not available.

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

COUNTY OF ERIE, NEW YORK
Schedule of the County's Contributions—
Employees' Retirement System—Primary Government
Last Seven Fiscal Years*
(dollars in thousands)

	Year Ended December 31,						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 29,509	\$ 28,657	\$ 33,443	\$ 36,452	\$ 35,896	\$ 35,997	\$ 29,608
Contributions in relation to the contractually required contribution	<u>(29,509)</u>	<u>(28,657)</u>	<u>(33,443)</u>	<u>(36,452)</u>	<u>(35,896)</u>	<u>(35,997)</u>	<u>(29,608)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 257,564	\$ 238,181	\$ 233,337	\$ 232,041	\$ 227,722	\$ 224,514	\$ 220,536
Contributions as a percentage of covered payroll	11.5%	12.0%	14.3%	15.7%	15.8%	16.0%	13.4%

*Information prior to the year ended December 31, 2014 is not available.

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

COUNTY OF ERIE, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability/(Asset)—
Teachers' Retirement System—Primary Government
Last Seven Fiscal Years*
(dollars in thousands)

	Year Ended August 31,						
	2020	2019	2018	2017	2016	2015	2014
Measurement date	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
College's proportion of the net pension liability/(asset)	0.100454%	0.099898%	0.093727%	0.097612%	0.095057%	0.092554%	0.095618%
College's proportionate share of the net pension liability/(asset)	<u>\$ 2,776</u>	<u>\$ (2,595)</u>	<u>\$ (712)</u>	<u>\$ 1,045</u>	<u>\$ (9,873)</u>	<u>\$ (10,651)</u>	<u>\$ (609)</u>
College's covered payroll	\$ 16,557	\$ 16,066	\$ 15,317	\$ 15,568	\$ 14,377	\$ 14,243	\$ 13,674
College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	16.8%	(16.2%)	(4.7%)	6.7%	(68.7%)	(74.8%)	(4.5%)
Plan fiduciary net position as a percentage of the total pension liability/(asset)	97.8%	102.2%	100.7%	99.0%	110.5%	111.5%	100.7%

*Information prior to the year ended December 31, 2014 is not available.

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

COUNTY OF ERIE, NEW YORK
Schedule of the County's Contributions—
Teachers' Retirement System—Primary Government
Last Seven Fiscal Years*
(dollars in thousands)

	Year Ended August 31,						
	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,511	\$ 1,705	\$ 1,737	\$ 1,997	\$ 2,503	\$ 2,295	\$ 1,605
Contributions in relation to the contractually required contribution	(1,511)	(1,705)	(1,737)	(1,997)	(2,503)	(2,295)	(1,605)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's covered payroll	\$ 16,615	\$ 16,354	\$ 15,591	\$ 14,912	\$ 15,544	\$ 14,483	\$ 14,350
Contributions as a percentage of covered payroll	9.1%	10.4%	11.1%	13.4%	16.1%	15.8%	11.2%

*Information prior to the year ended December 31, 2014 is not available.

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

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Three Fiscal Years*
(dollars in thousands)

	<u>Year Ended December 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Primary Government —Governmental Activities (the "County")			
Total OPEB liability			
Service cost	\$ 24,887	\$ 30,702	\$ 25,746
Interest	47,915	47,483	48,380
Changes of assumptions or other inputs	154,973	(167,270)	116,772
Differences between expected and actual experience	(323,707)	1,799	2,736
Changes in benefit terms	(16)	(17,014)	-
Benefit payments	<u>(31,252)</u>	<u>(34,573)</u>	<u>(33,172)</u>
Net changes in total OPEB liability	<u>(127,200)</u>	<u>(138,873)</u>	<u>160,462</u>
Total OPEB liability—beginning	<u>1,282,247</u>	<u>1,421,120</u>	<u>1,260,658</u>
Total OPEB liability—ending	<u>\$ 1,155,047</u>	<u>\$ 1,282,247</u>	<u>\$ 1,421,120</u>
Plan fiduciary net position			
Contributions—employer	\$ 31,252	\$ 34,573	\$ 33,172
Benefit payments	<u>(31,252)</u>	<u>(34,573)</u>	<u>(33,172)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position—beginning	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability—ending	<u>\$ 1,155,047</u>	<u>\$ 1,282,247</u>	<u>\$ 1,421,120</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 257,564	\$ 238,181	\$ 209,308
County's net OPEB liability as a percentage of covered-employee payroll	448.5%	538.3%	679.0%

(continued)

*Information prior to the year ended December 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Three Fiscal Years*
(dollars in thousands)

	<u>Year Ended August 31,</u>		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Primary Government—Business-type Activities (the "College")			
Total OPEB liability			
Service cost	\$ 4,987	\$ 5,845	\$ 4,955
Interest	7,949	7,644	7,830
Changes of assumptions or other inputs	28,714	(25,585)	17,319
Differences between expected and actual experience	(58,675)	1,732	666
Benefit payments	<u>(4,000)</u>	<u>(6,918)</u>	<u>(5,500)</u>
Net changes in total OPEB liability	<u>(21,025)</u>	<u>(17,282)</u>	<u>25,270</u>
Total OPEB liability—beginning	<u>211,273</u>	<u>228,555</u>	<u>203,285</u>
Total OPEB liability—ending	<u>\$ 190,248</u>	<u>\$ 211,273</u>	<u>\$ 228,555</u>
Plan fiduciary net position			
Contributions—employer	\$ 4,000	\$ 6,918	\$ 5,500
Benefit payments	<u>(4,000)</u>	<u>(6,918)</u>	<u>(5,500)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position—beginning	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's net OPEB liability—ending	<u>\$ 190,248</u>	<u>\$ 211,273</u>	<u>\$ 228,555</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 64,443	\$ 61,609	\$ 58,951
College's net OPEB liability as a percentage of covered-employee payroll	295.2%	342.9%	387.7%

(continued)

*Information prior to the year ended August 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Three Fiscal Years*
(dollars in thousands)

(concluded)

	Year Ended December 31, (August 31,)*		
	2020	2019	2018
Primary Government—Total			
Total OPEB liability			
Service cost	\$ 29,874	\$ 36,547	\$ 30,701
Interest	55,864	55,127	56,210
Changes of assumptions or other inputs	183,687	(192,855)	134,091
Differences between expected and actual experience	(382,382)	3,531	3,402
Changes in benefit terms	(16)	(17,014)	-
Benefit payments	<u>(35,252)</u>	<u>(41,491)</u>	<u>(38,672)</u>
Net changes in total OPEB liability	<u>(148,225)</u>	<u>(156,155)</u>	<u>185,732</u>
Total OPEB liability—beginning	<u>1,493,520</u>	<u>1,649,675</u>	<u>1,463,943</u>
Total OPEB liability—ending	<u>\$ 1,345,295</u>	<u>\$ 1,493,520</u>	<u>\$ 1,649,675</u>
Plan fiduciary net position			
Contributions—employer	\$ 35,252	\$ 41,491	\$ 38,672
Benefit payments	<u>(35,252)</u>	<u>(41,491)</u>	<u>(38,672)</u>
Net change in plan fiduciary net position	-	-	-
Plan fiduciary net position—beginning	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government's net OPEB liability—ending	<u>\$ 1,345,295</u>	<u>\$ 1,493,520</u>	<u>\$ 1,649,675</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 322,007	\$ 299,790	\$ 268,259
Primary Government's net OPEB liability as a percentage of covered-employee payroll	417.8%	498.2%	615.0%

*Information prior to the year ended December 31, 2018 (August 31, 2018 as to the College) is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2020

1. NET PENSION LIABILITY

The schedules of local government's proportionate share of the net pension liability/(asset) and local government's contributions presents trend information of the components of the net pension liability/(asset) and related ratios for each retirement system the County participates in, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the contributions as a percentage of covered-employee payroll.

2. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The following summarizes the changes of assumptions for the governmental activities and business-type activities:

The discount rate was 2.75% as of December 31, 2020, as compared to 3.71% as of December 31, 2019. The salary scale assumed to increase at 1.50% per year. The sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, adjusted for mortality improvements with Scale MP-2019 mortality improvement scale on a generational basis, were used for mortality rates. In order to estimate the change in the cost of healthcare, the valuation assumes healthcare cost trends as follows: pre-65 medical, 6.75%; post-65 medical, 4.50% and prescription, 7.00%. Healthcare trends are reduced by decrements to reach a rate of 3.78% in 2075. An inflation rate of 2.25% was assumed for developing the rate of increase in healthcare costs. Business-type activities utilizes an initial health initial healthcare cost trend rate used is 7.00% while the ultimate healthcare cost trend rate is 3.78%.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

These financial statements and schedules provide more detailed information than is presented in the basic financial statements.

Combining statements are presented for the nonmajor governmental funds.

Individual fund statements and schedules present the following:

- Comparisons of budgetary and actual data for certain Special Revenue Funds and the Debt Service Fund.
- Fund financial statements for the discretely presented Library component unit.

Combining statements are presented for the discretely presented Other Component Units.



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. In addition, the Erie Tobacco Asset Securitization Corporation (“ETASC”) General Fund is presented as a nonmajor Special Revenue Fund.

- **Road 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 Fund**

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

- **Downtown Mall 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 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 Fund**

Used to account for revenues received from the Federal Emergency Management Agency and expenditures associated with the ongoing clean-up of major winter storm damage that occurred in October 2006 and November 2014. This fund also includes activities related to the County’s COVID-19 pandemic response.

- **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.

- **ETASC General Fund**

Used to account for all financial resources associated with ETASC except for those required to be accounted for in another fund.

- **Community Development 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 FUNDS

Debt Service Funds are 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.

- **Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the County.

- **ETASC Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the ETASC.

- **ECFSA Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the ECFSA.

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.



**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2020
(dollars in thousands)

	Special Revenue								Total
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	ETASC General	Community Development	
ASSETS									
Cash and cash equivalents	\$ 13,760	\$ 40,145	\$ 56	\$ 905	\$ 692	\$ -	\$ 66	\$ 143	\$ 55,767
Investments	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	38,286	42	-	-	38,328
Receivables (net of allowance):									
Real property taxes, interest, penalties and liens	-	-	46	-	-	-	-	-	46
Other	-	13	-	183	1,562	647	-	27,021	29,426
Due from other funds	-	2,178	-	-	-	-	-	-	2,178
Due from component units	1	-	-	-	-	-	-	-	1
Intergovernmental receivables	1,790	1	-	948	11	24,276	-	1,088	28,114
Prepaid items	346	2,515	-	174	-	437	38	23	3,533
Total assets	<u>\$ 15,897</u>	<u>\$ 44,852</u>	<u>\$ 102</u>	<u>\$ 2,210</u>	<u>\$ 40,551</u>	<u>\$ 25,402</u>	<u>\$ 104</u>	<u>\$ 28,275</u>	<u>\$ 157,393</u>
LIABILITIES									
Accounts payable	\$ 992	\$ 447	\$ -	\$ 30	\$ 3,140	\$ 2,695	\$ 14	\$ 677	\$ 7,995
Accrued liabilities	753	516	102	181	6,237	2,512	-	66	10,367
Due to other funds	-	-	-	-	-	17,752	-	-	17,752
Due to other governments	-	-	-	-	48	23	-	-	71
Retained percentages payable	-	36	-	-	32	6	-	-	74
Unearned revenue	-	-	-	-	30,446	2,414	-	720	33,580
Total liabilities	<u>1,745</u>	<u>999</u>	<u>102</u>	<u>211</u>	<u>39,903</u>	<u>25,402</u>	<u>14</u>	<u>1,463</u>	<u>69,839</u>
FUND BALANCES									
Nonspendable	346	2,515	-	174	-	437	38	23	3,533
Restricted	-	-	-	-	-	-	-	26,812	26,812
Assigned	13,806	41,338	-	1,825	648	-	52	-	57,669
Unassigned	-	-	-	-	-	(437)	-	(23)	(460)
Total fund balances	<u>14,152</u>	<u>43,853</u>	<u>-</u>	<u>1,999</u>	<u>648</u>	<u>-</u>	<u>90</u>	<u>26,812</u>	<u>87,554</u>
Total liabilities and fund balances	<u>\$ 15,897</u>	<u>\$ 44,852</u>	<u>\$ 102</u>	<u>\$ 2,210</u>	<u>\$ 40,551</u>	<u>\$ 25,402</u>	<u>\$ 104</u>	<u>\$ 28,275</u>	<u>\$ 157,393</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2020
(dollars in thousands)

	Debt Service			Total
	Debt Service	ETASC Debt Service	ECFSA Debt Service	
ASSETS				
Cash and cash equivalents	\$ 9,402	\$ -	\$ -	\$ 9,402
Investments	-	19,608	-	19,608
Restricted cash and cash equivalents	-	1,712	23,435	25,147
Receivables (net of allowance):				
Real property taxes, interest, penalties and liens	-	-	-	-
Other	-	-	-	-
Due from other funds	23,272	-	-	23,272
Due from component units	-	-	-	-
Intergovernmental receivables	38	-	-	38
Prepaid items	-	-	-	-
Total assets	<u>\$ 32,712</u>	<u>\$ 21,320</u>	<u>\$ 23,435</u>	<u>\$ 77,467</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	89	-	12	101
Due to other funds	10,322	-	23,423	33,745
Due to other governments	-	-	-	-
Retained percentages payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>10,411</u>	<u>-</u>	<u>23,435</u>	<u>33,846</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	22,301	21,320	-	43,621
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>22,301</u>	<u>21,320</u>	<u>-</u>	<u>43,621</u>
Total liabilities and fund balances	<u>\$ 32,712</u>	<u>\$ 21,320</u>	<u>\$ 23,435</u>	<u>\$ 77,467</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2020
(dollars in thousands)

(concluded)

	<u>Capital Projects</u>						<u>Total</u>	<u>Total Nonmajor Funds</u>
	<u>General Government Buildings, Equipment and Improvements</u>	<u>Highways, Roads, Bridges and Equipment</u>	<u>Sewers, Facilities, Equipment and Improvements</u>	<u>Tobacco Proceeds</u>	<u>Special Capital Projects</u>			
ASSETS								
Cash and cash equivalents	\$ 4,769	\$ 3,534	\$ 1,096	\$ -	\$ 732	\$ 10,131	\$ 75,300	
Investments	-	-	-	200	-	200	19,808	
Restricted cash and cash equivalents	58,610	44,192	25,629	16	15,563	144,010	207,485	
Receivables (net of allowance):								
Real property taxes, interest, penalties and liens	-	-	-	-	-	-	46	
Other	2,000	261	4	-	-	2,265	31,691	
Due from other funds	-	-	-	-	-	-	25,450	
Due from component units	-	-	-	-	-	-	1	
Intergovernmental receivables	2,269	3,450	1,529	-	441	7,689	35,841	
Prepaid items	-	-	-	-	-	-	3,533	
Total assets	<u>\$ 67,648</u>	<u>\$ 51,437</u>	<u>\$ 28,258</u>	<u>\$ 216</u>	<u>\$ 16,736</u>	<u>\$ 164,295</u>	<u>\$ 399,155</u>	
LIABILITIES								
Accounts payable	\$ 3,316	\$ 2,327	\$ 370	\$ -	\$ 99	\$ 6,112	\$ 14,107	
Accrued liabilities	4,821	1,507	4	-	752	7,084	17,552	
Due to other funds	378	2,757	2,178	-	53	5,366	56,863	
Due to other governments	-	-	-	-	-	-	71	
Retained percentages payable	523	654	77	-	269	1,523	1,597	
Unearned revenue	-	-	-	-	-	-	33,580	
Total liabilities	<u>9,038</u>	<u>7,245</u>	<u>2,629</u>	<u>-</u>	<u>1,173</u>	<u>20,085</u>	<u>123,770</u>	
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	3,533	
Restricted	58,610	44,192	25,629	216	15,563	144,210	214,643	
Assigned	-	-	-	-	-	-	57,669	
Unassigned	-	-	-	-	-	-	(460)	
Total fund balances	<u>58,610</u>	<u>44,192</u>	<u>25,629</u>	<u>216</u>	<u>15,563</u>	<u>144,210</u>	<u>275,385</u>	
Total liabilities and fund balances	<u>\$ 67,648</u>	<u>\$ 51,437</u>	<u>\$ 28,258</u>	<u>\$ 216</u>	<u>\$ 16,736</u>	<u>\$ 164,295</u>	<u>\$ 399,155</u>	

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2020
(dollars in thousands)

	Special Revenue								Total
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	ETASC General	Community Development	
REVENUES									
Real property taxes and tax items	\$ -	\$ 21,664	\$ 1,802	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,466
Sales and use taxes	-	-	-	4,009	-	-	-	-	4,009
Transfer and other taxes	14,420	-	-	-	-	-	-	-	14,420
Intergovernmental	9,625	-	-	22	129,900	36,584	-	4,340	180,471
Interfund revenues	-	-	-	-	-	-	-	-	-
Departmental	182	31,534	-	-	-	340	-	978	33,034
Interest	-	72	-	-	70	-	-	-	142
Miscellaneous	-	952	-	-	-	1,169	-	-	2,121
Total revenues	<u>24,227</u>	<u>54,222</u>	<u>1,802</u>	<u>4,031</u>	<u>129,970</u>	<u>38,093</u>	<u>-</u>	<u>5,318</u>	<u>257,663</u>
EXPENDITURES									
Current:									
General government support	-	-	1,802	-	3,462	11,261	105	-	16,630
Public safety	-	-	-	6,441	6,135	6,911	-	-	19,487
Health	-	-	-	1,434	71,116	7,122	-	-	79,672
Transportation	29,785	-	-	-	228	-	-	-	30,013
Economic assistance and opportunity	-	-	-	-	27,193	16,056	-	235	43,484
Culture and recreation	-	-	-	-	556	7	-	-	563
Education	-	-	-	-	868	-	-	-	868
Home and community services	-	43,189	-	-	20,643	1,638	-	4,932	70,402
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	<u>29,785</u>	<u>43,189</u>	<u>1,802</u>	<u>7,875</u>	<u>130,201</u>	<u>42,995</u>	<u>105</u>	<u>5,167</u>	<u>261,119</u>
Excess (deficiency) of revenues over (under) expenditures	(5,558)	11,033	-	(3,844)	(231)	(4,902)	(105)	151	(3,456)
OTHER FINANCING SOURCES (USES)									
Issuance of general obligation debt	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Proceeds from refunding bonds	-	-	-	-	-	-	-	-	-
Payment to refunding bonds escrow agent	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Transfers in	20,453	360	-	5,233	-	4,902	100	126	31,174
Transfers out	(10,862)	(11,609)	-	-	-	-	-	-	(22,471)
Total other financing sources and (uses)	<u>9,591</u>	<u>(11,249)</u>	<u>-</u>	<u>5,233</u>	<u>-</u>	<u>4,902</u>	<u>100</u>	<u>126</u>	<u>8,703</u>
Net change in fund balances	4,033	(216)	-	1,389	(231)	-	(5)	277	5,247
Fund balances—beginning	10,119	44,069	-	610	879	-	95	26,535	82,307
Fund balances—ending	<u>\$ 14,152</u>	<u>\$ 43,853</u>	<u>\$ -</u>	<u>\$ 1,999</u>	<u>\$ 648</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 26,812</u>	<u>\$ 87,554</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2020
(dollars in thousands)

	Debt Service			Total
	Debt Service	ETASC Debt Service	ECFSA Debt Service	
REVENUES				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Transfer and other taxes	-	-	-	-
Intergovernmental	137	15,508	-	15,645
Interfund revenues	-	-	-	-
Departmental	-	-	-	-
Interest	6,484	365	-	6,849
Miscellaneous	5,782	-	-	5,782
Total revenues	<u>12,403</u>	<u>15,873</u>	<u>-</u>	<u>28,276</u>
EXPENDITURES				
Current:				
General government support	229	-	-	229
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	-	-	-	-
Economic assistance and opportunity	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Home and community services	-	-	-	-
Debt service:				
Principal retirement	18,461	3,950	41,665	64,076
Interest and fiscal charges	10,375	10,794	13,672	34,841
Capital outlay	-	-	-	-
Total expenditures	<u>29,065</u>	<u>14,744</u>	<u>55,337</u>	<u>99,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,662)</u>	<u>1,129</u>	<u>(55,337)</u>	<u>(70,870)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	255	-	-	255
Proceeds from refunding bonds	16,181	-	-	16,181
Payment to refunding bonds escrow agent	(16,545)	-	-	(16,545)
Transfers in	83,704	-	55,337	139,041
Transfers out	(55,337)	(100)	(16)	(55,453)
Total other financing sources and (uses)	<u>28,258</u>	<u>(100)</u>	<u>55,321</u>	<u>83,479</u>
Net change in fund balances	11,596	1,029	(16)	12,609
Fund balances—beginning	<u>10,705</u>	<u>20,291</u>	<u>16</u>	<u>31,012</u>
Fund balances—ending	<u>\$ 22,301</u>	<u>\$ 21,320</u>	<u>\$ -</u>	<u>\$ 43,621</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2020
(dollars in thousands)

(concluded)

	Capital Projects						Total Nonmajor Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities, Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	Total	
REVENUES							
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,466
Sales and use taxes	-	-	-	-	-	-	4,009
Transfer taxes	-	-	-	-	-	-	14,420
Intergovernmental	3,525	11,535	50	-	846	15,956	212,072
Interfund revenues	132	-	-	-	-	132	132
Departmental	-	478	126	-	-	604	33,638
Interest	-	-	56	-	-	56	7,047
Miscellaneous	168	234	-	-	-	402	8,305
Total revenues	<u>3,825</u>	<u>12,247</u>	<u>232</u>	<u>-</u>	<u>846</u>	<u>17,150</u>	<u>303,089</u>
EXPENDITURES							
Current:							
General government support	-	-	-	-	-	-	16,859
Public safety	-	-	-	-	-	-	19,487
Health	-	-	-	-	-	-	79,672
Transportation	-	-	-	-	-	-	30,013
Economic assistance and opportunity	-	-	-	-	-	-	43,484
Culture and recreation	-	-	-	-	-	-	563
Education	-	-	-	-	-	-	868
Home and community services	-	-	-	-	-	-	70,402
Debt service:							
Principal retirement	-	-	-	-	-	-	64,076
Interest and fiscal charges	-	-	-	-	-	-	34,841
Capital outlay	22,814	33,362	2,415	-	3,142	61,733	61,733
Total expenditures	<u>22,814</u>	<u>33,362</u>	<u>2,415</u>	<u>-</u>	<u>3,142</u>	<u>61,733</u>	<u>421,998</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,989)</u>	<u>(21,115)</u>	<u>(2,183)</u>	<u>-</u>	<u>(2,296)</u>	<u>(44,583)</u>	<u>(118,909)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of general obligation debt	14,334	13,699	2,945	-	3,807	34,785	34,785
Premium on bond issuance	3,852	3,681	747	-	1,023	9,303	9,558
Proceeds from refunding bonds	-	-	-	-	-	-	16,181
Payment to refunding bonds escrow agent	-	-	-	-	-	-	(16,545)
Transfers in	12,021	10,662	9,412	-	(963)	31,132	201,347
Transfers out	(4,436)	(3,516)	(4,422)	-	(3,230)	(15,604)	(93,528)
Total other financing sources and (uses)	<u>25,771</u>	<u>24,526</u>	<u>8,682</u>	<u>-</u>	<u>637</u>	<u>59,616</u>	<u>151,798</u>
Net change in fund balances	6,782	3,411	6,499	-	(1,659)	15,033	32,889
Fund balances—beginning	51,828	40,781	19,130	216	17,222	129,177	242,496
Fund balances—ending	<u>\$ 58,610</u>	<u>\$ 44,192</u>	<u>\$ 25,629</u>	<u>\$ 216</u>	<u>\$ 15,563</u>	<u>\$ 144,210</u>	<u>\$ 275,385</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Road Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Transfer and other taxes	\$ 14,280	\$ 14,280	\$ 14,420	\$ 140
Intergovernmental	10,000	7,594	9,625	2,031
Departmental	<u>135</u>	<u>135</u>	<u>182</u>	<u>47</u>
Total revenues	<u>24,415</u>	<u>22,009</u>	<u>24,227</u>	<u>2,218</u>
EXPENDITURES				
Current:				
Transportation	<u>34,824</u>	<u>32,894</u>	<u>31,057</u>	<u>1,837</u>
Total expenditures	<u>34,824</u>	<u>32,894</u>	<u>31,057</u>	<u>1,837</u>
Excess (deficiency) of revenues over expenditures	<u>(10,409)</u>	<u>(10,885)</u>	<u>(6,830)</u>	<u>4,055</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	15,939	18,046	20,453	2,407
Transfers out	<u>(10,530)</u>	<u>(14,362)</u>	<u>(10,862)</u>	<u>3,500</u>
Total other financing sources (uses)	<u>5,409</u>	<u>3,684</u>	<u>9,591</u>	<u>5,907</u>
Net change in fund balances *	<u>\$ (5,000)</u>	<u>\$ (7,201)</u>	<u>\$ 2,761</u>	<u>\$ 9,962</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spendown) of fund balance.

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Sewer Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes and tax items	\$ 21,640	\$ 21,640	\$ 21,664	\$ 24
Departmental	32,303	32,303	31,534	(769)
Interest	113	113	72	(41)
Miscellaneous	-	-	952	952
Total revenues	<u>54,056</u>	<u>54,056</u>	<u>54,222</u>	<u>166</u>
EXPENDITURES				
Current:				
Home and community service	53,769	54,124	42,440	11,684
Debt service:				
Interest and fiscal charges	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total expenditures	<u>53,779</u>	<u>54,134</u>	<u>42,440</u>	<u>11,694</u>
Excess (deficiency) of revenues over expenditures	<u>277</u>	<u>(78)</u>	<u>11,782</u>	<u>11,860</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	360	360	-
Transfers out	<u>(12,254)</u>	<u>(12,259)</u>	<u>(11,609)</u>	<u>650</u>
Total other financing sources (uses)	<u>(12,254)</u>	<u>(11,899)</u>	<u>(11,249)</u>	<u>650</u>
Net change in fund balances *	<u>\$ (11,977)</u>	<u>\$ (11,977)</u>	<u>\$ 533</u>	<u>\$ 12,510</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spendown) of fund balance.

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Downtown Mall Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes and tax items	\$ 1,807	\$ 1,807	\$ 1,802	\$ (5)
Total revenues	<u>1,807</u>	<u>1,807</u>	<u>1,802</u>	<u>(5)</u>
EXPENDITURES				
Current:				
General government support	<u>1,807</u>	<u>1,807</u>	<u>1,802</u>	<u>5</u>
Total expenditures	<u>1,807</u>	<u>1,807</u>	<u>1,802</u>	<u>5</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—E-911 Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales and use taxes	\$ 4,050	\$ 4,050	\$ 4,009	\$ (41)
Intergovernmental	<u>22</u>	<u>22</u>	<u>22</u>	<u>-</u>
Total revenues	<u>4,072</u>	<u>4,072</u>	<u>4,031</u>	<u>(41)</u>
EXPENDITURES				
Current:				
Public safety	7,248	7,185	6,441	744
Health	<u>1,395</u>	<u>1,434</u>	<u>1,434</u>	<u>-</u>
Total expenditures	<u>8,643</u>	<u>8,619</u>	<u>7,875</u>	<u>744</u>
Excess (deficiency) of revenues over expenditures	<u>(4,571)</u>	<u>(4,547)</u>	<u>(3,844)</u>	<u>703</u>
OTHER FINANCING SOURCES:				
Transfers in	<u>4,371</u>	<u>4,347</u>	<u>5,233</u>	<u>886</u>
Total other financing sources	<u>4,371</u>	<u>4,347</u>	<u>5,233</u>	<u>886</u>
Net change in fund balances *	<u>\$ (200)</u>	<u>\$ (200)</u>	<u>\$ 1,389</u>	<u>\$ 1,589</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Emergency Response Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ -	\$ 134,404	\$ 129,900	\$ (4,504)
Interest	-	70	70	-
Total revenues	<u>-</u>	<u>134,474</u>	<u>129,970</u>	<u>(4,504)</u>
EXPENDITURES				
Current:				
General government support	-	32,001	4,083	27,918
Public safety	-	6,498	6,208	290
Health	-	48,767	72,077	(23,310)
Transportation	-	228	228	-
Economic assistance and opportunity	-	26,035	29,712	(3,677)
Culture and recreation	-	36	557	(521)
Education	-	868	868	-
Home and community services	-	20,041	20,643	(602)
Total expenditures	<u>-</u>	<u>134,474</u>	<u>134,376</u>	<u>98</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (4,406)</u>	<u>\$ (4,406)</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Debt Service Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2020
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 137	\$ 137	\$ 137	\$ -
Interest	1,010	6,322	6,484	162
Miscellaneous	-	5,178	5,782	604
Total revenues	<u>1,147</u>	<u>11,637</u>	<u>12,403</u>	<u>766</u>
EXPENDITURES				
Current:				
General government support	-	229	229	-
Debt service:				
Principal retirement	56,961	18,714	18,461	253
Interest and fiscal charges	<u>17,070</u>	<u>10,377</u>	<u>10,375</u>	<u>2</u>
Total expenditures	<u>74,031</u>	<u>29,320</u>	<u>29,065</u>	<u>255</u>
Excess (deficiency) of revenues over expenditures	<u>(72,884)</u>	<u>(17,683)</u>	<u>(16,662)</u>	<u>1,021</u>
OTHER FINANCING SOURCES (USES)				
Premium on bond issuance	-	-	255	255
Proceeds on refunding bonds	-	12,495	16,181	3,686
Payments to refunded bond escrow	-	(12,360)	(16,545)	(4,185)
Transfers in	70,300	70,301	83,704	13,403
Transfers out	<u>-</u>	<u>(55,337)</u>	<u>(55,337)</u>	<u>-</u>
Total other financing sources (uses)	<u>70,300</u>	<u>15,099</u>	<u>28,258</u>	<u>13,159</u>
Net change in fund balances *	<u>\$ (2,584)</u>	<u>\$ (2,584)</u>	<u>\$ 11,596</u>	<u>\$ 14,179</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spendown) of fund balance.

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

LIBRARY COMPONENT UNIT

The financial data shown for the Buffalo and Erie County Public Library (the “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 basic financial statements reflects the County’s financial accountability for this legally separate entity.



**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF ERIE, NEW YORK
Balance Sheet—Library Component Unit
December 31, 2020
(dollars in thousands)

	<u>Library</u>
ASSETS	
Cash and cash equivalents	\$ 13,173
Receivables (net of allowances)	122
Due from other governments	323
Prepaid items	<u>704</u>
Total assets	<u>\$ 14,322</u>
LIABILITIES	
Accounts payable	\$ 308
Accrued liabilities	527
Retainaged percentages payable	24
Unearned revenue	<u>2,102</u>
Total current liabilities	<u>2,961</u>
FUND BALANCES	
Nonspendable	704
Committed	3,497
Assigned	<u>7,160</u>
Total fund balances	<u>11,361</u>
Total liabilities and fund balances	<u>\$ 14,322</u>

COUNTY OF ERIE, NEW YORK
Reconciliation of the Balance Sheet—Library Component Unit to the
Government-wide Statement of Net Position
December 31, 2020
(dollars in thousands)

		<u>Library</u>
Total fund balance - Library component unit	\$	11,361
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds</p>		17,342
<p>Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds.</p>		
Deferred outflows related to employer contributions	\$	1,280
Deferred outflows related to experience, changes of assumptions, investment earnings and changes in proportion		7,168
Deferred outflows related to OPEB		11,929
Deferred inflows related to pension plans		(432)
Deferred inflows related to OPEB		(27,411)
		<u>(7,466)</u>
<p>Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds</p>		<u>(92,082)</u>
Net position of Library component unit	\$	<u><u>(70,845)</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance—
Library Component Unit
Year Ended December 31, 2020
(dollars in thousands)

	Library
REVENUES	
Real property taxes and tax items	\$ 25,409
Intergovernmental	2,811
Departmental	292
Interest	5
Miscellaneous	171
Total revenues	28,688
 EXPENDITURES	
Culture and recreation	27,297
Total expenditures	27,297
Net change in fund balance	1,391
Fund balances—beginning	9,970
Fund balances—ending	\$ 11,361

COUNTY OF ERIE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance—Library Component Unit to the
Government-wide Statement of Activities
Year Ended December 31, 2020
(dollars in thousands)

		<u>Library</u>
Net change in fund balance - Library component unit	\$	1,391
Amounts reported for library component unit in the statement of activities are different because:		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and depreciated. This is the amount by which capital outlays exceeded depreciation expense in the current period.</p>		
Capital outlays, net of disposals of \$318	\$	2,469
Depreciation expense		<u>(2,769)</u> (300)
<p>Net differences between pension contributions recognized on the fund financial statements and the government-wide statements are as follows:</p>		
Direct pension contributions	\$	(35)
Cost of benefits earned net of employee contributions		6,505
Changes in OPEB assumptions		<u>(10,125)</u> (3,655)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		<u>1,710</u>
Change in net position of Library component unit	\$	<u>(854)</u>

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

OTHER COMPONENT UNITS

Other Component Units of Erie County include:

The financial data shown for the Erie Community College Foundation, Inc. and the Auxiliary Services Corporation of Erie Community College, Inc. is derived from their separately issued financial statements. Both of these entities are included as component units in the County's basic financial statements, based on the fact that they are legally separate entities for which the College and County are financially accountable.



**** THIS PAGE INTENTIONALLY LEFT BLANK ****

COUNTY OF ERIE, NEW YORK
Combining Statement of Net Position—
Other Component Units
December 31, 2020
(dollars in thousands)

	<u>Other Component Units</u>		<u>Total Other Component Units</u>
	<u>College Foundation (August 31, 2020)</u>	<u>Auxiliary Services Corporation (August 31, 2020)</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 358	\$ 1,593	\$ 1,951
Investments	5,546	-	5,546
Other receivables	159	77	236
Inventories	-	22	22
Prepaid items	-	24	24
Total current assets	<u>6,063</u>	<u>1,716</u>	<u>7,779</u>
Noncurrent assets:			
Capital assets	-	1,029	1,029
Less: accumulated depreciation	-	(716)	(716)
Net assets held on behalf of others	-	611	611
Total noncurrent assets	<u>-</u>	<u>924</u>	<u>924</u>
Total assets	<u>6,063</u>	<u>2,640</u>	<u>8,703</u>
LIABILITIES			
Current liabilities:			
Accounts payable	6	46	52
Accrued liabilities	-	78	78
Unearned revenue	-	44	44
Total current liabilities	<u>6</u>	<u>168</u>	<u>174</u>
Noncurrent liabilities:			
Loans payable	-	305	305
Net assets held on behalf of others	-	611	611
Total noncurrent liabilities	<u>-</u>	<u>916</u>	<u>916</u>
Total liabilities	<u>6</u>	<u>1,084</u>	<u>1,090</u>
NET POSITION			
Restricted:			
With donor restrictions	3,784	8	3,792
Without donor restrictions	2,273	1,548	3,821
Total net position	<u>\$ 6,057</u>	<u>\$ 1,556</u>	<u>\$ 7,613</u>

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenses, and Changes in Net Position—
Other Component Units
Year Ended December 31, 2020
(dollars in thousands)

	<u>Other Component Units</u>		<u>Total Other Component Units</u>
	<u>College Foundation (August 31, 2020)</u>	<u>Auxiliary Services Corporation (August 31, 2020)</u>	
OPERATING REVENUES			
Other sources	\$ 686	\$ 207	\$ 893
Contributions	789	-	789
Support from Erie Community College	216	-	216
Food service revenue, net	-	269	269
Bookstore revenue	-	231	231
Childcare service revenue	-	746	746
Total operating revenues	<u>1,691</u>	<u>1,453</u>	<u>3,144</u>
OPERATING EXPENSES			
Scholarships	292	-	292
Supplies, services and general	830	423	1,253
Depreciation	-	49	49
Food service	-	530	530
Childcare service	-	566	566
Total operating expenses	<u>1,122</u>	<u>1,568</u>	<u>2,690</u>
Operating income (loss)	569	(115)	454
NONOPERATING REVENUES (EXPENSES)			
Income from investments, net	-	18	18
Miscellaneous revenue	-	70	70
Program expenses	-	(107)	(107)
Total nonoperating revenues (expenses)	<u>-</u>	<u>(19)</u>	<u>(19)</u>
Change in net position	569	(134)	435
Net position—beginning	<u>5,488</u>	<u>1,690</u>	<u>7,178</u>
Net position—ending	<u>\$ 6,057</u>	<u>\$ 1,556</u>	<u>\$ 7,613</u>

**** THIS PAGE INTENTIONALLY LEFT BLANK ****

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends.....	110
These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.	
Revenue Capacity.....	117
These schedules contain information to help the reader assess two of the County’s most significant revenue sources; sales and use taxes and property taxes.	
Debt Capacity.....	122
These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	127
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.	
Operating Information.....	129
These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.	



COUNTY OF ERIE, NEW YORK
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017 (1)	2018	2019	2020
Governmental activities:										
Net investment in capital assets	\$ 361,546	\$ 385,776	\$ 395,657	\$ 411,226	\$ 443,834	\$ 455,145	\$ 451,024	\$ 454,464	\$ 475,918	\$ 480,108
Restricted	27,317	34,960	40,914	45,924	75,151	64,928	84,055	82,025	80,411	111,876
Unrestricted (deficit)	(412,170)	(435,137)	(472,024)	(493,690)	(523,858)	(574,135)	(1,421,468)	(1,424,284)	(1,439,738)	(1,540,872)
Total governmental activities net position	\$ (23,307)	\$ (14,401)	\$ (35,453)	\$ (36,540)	\$ (4,873)	\$ (54,062)	\$ (886,389)	\$ (887,795)	\$ (883,409)	\$ (948,888)
Business-type activities:										
Net investment in capital assets	\$ 17,474	\$ 20,828	\$ 23,349	\$ 27,069	\$ 32,148	\$ 32,809	\$ 37,520	\$ 32,342	\$ 31,004	\$ 28,560
Restricted	-	-	-	-	-	-	208	205	221	206
Unrestricted (deficit)	(25,891)	(30,946)	(34,406)	(39,058)	(43,798)	(52,059)	(173,278)	(179,612)	(190,046)	(208,362)
Total business-type activities net position	\$ (8,417)	\$ (10,118)	\$ (11,057)	\$ (11,989)	\$ (11,650)	\$ (19,250)	\$ (135,550)	\$ (147,065)	\$ (158,821)	\$ (179,596)
Primary government:										
Net investment in capital assets	\$ 379,020	\$ 406,604	\$ 419,006	\$ 438,295	\$ 475,982	\$ 487,954	\$ 488,544	\$ 486,806	\$ 506,922	\$ 508,668
Restricted	27,317	34,960	40,914	45,924	75,151	64,928	84,263	82,230	80,632	112,082
Unrestricted (deficit)	(438,061)	(466,083)	(506,430)	(532,748)	(567,656)	(626,194)	(1,594,746)	(1,603,896)	(1,629,784)	(1,749,234)
Total primary government net position	\$ (31,724)	\$ (24,519)	\$ (46,510)	\$ (48,529)	\$ (16,523)	\$ (73,312)	\$ (1,021,939)	\$ (1,034,860)	\$ (1,042,230)	\$ (1,128,484)

(1) During the year ended December 31, 2018, the County implemented GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As a result, net position as of December 31, 2017 was restated to be \$(886,389) and \$(135,550) for governmental activities and business-type activities, respectively.

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES:										
Primary government:										
Governmental activities:										
General government	\$ 462,487	\$ 434,922	\$ 426,627	\$ 444,564	\$ 424,884	\$ 432,365	\$ 444,172	\$ 461,861	\$ 474,170	\$ 493,026
Public safety	131,715	152,968	157,278	158,867	170,293	183,969	179,735	176,129	178,216	181,426
Health	71,714	72,928	72,137	73,687	78,789	86,713	97,574	92,076	94,365	170,829
Transportation	70,201	71,685	71,592	83,361	79,804	82,061	101,601	92,075	97,446	91,030
Economic assistance and opportunity	591,057	578,592	594,354	616,548	609,415	620,669	629,158	612,324	621,673	644,893
Culture and recreation	19,295	20,709	18,156	22,516	19,828	20,002	22,674	24,907	21,351	29,576
Education	73,777	69,833	68,208	67,907	72,947	72,784	69,060	70,572	84,592	73,839
Home and community service	59,127	54,618	53,704	52,410	51,506	59,475	62,452	60,981	61,465	90,835
Interest and fiscal charges	43,985	34,905	39,515	36,859	36,115	45,001	33,870	35,425	37,189	38,486
Total governmental activities expenses	1,523,358	1,491,160	1,501,571	1,556,719	1,543,581	1,603,039	1,640,296	1,626,350	1,670,467	1,813,940
Business-type activities:										
College (fiscal year ending August 31,)	133,416	129,424	132,318	131,991	129,053	138,975	134,468	140,049	134,427	139,415
ILDC	-	-	-	-	-	475	524	274	1,521	769
Purchase and resale of utilities	25,947	21,350	25,398	29,199	18,758	15,105	16,114	18,972	17,275	15,973
Total business-type activities expenses	159,363	150,774	157,716	161,190	147,811	154,555	151,106	159,295	153,223	156,157
Total primary government expenses	\$ 1,682,721	\$ 1,641,934	\$ 1,659,287	\$ 1,717,909	\$ 1,691,392	\$ 1,757,594	\$ 1,791,402	\$ 1,785,645	\$ 1,823,690	\$ 1,970,097
PROGRAM REVENUES:										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$ 26,708	\$ 31,239	\$ 26,702	\$ 26,684	\$ 25,624	\$ 27,143	\$ 30,649	\$ 28,474	\$ 28,345	\$ 26,664
Public safety	6,285	6,846	7,239	6,591	6,065	5,059	5,002	4,739	4,846	3,368
Health	2,373	2,777	2,192	2,103	2,237	2,302	2,597	2,514	2,207	2,004
Economic assistance and opportunity	28,413	27,147	23,723	22,037	23,431	28,857	25,636	22,296	21,261	25,869
Culture and recreation	1,459	1,460	1,322	1,350	1,406	1,456	1,453	1,525	1,483	1,156
Education	95	95	95	95	95	95	95	95	95	95
Home and community service	9,865	10,348	9,630	10,521	10,381	17,961	29,797	31,776	31,783	32,566
Operating grants and contributions	410,157	401,431	395,047	419,988	418,078	403,575	396,823	399,656	399,873	486,180
Capital grants and contributions	12,206	25,630	17,185	21,276	14,274	9,177	23,807	14,600	14,160	16,561
Total governmental activities program revenues	497,561	506,973	483,135	510,645	501,591	495,625	515,859	505,675	504,053	594,463

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charges for services:										
College (fiscal year ending August 31.)	32,616	35,512	36,868	35,807	35,914	35,726	36,246	37,342	36,626	28,409
ILDC	-	-	-	-	-	445	484	84	71	390
Purchase and resale of utilities	26,017	20,692	25,438	29,409	18,867	14,342	16,077	18,673	17,231	15,987
Operating grants and contributions	6,584	5,654	5,282	5,707	6,002	9,982	15,457	7,563	6,469	13,077
Total business-type activities program revenues	65,217	61,858	67,588	70,923	60,783	60,495	68,264	63,662	60,397	57,863
Total primary government program revenues	\$ 562,778	\$ 568,831	\$ 550,723	\$ 581,568	\$ 562,374	\$ 556,120	\$ 584,123	\$ 569,337	\$ 564,450	\$ 652,326
NET (EXPENSE) / REVENUE:										
Governmental activities	\$ (1,025,797)	\$ (984,187)	\$ (1,018,436)	\$ (1,046,074)	\$ (1,041,990)	\$ (1,107,414)	\$ (1,124,437)	\$ (1,120,675)	\$ (1,166,414)	\$ (1,219,477)
Business-type activities	(94,146)	(88,916)	(90,128)	(90,267)	(87,028)	(94,060)	(82,842)	(95,633)	(92,826)	(98,294)
Total primary government net expense	\$ (1,119,943)	\$ (1,073,103)	\$ (1,108,564)	\$ (1,136,341)	\$ (1,129,018)	\$ (1,201,474)	\$ (1,207,279)	\$ (1,216,308)	\$ (1,259,240)	\$ (1,317,771)

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Taxes										
Property taxes levied for mall, sewer, and general purposes	\$ 275,705	\$ 270,806	\$ 269,809	\$ 274,900	\$ 277,889	\$ 283,647	\$ 290,884	\$ 299,933	\$ 309,801	\$ 320,608
Sales and use taxes	691,208	707,995	724,680	743,220	754,966	756,591	779,855	813,134	846,543	819,939
Transfer and other taxes	8,353	9,432	9,719	12,010	11,888	14,054	13,167	15,059	15,522	14,632
Unrestricted interest earnings	1,280	1,012	1,352	810	632	694	1,373	2,223	7,899	3,551
Miscellaneous	24,242	9,231	11,287	30,994	24,206	21,125	27,525	7,317	9,199	12,969
Gain on sale of capital assets	492	361	152	482	253	168	274	157	520	1,103
Transfers	(17,429)	(17,429)	(17,343)	(17,429)	(17,554)	(18,054)	(18,054)	(18,554)	(18,684)	(18,804)
Total governmental activities	983,851	981,408	999,656	1,044,987	1,052,280	1,058,225	1,095,024	1,119,269	1,170,800	1,153,998
Business-type activities:										
Unrestricted state and local appropriations	31,163	30,157	32,590	33,343	32,867	32,760	32,098	31,640	31,863	30,344
Federal and state student financial aid	41,207	39,527	38,690	38,511	38,172	35,585	33,699	33,764	30,136	28,270
Unrestricted interest earnings	139	102	75	52	30	31	71	160	267	101
Miscellaneous	-	-	491	-	-	-	-	-	-	-
Transfers	17,429	17,429	17,343	17,429	17,554	18,054	18,054	18,554	18,804	18,804
Total business-type activities	89,938	87,215	89,189	89,335	88,623	86,430	83,922	84,118	81,070	77,519
Total primary government	\$ 1,073,789	\$ 1,068,623	\$ 1,088,845	\$ 1,134,322	\$ 1,140,903	\$ 1,144,655	\$ 1,178,946	\$ 1,203,387	\$ 1,251,870	\$ 1,231,517
CHANGE IN NET POSITION:										
Governmental activities	\$ (41,946)	\$ (2,779)	\$ (18,780)	\$ (1,087)	\$ 10,290	\$ (49,189)	\$ (29,413)	\$ (1,406)	\$ 4,386	\$ (65,479)
Business-type activities	(4,208)	(1,701)	(939)	(932)	1,595	(7,630)	1,080	(11,515)	(11,756)	(20,775)
Total change in net position	\$ (46,154)	\$ (4,480)	\$ (19,719)	\$ (2,019)	\$ 11,885	\$ (56,819)	\$ (28,333)	\$ (12,921)	\$ (7,370)	\$ (86,254)

(Concluded)

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Nonspendable	\$ 8,394	\$ 9,322	\$ 10,292	\$ 10,231	\$ 9,087	\$ 8,595	\$ 8,603	\$ 8,301	\$ 1,320	\$ 9,725
Restricted	187	196	138	140	154	171	162	160	160	155
Assigned	24,065	22,291	20,289	26,576	20,400	11,192	28,072	53,933	69,370	20,095
Unassigned	<u>83,489</u>	<u>88,332</u>	<u>89,650</u>	<u>92,218</u>	<u>99,859</u>	<u>100,154</u>	<u>101,939</u>	<u>102,490</u>	<u>102,898</u>	<u>104,050</u>
Total general fund	<u>\$ 116,135</u>	<u>\$ 120,141</u>	<u>\$ 120,369</u>	<u>\$ 129,165</u>	<u>\$ 129,500</u>	<u>\$ 120,112</u>	<u>\$ 138,776</u>	<u>\$ 164,884</u>	<u>\$ 173,748</u>	<u>\$ 134,025</u>
All Other Governmental Funds:										
Nonspendable	\$ 3,097	\$ 3,359	\$ 3,539	\$ 3,408	\$ 34,774	\$ 3,295	\$ 3,648	\$ 3,476	\$ 1,844	\$ 3,549
Restricted	114,758	110,982	152,860	121,468	119,522	148,734	173,264	175,524	186,708	214,643
Assigned	29,251	31,406	31,933	37,272	38,026	44,347	42,840	49,266	54,261	58,037
Unassigned	<u>(472)</u>	<u>(509)</u>	<u>(543)</u>	<u>(654)</u>	<u>(548)</u>	<u>(6,868)</u>	<u>(444)</u>	<u>(400)</u>	<u>-</u>	<u>(460)</u>
Total all other governmental funds	<u>\$ 146,634</u>	<u>\$ 145,238</u>	<u>\$ 187,789</u>	<u>\$ 161,494</u>	<u>\$ 191,774</u>	<u>\$ 189,508</u>	<u>\$ 219,308</u>	<u>\$ 227,866</u>	<u>\$ 242,813</u>	<u>\$ 275,769</u>

Source: Erie County Basic Financial Statements

Notes:

(1) The year ended December 31, 2011, was the first year the County's financial statements were prepared in accordance with GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

COUNTY OF ERIE, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES:										
Real property taxes and tax items	\$ 263,799	\$ 268,069	\$ 271,757	\$ 274,742	\$ 280,406	\$ 283,732	\$ 291,149	\$ 300,193	\$ 308,781	\$ 314,527
Sales and use taxes	691,208	707,995	724,680	743,220	754,966	756,591	779,855	813,134	846,543	819,939
Transfer and other taxes	8,353	9,432	9,719	12,010	11,888	14,054	13,167	15,059	15,522	14,632
Intergovernmental	416,269	426,376	405,194	434,138	416,188	423,586	409,571	408,427	411,147	500,621
Interfund revenues	318	1,323	310	228	206	730	299	920	241	402
Departmental	74,683	78,843	72,756	70,012	69,247	83,086	96,226	91,876	90,165	92,314
Interest	3,949	6,067	6,334	5,336	4,900	4,965	12,195	6,326	8,351	7,906
Miscellaneous	24,512	10,087	15,337	35,425	28,372	22,678	28,141	10,926	12,411	16,885
Total revenues	1,483,091	1,508,192	1,506,087	1,575,111	1,566,173	1,589,422	1,630,603	1,646,861	1,693,161	1,767,226
EXPENDITURES:										
Current:										
General government support	386,272	386,719	384,065	393,501	402,264	407,302	418,945	437,215	454,028	459,446
Public safety	133,258	148,601	150,138	151,308	157,404	158,624	155,063	160,533	170,714	168,992
Health	70,954	72,412	71,832	72,696	73,569	76,812	87,306	89,235	92,725	164,136
Transportation	44,190	45,252	45,527	50,227	50,534	52,425	53,172	55,133	58,048	54,368
Economic assistance and opportunity	590,268	577,526	588,819	616,018	603,687	602,921	609,499	595,888	612,228	620,368
Culture and recreation	16,405	18,944	16,497	16,954	17,722	17,333	18,411	19,406	20,886	26,461
Education	71,848	68,152	65,867	66,159	71,177	70,846	69,886	72,153	79,570	69,990
Home and community service	43,382	44,280	46,685	45,267	45,733	50,360	50,330	52,193	51,480	75,420
Capital outlay	158,769	61,896	58,042	98,279	66,645	72,025	66,081	60,854	67,023	61,733
Debt service:										
Principal retirement	53,605	50,643	50,359	57,915	88,040	76,913	58,070	59,952	58,280	64,076
Other - advance refunding escrow	-	-	-	-	-	-	5,517	-	-	-
Interest and fiscal charges	37,965	41,888	39,426	39,230	37,971	43,418	34,100	39,061	38,642	35,281
Total expenditures	1,606,916	1,516,313	1,517,257	1,607,554	1,614,746	1,628,979	1,626,380	1,641,623	1,703,624	1,800,271
Excess (deficiency) of revenues over expenditures	(123,825)	(8,121)	(11,170)	(32,443)	(48,573)	(39,557)	4,223	5,238	(10,463)	(33,045)

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
OTHER FINANCING SOURCES (USES):										
Issuance of general obligation debt	115,244	24,110	61,470	27,405	32,000	32,765	15,331	42,420	42,990	34,785
Refunding bonds issued	30,695	-	31,135	-	24,615	44,335	62,745	-	-	16,181
Payments to refunded bond escrow agent	(34,469)	-	(35,895)	-	-	(46,295)	(86,938)	-	-	(16,545)
Premium on BAN issuance	821	444	-	-	-	-	-	-	-	-
Premium on bond issuance	17,496	3,245	14,430	4,486	8,822	14,984	19,545	5,405	9,448	9,558
Payment from Erie County - advance loan refunding	-	-	-	-	-	-	79,491	-	-	-
Purchase of loan by Erie County - advance loan refunding	-	-	-	-	-	-	(73,974)	-	-	-
Proceeds on bond issuance	-	-	-	-	-	-	135,780	-	-	-
Premium on obligations	-	-	-	-	-	-	23,984	-	-	-
Discount on purchase of mirror bonds	-	-	-	-	-	-	(6,718)	-	-	-
Purchase of loan by Erie County	-	-	-	-	-	-	(92,115)	-	-	-
Discount on loan to Erie County	-	-	-	-	-	-	(6,829)	-	-	-
Sale of property	492	361	152	482	253	168	274	157	520	1,103
Transfer to Trustee - debt service reserve	-	-	-	-	-	-	(8,281)	-	-	-
Transfers in	668,194	528,799	663,321	589,751	607,492	613,113	654,881	629,551	650,325	668,778
Transfers out	(685,623)	(546,228)	(680,664)	(607,180)	(625,046)	(631,167)	(672,935)	(648,105)	(669,009)	(687,582)
Total other financing sources (uses)	112,850	10,731	53,949	14,944	48,136	27,903	44,241	29,428	34,274	26,278
Net change in fund balances	\$ (10,975)	\$ 2,610	\$ 42,779	\$ (17,499)	\$ (437)	\$ (11,654)	\$ 48,464	\$ 34,666	\$ 23,811	\$ (6,767)
Debt service as a percentage of non-capital expenditures	5.9%	6.4%	6.1%	6.4%	8.1%	7.7%	6.2%	6.3%	5.9%	5.5%

(Concluded)

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Taxable Sales by Category (1)
Last Ten Fiscal Years
(dollars in thousands)

Category (2)	Fiscal Year									
	2011	2012	2013	2014 (3)	2015 (3)	2016 (3)	2017 (3)	2018 (3)	2019 (3)	2020 (3)(4)
Utilities (excluding residential energy)	\$ 237,525	\$ 215,848	\$ 215,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	224,364	279,797	263,192	302,282	312,989	350,168	338,751	420,593	431,169	552,186
Manufacturing	524,088	533,668	507,377	505,746	513,112	539,075	536,291	891,419	965,244	1,059,120
Wholesale trade	572,372	571,245	603,582	823,460	821,596	815,940	798,842	850,041	894,517	958,423
Retail trade total	6,096,968	6,070,438	5,990,508	8,105,009	8,195,701	8,060,594	8,131,763	8,017,519	8,192,013	8,642,121
Information	660,451	668,665	670,161	714,504	725,298	716,610	755,901	661,059	647,610	646,687
Professional, scientific, and technical	211,576	203,998	215,302	237,551	245,129	273,361	268,948	280,312	302,471	350,371
Administrative/support services	285,239	297,223	297,761	327,805	354,062	408,457	402,667	422,294	450,717	536,376
Health care	11,744	14,896	14,594	22,568	23,697	25,069	13,393	15,329	17,269	2,026
Arts, entertainment, and recreation	164,837	167,880	138,331	169,495	178,011	187,551	200,990	205,739	199,206	212,969
Accommodation and food services	1,538,578	1,633,538	1,693,772	1,751,920	1,823,917	1,954,805	2,021,714	2,086,351	2,145,300	2,227,780
Other services total	381,059	408,318	395,122	426,800	437,025	608,815	591,115	611,889	685,289	693,918
Agriculture, mining, transportation, fire, education, government	499,523	539,089	534,342	-	-	-	-	-	-	-
Agriculture, forestry, fishing, and hunting	-	-	-	16,507	16,673	18,312	19,290	20,071	21,957	23,143
Mining, quarry, and oil and gas extraction	-	-	-	14,913	21,313	23,875	18,291	19,857	19,236	22,370
Transportation and warehousing	-	-	-	73,093	74,908	77,221	70,135	75,603	74,866	85,172
Finance and insurance	-	-	-	54,827	46,565	53,800	68,458	70,381	75,158	84,937
Real estate and rental and leasing	-	-	-	375,059	349,303	361,075	370,141	377,875	417,905	441,412
Management of companies and enterprises	-	-	-	27,611	26,188	26,853	21,974	23,462	19,768	23,779
Educational services	-	-	-	12,734	13,051	13,421	14,934	13,468	14,440	13,704
Public administration	-	-	-	2,302	2,466	2,159	2,168	160,623	167,256	194,586
Utilities	-	-	-	918,704	938,766	779,985	749,502	850,599	915,192	938,392
Unclassified by industry	11,911	2,285	11,432	49,823	50,980	62,314	18,744	56,785	4,973	7,546
Total	\$ 11,420,235	\$ 11,606,888	\$ 11,550,613	\$ 14,932,713	\$ 15,170,750	\$ 15,359,460	\$ 15,414,012	\$ 16,131,269	\$ 16,661,556	\$ 17,717,018
County Direct Sales Tax Rate	2.81%									

Source: New York State Department of Taxation and Finance

Notes:

(1) NYS Department of Taxation & Finance's reporting period is March to February. Data represents the reporting periods beginning March 1, 2010 and ending February 29, 2020.

(2) Detailed information regarding payers or remitters is not available. Prior to the 2014 reporting period, utilities sales excluded residential energy purchases.

(3) As of the 2013-2014 tax period (the County's 2014 Fiscal Year), the NYS Department of Taxation and Finance re-registered all sales tax vendors, which resulted in a change in total sales and sales distribution by industry. The new reporting system contains more up-to-date and accurate information.

(4) Taxable Sales for fiscal year 2020 are preliminary.

COUNTY OF ERIE, NEW YORK
Assessed and Equalized Full Value of Taxable Property (1)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Residential Property	Commercial Property	Total Assessed Property Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Total Actual Taxable Equalized Full Value	Assessed Value as a Percentage of Equalized Full Value (1)
2011	27,840,959	9,812,645	37,653,604	2,186,296	35,467,308	6.52	46,738,120	75.89%
2012	28,314,750	9,672,758	37,987,508	2,279,789	35,707,719	6.59	47,235,307	75.60%
2013	28,269,007	9,684,510	37,953,517	2,193,126	35,760,391	6.57	47,138,287	75.86%
2014	29,011,563	10,174,472	39,186,035	2,147,709	37,038,326	6.59	47,996,864	77.17%
2015	30,634,675	10,693,215	41,327,890	2,088,451	39,239,439	6.59	49,214,694	79.73%
2016	31,420,866	10,956,886	42,377,752	2,088,451	40,289,301	6.50	51,961,517	77.54%
2017	31,874,701	11,091,876	42,966,577	1,974,692	40,991,885	6.44	54,929,481	74.63%
2018	33,265,365	11,630,059	44,895,424	1,914,651	42,980,773	6.33	58,098,574	73.98%
2019	33,931,405	11,759,913	45,691,318	1,880,078	43,811,240	6.13	60,970,410	71.86%
2020	33,453,607	12,527,487	45,981,094	2,016,575	43,964,519	5.98	64,771,315	67.88%

Source: Erie County Department of Real Property Tax Services

Notes:

(1) Equalization rates are provided by New York State and applied by the County to the assessed valuation of taxable real estate to arrive at equalized full value which is comparable to estimated actual value.

(2) Per \$1,000 of assessed value.

COUNTY OF ERIE, NEW YORK
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>Erie County Direct Rates</u>			<u>Overlapping Rates</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Direct</u>	<u>Cities, Towns & Villages</u>	<u>School Districts</u>	<u>Special Districts</u>	<u>City of Buffalo (1)</u>
2011	5.03	1.49	6.52	4.03	17.53	4.92	22.84
2012	5.03	1.56	6.59	4.01	18.15	4.88	22.39
2013	5.03	1.54	6.57	3.92	18.53	5.03	21.58
2014	5.04	1.55	6.59	3.89	18.81	4.91	21.17
2015	5.00	1.59	6.59	3.85	18.87	4.85	20.52
2016	4.96	1.54	6.50	3.74	18.55	4.77	18.26
2017	4.95	1.49	6.44	3.68	17.91	4.63	16.84
2018	4.95	1.38	6.33	3.66	17.48	4.54	14.89
2019	4.84	1.29	6.13	3.65	17.19	4.52	14.48
2020	4.71	1.27	5.98	3.54	16.60	4.31	13.85

Source: Erie County Department of Real Property Tax Services

Note:

(1) City of Buffalo is presented separately and is, therefore, not included in the column for cities, towns, and villages. The rate shown for the City of Buffalo includes the levy for the Buffalo Public School District, which receives funding from the City and is unable to levy taxes.

COUNTY OF ERIE, NEW YORK
Principal Taxpayers
Current Year and Nine Years Ago

<u>Taxpayer</u>	<u>2020</u>			<u>2011</u>		
	<u>Equalized Full Value</u>	<u>Rank</u>	<u>Percentage of Equalized Full Value (1)</u>	<u>Equalized Full Value</u>	<u>Rank</u>	<u>Percentage of Equalized Full Value (1)</u>
National Grid / Niagara Mohawk	\$ 1,024,620,712	1	1.58%	\$ 649,374,124	2	1.39%
National Fuel Gas	802,400,396	2	1.24%	674,677,729	1	1.44%
Benderson Development Company	786,518,237	3	1.21%	467,502,170	3	1.00%
Pyramid Company of Buffalo	286,889,688	4	0.44%	172,614,262	8	0.37%
NY State Electric & Gas Corporation	284,934,352	5	0.44%	249,085,217	6	0.53%
Uniland Development	279,058,907	6	0.43%	111,283,138	10	0.24%
Ellicott Group LLC	256,501,713	7	0.40%	n/a	n/a	n/a
Norfolk/Conrail/CSX	225,284,896	8	0.35%	111,887,585	9	0.24%
Verizon New York Inc	211,727,474	9	0.33%	316,462,947	5	0.68%
Ciminelli International	169,245,742	10	0.26%	n/a	n/a	n/a
Huntley Power LLC	n/a	n/a	n/a	400,797,320	4	0.86%
DDR MDT LLC	n/a	n/a	n/a	221,109,019	7	0.47%
Totals	\$ 4,327,182,117		6.68%	\$ 3,374,793,511		7.22%

Source: Erie County 2020 & 2011 Annual Reports published by the Department of Real Property Tax Services

Note:

(1) Percentage of equalized full value is calculated by dividing the valuation shown for each of the listed taxpayers by the County's total equalized full value (excluding exemptions).

COUNTY OF ERIE, NEW YORK
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	County Property Taxes Levied (1)	All Other Property Taxes Levied (2)	Total Property Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2011	235,182,208	413,059,474	648,241,682	628,996,639	97.03%	18,082,676	647,079,315	99.82%
2012	237,692,831	418,201,340	655,894,171	636,198,405	97.00%	18,240,886	654,439,291	99.78%
2013	237,270,828	418,170,150	655,440,978	637,052,431	97.19%	16,768,131	653,820,562	99.75%
2014	241,721,087	420,052,940	661,774,027	644,024,505	97.32%	16,049,683	660,074,188	99.74%
2015	245,876,811	428,290,819	674,167,630	655,940,466	97.30%	16,283,467	672,223,933	99.71%
2016	257,638,097	437,982,920	695,621,017	677,125,859	97.34%	15,939,750	693,065,609	99.63%
2017	272,002,597	447,195,930	719,198,527	700,924,354	97.46%	14,165,907	715,090,261	99.43%
2018	287,386,093	457,147,623	744,533,716	725,368,656	97.43%	10,489,412	735,858,068	98.83%
2019	295,096,353	469,825,980	764,922,333	745,093,535	97.41%	6,402,557	751,496,092	98.24%
2020	305,272,912	481,191,141	786,464,053	765,776,625	97.37%	N/A	765,776,625	97.37%

Sources:

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

Notes:

(1) Totals shown exclude amounts levied in accordance with State law to recover election expenditures from the municipalities that were incurred by the County.

(2) Totals shown are primarily comprised of taxes levied for the benefit of County towns, re-levy of uncollected school and village taxes, and sewer district taxes and user charges. See Note 4 - Property Taxes beginning on page 49 for more information on the annual property tax levy process.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-type Activities			
	General Obligation Bonds (1)	General Obligation Bonds - Sewer & ECMCC (2)	ETASC Tobacco Securitization Asset Backed Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (3)(4)	Per Capita (3)(4)
2011	452,604	164,676	310,612	-	927,892	1.20%	493
2012	431,015	164,410	334,818	-	930,243	1.07%	469
2013	454,789	156,801	338,715	5,907	956,212	1.09%	494
2014	429,288	151,826	339,938	4,430	925,482	1.04%	465
2015	405,903	146,051	344,218	2,954	899,126	0.94%	440
2016	390,827	139,928	333,159	1,477	865,391	0.89%	424
2017	390,238	235,244	338,649	-	964,131	0.85%	422
2018	376,799	230,072	343,419	-	950,290	0.79%	410
2019	369,588	224,567	349,555	-	943,710	0.75%	402
2020	349,588	219,087	354,718	-	923,393	N/A	381

Source: Erie County Basic Financial Statements 2011-2020

Notes:

(1) Amounts shown are net of related premiums, discounts and adjustments.

(2) Includes self-supporting sewer district bonds for the years 2011 to 2020 and bonds issued by the ECFSA in 2011 to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby ECMCC will fund the repayment of the bonds in future years (\$86,250 was outstanding at December 31, 2011 and 2012; \$82,505 was outstanding at December 31, 2013; \$78,615 was outstanding December 31, 2014; \$74,565 was outstanding December 31, 2015; and \$70,355 was outstanding December 31, 2016). In 2017, the 2011 bonds issued by ECFSA for ECMCC's health care facility were refunded. ECFSA also issued bonds to assist ECMCC's capital projects in 2017. Similar loan agreements were executed, as mentioned above. As of December 31, 2020, \$54,850 was outstanding for the ECMCC facility bonds and \$90,615 was outstanding for the ECMCC capital projects bonds.

(3) Calculation excludes self-supporting debt (i.e., ETASC tobacco settlement bonds, sewer district bonds, ECMCC related bonds and ECC capital leases). ETASC bonds are not legal obligations of the County. The County operates sewer districts in select areas of the County only. ECMCC related debt and ECC capital leases are repaid solely by ECMCC and ECC, respectively.

(4) See the "Demographic and Economic Statistics" schedule on page 127 for personal income and population data.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

<u>Fiscal Year</u>	<u>General Net Bonded Debt Outstanding (1,2,3)</u>	<u>Percentage of Actual Taxable Value (4) of Property</u>	<u>Per Capita (5)</u>
2011	448,145	1.26%	488
2012	427,021	1.20%	465
2013	445,928	1.25%	485
2014	422,687	1.14%	458
2015	397,283	1.01%	431
2016	380,066	0.94%	412
2017	369,884	0.90%	400
2018	361,994	0.84%	394
2019	359,459	0.82%	391
2020	338,638	0.77%	369

Source: Erie County Basic Financial Statements 2011-2020

Notes:

(1) Does not include sewer bonds which are considered self-supporting debt.

(2) Excludes ECMCC bond guaranty of \$94,900 for 2011, \$92,550 for 2012, \$90,085 for 2013, \$87,500 for 2014, \$84,790 for 2015, \$81,930 for 2016 \$78,910 for 2017, \$75,725 for 2018, \$72,365 for 2019 and \$68,820 for 2020.

(3) Net of resources restricted for principal repayment of general bonded debt of \$10,951 at December 31, 2020.

(4) See the "Assessed and Equalized Full Value of Taxable Property" schedule on page 118 for property value data.

(5) See the "Demographic and Economic Statistics" schedule on page 127 for population data.

COUNTY OF ERIE, NEW YORK
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2020 (1)

Full value (average five-year valuation) (2)		\$ 58,153,540
Debt limit (7% of assessed value) (3)		\$ 4,070,748
Debt applicable to limit:		
General obligation bonds and guaranty	\$ 434,247	
Less: sewer bond exclusions	(73,622)	
Total net debt applicable to limit		<u>360,625</u>
Legal debt margin		<u>\$ 3,710,123</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 3,082,612	\$ 3,176,940	\$ 3,242,613	\$ 3,293,213	\$ 3,336,526	\$ 3,409,653	\$ 3,517,372	\$ 3,670,816	\$ 3,852,445	\$ 4,070,748
Total net debt applicable to limit	<u>511,592</u>	<u>563,330</u>	<u>576,666</u>	<u>552,316</u>	<u>524,451</u>	<u>499,668</u>	<u>486,699</u>	<u>393,960</u>	<u>383,195</u>	<u>360,625</u>
Legal debt margin	<u>\$ 2,571,020</u>	<u>\$ 2,613,610</u>	<u>\$ 2,665,947</u>	<u>\$ 2,740,897</u>	<u>\$ 2,812,075</u>	<u>\$ 2,909,985</u>	<u>\$ 3,030,673</u>	<u>\$ 3,276,856</u>	<u>\$ 3,469,250</u>	<u>\$ 3,710,123</u>
Total net debt applicable to the limit as a percentage of debt limit	16.60%	17.73%	17.78%	16.77%	15.72%	14.65%	13.84%	10.73%	9.95%	8.86%

Sources:

Property value - NYS Office of the State Comptroller - Data Management Unit
Indebtedness and exclusions - Erie County Comptroller's Office
Erie County Basic Financial Statements

Notes:

- (1) *The computation of net debt-contracting margin performed by municipalities in New York State is akin to the computation of legal debt margin performed by municipalities in other states.*
- (2) *Equalization rates are provided by New York State and applied by the County to the assessed valuations of taxable real estate to arrive at equalized full value.*
- (3) *Per New York State constitution, the County's outstanding general obligation debt should not exceed 7 percent of total average five-year assessed property value.*

COUNTY OF ERIE, NEW YORK
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Tobacco Securitization Asset Backed Bonds (1)										
Fiscal Year	Tobacco Settlement Revenue	Interest Earnings	Operating Transfer-Out	Carry-forward of Prior Year Fund Balance		Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
				Restricted for Future Debt Service	Operating Expenses			Principal	Interest	
2011	15,098	116	(200)	19,964	-	34,978	1,805	13,254	2.32	
2012	15,397	139	(158)	19,919	(1)	35,296	2,195	13,110	2.31	
2013	15,388	42	-	19,991	(1)	35,420	1,785	12,901	2.41	
2014	17,409	12	-	20,734	(1)	38,154	4,855	12,697	2.17	
2015	14,898	12	(400)	20,602	-	35,112	2,220	12,520	2.38	
2016	30,091	166	-	20,372	-	50,629	18,015	12,053	1.68	
2017	13,176	271	-	20,561	-	34,008	1,950	11,553	2.52	
2018	14,267	459	(200)	20,505	-	35,031	3,190	11,656	2.36	
2019	13,518	617	-	20,185	-	34,320	2,380	11,649	2.45	
2020	15,508	365	(100)	20,291	-	36,064	3,950	10,794	2.45	

Source: ETASC Financial Statements

Note:

(1) Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County.

COUNTY OF ERIE, NEW YORK
Direct And Overlapping Governmental Activities Debt (1)
As of December 31, 2020
(dollars in thousands)

<u>Governmental Unit</u>	<u>Fiscal Year Ended</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cities	06/30/19	\$ 400,930	100%	\$ 400,930
Towns	12/31/19	523,027	100%	523,027
Villages	05/31/19	85,471	100%	85,471
School districts	06/30/19	1,591,885	100%	1,591,885
Fire districts	12/31/19	18,802	100%	18,802
Subtotal, overlapping debt				<u>2,620,115</u>
County direct debt				568,675
ETASC direct debt				<u>354,718</u>
County and ETASC direct debt				<u>923,393</u>
Total direct and overlapping debt				<u><u>\$ 3,543,508</u></u>

Sources:

Net debt outstanding of Erie County - Erie County Comptroller's Office

All other information - Latest available from the New York State Office of the State Comptroller

Note:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Erie County. This process recognizes that, when considering the County's ability to issue and re-pay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

COUNTY OF ERIE, NEW YORK
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment (Grades K-12)	Unemployment Rate
2011	918,028	37,864,000	41,245	140,981	8.0%
2012	918,922	40,377,000	43,932	143,633	8.3%
2013	919,866	41,850,059	45,496	144,334	7.4%
2014	922,835	41,287,539	44,740	137,617	6.1%
2015	922,578	43,164,184	46,786	138,391	5.3%
2016	921,046	43,804,180	47,559	140,620	4.9%
2017	925,528	45,656,251	49,330	137,587	5.1%
2018	919,719	47,401,067	51,539	138,055	4.4%
2019	918,702	49,148,494	53,498	137,067	4.3%
2020	917,241	N/A	N/A	N/A	9.5%

Sources:

Population: *The 2011 to 2019 estimates were compiled by the NYS Department of Commerce and the NYS Department of Economic Development, respectively, using data provided by the United States Bureau of the Census. 2020 is the estimated population provided by the United States Bureau of the Census.*

Personal Income: *United States Department of Commerce, Bureau of Economic Analysis; material compiled by NYS Department of Commerce.*

School Enrollment: *NYS Education Department, Information Center on Education. School enrollment data represents the 2010-2011 to 2019-2020 school years.*

Unemployment Rate: *NYS Department of Labor.*

Note:

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2020</u>			<u>2011</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of New York	23,901	1	6.01%	25,224	1	5.95%
U.S. Government	10,288	2	2.59%	10,000	2	2.36%
City of Buffalo (2)	9,299	3	2.34%	8,051	4	1.90%
M&T Bank	8,400	4	2.11%	4,593	8	1.08%
Kaleida Health	8,345	5	2.10%	8,439	3	1.99%
Catholic Health System	7,598	6	1.91%	6,286	5	1.48%
University at Buffalo	6,927	7	1.74%	n/a		n/a
Wegmans Food Markets Inc	4,664	8	1.17%	n/a		n/a
County of Erie (1)	4,087	9	1.03%	3,967	10	0.94%
Erie County Medical Center Corporation	3,500	10	0.88%	n/a		n/a
Tops Markets LLC	n/a		n/a	5,117	7	1.21%
Employer Services Corp	n/a		n/a	6,271	6	1.48%
HSBC Bank USA, N.A.	n/a		n/a	4,000	9	0.94%
Total	<u>87,009</u>		<u>21.89%</u>	<u>81,948</u>		<u>19.32%</u>

Sources:

Erie County Employment: Erie County Comptroller's Office.

Total Employed Within Erie County: NYS Department of Labor.

All Other Employer Data: Business First - Book of Lists

Notes:

(1) Represents filled full-time positions, excluding positions for SUNY Erie Community College.

(2) Includes Buffalo Public School District.

COUNTY OF ERIE, NEW YORK
Full-time County Government Employees by Function (1)
Last Ten Fiscal Years

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government support	588	602	610	606	615	637	637	674	653	682
Public safety	1,160	1,180	1,213	1,235	1,243	1,264	1,326	1,267	1,283	1,301
Health	235	256	210	215	219	295	230	298	297	316
Transportation	152	149	141	151	173	175	170	166	181	175
Economic assistance and opportunity	1,528	1,432	1,353	1,388	1,386	1,392	1,394	1,386	1,253	1,273
Culture and recreation	50	49	50	53	57	60	64	66	68	66
Education	27	27	84	86	98	27	27	27	25	27
Home and community service	227	239	245	240	229	241	236	229	242	247
Total	3,967	3,934	3,906	3,974	4,020	4,091	4,084	4,113	4,002	4,087

Source: Erie County Comptroller's Office

Note:

(1) Excludes SUNY Erie Community College.

COUNTY OF ERIE, NEW YORK
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government support:										
Major construction projects successfully completed	14	17	8	15	14	12	12	3	17	19
Motor vehicle registrations processed by County Clerk	272,934	260,257	278,409	274,936	286,500	283,895	279,172	255,736	263,119	197,345
Cases prosecuted or arraigned by the District Attorney's Office	30,523	30,116	29,605	31,172	32,225	24,798	22,838	28,928	27,609	15,146
Public safety:										
Sheriff's calls for service	88,963	88,956	88,659	88,944	89,941	98,881	105,384	101,788	101,788	86,341
Vehicle and traffic arrests	11,269	13,655	10,988	9,406	11,446	10,900	11,112	7,573	6,897	2,135
Inmate population-Holding Center (average per day)	497	524	517	497	544	493	426	414	417	243
Inmate population-Correctional Facility (average per day)	749	808	852	742	712	690	644	543	433	296
Probation cases-supervised	7,231	7,543	7,092	6,245	5,799	5,424	4,938	5,239	5,185	4,400
Fire personnel trained	8,074	7,608	7,782	7,657	7,266	8,357	7,815	8,246	7,750	6,153
Health:										
Persons served by Mental Health agencies (per month)	9,552	11,354	2,325	2,901	3,023	3,341	3,949	2,352	2,729	3,145
Transportation:										
Bridges inspected	74	239	78	234	77	231	76	213	126	254
Miles of roads receiving surface treatment	222	215	12	114	147	199	158	131	178	39
Economic assistance and opportunity:										
Home Energy Assistance Program payments administered	157,949	193,115	174,777	206,518	122,938	157,902	105,892	141,132	181,245	82,733
Number of clients enrolled in Medicaid Managed Care programs	104,789	118,431	125,580	160,983	171,752	170,189	173,550	170,001	168,836	199,798
Senior services home care to frail elderly (hours)	85,272	80,575	67,450	71,566	86,969	74,982	80,405	58,244	79,705	77,002
Culture and recreation:										
Park attendance	1,704,479	1,863,326	N/A							
Rounds of golf played	51,193	59,623	N/A	N/A	56,339	54,627	47,748	46,971	44,734	45,709
Education:										
Children with special needs receiving service	4,032	3,790	3,835	3,821	3,933	3,833	3,907	3,982	4,039	4,133
Erie Community College full-time student headcount (1)	9,845	9,173	9,116	8,514	7,862	7,422	7,077	6,702	6,168	5,768
Home and community service:										
Sewer flow per day (millions of gallons)	60	42	49	48	46	45	52	51	52	52

Source: Various County Departments

Notes:

(1) Average per semester.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function (1)	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public safety:										
Emergency communication stations	1	1	1	1	1	1	1	1	1	1
Training centers operated by the County	3	3	3	3	3	3	3	3	3	3
Correctional facilities	1	1	1	1	1	1	1	1	1	1
Holding centers	1	1	1	1	1	1	1	1	1	1
Health:										
Health Department clinics / in County-owned buildings	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 4	4 / 4
Transportation:										
Miles of roads	1,187	1,187	1,187	1,187	1,187	1,187	1,187	1,179	1,177	1,177
Highway maintenance facilities	5	5	5	5	5	5	5	5	5	5
Culture and recreation:										
Parks	23	23	23	23	23	23	23	23	23	23
Park and forest acreage	10,247	10,247	10,247	10,247	10,247	10,486	10,486	10,486	9,875	9,875
Golf courses	2	2	2	2	2	2	2	2	2	2
Education:										
SUNY Erie Community College campuses	3	3	3	3	3	3	3	3	3	3
SUNY Erie Community College library volumes	120,206	116,674	112,651	109,198	110,945	107,702	104,453	102,613	N/A	N/A
Home and community service:										
Miles of sanitary sewer	944	1,054	1,071	1,071	1,074	1,074	1,080	1,082	1,085	1,141
Miles of storm sewer	48	48	48	48	48	48	48	48	48	53
Pumping stations	98	100	96	96	96	93	93	93	95	96
Grinder pumps	463	455	452	452	466	466	458	458	459	459

Source: Various County Departments

Note:

(1) No capital asset indicators are available for general government support and economic assistance and opportunity functions.