

# COUNTY OF ERIE

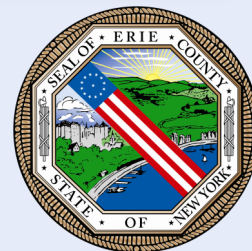
## Popular Annual Financial Report

Erie County, New York

Fiscal Year Ended December 31, 2020



Hon. Stefan I. Mychajliw Jr.  
Erie County Comptroller



# Information

## Inside This Report

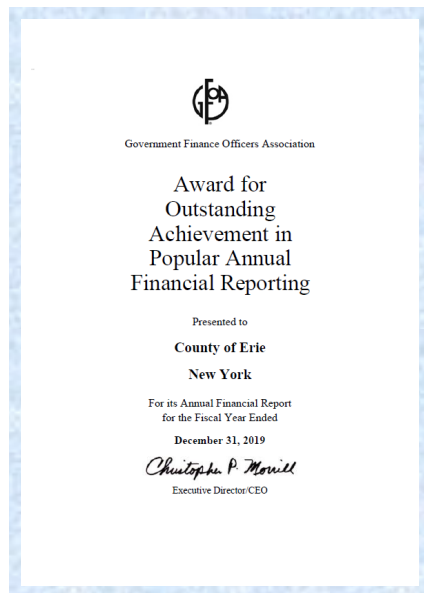
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## Recognition for Financial Reporting

The Government Finance Officers Association (GFOA) of the United States and Canada has given the Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Erie, New York for its Popular Annual Financial Report for the fiscal year ended December 31, 2019. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to earn an Award for Outstanding Achievement in Popular Annual Financial Reporting, a governmental unit must publish a Popular Annual Financial Report that conforms to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report conforms with the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA for consideration.



# About This Report

## Message From the Comptroller

As the Chief Financial Officer for Erie County, I prioritize transparency between government and the taxpayers in our community. It's your money. You have a right to know how it is being utilized. With that in mind, this Popular Annual Financial Report (PAFR) has been prepared with data from my office's Comprehensive Annual Financial Report (CAFR). I hope that you find this data useful.



The information contained within this PAFR summarizes the contents of the CAFR which was prepared in conformance with Generally Accepted Accounting Principles (GAAP); containing full financial statements and note disclosures for all activities, funds, and component units. The CAFR is audited by the County's independent external auditor, Drescher & Malecki LLP. The Comptroller's Office then receives an unmodified opinion from the independent external auditor, which states they believe the numbers in our CAFR to be materially accurate and presented fairly. This PAFR is an unaudited summary document containing only a sampling of selected statistics and information.

Both the 2020 CAFR and PAFR are available at [www.erie.gov/comptroller](http://www.erie.gov/comptroller). You can also obtain previous year's CAFRs and PAFRs through the same link, as well as copies our Audit Reports, Reviews, and other Erie County financial information.

To obtain print versions of the material, please contact the Erie County Office of the Comptroller at (716) 858-8400, or write to us at 95 Franklin St., Room 1100, Buffalo, New York 14202.

You may also e-mail your comments concerning this report, or any other aspect of the operations of the Erie County Comptroller's Office, to [comptroller@erie.gov](mailto:comptroller@erie.gov).

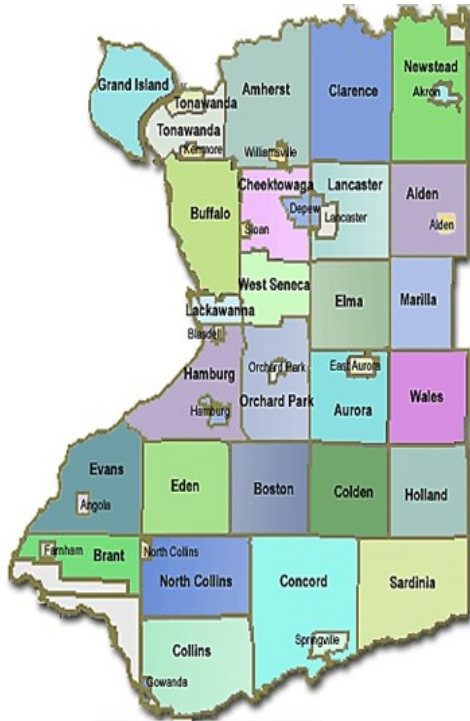
Sincerely,

A handwritten signature in blue ink, reading "Stefan I. Mychajliw Jr.".

Hon. Stefan I. Mychajliw Jr.  
Erie County Comptroller



# County of Erie Background



Erie County is a metropolitan center covering 1,043 square miles that is located on the western border of New York State, adjacent to Lake Erie. Situated within the County are three cities, twenty five towns, and sixteen 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 and facilitates to its residents a number of discretionary and mandated services. These services and functions include: culture, parks and recreation, social services, public safety, youth, health, senior services, roads, mental health, probation, corrections, emergency services, license bureau and sanitary sewerage systems. Additionally, the County operates a community college, which is not included in this report.

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 eleven-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 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.





## Recreational Activities

### Arts & Cultural

Cultural institutions are a vital part of Erie County's identity. We are fortunate to have such icons as Shea's Performing Arts Center, Kleinhans Music Hall (permanent home of the Buffalo Philharmonic Orchestra), the Buffalo and Erie County Botanical Gardens, Frank Lloyd Wright's Martin House Complex, Burchfield Penney Art Center, the Albright Knox Art Gallery, Pierce Arrow Museum, the Buffalo Zoo, the Buffalo Science Museum, the Buffalo History Museum, and more. It also features Canalside, which is host to the Buffalo and Erie County Naval & Military Park and the Explore & More – The Ralph C. Wilson Children's Museum.



### Professional Sports

Erie County is home to several professional sports teams, including the Buffalo Bills of the National Football League, the Buffalo Sabres of the National Hockey League, the Buffalo Bandits of the National Lacrosse League, the Buffalo Bisons of the AAA Baseball International League, the Buffalo Beauts of the National Women's Hockey League, and FC Buffalo of the National Premier Soccer League. These teams provide favorable economic impact to Erie County businesses during their seasons of play, and they provide an important part of the fabric of not only Erie County's entertainment scene, but the region's social culture as well. (AP Photo/John Munson)



### Parks & Recreation

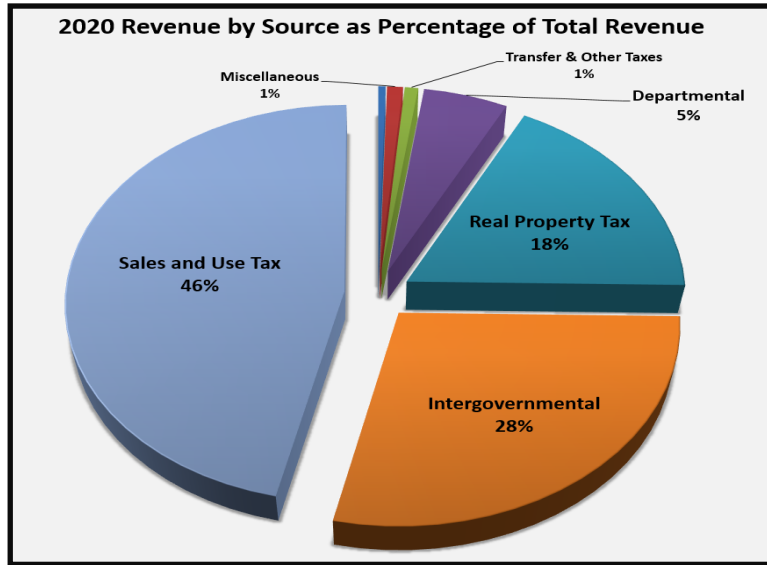
Erie County is also home to 40 distinct county park sites spanning nearly 10,000 acres. These parks offer recreational sports, hiking, biking, kayaking, golf, picnics, shelters, wildlife observation, and more. This includes the historic Buffalo Olmstead Park System, the nation's first system of parks, parkways and circles. Additionally, waterfront access to Lake Erie opens up miles of lake-front shore line, marinas, and beaches.



# Financial Summary

## Revenues - Where the County Gets Money to Pay Its Bills

The revenues presented are for the total governmental funds reported in the 2020 CAFR's Statement of Revenues, Expenditures, and Changes in Fund Balances. The three largest revenue sources, Sales and Use Taxes, Intergovernmental (Federal & State aid), and Real Property Taxes provided 93% of the total revenues.



Revenue Source	2020	2019	2018	Description
Real Property Taxes	\$ 314,527	\$ 308,781	300,193	Tax levied on real property.
Sales and Use Taxes	819,939	846,543	813,134	Tax imposed on goods & services.
Transfer & Other Taxes	14,632	15,522	15,059	Tax imposed by the County on real estate transactions. Tax is restricted to funding road and bridge projects.
Intergovernmental	500,631	411,147	408,427	Revenue received primarily from New York State and Federal governments for services provided by Erie County.
Departmental	92,314	90,165	91,876	Fees collected for various services provided to the general public.
Interest	7,904	8,351	6,326	Interest earned on County money.
Miscellaneous	17,284	12,652	11,846	Various sources of revenue.
<b>Total Revenues</b>	<b>\$ 1,767,231</b>	<b>\$ 1,693,161</b>	<b>1,646,861</b>	Revenue from all sources.

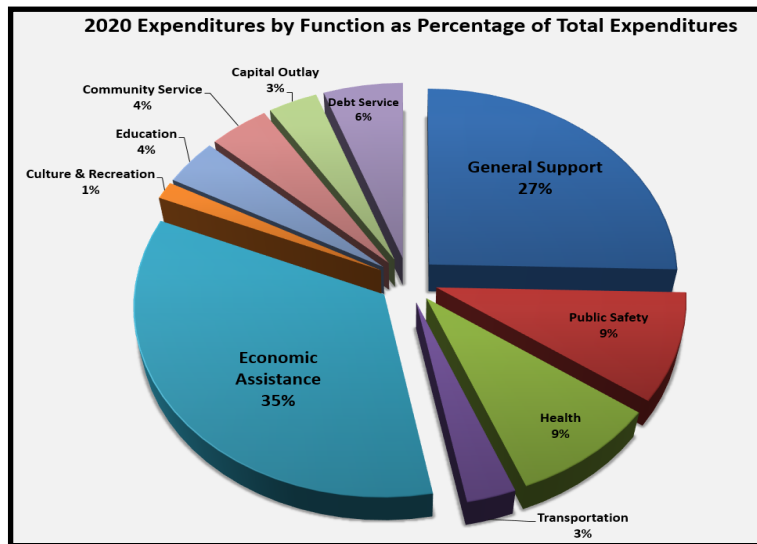
Source: Erie County CAFR, 2020, 2019, and 2018. All data presented in thousands, USD.

1. Miscellaneous Revenue includes interfund revenue of \$402K, \$241K, and \$920K, for 2020, 2019, and 2018, respectively.
2. Sales and Use Taxes includes sales tax to be shared with other municipalities.

# Financial Summary

## Expenditures - Where the County Spends Its Money

The expenditures presented below are for the total governmental funds reported in the 2020 CAFR's Statement of Revenues, Expenditures, and Changes in Fund Balances. The three largest expenditures, Economic Assistance, General Support, and Public Safety, included 69% of the total expenditures.



Expenditure Use	2020	2019	2018	Description
General Support	\$ 456,547	\$ 454,028	437,215	Services to the general public and sales tax payments to municipalities.
Public Safety	168,992	170,714	160,533	Protection of people and property.
Health	164,136	92,725	89,235	Prevention and treatments.
Transportation	54,368	58,048	55,133	Services provided for the safe flow of vehicles and pedestrians.
Economic Assistance	620,046	612,228	595,888	Services provided for the welfare of individuals and the community.
Culture & Recreation	26,461	20,886	19,406	Support for leisure activities.
Education	69,999	79,570	72,153	Support for educational services.
Community Service	75,420	51,480	52,193	Services for the general community.
Capital Outlay	61,732	67,023	60,854	Infrastructure, machinery & equipment.
Debt Service	98,917	96,922	99,013	Principal and interest on County bonds.
Total Expenditures	\$ 1,796,618	\$ 1,703,624	1,641,623	Expenditures for all purposes.

Source: Erie County CAFR, 2020, 2019, and 2018. All data presented in thousands, USD.

# Financial Summary

## Fund Balance - How Much is Left After Paying the Bills

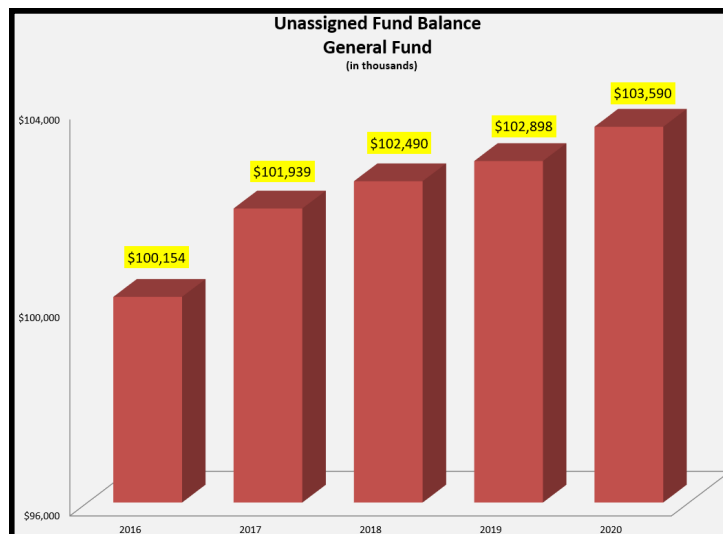
The fund balance is the amount of money available after paying all the bills. This is similar to the available balance in a checking account. Governments calculate the fund balance by netting all revenues and financing sources against all expenditures and financing uses. The difference equals the net change in fund balance. The net change is added to the beginning of year fund balance, and the result is the end of year fund balance. The calculation of the end of year fund balance is presented in the table below.

Total Governmental Funds	2020	2019	% Change
Revenues	\$ 1,767,231	\$ 1,693,161	4.4
Less: Expenditures	(1,796,618)	(1,703,624)	5.5
Plus: Other Financing Sources	22,619	34,274	-34.0
Net Change in Fund Balance	(6,768)	23,811	-128.4
Beginning of Year Fund Balance	416,561	392,750	6.1
End of Year Fund Balance	\$ 409,793	\$ 416,561	-1.6

Source: Erie County CAFR, 2020 and 2019. All data presented in thousands, USD.

## Unassigned Fund Balance in General Fund - “Rainy Day Fund”

The fund balance in the general fund may include four components, including nonspendable, restricted, assigned and unassigned. Unassigned fund balance provides a financial safety net since it is the only category that is available (with Legislative approval) for unexpected events such as a budget shortfall. Erie County has maintained a responsible fund balance for the last five years as shown in the graph below.



Source: Erie County CAFR, 2020, Statistical Section, “Fund Balances of Governmental Funds.”



# Financial Summary

## COVID 19 Revenues and Expenditures

All revenues and expenditures relating to COVID-19 were new in 2020 and recorded in a separate fund. Revenues came from the federal and state governments were in the amount of \$129,970. The majority of this money came through the CARES ACT passed by the Federal government in March 2020.

There were several programs setup to spend the money, including \$20,000 to 43 North LLC for small business grants, \$15,169 to local school districts, \$7,798 to local cities, towns, and villages, \$7,172 for virtual learning assistance, and \$6,245 for rental assistance. These programs were in addition to the other funds spent on medical supplies, contact tracers, and other various COVID related expenses.

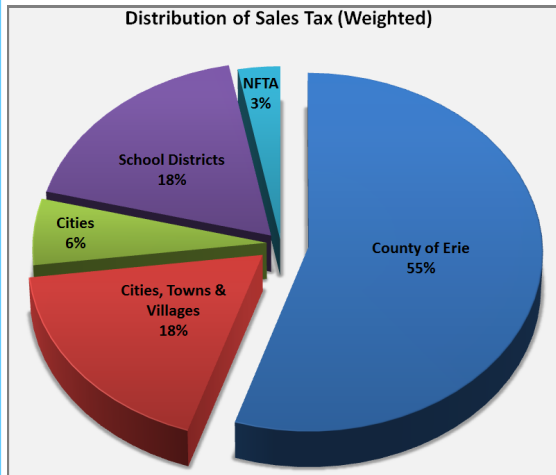
Expenditure Source	2020	% of Exp	Note
Contractual Service	\$ 56,705	42.2	Includes \$53,746 for professional services
Supplies & Materials	37,170	27.7	Includes \$35,308 for medical supplies
DSS Program Costs	21,595	16.1	Includes \$8,156 for child care, \$7,172 for virtual learning, and \$6,245 for rental
Payroll Expenditures	10,737	8.0	Includes \$5,846 in overtime
Capital Expenditures	5,328	4.0	Includes \$3,925 for lab equipment
Total COVID-19 Expense	\$ 134,376	100.0	Expenses from all sources.

Source: Erie County PAFR, 2020. All data presented in thousands, USD.

## Sales Tax - How Much You Pay and How it is Distributed

A sales and use tax of 8.75% is applied to retail sales of certain goods and services in Erie County. The 8.75% tax includes a 4.00% rate imposed by New York State and a 4.75% rate imposed by Erie County.

New York State retains its share of the sales tax as revenue, and returns the 4.75% share to Erie County, for local distribution.



The County share of sales tax is 4.75%, which is comprised of a fixed component of 3.00%, and renewable components of 1.00% and 0.75%, both requiring legislative re-authorization. The tax is distributed among the County of Erie, towns, villages, school districts, the Niagara Frontier Transportation Authority (NFTA), and the Cities of Buffalo, Lackawanna and Tonawanda, according to sales tax sharing agreements. The chart (left) provides details of the cost-sharing components, and the pie chart illustrates the distribution of total sales tax by group.

# Local Data & Economic Development

Largest Employers	Employees
State of New York	23,901
Federal Government	10,288
City of Buffalo	9,299
M&T Bank	8,400
Kaleida Health	8,345
Catholic Health System	7,598
University at Buffalo	6,927
Wegmans Food Markets	4,664
Erie County	4,087
Erie County Medical Center	3,500

Largest Colleges	Enrollment
University at Buffalo	32,347
SUNY Buffalo State	7,309
SUNY at Fredonia	4,366
Alfred State College	3,482

Demographic Data	
Land Border—	County of Erie
Land Area—	1,043 square miles
Population—	917,241
Median Housing Value—	\$ 153,400
Median Household Income—	\$ 60,620
Average Household Size—	2.32
Bachelor's Degree or Higher —	32.9%
Unemployment Rate :	
Erie County (1) —	7.9%
New York State (1) —	8.7%
United States (2) —	6.7%
(1) Source: NYS Dept. of Labor	
(2) Source: U.S. Dept. of Labor	
Source: Demographics - U.S. Census Bureau	

Source: *Buffalo Business First*, *Book of Lists*, 2020. *Erie County Employment*, *Erie County Comptroller's Office*.

## Economic Development:

Despite the many trials brought on by a global pandemic in 2020, Erie County continued on with various infrastructure projects, including the renovation of the former Statler Hotel, continued renovations at One Seneca Tower, the former Buffalo Police headquarters building, and new commerce park tenants on the former Bethlehem Steel site. Erie County worked with businesses on programs to aid them during the pandemic. The County worked with the Erie County Industrial Development Agency to create a WNY Business Task Force to develop a PPE reimbursement grant program. Additionally, the ECIDA, in coordination with its lending affiliate, developed a flexible payment structure which allowed many businesses to manage the impact of the pandemic. That effort spurred an estimated \$8.7 million in private investment. (Source: *ECIDA, 2020 Year in Review*). Another \$20 million in CARES Act funds was disbursed to several businesses in Erie County for pandemic assistance.

The ECIDA approved incentives for 13 projects, resulting in \$328 million investment in Erie County. The Agency estimates a long-term impact of \$2.1 billion. Erie County also has 23 Opportunity Zones, a tax deferment program that encourages development in struggling communities.

The \$45 million in renovations that continue at One Seneca Tower include creating the new home to M&T Bank's \$58 million tech hub. The mixed-use structure also houses apartments, office space, a restaurant, and other amenities. The structure is one of many redevelopment projects by owner Douglas Jemal. This also includes the 19 story Statler Hotel, purchased in 2020 for \$7.75 million. Jemal estimates that project's redevelopment costs could total \$150-\$160 million (Source: *WKBW, February 21, 2021*). Work continues at the 148 acre commerce park on the former Bethlehem steel site, where TMP Technologies, broke ground with a 290,000 sq. ft facility. Efforts are also underway to create an Agriculture Commerce Park at the former Angola Airport to provide a delivery hub for local farmers.

# County Government

## Elected Officials

### County Executive

Mark C. Poloncarz  
95 Franklin St.  
Buffalo NY 14202  
716.858.8500

### County Comptroller

Stefan I. Mychajliw  
95 Franklin St.  
Buffalo NY 14202  
716.858.8400

### District Attorney

John J. Flynn  
25 Delaware Ave.  
Buffalo NY 14202  
716.858.2400

### County Clerk

Michael P. Kearns  
92 Franklin St.  
Buffalo NY 14202  
716.858.8785

### Sheriff

Timothy B. Howard  
10 Delaware Ave.  
Buffalo NY 14202  
716.858.7618



## Erie County Legislature

### District 1

Howard Johnson  
716.842.0490

### District 2

April N. Baskin  
716.858.8869

### District 3

Lisa Chimera  
716.832.0493

### District 4

Kevin Hardwick  
716.858.8672

### District 5

Jeanne Vinal  
716.836.0198

### District 6

Edward A. Rath III  
716.858.8676

### District 7

Timothy Meyers  
716.833.3054

### District 8

Frank Todaro  
716.681.2071

### District 9

John Gilmour  
716.858.8671

### District 10

Joseph C. Lorigo  
716.858.8922

### District 11

John J. Mills  
716.858.8850

### Clerk (Appointed)

Robert M. Graber  
716.858.8527

*Source: Erie County Board of Elections.  
Listing effective 12.31.2020.*

**Research Erie County Government Information Online:**

**[www.erie.gov](http://www.erie.gov)**



The Erie County Whistleblower Hotline is a telephone and e-mail tip line by which County employees, County contractors or members of the public can anonymously report possible abuse in county government.

If you see or suspect waste, fraud or abuse of county resources, don't ignore it! Please take a minute and report your suspicions to our Erie County Whistleblower Hotline.

All calls or e-mails to the tip line go directly to the Comptroller's Division of Audit and Control, where professional career auditors will investigate every report or allegation.

**This Report was Prepared and Distributed by the Office of:**

<b>Hon. Stefan I. Mychajliw Jr.</b>	<b>95 Franklin Street</b>
<b>Erie County Comptroller</b>	<b>Room 1100</b>
<b>716.858.8400</b>	<b>Buffalo, NY 14202</b>

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