



County of Erie

MARK C. POLONCARZ
COMPTROLLER

April 30, 2007

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

Honorable Joel A. Giambra
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear Honorable Members and County Executive Giambra:

We have prepared a financial report of the County of Erie, New York ("County") as of and for the three (3) months ended March 31, 2007 (the "Report").

The Report, a copy of which is enclosed for your review, consists of the following sections:

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


The financial statements and other information contained within this Report have been compiled largely from the official accounting records maintained on the County's SAP system. The financial statements for the Erie County Medical Center Corporation, the Erie Community College, the Erie County Tobacco Securitization Corporation, the Erie Tax Certificate Corporation and the Erie County Fiscal Stability Authority are NOT included since financial information for these entities is maintained separately from that of the County. Information contained in this Report has not been reviewed by the County's independent auditor and accordingly, no opinion on this Report is expressed.

Erie County Legislature
Honorable Joel A. Giambra
April 30, 2007
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Please note that the 2006 information contained within this Report (e.g. 2007 beginning fund balance) is subject to change pending the results of the County's annual independent audit that is currently underway.

If you have any questions, please contact me or Gregory Gach, Deputy Comptroller, at 858-8400.

Sincerely yours,



Mark C. Poloncarz, Esq.
Erie County Comptroller

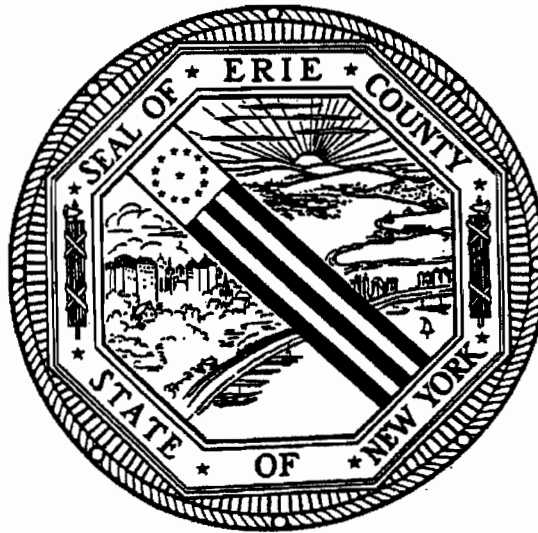
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Enclosure

c: Erie County Fiscal Stability Authority
James Hartman, Director of Budget, Management & Finance

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2007



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

April 30, 2007

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
March 31, 2007
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 45,416	\$ 110,994	\$ 156,410
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	68,340	944	69,284
Other	3,685	25,303	28,988
Due from other funds	30,192	30,687	60,879
Due from component unit	4,603		4,603
Due from other governments	193,067	42,174	235,241
Prepaid items	156		156
Loan receivable	1,090		1,090
Restricted cash	75,800		75,800
Total assets	\$ 422,349	\$ 210,102	\$ 632,451
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 4,804	\$ 9,662	\$ 14,466
Accrued liabilities	51,515	4,949	56,464
Due to other funds	30,511	21,859	52,370
Due to component unit	4,957		4,957
Due to other governments	102	686	788
Retained percentages payable	9	2,099	2,108
Unearned revenue	48,903	27,418	76,321
Deferred revenue	11,170		11,170
Short-term debt	110,000	3,397	113,397
Total liabilities	261,971	70,070	332,041
Fund Balances			
Reserved for:			
Encumbrances	77,195	25,804	102,999
Debt service		18,104	18,104
Loan receivable	1,550		1,550
Repairs		2,657	2,657
E-911 system costs		648	648
Handicapped parking	119		119
Unreserved, reported in:			
General fund			
Designated			
Undesignated	81,514		81,514
Special revenue funds			
Undesignated		36,149	36,149
Capital projects funds			
Undesignated		56,670	56,670
Total fund balances	160,378	140,032	300,410
Total liabilities and fund balances	\$ 422,349	\$ 210,102	\$ 632,451

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Three Months Ended March 31, 2007
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 183,636	\$ 27,376	\$ 211,012
Sales and use taxes	156,291	836	157,127
Transfer taxes		2,179	2,179
Intergovernmental	76,640	39,736	116,376
Departmental	18,145	6,587	24,732
Interest	2,052	1,278	3,330
Miscellaneous	3,574	99	3,673
Total revenues	<u>440,338</u>	<u>78,091</u>	<u>518,429</u>
Expenditures:			
Current:			
General government support	107,963	1,362	109,325
Public safety	26,480	3,581	30,061
Health	14,954	2,131	17,085
Transportation	4,850	4,832	9,682
Economic assistance and opportunity	131,467	30,203	161,670
Culture and recreation	5,368	7	5,375
Education	15,125	95	15,220
Home and community service	207	4,912	5,119
Capital outlay		7,337	7,337
Debt service:			
Principal retirement		7,602	7,602
Interest and fiscal charges		4,145	4,145
Total expenditures	<u>306,414</u>	<u>66,207</u>	<u>372,621</u>
(Deficiency) / excess of revenues over expenditures	<u>133,924</u>	<u>11,884</u>	<u>145,808</u>
Other financing sources (uses) :			
Sale of property	14		14
Transfers in		12,579	12,579
Transfers out	(11,793)	(786)	(12,579)
Total other financing sources (uses)	<u>(11,779)</u>	<u>11,793</u>	<u>14</u>
Net change in fund balances	122,145	23,677	145,822
Fund balances at beginning of year	38,233	116,355	154,588
Fund balances at end of three months	<u>\$ 160,378</u>	<u>\$ 140,032</u>	<u>\$ 300,410</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
March 31, 2007
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	<u>Utility Fund</u>
Assets	
Current Assets	
Due from other governments	\$ 14,769
Prepaid items	116
Total assets	<u>14,885</u>
Liabilities	
Current Liabilities:	
Accounts payable	4,203
Accrued liabilities	4,972
Due to other funds	3,787
Total liabilities	<u>12,962</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	1,923
Total net assets	<u>\$ 1,923</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Three Months Ended March 31, 2007
(amounts expressed in thousands)

	Business - Type Activities <u>Enterprise Funds</u>
	<u>Utility Fund</u>
Operating Revenues:	
Interfund revenues	\$ 1,720
Other operating revenue	14,507
Total operating revenue	<u>16,227</u>
Operating Expenses:	
Employee wages	12
Employee benefits	4
Utilities and telephone	15,892
Total operating expenses	<u>15,908</u>
Change in net assets	319
Total net assets at beginning of year	1,604
Total net assets at end of three months	<u>\$ 1,923</u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
March 31, 2007
(amounts expressed in thousands)

	Agency Fund
Assets	
Cash and cash equivalents	\$ 32,590
Receivables:	
Due from other governments	1,933
Other receivables	274
Bonds and securities held in custody	155
Total assets	<u>\$ 34,952</u>
Liabilities	
Accrued liabilities	\$ 3,398
Due to other governments	700
Held in custody for others	30,854
Total liabilities	<u>\$ 34,952</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

- **Road Special Revenue Fund**
Used to account for all revenues and expenditures related to the maintenance of County roads and bridges, snow removal, construction and reconstruction of County roads not required to be recorded in a Capital Projects Fund.
- **Sewer Special Revenue Fund**
Used to account for the activities of the various sewer districts currently in operation within the County.
- **Downtown Mall Special Revenue Fund**
Used to account for revenues raised through a special district charge levy and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall.
- **E-911 Special Revenue Fund**
Used to account for revenues raised through a telephone access line surcharge and the subsequent expenditure of these monies for the establishment and maintenance of an Enhanced 911 emergency telephone system.
- **Emergency Response Special Revenue Fund**
Used to account for revenues received from the Federal Emergency Management Agency (FEMA) and expenditures associated with the on-going clean up of major winter storm damage that occurred in October, 2006.
- **Grants Fund**
Used to account for federal and state operating grants (except the Community Development Block Grant) earmarked for specific programs, so that grantor accounting and reporting requirements can be satisfied.
- **Community Development Special Revenue Fund**
Used to assist participating municipalities in the development of locally approved community or economic development activities that are eligible under federal program regulations.

DEBT SERVICE 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.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

- **Tobacco Proceeds Fund**

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

- **Special Capital Projects Fund**

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

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

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

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2007
 (amounts expressed in thousands)

Special Revenue									
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Assets									
Cash and cash equivalents	\$ 3	\$ 14,146	\$ 54	\$ 512	\$	\$	\$ 210	\$ 14,925	\$ 16,809
Receivables (net of allowances)									
Real property taxes, interest, penalties and liens			944					944	
Other	725			350		132	24,016	25,223	
Due from other funds		30,543	8					30,551	136
Due from other governments	1,803	214			15,901	14,047	63	32,028	1,297
Restricted cash									
Total assets	\$ 2,531	\$ 44,903	\$ 1,006	\$ 862	\$ 15,901	\$ 14,179	\$ 24,289	\$ 103,671	\$ 18,242
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 20	\$ 38	\$	\$ 110	\$ 9,131	\$ 279	\$ 67	\$ 9,645	\$
Accrued liabilities	410	576	155	23	44	1,293	227	2,728	138
Due to other funds	5,933				1,401	8,739		16,073	
Due to other governments					242	434	10	686	
Retained percentages payable		9				1		10	
Unearned revenue						3,433	23,985	27,418	
Short-term debt									
Total liabilities	6,363	623	155	133	10,818	14,179	24,289	56,560	138
Fund balances:									
Reserved for:									
Encumbrances	2,672	4,885		81	19			7,657	
Debt service									18,104
Repairs	2,657							2,657	
E-911 system costs				648				648	
Unreserved, reported in:									
Special revenue funds									
Undesignated	(9,161)	39,395	851		5,064			36,149	
Capital projects funds									
Undesignated									
Total fund balances	(3,832)	44,280	851	729	5,083			47,111	18,104
Total liabilities and fund balances	\$ 2,531	\$ 44,903	\$ 1,006	\$ 862	\$ 15,901	\$ 14,179	\$ 24,289	\$ 103,671	\$ 18,242

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2007
 (amounts expressed in thousands)

	Capital Projects						Total	Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects		
Assets								
Cash and cash equivalents	\$ 37,669	\$ 9,890	\$ 9,841	\$ 3,570	\$ 4,439	\$ 13,851	\$ 79,260	\$ 110,994
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens								944
Other	80						80	25,303
Due from other funds								30,687
Due from other governments	3,544	5,305					8,849	42,174
Restricted cash								
Total assets	\$ 41,293	\$ 15,195	\$ 9,841	\$ 3,570	\$ 4,439	\$ 13,851	\$ 88,189	\$ 210,102
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 11	\$ 1	\$ 5	\$	\$	\$	\$ 17	\$ 9,662
Accrued liabilities	830	104	209		10	930	2,083	4,949
Due to other funds	3,028	1,547	468	11	728	4	5,786	21,859
Due to other governments								686
Retained percentages payable	1,237	179	594		6	73	2,089	2,099
Unearned revenue								27,418
Short-term debt			3,397				3,397	3,397
Total liabilities	5,106	1,831	4,673	11	744	1,007	13,372	70,070
Fund balances:								
Reserved for:								
Encumbrances	5,377	5,403	4,890		148	2,329	18,147	25,804
Debt service								18,104
Repairs								2,657
E-911 system costs								648
Unreserved, reported in:								
Special revenue funds								
Undesignated								36,149
Capital projects funds								
Undesignated	30,810	7,961	278	3,559	3,547	10,515	56,670	56,670
Total fund balances	36,187	13,364	5,168	3,559	3,695	12,844	74,817	140,032
Total liabilities and fund balances	\$ 41,293	\$ 15,195	\$ 9,841	\$ 3,570	\$ 4,439	\$ 13,851	\$ 88,189	\$ 210,102

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months Ended March 31, 2007
 (amounts expressed in thousands)

	Special Revenue								
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Revenues:									
Real property taxes and tax items	\$	\$ 26,164	\$ 1,212	\$	\$	\$	\$	27,376	\$
Sales and use taxes				836				836	
Transfer taxes	2,179							2,179	
Intergovernmental	1,800				148	35,134	414	37,496	1,297
Departmental	17	5,853				236	481	6,587	
Interest		203						203	981
Miscellaneous		99						99	
Total Revenues	3,996	32,319	1,212	836	148	35,370	895	74,776	2,278
Expenditures:									
Current:									
General government support			361		20	981		1,362	
Public safety				436	95	3,050		3,581	
Health						2,131		2,131	
Transportation	4,828				4			4,832	
Economic assistance and opportunity					1	29,307	895	30,203	
Culture and recreation						7		7	
Education						95		95	
Home and community service		4,910			2			4,912	
Capital outlay									
Debt service:									
Principal retirement									7,602
Interest and fiscal charges									4,145
Total Expenditures	4,828	4,910	361	436	122	35,571	895	47,123	11,747
Excess (deficiency) of revenues over expenditures	(832)	27,409	851	400	26	(201)		27,653	(9,469)
Other financing sources (uses) :									
Transfers in						201		201	11,778
Transfers out		(186)						(186)	
Total other financing sources (uses)	0	(186)	0	0	0	201	0	15	11,778
Net change in fund balances	(832)	27,223	851	400	26	-		27,668	2,309
Fund balances at beginning of year	(3,000)	17,057		329	5,057			19,443	15,795
Fund balances at end of three months	<u>\$ (3,832)</u>	<u>\$ 44,280</u>	<u>\$ 851</u>	<u>\$ 729</u>	<u>\$ 5,083</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,111</u>	<u>\$ 18,104</u>

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months Ended March 31, 2007
 (amounts expressed in thousands)

	Capital Projects						Total	Nonmajor Governmental Funds
	Buildings, Equipment and Improvements	Roads, Bridges and Equipment	Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects		
Revenues:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$ 27,376
Sales and use taxes								836
Transfer taxes								2,179
Intergovernmental	1,195				(252)		943	39,736
Departmental								6,587
Interest	29		65				94	1,278
Miscellaneous								99
Total Revenues	<u>1,224</u>	<u>0</u>	<u>65</u>	<u>0</u>	<u>(252)</u>	<u>0</u>	<u>1,037</u>	<u>78,091</u>
Expenditures:								
Current:								
General government support								1,362
Public safety								3,581
Health								2,131
Transportation								4,832
Economic assistance and opportunity								30,203
Culture and recreation								7
Education								95
Home and community service								4,912
Capital outlay	1,862	(79)	2,536		17	3,001	7,337	7,337
Debt service:								
Principal retirement								7,602
Interest and fiscal charges								4,145
Total Expenditures	<u>1,862</u>	<u>(79)</u>	<u>2,536</u>	<u>0</u>	<u>17</u>	<u>3,001</u>	<u>7,337</u>	<u>66,207</u>
Excess (deficiency) of revenues over expenditures	<u>(638)</u>	<u>79</u>	<u>(2,471)</u>	<u>0</u>	<u>(269)</u>	<u>(3,001)</u>	<u>(6,300)</u>	<u>11,884</u>
Other financing sources (uses):								
Transfers in	600						600	12,579
Transfers out				(600)			(600)	(786)
Total other financing sources (uses)	<u>600</u>	<u>0</u>	<u>0</u>	<u>(600)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,793</u>
Net change in fund balances	<u>(38)</u>	<u>79</u>	<u>(2,471)</u>	<u>(600)</u>	<u>(269)</u>	<u>(3,001)</u>	<u>(6,300)</u>	<u>23,677</u>
Fund balances at beginning of year	36,225	13,285	7,639	4,159	3,964	15,845	81,117	116,355
Fund balances at end of three months	<u>\$ 36,187</u>	<u>\$ 13,364</u>	<u>\$ 5,168</u>	<u>\$ 3,559</u>	<u>\$ 3,695</u>	<u>\$ 12,844</u>	<u>\$ 74,817</u>	<u>\$ 140,032</u>

LIBRARY COMPONENT UNIT

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

COUNTY OF ERIE, NEW YORK
 Balance Sheet
 Component Unit
 March 31, 2007
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 17,431
Due from primary government	4,878
Due from other governments	441
Total assets	<u>\$ 22,750</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 159
Accrued liabilities	489
Deferred revenue	665
Total liabilities	<u>1,313</u>
Fund Balances	
Reserved for:	
Encumbrances	1,871
Unreserved, reported in:	
Designated	1,646
Undesignated	17,920
Total fund balances	<u>21,437</u>
Total liabilities and fund balances	<u>\$ 22,750</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Three Months Ended March 31, 2007
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	189
Departmental	112
Miscellaneous	19
Total revenues	<u>22,492</u>
Expenditures:	
Current:	
Culture and recreation	6,019
Total expenditures	<u>6,019</u>
Excess (deficiency) of revenues over expenditures	<u>16,473</u>
Other financing sources (uses) :	
Transfers out	
Total other financing sources (uses)	<u>0</u>
Net change in fund balances	16,473
Fund balance at beginning of year	4,964
Fund balances at end of three months	<u>\$ 21,437</u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2007 through March 31, 2007

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2007 is hereby submitted. The primary objectives of the investment program, as set out in established guidelines, are as follows in order of importance:

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

Our cash management program offers the County a good return on its investments without assuming unnecessary risks. A total of 675 investments were made during the first three months, resulting in \$2,938,461 in total interest earnings for all funds. The weighted average yield for the first three months was 5.28%. For comparison, during the first three months of 2006, 766 investments were effectuated which generated \$2,781,950 in total interest earnings for all funds at an average weighted yield of 4.44%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - March		Average Investment (in millions) Jan - March		Average Length of Investment (days) Jan - March	
	2007	2006	2007	2006	2007	2006
JP Morgan Chase, N.A.	61	66	2.0	2.3	5	5
Citizens Bank	141	156	6.4	8.1	8	5
Bank of America	13	434	8.1	5.6	16	3
HSBC Bank USA, N.A.	45	110	2.9	10.0	6	7
Key Bank, N.A.	415	0	5.7	0	3	0
Totals	675	766				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2007 through March 31, 2007

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$1,184,041	\$476,486	\$1,070,172	\$207,762	\$2,938,461
Year to date	\$1,184,041	\$476,486	\$1,070,172	\$207,762	\$2,938,461

Please note the 2007 Adopted General Fund interest earnings is projected to be \$4,890,000.00. The actual year to date earnings for the General Fund as of March 31, 2007 is \$1,184,041.00. For comparison, as of March 31, 2006, the General Fund interest earnings were \$1,045,740.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2007	2006
January	5.28%	4.35%
February	5.30%	4.42%
March	5.27%	4.55%
Weighted Average for Quarter	5.28%	4.44%

CASH FLOW STATEMENT

The Comptroller's Office does not as a matter of course make public projections as to future cash flows, or other results. However, the Comptroller's Office has prepared the projected cash flow information set forth in the following schedule to present the projected cumulative cash flow of Erie County for the year ending December 31, 2007. The projected financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Comptroller's Office and the Division of Budget, Management and Finance, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of the Comptroller's Office's knowledge and belief, the expected future cash flow of the County. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this document are cautioned not to place undue reliance on this prospective information.

NEITHER THE COUNTY'S INDEPENDENT AUDITORS, NOR ANY OTHER INDEPENDENT ACCOUNTANTS, HAVE COMPILED, EXAMINED, OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROSPECTIVE CASH FLOW INFORMATION CONTAINED HEREIN, NOR HAVE THEY EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION.

County Of Erie
Cash Flow Statement
2007

Description	Actual January	Actual February	Actual March	Projected April	Projected May	Projected June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	TOTAL
Opening Balance	11,648,729												
** Receipts **													
DSS	21,448,168	19,587,839	35,122,294	1,883,820	20,852,844	16,221,786	7,456,789	32,443,572	24,568,156	24,620,485	24,489,664	20,565,037	249,260,454
Sales Tax	38,725,332	29,832,655	90,270,041	39,354,549	33,522,300	57,061,470	42,349,488	57,324,183	32,734,158	42,034,232	40,615,576	57,744,526	561,568,510
Real Property Tax	6,346,870	39,745,137	157,402,626	21,435,984	3,998,904	1,232,220	2,975,928	2,975,928	2,092,450	1,441,465	2,534,189	2,673,686	244,855,387
Other	38,093,479	23,607,143	38,657,140	11,637,648	21,235,116	9,453,793	35,602,583	17,011,081	18,476,563	23,706,321	27,326,801	9,970,902	274,778,570
RAN Proceeds						98,500,000							98,500,000
Total Receipts	116,262,578	112,772,774	321,452,101	74,312,001	79,609,164	182,469,269	88,384,788	109,754,764	77,871,327	91,802,503	94,966,230	90,954,151	1,428,962,921
** Disbursements **													
DSS	51,189,023	31,839,943	42,599,759	33,546,388	35,463,324	34,379,838	32,671,264	31,962,831	35,171,616	34,088,131	29,920,877	37,171,899	430,004,893
Payroll	26,599,550	23,116,227	22,743,188	22,074,858	21,957,282	32,039,407	22,603,949	22,839,101	23,456,374	21,722,130	21,722,130	61,681,898	322,556,094
Vendor	20,862,088	32,459,509	128,823,748	34,365,480	15,888,041	71,257,970	18,093,825	12,307,637	56,869,493	19,628,284	21,706,196	62,525,639	494,787,910
Debt Service	3,847,108	944,276	6,881,067	8,548,503	2,066,528	9,681,800	2,657,077	6,317,410	6,637,023	6,718,093	3,023,564	15,830,965	73,153,414
RANs Set Asides Jun 06		26,800,000	49,000,000	700,000	21,000,000	12,500,000	0	0	0	0	0	0	110,000,000
Total Disbursements	102,497,769	115,159,955	250,047,762	99,235,229	96,375,175	159,859,015	76,026,115	73,426,979	122,134,506	82,156,638	76,372,767	177,210,401	1,430,502,311
Monthly Cash Flow	13,764,809	(2,387,181)	71,404,339	(24,923,228)	(16,766,011)	22,610,254	12,358,673	36,327,785	(44,263,179)	9,645,865	18,593,463	(86,256,250)	(1,539,390)
Cumulative Cash Flow	13,764,809	11,377,628	82,781,967	57,858,739	41,092,728	63,702,982	76,061,655	112,389,440	68,126,261	77,772,126	96,365,589	10,109,339	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Three Months Ended March 31, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Gross Levy	\$ 569,219,471	\$ 540,580,523
Less: Amount Retained by Towns	(314,868,342)	(303,202,950)
Net To Be Collected by County	<u>254,351,129</u>	<u>237,377,573</u>
Less: January - March Collections	(201,664,245)	(188,007,480)
Net Outstanding at March 31st	<u>\$ 52,686,884</u>	<u>\$ 49,370,093</u>
Percentage Collected at March 31st	<u>79.3%</u>	<u>79.2%</u>

COUNTY OF ERIE, NEW YORK
Sales Tax Revenue
Three Months Ended March 31, 2007 and 2006

	(1) 2007 Budget	March 2007 YTD Revenue	% of Budget Realized	2006 Budget	March 2006 YTD Revenue	% of Budget Realized
Sales And Use Tax	\$ 139,218,155	\$ 34,016,707	24.4%	\$ 134,021,204	\$ 32,565,227	24.3%
1 % Sales Tax - Erie County Purposes (2)	131,427,548	31,777,889	24.2%	126,433,027	30,752,448	24.3%
0.25 % Sales Tax	32,856,887	8,183,066	24.9%	31,600,000	7,688,112	24.3%
0.50 % Sales Tax (3)	65,713,775	16,366,133	24.9%	63,200,000	13,876,224	22.0%
Totals	<u>\$ 369,216,365</u>	<u>\$ 90,343,795</u>	24.5%	<u>\$ 355,254,231</u>	<u>\$ 84,882,011</u>	23.9%

Notes:

- (1) The 2007 Budget column includes technical adjustments made by the Division of Budget, Management and Finance after the 2007 budget was adopted.
- (2) **Pursuant to the 2006 reauthorization of the 1% sales and compensating use tax, \$12,500,000 of sales tax revenue reported in the above table was paid to local municipalities and recorded as an expenditure of the County's General Fund during the 1st quarter of 2007.**
- (3) The 0.50% Sales Tax went into effect on January 15, 2006.
- (4) Effective January 1, 2007 and in accordance with guidance received from the New York State Comptroller's Office, the County began to budget and recognize sales tax revenue on a gross basis and budget and record an expenditure for the amount of sales tax revenue shared with local municipalities. Previously, this activity was reported in the Agency Fund.

For the quarter ended March 31, 2007 \$65,002,919 was recorded as both a revenue and an expenditure in the County's General Fund for sales tax shared with local municipalities. This revenue amount is excluded from the table above.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
 Annual Debt Service Requirements for Long-Term General Obligation
 Indebtedness of the County
 As of March 31, 2007

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2007	32,259,828.18	20,287,536.01	52,547,364.19 (1)
2008	46,884,804.97	22,899,108.82	69,783,913.79
2009	44,824,345.33	20,722,326.01	65,546,671.34
2010	44,205,607.11	18,650,663.37	62,856,270.48
2011	45,343,591.26	16,547,401.59	61,890,992.85
2012	36,944,962.49	14,403,614.91	51,348,577.40
2013	32,176,544.56	12,537,335.99	44,713,880.55
2014	32,416,667.00	10,990,310.92	43,406,977.92
2015	32,960,285.99	9,434,861.15	42,395,147.14
2016	31,374,099.02	7,872,701.78	39,246,800.80
2017	32,271,341.01	6,316,131.76	38,587,472.77
2018	26,053,583.94	4,707,503.92	30,761,087.86
2019	19,304,727.01	3,591,142.73	22,895,869.74
2020	19,111,970.01	2,675,469.33	21,787,439.34
2021	4,809,213.01	1,905,139.78	6,714,352.79
2022	4,921,456.01	1,670,123.21	6,591,579.22
2023	5,063,699.01	1,431,655.55	6,495,354.56
2024	5,020,941.92	1,195,990.47	6,216,932.39
2025	4,758,185.00	958,668.38	5,716,853.38
2026	2,405,428.00	770,332.16	3,175,760.16
2027	2,452,671.00	664,826.18	3,117,497.18
2028	2,514,913.00	556,606.39	3,071,519.39
2029	2,577,156.00	445,457.00	3,022,613.00
2030	1,679,399.00	356,159.23	2,035,558.23
2031	1,736,642.00	289,064.44	2,025,706.44
2032	1,376,497.00	222,360.68	1,598,857.68
2033	1,285,000.00	163,055.36	1,448,055.36
2034	1,160,000.00	105,981.89	1,265,981.89
2035	1,040,000.00	57,399.96	1,097,399.96
2036	245,000.00	10,412.50	255,412.50
	<u>\$ 519,178,558.83</u>	<u>\$ 182,439,341.47</u>	<u>\$ 701,617,900.30</u>

SOURCE: Erie County Comptroller's Office

(1) Amount is net of debt service payments of \$11,747,354.01 made from January 1, 2007 to March 31, 2007.

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of March 31, 2007

Bonds :		
Buildings and other Improvements	\$137,057,649.91	
Highway Improvements	93,713,239.78	
Court House Facilities	81,924,953.54	
Sewer District Facilities	65,769,685.09	
Hospital	57,769,118.03	(1)
HSBC Arena	20,065,000.00	
Computer System	18,017,839.21	
Ralph Wilson Stadium	17,561,178.38	
Pension	7,625,000.00	
Community College	12,198,070.32	
Convention Center	4,623,696.45	
Prison Facilities	2,390,103.30	
Nursing Home	<u>463,024.82</u>	(1)
Total Long-Term Debt		\$519,178,558.83
Bond Anticipation Notes - Sewer District Facilities	3,397,388.82	
Revenue Anticipation Notes	<u>110,000,000.00</u>	
Total Short-Term Debt		<u>113,397,388.82</u>
Gross Direct Debt		632,575,947.65
Exclusions :		
Sewer District Debt	69,167,073.91	
Budgeted Appropriations	29,762,718.61	
Revenue Anticipation Notes	<u>110,000,000.00</u>	
Total Deductions		<u>208,929,792.52</u>
Net Direct Debt		<u>\$423,646,155.13</u>

SOURCE: Erie County Comptroller's Office

(1) Pursuant to the agreement governing the sale of the County hospital and nursing home to Erie County Medical Center Corporation, the County continues to be directly responsible for the payment of certain bonded debt for these facilities. Bonded debt in the amount of \$101,375,000 of Erie County Medical Center Corporation for which the County has indirect responsibility as guarantor is not included above.

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of March 31, 2007

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	<u>38,102,215,587</u>
Total five year full valuation	\$ <u>174,283,437,224</u>
5 Year Average full valuation	\$ <u>34,856,687,445</u>
Debt limit - 7% of average full valuation	\$ <u>2,439,968,121</u>

Source: Property valuation - Erie County Division of Budget, Management and Finance

MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK
 Tax Collections
 1997 - 2006

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Uncollected as of Tax Sale Date in Year of Levy	Percentage Uncollected
1997	\$ 488,941,336	\$ 221,691,609	\$ 14,522,360	\$ 24,413,550	4.99 %
1998	493,970,979	224,177,492	16,218,263	26,740,503	5.41
1999	490,692,273	225,934,027	15,637,655	26,191,669	5.34
2000	446,019,358	222,449,694	13,953,109	20,432,799	4.58
2001	424,554,739	231,109,689	13,104,632	18,282,851	4.31
2002	430,565,663	235,033,457	13,899,502	18,661,558	4.33
2003	447,035,372	250,233,121	14,124,489	15,371,308	3.44
2004	464,433,235	265,812,020	14,152,464	13,713,364	2.95
2005	493,517,706	289,697,275	13,788,438	13,832,736	2.80
2006	540,580,523	303,202,950	14,103,478	15,297,145	2.83

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

SOURCE: Erie County Division of Budget, Management and Finance

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History
1995 - 2006

<u>Year</u>	<u>Amount</u>	<u>Type (1)</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995	\$ 80,000,000	RAN	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
.....	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
.....	40,000,000	RAN	10/30/97	10/29/98
1998	60,000,000	RAN	10/14/98	10/13/99
1999	-	N/A	N/A	N/A
2000	-	N/A	N/A	N/A
2001	-	N/A	N/A	N/A
2002	43,000,000	RAN	09/18/02	09/17/03
2003	90,000,000	RAN	06/24/03	06/23/04
2004	82,500,000	RAN	07/14/04	07/13/05
2005	80,000,000	RAN	03/11/05	03/10/06
.....	80,000,000	RAN	07/14/05	07/13/06
2006	110,000,000	RAN	06/13/06	06/13/07

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

At March 31, 2007 the County had \$110,000,000 of revenue anticipation notes outstanding. These notes mature on June 13, 2007 as noted above and bear interest at the rate of 3.89%.

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

COUNTY OF ERIE, NEW YORK
Outstanding Long-Term Direct Indebtedness
1997 - 2006

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
1997	\$219,344,538	2002	\$256,295,578
1998	215,240,994	2003	327,032,146
1999	210,988,752	2004	384,124,771
2000	214,890,782	2005	446,656,115
2001	221,209,139	2006	460,910,906

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

SOURCES: Erie County General Purpose Financial Statements – 1996-2001 (Audited)
Erie County Basic Financial Statements – 2002-2005 (Audited)
Erie County Basic Financial Statements – 2006 (Unaudited)

COUNTY OF ERIE, NEW YORK
 Valuations, Tax Levies and Rates
 2003 - 2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assessed Valuation	\$31,165,324,890	\$30,165,315,955	\$28,276,734,647	\$27,557,186,821	\$27,026,638,924
Equalized Full Valuation	41,956,007,685	38,102,215,597	35,980,745,087	34,479,046,522	33,576,174,357
Levied for County Purposes (a)	206,176,541	194,655,585	164,052,166	159,436,984	159,348,027
Rates for \$1,000 of Equalized Full Valuation	\$4.91	\$5.11	\$4.56	\$4.62	\$4.75

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

SOURCE: Erie County Division of Budget, Management and Finance

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2007

<u>Assessment Year</u>	<u>Full Valuation</u>
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	<u>38,102,215,587</u>
 Total	 <u>174,283,437,224</u>
Five-Year Average Full Valuation	\$34,856,687,445
Tax Limit (1.5%) (b)	522,850,312
Total Exclusions	53,268,818
Total Taxing Power	576,119,130
Total Levy for 2005 (c).....	206,176,541
Tax Margin (b)	369,942,589

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- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
 - (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2007 total taxing power under this local law is \$401,835,692 leaving a tax margin of \$195,659,151.
 - (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.