



County of Erie

MARK C. POLONCARZ
COMPTROLLER

April 30, 2009

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

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

Re: 2009 First Quarter Financial Report

Dear Honorable Members and County Executive Collins:

Enclosed please find our office's financial report for the County of Erie, New York ("County") as of and for the three (3) months ending March 31, 2009 (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; and
- Miscellaneous Financial Data.

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 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.

While sales tax receipts received by the County declined in the first quarter of 2009, the rate of decline was significantly less than most counties in New York State. The adopted 2009 budget assumes no growth in sales tax from year-to-year budgeted revenues, an estimate that we stated in October 2008 was conservative but still too optimistic. New York State sales and compensating use tax distributions for the first quarter of 2009 experienced a decline of 2.75% compared to the same quarter in 2008. The County Administration has stated that it is taking steps to reduce the 2009 sales tax revenue estimate in its revised Four Year Financial Plan by perhaps as much as \$20 million. As noted in my September 2007 sales tax report, because the

2009 First Quarter Financial Report
April 30, 2009
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sales tax is the single-largest revenue supporting County operations, this account will continue to require close monitoring.

Additionally, the County incurred a \$6.7 million negative variance for an Intergovernmental Transfer/Disproportionate Share ("IGT/DSH") expense associated with the Erie County Medical Center Corporation ("ECMCC") in February, 2009. This office warned about such a potential expense throughout the 2009 budget process. Unfortunately such expense was not budgeted in the adopted 2009 budget.

The County must act judiciously in spending and monitor all expenditures and revenues closely for the remainder of the year. The recession affecting the country and Canada is clearly having an impact in Erie County.

The County will, and is benefiting from the federal Medicaid stimulus assistance provided through the American Recovery and Reinvestment Act of 2009, including cash transfers to the County and reduced Medicaid-MMIS payments. In addition, based on prior year results, there may be over-budgeted personal services expense in the Department of Social Services, and that factor along with potential vacancy control savings may provide cushions in the 2009 budget. Further clarification and details concerning estimates and assumptions by the administration may become available when they release the Four Year Financial Plan.

As always, if you have any questions, please contact me at 858-8400.

Sincerely yours,



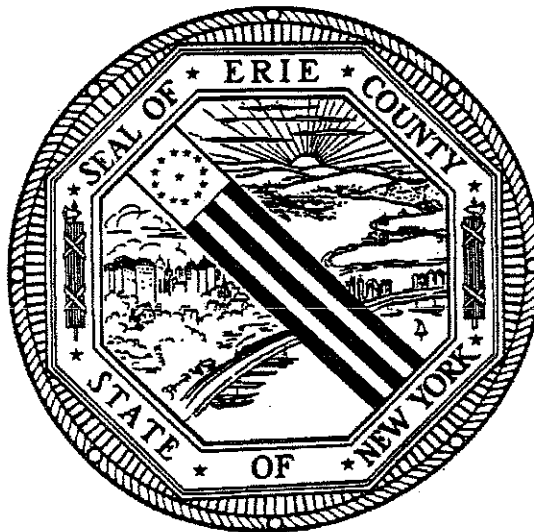
Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/dt
Enclosure

cc: Erie County Fiscal Stability Authority (w/encl.)
Gregory G. Gach, Director of Budget and Management (w/encl.)

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2009



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

APRIL 30, 2009

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
March 31, 2009
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 83,257	\$ 73,085	\$ 156,342
Investments		500	500
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	101,038	846	101,884
Other	2,931	27,541	30,472
Due from other funds	49,771	40,994	90,765
Due from component unit	36		36
Due from other governments	226,152	31,034	257,186
Prepaid items	164		164
Loan receivable	1,550		1,550
Restricted cash	40,800		40,800
Total assets	\$ 505,699	\$ 174,000	\$ 679,699
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 4,582	\$ 3,920	\$ 8,502
Accrued liabilities	54,590	7,928	62,518
Due to other funds	35,547	57,223	92,770
Due to component unit	7,466		7,466
Due to other governments	1,171	14	1,185
Retained percentages payable	12	969	981
Unearned revenue	50,397	29,717	80,114
Deferred revenue	36,933		36,933
Short-term debt	75,000	1,321	76,321
Total liabilities	265,698	101,092	366,790
Fund Balances			
Reserved for:			
Encumbrances	65,067	41,888	106,955
Debt service		18,400	18,400
Loan receivable	1,550		1,550
Prepaid items	164		164
E-911 system costs		1,327	1,327
Handicapped parking	72		72
Law enforcement	188		188
Unreserved, reported in:			
General fund			
Designated	4,208		4,208
Undesignated	168,752		168,752
Special revenue funds			
Designated		5,970	5,970
Undesignated		26,191	26,191
Capital projects funds			
Undesignated		(20,868)	(20,868)
Total fund balances	240,001	72,908	312,909
Total liabilities and fund balances	\$ 505,699	\$ 174,000	\$ 679,699

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Three Months ended March 31, 2009
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 207,210	\$ 32,103	\$ 239,313
Sales and use taxes	155,709	942	156,651
Transfer taxes		1,214	1,214
Intergovernmental	99,981	11,798	111,779
Interfund revenues		44	44
Departmental	21,858	8,107	29,965
Interest	364	248	612
Miscellaneous	396	100	496
Total revenues	<u>485,518</u>	<u>54,556</u>	<u>540,074</u>
Expenditures:			
Current:			
General government support	90,315	1,786	92,101
Public safety	24,751	2,724	27,475
Health	18,963	4,498	23,461
Transportation	5,240	6,727	11,967
Economic assistance and opportunity	131,094	2,548	133,642
Culture and recreation	2,626		2,626
Education	18,139	17	18,156
Home and community service	455	8,635	9,090
Capital outlay		1,839	1,839
Debt service:			
Principal retirement		6,566	6,566
Interest and fiscal charges		3,600	3,600
Total expenditures	<u>291,583</u>	<u>38,940</u>	<u>330,523</u>
Excess of revenues over expenditures	<u>193,935</u>	<u>15,616</u>	<u>209,551</u>
Other financing sources (uses) :			
Sale of property	420		420
Transfers in		12,470	12,470
Transfers out	(12,091)	(379)	(12,470)
Total other financing sources (uses)	<u>(11,671)</u>	<u>12,091</u>	<u>420</u>
Net change in fund balances	182,264	27,707	209,971
Fund balances at beginning of year	<u>57,737</u>	<u>45,201</u>	<u>102,938</u>
Fund balances at end of three months	<u>\$ 240,001</u>	<u>\$ 72,908</u>	<u>\$ 312,909</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
March 31, 2009
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 869
Receivables (net of allowances)	800
Due from other governments	5,635
Total assets	<u>7,304</u>
Liabilities	
Current Liabilities:	
Accrued liabilities	3,622
Total current liabilities	<u>5,704</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	1,600
Total net assets	<u>\$ 1,600</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Three Months ended March 31, 2009
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 2,038
Other operating revenue	8,903
Total operating revenue	<u>10,941</u>
Operating Expenses:	
Employee wages	12
Employee benefits	3
Utilities and telephone	11,506
Total operating expenses	<u>11,521</u>
Change in net assets	(580)
Total net assets at beginning of year	<u>2,180</u>
Total net assets at end of three months	<u><u>\$ 1,600</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
March 31, 2009
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 27,928
Receivables:	
Due from other governments	3
Other receivables	894
Bonds and securities held in custody	155
Total assets	<u><u>\$ 28,980</u></u>
Liabilities	
Accrued liabilities	\$ 1,370
Held in custody for others	27,610
Total liabilities	<u><u>\$ 28,980</u></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 storm damage that occurred in October, 2006.
- **Grants Fund**
Used to account for federal and state operating grants (except the Community Development Block Grant) earmarked for specific programs, so that grantor accounting and reporting requirements can be satisfied.
- **Community Development Special Revenue Fund**
Used to assist participating municipalities in the development of locally approved community or economic development activities that are eligible under federal program regulations.

DEBT SERVICE FUND

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

- **Tobacco Proceeds Fund**

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

- **Special Capital Projects Fund**

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

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

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

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2009
 (amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mail	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Assets									
Cash and cash equivalents	\$ 3	\$ 12,029	\$ 89	\$ 1,724	\$	\$	\$ 231	\$ 14,076	\$ 17,288
Investments									
Receivables (net of allowances)									
Real property taxes, interest, penalties and liens			846					846	
Other	458			365			26,506	27,541	
Due from other funds		40,009						40,009	
Due from other governments	16	1,212			8,885	14,391		24,504	1,150
Total assets	\$ 477	\$ 53,250	\$ 935	\$ 2,089	\$ 8,885	\$ 14,603	\$ 26,737	\$ 106,976	\$ 18,438
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 47	\$ 2,011	\$	\$ 69	\$ 1	\$ 907	\$ 62	\$ 3,097	\$
Accrued liabilities	2,218	981	935	99		1,892	419	6,544	38
Due to other funds	7,542				8,173	8,735	56	24,506	
Due to other governments						1	4	5	
Retained percentages payable		6						6	
Unearned revenue							26,196	29,264	
Short-term debt									
Total liabilities	9,807	2,998	935	168	8,174	14,603	26,737	63,422	38
Fund balances:									
Reserved for:									
Encumbrances	516	9,970		594				11,080	
Debt service									18,400
E-911 system costs				1,327				1,327	
Unreserved, reported in:									
Special revenue funds					711			711	
Designated		4,956						4,956	
Undesignated	(9,846)	35,326						26,191	
Capital projects funds									
Undesignated									
Total fund balances	(9,330)	50,252	0	1,921	711	0	0	43,554	18,400
Total liabilities and fund balances	\$ 477	\$ 53,250	\$ 935	\$ 2,089	\$ 8,885	\$ 14,603	\$ 26,737	\$ 106,976	\$ 18,438

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2009
 (amounts expressed in thousands)

	Capital Projects						Total
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects	Total Nonmajor Governmental Funds
Assets							
Cash and cash equivalents	\$ 19,671	\$ 4,383	\$ 11,050	\$ 56	\$ 2,243	\$ 4,318	\$ 41,721
Investments				500			500
Receivables (net of allowances)							
Real property taxes, interest, penalties and liens							
Other			793		192		846
Due from other funds		5,160					27,541
Due from other governments	220						40,994
Total assets	\$ 19,891	\$ 9,543	\$ 11,843	\$ 556	\$ 2,435	\$ 4,318	\$ 31,034
							\$ 174,000
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	35	732	20		36		823
Accrued liabilities	316	936	85			9	1,346
Due to other funds	9,155	12,626	5,255		5,679	2	32,717
Due to other governments		9				8	14
Retained percentages payable	270		318		367		963
Unearned revenue	46	407					453
Short-term debt			1,321				1,321
Total liabilities	9,822	14,710	6,989	0	6,082	19	37,632
Fund balances:							
Reserved for:							
Encumbrances	4,927	20,675	3,531		990	685	30,808
Debt service							41,888
E-911 system costs							18,400
Unreserved, reported in:							1,327
Special revenue funds				129		885	5,970
Designated							26,191
Undesignated							
Capital projects funds	5,142	(25,842)	1,313	427	(4,637)	2,729	(20,868)
Undesignated	10,069	(5,167)	4,844	556	(3,647)	4,299	10,954
Total fund balances	\$ 19,891	\$ 9,543	\$ 11,843	\$ 556	\$ 2,435	\$ 4,318	\$ 48,586
Total liabilities and fund balances							\$ 174,000

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months ended March 31, 2009
 (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	\$	\$ 30,854	\$ 1,249	\$ 942	\$	\$	\$	\$ 32,103	\$
Sales and use taxes								942	
Transfer taxes	1,214							1,214	
Intergovernmental	44				719	8,472	1,087	10,278	1,148
Interfund revenues	20	7,387						44	
Departmental		29				351	187	7,945	199
Interest		92						29	
Miscellaneous	8							100	
Total Revenues	1,286	38,362	1,249	942	719	8,823	1,274	52,655	1,347
Expenditures:									
Current:									
General government support			1,249					1,786	
Public safety				1,548				2,724	
Health								4,498	
Transportation	6,727							6,727	
Economic assistance and opportunity						2,495	53	2,548	
Education						17		17	
Home and community service		7,192			6	216	1,221	8,635	
Capital outlay									6,566
Debt service:									3,600
Principal retirement									
Interest and fiscal charges									
Total Expenditures	6,727	7,192	1,249	1,548	6	8,939	1,274	26,935	10,166
Excess (deficiency) of revenues over expenditures	(5,441)	31,170	0	(606)	713	(116)	0	25,720	(8,819)
Other financing sources (uses):									
Transfers in						116		116	12,318
Transfers out		(343)						(343)	
Total other financing sources (uses)	0	(343)	0	0	0	116	0	(227)	12,318
Net change in fund balances	(5,441)	30,827	0	(606)	713	0	0	25,493	3,499
Fund balances at beginning of year	(3,889)	19,425		2,527	(2)			18,061	14,901
Fund balances at end of three months	\$ (9,330)	\$ 50,252	\$ 0	\$ 1,921	\$ 711	\$ 0	\$ 0	\$ 43,554	\$ 18,400

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months ended March 31, 2009
 (amounts expressed in thousands)

	Capital Projects						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	
Revenues:							
Real property taxes and tax items							32,103
Sales and use taxes							942
Transfer taxes							1,214
Intergovernmental	215				157		11,798
Interfund revenues							44
Departmental	110	14	25		13		8,107
Interest			20				248
Miscellaneous							100
Total Revenues	325	14	45	0	170	0	54,556
Expenditures:							
Current:							
General government support							1,786
Public safety							2,724
Health							4,488
Transportation							6,727
Economic assistance and opportunity							2,548
Education							17
Home and community service							8,635
Capital outlay	67	1,428	98		42	204	1,839
Debt service:							6,566
Principal retirement							3,600
Interest and fiscal charges							
Total Expenditures	67	1,428	98	0	42	204	38,940
Excess (deficiency) of revenues over expenditures	258	(1,414)	(53)	0	128	(204)	15,616
Other financing sources (uses):							
Transfers in	36						36
Transfers out				(36)			(36)
Total other financing sources (uses)	36	0	0	(36)	0	0	12,091
Net change in fund balances	294	(1,414)	(53)	(36)	128	(204)	27,707
Fund balances at beginning of year	9,775	(3,753)	4,897	592	(3,775)	4,503	45,201
Fund balances at end of three months	\$ 10,069	\$ (5,167)	\$ 4,844	\$ 556	\$ (3,647)	\$ 4,299	\$ 72,908

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, 2009
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 21,277
Due from primary government	5,000
Due from other governments	230
	<u>26,507</u>
Total assets	<u>\$ 26,507</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 156
Accrued liabilities	775
Deferred revenue	1,467
	<u>2,398</u>
Total liabilities	<u>2,398</u>
Fund Balances	
Reserved for:	
Encumbrances	636
Unreserved, reported in:	
Designated	4,764
Undesignated	18,709
	<u>24,109</u>
Total fund balances	<u>24,109</u>
Total liabilities and fund balances	<u>\$ 26,507</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Three Months ended March 31, 2009
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	156
Departmental	119
Interest	6
Miscellaneous	22
	<hr/>
Total revenues	22,475
	<hr/>
Expenditures:	
Current:	
Culture and recreation	6,163
	<hr/>
Total expenditures	6,163
	<hr/>
Net change in fund balances	16,312
Fund balance at beginning of year	<hr/> 7,797
Fund balances at end of three months	<hr/> <u>\$ 24,109</u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2009 through March 31, 2009

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2009 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 provides the County with a prudent return on its investments without assuming unnecessary risks. A total of 549 investments were made during the first three months, resulting in \$358,071 in total interest earnings for all funds. The weighted average yield for the first three months was .98%. By comparison, during the first three months of 2008, 893 investments were effectuated which generated \$1,558,232 in total interest earnings for all funds at an average weighted yield of 3.39%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - March		Average Investment (in millions) Jan - March		Average Length of Investment (days) Jan - March	
	2009	2008	2009	2008	2009	2008
JP Morgan Chase, N.A.	123	429	1.6	7.8	9	4
Citizens Bank	268	113	13.1	4.0	3	5
Bank of America	60	109	4.0	5.0	3	3
HSBC Bank USA, N.A.	91	13	30.3	0.2	6	13
Key Bank, N.A.	7	229	.1	5.1	16	4
Totals	549	893				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2009 through March 31, 2009

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$180,733	\$49,403	\$98,314	\$29,621	\$358,071
Year to date	\$180,733	\$49,403	\$98,314	\$29,621	\$358,071

Note that the 2009 Adopted Budget General Fund interest earnings is \$2,100,000. The First Quarter (January 1 - March 31, 2009) earnings for the General Fund as of March 31, 2009 is \$180,733. By comparison, in First Quarter 2008, the General Fund interest earnings were \$772,477.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2009	2008
January	1.21%	4.19%
February	.98%	3.13%
March	.76%	2.84%
Weighted Average for Quarter	.98%	3.39%

CASH FLOW STATEMENT

As a matter of procedure, the Erie County Comptroller's Office does not report public projections regarding future cash flows or other results. However, the Comptroller's Office has prepared projected cash flow information, set forth in the following schedule, to present the projected cumulative cash flow of Erie County for the year ending December 31, 2009.

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

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

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

County Of Erie
Cash Flow Statement
2009

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	9,996,443												
** Receipts **													
DSS	14,071,817	23,419,522	37,502,153	2,805,477	15,625,012	35,294,252	11,579,726	28,190,151	15,427,083	20,518,752	16,630,117	12,941,381	233,945,446
Sales Tax	43,183,038	51,956,266	42,472,426	64,117,332	45,916,151	66,338,383	43,830,333	50,389,003	47,351,955	65,083,394	44,254,962	63,507,599	628,400,842
Real Property Tax	5,013,091	45,552,799	179,530,395	24,025,175	5,661,216	4,621,683	4,950,373	3,168,977	3,210,375	2,478,517	2,995,193	3,124,021	284,331,815
Other	23,441,898	21,775,230	29,521,198	(2,624,278)	41,242,138	27,147,306	28,782,839	19,698,978	24,632,311	23,055,288	11,860,223	21,514,310	270,047,441
RAN Proceeds	0	0	0	0	0	0	0	0	0	0	60,000,000	0	60,000,000
Total Receipts	95,706,287	142,703,816	289,028,172	88,323,706	108,444,518	133,341,625	89,143,271	101,447,109	90,621,725	111,135,952	135,740,495	101,087,312	1,476,725,544
** Disbursements **													
DSS	29,297,048	29,205,012	32,601,017	23,084,417	27,719,678	31,983,448	34,473,059	28,067,833	29,490,078	27,403,268	27,256,217	31,379,198	351,910,272
Payroll	23,907,590	26,819,801	28,765,867	24,899,638	36,282,311	24,188,207	24,243,297	25,571,641	24,939,574	36,192,725	24,128,483	24,573,634	324,512,768
Vendor	26,431,743	71,869,881	92,553,932	68,293,180	96,693,739	82,510,553	35,408,146	31,072,719	68,695,759	42,024,347	28,279,598	77,322,349	660,955,945
Debt Service	3,066,418	116,569	6,860,456	8,647,245	1,429,272	7,876,974	2,478,793	1,877,114	6,880,143	6,968,030	11,581,888	11,211,667	68,994,571
RANs Set Asides Jun 07	0	26,800,000	14,000,000	700,000	21,000,000	12,500,000	0	0	0	0	0	0	75,000,000
Total Disbursements	82,702,799	154,611,263	174,781,272	125,624,480	123,125,001	159,009,182	96,603,294	86,589,306	130,005,554	112,588,369	91,246,186	144,486,849	1,481,373,556
Monthly Cash Flow	13,003,488	(11,907,447)	114,244,900	(37,300,775)	(14,680,482)	(25,667,557)	(7,460,024)	14,857,802	(39,383,829)	(1,452,417)	44,494,309	(43,399,537)	(4,648,012)
Cumulative Cash Flow	13,003,488	1,096,041	115,340,941	78,040,166	63,359,684	37,692,126	30,232,103	45,089,905	5,706,076	4,253,659	48,747,968	5,348,431	

Note:
Includes \$23.0M estimated reimbursement from proposed ECFSA mirror BAN transaction proceeds for prior capital advances.
(Approximately \$2.3M for prior capital advances will not be reimbursed as part of this BAN issue.)

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Three Months Ended March 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Gross Levy	\$ 612,200,026	\$ 590,816,323
Less: Amount Retained by Towns	(329,189,492)	(317,148,178)
Net Collectable by County	<u>283,010,534</u>	<u>273,668,145</u>
Less: January - March Collections	(219,194,371)	(217,726,928)
Net Outstanding at March 31st	<u>\$ 63,816,163</u>	<u>\$ 55,941,217</u>
Percentage Collected at March 31st	<u>77.5%</u>	<u>79.6%</u>

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Three Months Ended March 31, 2009 and 2008

	(1) <u>2009 Budget</u>	March 2009 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>	<u>2008 Budget</u>	March 2008 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>
Sales And Use Tax	\$ 146,622,263	\$ 34,522,693	23.5%	\$ 143,341,565	\$ 35,476,421	24.7%
1 % Sales Tax - Erie County Purposes	138,413,901	32,589,348	23.5%	135,307,984	33,489,584	24.8%
0.25 % Sales Tax	34,603,998	8,151,788	23.6%	33,826,996	8,316,129	24.6%
0.50 % Sales Tax	<u>69,207,995</u>	<u>16,303,575</u>	23.6%	<u>67,653,993</u>	<u>16,632,257</u>	24.6%
Totals	<u>\$ 388,848,157</u>	<u>\$ 91,567,404</u>	23.5%	<u>\$ 380,130,538</u>	<u>\$ 93,914,391</u>	24.7%

Note:

(1) 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. Through March 31, 2009 year to date, \$63,261,378 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, 2009

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2009	\$38,383,201.83	\$17,343,704.53	\$55,726,906.36 (1)
2010	44,335,607.11	18,867,690.83	63,203,297.94
2011	45,478,591.26	16,759,476.05	62,238,067.31
2012	37,084,962.49	14,610,464.87	51,695,427.36
2013	32,321,544.56	12,738,669.95	45,060,214.51
2014	32,561,667.00	11,185,844.88	43,747,511.88
2015	33,110,285.99	9,624,537.11	42,734,823.10
2016	31,524,099.02	8,056,257.74	39,580,356.76
2017	32,426,341.01	6,493,492.72	38,919,833.73
2018	26,208,583.94	4,878,385.88	31,086,969.82
2019	19,464,727.01	3,755,410.83	23,220,137.84
2020	19,276,970.01	2,832,729.43	22,109,699.44
2021	4,974,213.01	2,055,136.58	7,029,349.59
2022	5,091,456.01	1,812,696.67	6,904,152.68
2023	5,238,699.01	1,566,504.21	6,805,203.22
2024	5,200,941.92	1,322,815.37	6,523,757.29
2025	4,943,185.00	1,077,175.48	6,020,360.48
2026	2,590,428.00	880,177.56	3,470,605.56
2027	2,642,671.00	766,009.88	3,408,680.88
2028	2,709,913.00	648,894.29	3,358,807.29
2029	2,777,156.00	528,478.50	3,305,634.50
2030	1,884,399.00	429,676.73	2,314,075.73
2031	1,946,642.00	352,840.34	2,299,482.34
2032	1,591,497.00	276,157.38	1,867,654.38
2033	1,505,000.00	206,635.26	1,711,635.26
2034	1,385,000.00	139,025.99	1,524,025.99
2035	1,270,000.00	79,668.82	1,349,668.82
2036	480,000.00	21,666.66	501,666.66
	<u>\$ 438,407,782.18</u>	<u>\$ 139,310,224.54</u>	<u>\$ 577,718,006.72</u>

Note:

(1) Amount is net of debt service payments of \$10,165,861.62 made from January 1, 2009 to March 31, 2009.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of March 31, 2009

Bonds:		
Buildings and other Improvements	\$118,441,705.88	
Highway Improvements	75,968,137.58	
Court House Facilities	72,381,632.28	
Sewer District Facilities	65,622,899.91	
Hospital	41,778,883.85	(1)
HSBC Arena	18,700,000.00	
Computer System	15,830,832.40	
Ralph Wilson Stadium	14,366,207.88	
Community College	9,293,449.37	
Convention Center	3,905,294.82	
Prison Facilities	1,834,407.79	
Nursing Home	<u>284,330.42</u>	(1)
Total Long-Term Debt		\$438,407,782.18
Bond Anticipation Notes - Sewer District Facilities	1,320,659.64	
Revenue Anticipation Notes	<u>75,000,000.00</u>	
Total Short-Term Debt		<u>76,320,659.64</u>
Gross Direct Debt		514,728,441.82
Exclusions :		
Sewer District Debt	66,943,559.55	
Budgeted Appropriations	35,830,850.50	
Revenue Anticipation Notes	<u>75,000,000.00</u>	
Total Deductions		<u>177,774,410.05</u>
Net Direct Debt (2)		<u>\$336,954,031.77</u>

Note:

- (1) Pursuant to the agreement governing the sale of the County hospital and nursing home to Erie County Medical Center Corporation, the County continues to be directly responsible for the payment of certain bonded debt for these facilities. Bonded debt in the amount of \$101,375,000 of Erie County Medical Center Corporation for which the County has indirect responsibility as guarantor is not included above.
- (2) This schedule reflects remaining principal for bonds issued from 1983 to 2006 by the County. There were no bonds issued by the County in 2007, 2008 or 2009 to date.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of March 31, 2009

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2004	\$ 34,479,046,511
2005	35,980,745,078
2006	38,102,215,587
2007	40,477,680,885
2008	<u>42,445,603,001</u>
Total five year full valuation	\$ <u>191,485,291,062</u>
5 Year Average full valuation	\$ <u>38,297,058,212</u>
Debt limit - 7% of average full valuation	\$ <u>2,680,794,075</u>

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

MISCELLANEOUS FINANCIAL DATA

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

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Collected in Year of Levy	Percentage Collected
1999	\$ 490,692,273	\$ 225,934,027	\$ 15,637,655	\$ 472,702,077	96.33
2000	446,019,358	222,449,694	13,953,109	430,122,427	96.44
2001	424,554,739	231,109,689	13,104,632	411,135,430	96.84
2002	430,565,663	235,033,457	13,899,502	416,506,625	96.73
2003	447,035,372	250,233,121	14,124,489	446,461,743	99.87
2004	464,433,235	265,812,020	14,152,464	463,669,059	99.84
2005	493,517,706	289,697,275	13,788,438	492,180,009	99.73
2006	540,580,523	303,202,950	14,103,478	528,350,674	97.74
2007	569,219,471	314,868,342	16,162,844	555,858,355	97.65
2008	590,816,323	317,148,178	17,053,523	575,132,292	97.35

Notes:

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

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History
1995 - 2009

<u>Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995	\$ 80,000,000	RAN (1)	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
.....	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
.....	40,000,000	RAN	10/30/97	10/29/98
1998	60,000,000	RAN	10/14/98	10/13/99
1999	-	N/A	N/A	N/A
2000	-	N/A	N/A	N/A
2001	-	N/A	N/A	N/A
2002	43,000,000	RAN	09/18/02	09/17/03
2003	90,000,000	RAN	06/24/03	06/23/04
2004	82,500,000	RAN	07/14/04	07/13/05
2005	80,000,000	RAN	03/11/05	03/10/06
.....	80,000,000	RAN	07/14/05	07/13/06
2006	110,000,000	RAN	06/13/06	06/13/07
2007	75,000,000	RAN	06/27/07	06/27/08
2008	75,000,000	RAN	09/30/08	06/30/09

Note:

(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, 2009 the County had \$75,000,000 of revenue anticipation notes outstanding. These notes mature on June 30, 2009 as noted above and bear interest at the rate of 2.99%.

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, often delayed reimbursement for the non-local share.

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

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
1999	\$210,988,752	2004	\$384,124,771
2000	214,890,782	2005	446,656,115
2001	221,209,139	2006	460,910,906
2002	256,295,578	2007	423,582,245
2003	327,032,146	2008	379,245,466

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

SOURCES: Erie County General Purpose Financial Statements – 1999-2001 (Audited)
 Erie County Basic Financial Statements – 2002 (Audited)
 Erie County Comptrollers Office – 2003-2007
 Erie County Basic Financial Statements – 2008 (Unaudited)

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Valuation	\$33,446,388,926	\$32,158,167,722	\$31,165,324,890	\$30,105,315,955	\$28,277,778,136
Equalized Full Valuation	44,434,521,055	42,866,825,529	40,477,681,759	38,102,215,597	35,982,862,212
Levied for County Purposes (a)	223,306,326	211,837,793	200,031,205	188,094,445	157,641,229
Rates for \$1,000 of Equalized Full Valuation	\$5.03	\$4.94	\$4.94	\$4.94	\$4.38

Note:

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

SOURCES: 2005-2008: Annual Adopted Budget Messages & Summaries
 2009 Assessed and Equalized Full Valuations: 2009 Proposed Budget Message & Summary
 2009 Levied for County Purposes: 2009 Adopted Budget

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2009

<u>Tax Year</u>	<u>Full Valuation</u>
2005	\$ 35,980,745,078
2006	38,102,215,587
2007	40,477,680,885
2008	42,445,603,001
2009	<u>44,434,521,055</u>
Total	<u>\$ 201,440,765,606</u>
Five-Year Average Full Valuation	\$ 40,288,153,121
Tax Limit (1.5%) (b)	604,322,297
Total Exclusions	<u>51,265,188</u>
Total Taxing Power	655,587,485
Total Levy for 2009 (c).....	<u>232,438,794</u>
Tax Margin (b)	<u>\$ 423,148,691</u>

Notes:

- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
- (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2009 total taxing power under this local law is \$454,146,719 leaving a tax margin of \$221,707,925.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.