



County of Erie

MARK C. POLONCARZ
COMPTROLLER

July 31, 2008

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

Dear Honorable Members and County Executive Collins:

We have prepared a financial report of the County of Erie, New York ("County") as of and for the six (6) months ended June 30, 2008 (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.

Please note that the 2007 information contained within this Report (e.g. 2008 beginning fund balance) has been finalized as the County's annual independent audit has been completed and the 2007 Comprehensive Annual Financial Report has been released.

Erie County Legislature
Honorable Christopher C. Collins
July 31, 2008
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I must advise and alert you to my concerns regarding recent trends in the second quarter in sales tax receipts received by the County. The adopted 2008 budget assumed 2.5% growth in sales tax, a conservative estimate. In the first quarter of 2008, we experienced growth in sales tax of 5.73% compared against the same quarter in 2007. However, actual second quarter 2008 sales tax receipts, after factoring out a net positive prior period adjustment from the New York State Department of Taxation and Finance, reflect a 1.75% growth in sales tax.

While year-to-date cumulative sales tax receipts currently meet budget, I believe that the second quarter sales tax results indicate the County must act judiciously in spending and monitor all expenditures and revenues closely for the remainder of the year. The County is presently on budget but it appears that the economic slow down that is affecting the rest of the country is also having an impact here. As such, we must be cautious for the remainder of the year in order to end in balance.

Reaffirming my warning in my September 2007 report on sales tax, if this latest sales tax trend continues in the third and fourth quarters of this year, the County could find itself facing a budgetary shortfall for 2008. Therefore, I call on the administration to act appropriately concerning expenditures for the rest of this year, and that it conservatively estimate sales tax revenues for next year as they continue their preparation of the 2009 budget.

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

Sincerely yours,



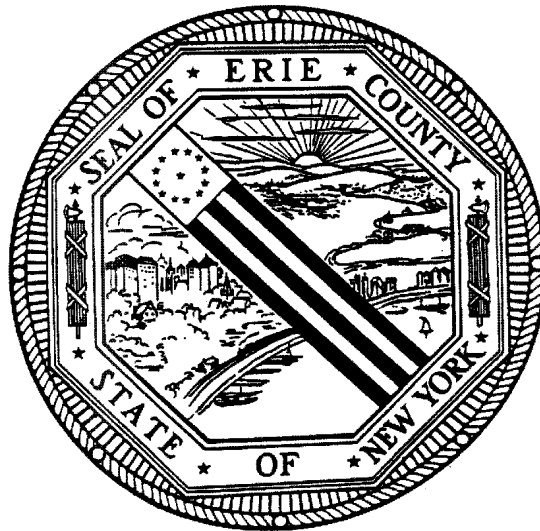
Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr
Enclosure

cc: Erie County Fiscal Stability Authority
Gregory G. Gach, Director of Budget and Management

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2008



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

JULY 31, 2008

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
June 30, 2008
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 117	\$ 90,597	\$ 90,714
Investments		700	700
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	51,277	633	51,910
Other	5,322	26,991	32,313
Due from other funds	42,848	8,124	50,972
Due from component unit	60		60
Due from other governments	174,808	27,723	202,531
Prepaid items	164		164
Loan receivable	1,550		1,550
Total assets	\$ 276,146	\$ 154,768	\$ 430,914
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 3,691	\$ 1,082	\$ 4,773
Accrued liabilities	59,848	3,607	63,455
Due to other funds	4,630	41,889	46,519
Due to component unit	3,778		3,778
Due to other governments	9,920	17	9,937
Retained percentages payable	14	1,101	1,115
Unearned revenue	21,047	27,368	48,415
Deferred revenue	27,506		27,506
Total liabilities	130,434	75,064	205,498
Fund Balances			
Reserved for:			
Encumbrances	55,348	47,740	103,088
Debt service		17,489	17,489
Loan receivable	1,550		1,550
Prepaid items	164		164
Repairs		3,383	3,383
E-911 system costs		2,623	2,623
Handicapped parking	118		118
Law enforcement	186		186
Unreserved, reported in:			
General fund			
Undesignated	88,346		88,346
Special revenue funds			
Undesignated		18,928	18,928
Capital projects funds			
Undesignated		(10,459)	(10,459)
Total fund balances	145,712	79,704	225,416
Total liabilities and fund balances	\$ 276,146	\$ 154,768	\$ 430,914

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Six Months ended June 30, 2008
(amounts expressed in thousands)

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Real property taxes and tax items	\$ 196,231	\$ 30,988	\$ 227,219
Sales and use taxes	327,788	1,765	329,553
Transfer taxes		4,060	4,060
Intergovernmental	163,893	30,212	194,105
Interfund revenues		131	131
Departmental	38,610	9,803	48,413
Interest	2,399	1,530	3,929
Miscellaneous	1,545	206	1,751
Total revenues	<u>730,466</u>	<u>78,695</u>	<u>809,161</u>
Expenditures:			
Current:			
General government support	186,969	2,534	189,503
Public safety	51,791	4,823	56,614
Health	34,945	8,680	43,625
Transportation	10,244	11,006	21,250
Economic assistance and opportunity	257,484	6,941	264,425
Culture and recreation	11,034	247	11,281
Education	34,812	36	34,848
Home and community service	1,368	22,387	23,755
Capital outlay		15,611	15,611
Debt service:			
Principal retirement		15,168	15,168
Interest and fiscal charges	2,959	11,726	14,685
Total expenditures	<u>591,606</u>	<u>99,159</u>	<u>690,765</u>
Excess of revenues over expenditures	<u>138,860</u>	<u>(20,464)</u>	<u>118,396</u>
Other financing sources (uses) :			
Sale of property	19		19
Transfers in		27,406	27,406
Transfers out	(40,708)	(2,119)	(42,827)
Total other financing sources (uses)	<u>(40,689)</u>	<u>25,287</u>	<u>(15,402)</u>
Net change in fund balances	98,171	4,823	102,994
Fund balances at beginning of year	<u>47,541</u>	<u>74,881</u>	<u>122,422</u>
Fund balances at end of six months	<u>\$ 145,712</u>	<u>\$ 79,704</u>	<u>\$ 225,416</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
June 30, 2008
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	<u>Utility Fund</u>
Assets	
Current Assets	
Receivables (net of allowances)	\$ 421
Due from other governments	<u> 7,864</u>
Total assets	<u> 8,285</u>
Liabilities	
Current Liabilities:	
Accrued liabilities	3,193
Due to other funds	<u> 4,351</u>
Total current liabilities	<u> 7,544</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	<u> 741</u>
Total net assets	<u><u> \$ 741</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Six Months ended June 30, 2008
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	<u>Utility Fund</u>
Operating Revenues:	
Interfund revenues	\$ 5,334
Other operating revenue	21,661
Total operating revenue	<u>26,995</u>
Operating Expenses:	
Employee wages	23
Employee benefits	8
Utilities and telephone	27,985
Total operating expenses	<u>28,016</u>
Change in net assets	(1,021)
Total net assets at beginning of year	<u>1,762</u>
Total net assets at end of six months	<u><u>\$ 741</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2008
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 26,558
Receivables:	
Other receivables	531
Bonds and securities held in custody	155
Total assets	<u>\$ 27,244</u>
Liabilities	
Accrued liabilities	\$ 4,934
Held in custody for others	22,310
Total liabilities	<u>\$ 27,244</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
 June 30, 2008
 (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	\$ 7	\$ 30,004	\$ 2	\$ 2,358	\$	\$	\$ 334	\$ 32,705	\$ 16,526
Investments									
Receivables (net of allowances)									
Real property taxes, interest, penalties and liens			633					633	
Other	1,561	2		395		183	24,850	26,991	
Due from other funds		7,988						7,988	136
Due from other governments	3,764	154			6,071	13,222		23,211	849
Total assets	\$ 5,332	\$ 38,148	\$ 635	\$ 2,753	\$ 6,071	\$ 13,405	\$ 25,184	\$ 91,528	\$ 17,511
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	\$ 47	\$ 21	\$	\$ 91	\$ 200	\$ 497	\$ 117	\$ 973	\$
Accrued liabilities	607	835	170	3		1,018	72	2,705	22
Due to other funds	10,847				5,871	10,067		26,785	
Due to other governments							17	17	
Retained percentages payable		4						4	
Unearned revenue						1,823	24,978	26,801	
Total liabilities	11,501	860	170	94	6,071	13,405	25,184	57,285	22
Fund balances:									
Reserved for:									
Encumbrances	2,977	6,296		36				9,309	
Debt service									17,489
Repairs	3,383							3,383	
E-911 system costs				2,623				2,623	
Unreserved, reported in:									
Special revenue funds									
Undesignated	(12,529)	30,992	465					18,928	
Capital projects funds									
Undesignated									
Total fund balances	(6,169)	37,288	465	2,659	0	0	0	34,243	17,489
Total liabilities and fund balances	\$ 5,332	\$ 38,148	\$ 635	\$ 2,753	\$ 6,071	\$ 13,405	\$ 25,184	\$ 91,528	\$ 17,511

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2008
 (amounts expressed in thousands)

	-----Capital Projects-----							
	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	Total Nonmajor Governmental Funds
Assets								
Cash and cash equivalents	\$ 21,816	\$ 1,662	\$ 10,209	\$ 27	\$ 2,318	\$ 5,334	\$ 41,366	\$ 90,597
Investments				700			700	700
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens								633
Other								26,991
Due from other funds								8,124
Due from other governments	182	3,328	153				3,663	27,723
Total assets	<u>\$ 21,998</u>	<u>\$ 4,990</u>	<u>\$ 10,362</u>	<u>\$ 727</u>	<u>\$ 2,318</u>	<u>\$ 5,334</u>	<u>\$ 45,729</u>	<u>\$ 154,768</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 82	\$ 13	\$ 6	\$	\$	\$ 8	\$ 109	\$ 1,082
Accrued liabilities	279	247	350			4	880	3,607
Due to other funds	7,411	924	3,526		3,241	2	15,104	41,889
Due to other governments								17
Retained percentages payable	479	69	374		163	12	1,097	1,101
Unearned revenue		567					567	27,368
Total liabilities	<u>8,251</u>	<u>1,820</u>	<u>4,256</u>	<u>0</u>	<u>3,404</u>	<u>26</u>	<u>17,757</u>	<u>75,064</u>
Fund balances:								
Reserved for:								
Encumbrances	4,978	24,746	4,663		3,462	582	38,431	47,740
Debt service								17,489
Repairs								3,383
E-911 system costs								2,623
Unreserved, reported in:								
Special revenue funds								
Undesignated								18,928
Capital projects funds								
Undesignated	8,769	(21,576)	1,443	727	(4,548)	4,726	(10,459)	(10,459)
Total fund balances	<u>13,747</u>	<u>3,170</u>	<u>6,106</u>	<u>727</u>	<u>(1,086)</u>	<u>5,308</u>	<u>27,972</u>	<u>79,704</u>
Total liabilities and fund balances	<u>\$ 21,998</u>	<u>\$ 4,990</u>	<u>\$ 10,362</u>	<u>\$ 727</u>	<u>\$ 2,318</u>	<u>\$ 5,334</u>	<u>\$ 45,729</u>	<u>\$ 154,768</u>

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Six Months ended June 30, 2008
 (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	\$	\$ 29,776	\$ 1,212	\$	\$	\$	\$	\$ 30,988	\$
Sales and use taxes				1,765				1,765	
Transfer taxes	4,060							4,060	
Intergovernmental	3,750	1			2,624	19,226	1,522	27,123	1,225
Interfund revenues	131							131	
Departmental	61	7,528			80	1,531	422	9,622	
Interest		350						350	1,075
Miscellaneous	4	111				86		201	5
Total Revenues	8,006	37,766	1,212	1,765	2,704	20,843	1,944	74,240	2,305
Expenditures:									
Current:									
General government support			747			1,787		2,534	
Public safety				1,074		3,749		4,823	
Health						8,680		8,680	
Transportation	11,006							11,006	
Economic assistance and opportunity						6,847	94	6,941	
Culture and recreation						247		247	
Education						36		36	
Home and community service		17,284			2,704	549	1,850	22,387	
Capital outlay									
Debt service:									
Principal retirement									15,168
Interest and fiscal charges									11,726
Total Expenditures	11,006	17,284	747	1,074	2,704	21,895	1,944	56,654	26,894
Excess (deficiency) of revenues over expenditures	(3,000)	20,482	465	691	0	(1,052)	0	17,586	(24,589)
Other financing sources (uses) :									
Transfers in						1,052		1,052	25,796
Transfers out	(4)	(1,558)						(1,562)	
Total other financing sources (uses)	(4)	(1,558)	0	0	0	1,052	0	(510)	25,796
Net change in fund balances	(3,004)	18,924	465	691	0	0	0	17,076	1,207
Fund balances at beginning of year	(3,165)	18,364		1,968				17,167	16,282
Fund balances at end of six months	\$ (6,169)	\$ 37,288	\$ 465	\$ 2,659	\$ 0	\$ 0	\$ 0	\$ 34,243	\$ 17,489

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds
Six Months ended June 30, 2008
(amounts expressed in thousands)

	-----Capital Projects-----							
	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	Total Nonmajor Governmental Funds
Revenues:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$ 30,988
Sales and use taxes								1,765
Transfer taxes								4,060
Intergovernmental	1,237	56	73		498		1,864	30,212
Interfund revenues								131
Departmental					181		181	9,803
Interest	11		94				105	1,530
Miscellaneous								206
Total Revenues	1,248	56	167	0	679	0	2,150	78,695
Expenditures:								
Current:								
General government support								2,534
Public safety								4,823
Health								8,680
Transportation								11,006
Economic assistance and opportunity								6,941
Culture and recreation								247
Education								36
Home and community service								22,387
Capital outlay	9,002	802	3,074		1,625	1,108	15,611	15,611
Debt service:								
Principal retirement								15,168
Interest and fiscal charges								11,726
Total Expenditures	9,002	802	3,074	0	1,625	1,108	15,611	99,159
Excess (deficiency) of revenues over expenditures	(7,754)	(746)	(2,907)	0	(946)	(1,108)	(13,461)	(20,464)
Other financing sources (uses) :								
Transfers in	558						558	27,406
Transfers out				(557)			(557)	(2,119)
Total other financing sources (uses)	558	0	0	(557)	0	0	1	25,287
Net change in fund balances	(7,196)	(746)	(2,907)	(557)	(946)	(1,108)	(13,460)	4,823
Fund balances at beginning of year	20,943	3,916	9,013	1,284	(140)	6,416	41,432	74,881
Fund balances at end of six months	\$ 13,747	\$ 3,170	\$ 6,106	\$ 727	\$ (1,086)	\$ 5,308	\$ 27,972	\$ 79,704

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
 June 30, 2008
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 17,025
Receivables (net of allowances)	
Other	
Due from primary government	2,210
Due from other governments	239
	<hr/>
Total assets	\$ 19,474
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 186
Accrued liabilities	656
Deferred revenue	1,488
	<hr/>
Total liabilities	2,330
Fund Balances	
Reserved for:	
Encumbrances	1,083
Unreserved, reported in:	
Designated	3,420
Undesignated	12,641
	<hr/>
Total fund balances	17,144
	<hr/>
Total liabilities and fund balances	\$ 19,474

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Six Months ended June 30, 2008
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	423
Departmental	1,005
Interest	42
Miscellaneous	139
	<hr/>
Total revenues	23,781
	<hr/>
Expenditures:	
Current:	
Culture and recreation	13,200
	<hr/>
Total expenditures	13,200
	<hr/>
Net change in fund balances	10,581
	<hr/>
Fund balance at beginning of year	6,563
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Fund balances at end of six months	\$ 17,144
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INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2008 through June 30, 2008

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first six months of 2008 is hereby submitted. The primary objectives of the investment program, as set out in established guidelines, are as follows in order of importance:

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

Our cash management program offers the County a good return on its investments without assuming unnecessary risks. A total of 1,741 investments were made during the first six months, resulting in \$3,157,455 in total interest earnings for all funds. The weighted average yield for the first six months was 2.96%. For comparison, during the first six months of 2007, 1,348 investments were effectuated which generated \$6,402,146 in total interest earnings for all funds at an average weighted yield of 5.25%. As we cautioned in our November 2007 review of the proposed 2008 County Budget, we project that 2008 interest earnings will continue to be lower than 2007 due to significantly lower interest rates and market conditions.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - June		Average Investment (in millions) Jan - June		Average Length of Investment (days) Jan - June	
	2008	2007	2008	2007	2008	2007
JP Morgan Chase, N.A.	600	119	\$11.3	\$2.1	3	6
Citizens Bank	124	212	0.7	5.4	17	9
Bank of America	250	33	12.2	11.2	2	11
HSBC Bank USA, N.A.	26	114	7.9	2.8	17	4
Key Bank, N.A.	741	870	9.5	6.4	4	4
Totals	1741	1348				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2008 through June 30, 2008

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$ 772,477	\$197,064	\$450,036	\$138,655	\$1,558,232
2 nd Quarter	884,216	224,669	278,798	211,540	1,599,223
Year to date	\$1,656,693	\$421,733	\$728,834	\$350,195	\$3,157,455

Please note the 2008 Adopted Budget General Fund interest earnings is \$5,250,000. The actual year to date earnings for the General Fund as of June 30, 2008 is \$1,656,693. For comparison, as of June 30, 2007, the General Fund interest earnings were \$2,863,795.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2008	2007
January	4.19%	5.28%
February	3.13%	5.30%
March	2.84%	5.27%
April	2.64%	5.22%
May	2.61%	5.22%
June	2.32%	5.22%
Weighted Average Jan. - June	2.96%	5.25%

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, 2008. 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
2008

Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	TOTAL
Opening Balance	21,414,910												
** Receipts **													
DSS	18,912,928	23,379,166	29,637,921	3,172,184	16,022,012	35,677,590	7,919,119	29,979,463	24,818,307	13,391,155	30,632,864	31,043,482	264,586,191
Sales Tax	50,649,269	52,802,292	45,393,159	64,898,544	48,332,791	69,829,877	46,137,192	48,931,625	46,455,999	64,115,718	45,647,210	46,662,880	629,856,556
Real Property Tax	6,800,849	38,927,769	175,113,554	23,447,022	5,544,857	4,208,155	3,137,200	2,577,103	1,930,628	1,792,172	2,604,981	2,132,253	268,216,543
Other	26,747,313	21,811,105	39,209,045	3,271,639	19,273,813	21,816,113	30,685,257	26,567,959	17,711,732	19,211,054	9,220,115	14,401,011	249,926,156
RAN Proceeds											75,000,000		75,000,000
Total Receipts	124,525,269	136,920,332	289,353,679	94,789,389	89,173,473	131,531,735	87,878,768	108,056,150	90,916,666	98,510,099	163,105,170	94,239,626	1,487,585,446
** Disbursements **													
DSS	31,226,789	31,062,400	29,250,400	34,401,699	28,829,092	29,792,341	37,210,643	30,322,994	29,461,583	32,834,639	39,552,407	33,906,840	387,851,827
Payroll	24,892,331	48,480,607	24,091,780	20,817,362	35,793,653	23,630,765	23,436,734	26,073,677	25,080,273	35,297,469	24,643,445	49,337,588	361,575,684
Vendor	20,523,923	63,861,884	91,655,175	69,280,624	39,303,903	84,957,044	26,280,408	26,931,975	59,544,299	31,369,184	27,603,035	66,942,710	608,254,164
Debt Service	3,092,589	155,696	6,859,709	8,463,287	1,550,552	9,299,043	2,577,465	2,466,642	6,883,522	6,488,508	12,502,687	14,044,511	74,384,211
RANs Set Asides - June 07		26,800,000	14,000,000	700,000	21,000,000	12,500,000							75,000,000
Total Disbursements	79,735,632	170,360,587	165,857,064	133,662,972	126,477,200	160,179,193	89,505,250	85,795,288	120,969,677	105,989,800	104,301,574	164,231,649	1,507,065,886
Monthly Cash Flow	44,789,637	(33,440,255)	123,496,615	(38,873,583)	(37,303,727)	(28,647,458)	(1,626,482)	22,260,862	(30,053,011)	(7,479,701)	58,803,596	(69,992,023)	(19,480,440)
Cumulative Cash Flow	44,789,637	11,349,382	134,845,997	95,972,414	58,668,687	30,021,229	28,394,747	50,655,609	20,602,598	13,122,897	71,926,493	1,934,470	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Six Months Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Gross Levy	\$ 590,816,323	\$ 569,219,471
Less: Amount Retained by Towns	(317,148,178)	(314,868,342)
Net To Be Collected by County	<u>273,668,145</u>	<u>254,351,129</u>
Less: January - June Collections	(246,385,900)	(229,987,534)
Net Outstanding at June 30th	<u><u>\$ 27,282,245</u></u>	<u><u>\$ 24,363,595</u></u>
Percentage Collected at June 30th	<u><u>90.0%</u></u>	<u><u>90.4%</u></u>

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Six Months Ended June 30, 2008 and 2007

	(1) <u>2008 Budget</u>	June 2008 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>	<u>2007 Budget</u>	June 2007 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>
Sales And Use Tax	\$ 143,341,565	\$ 72,348,023	50.5%	\$ 139,218,155	\$ 70,519,546	50.7%
1 % Sales Tax - Erie County Purposes	135,307,984	\$ 68,300,957	50.5%	131,427,548	66,569,344	50.7%
0.25 % Sales Tax	33,826,996	\$ 16,990,774	50.2%	32,856,887	16,736,377	50.9%
0.50 % Sales Tax	<u>67,653,993</u>	<u>33,981,547</u>	50.2%	<u>65,713,775</u>	<u>33,472,754</u>	50.9%
Totals	<u>\$ 380,130,538</u>	<u>\$ 191,621,301</u>	50.4%	<u>\$ 369,216,365</u>	<u>\$ 187,298,021</u>	50.7%

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 June 30, 2008 year to date, \$132,571,996 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 June 30, 2008

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2008	\$ 31,841,909.71	\$ 11,399,121.25	\$ 43,241,030.96 (1)
2009	44,948,785.33	20,943,982.63	65,892,767.96
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>\$ 476,815,275.39</u>	<u>\$ 154,309,623.89</u>	<u>\$ 631,124,899.28</u>

Note:

(1) Amount is net of debt service payments of \$26,894,076.95 made from January 1, 2008 to June 30, 2008.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of June 30, 2008

Bonds:		
Buildings and other Improvements	\$125,787,172.97	
Highway Improvements	82,340,567.54	
Court House Facilities	76,714,340.59	
Sewer District Facilities	67,895,141.46	
Hospital	52,820,452.26	(1)
HSBC Arena	18,700,000.00	
Computer System	16,380,445.55	
Ralph Wilson Stadium	15,812,958.49	
Community College	10,796,874.57	
Convention Center	4,284,160.33	
Pension	2,900,000.00	
Prison Facilities	2,045,399.62	
Nursing Home	<u>337,762.01</u>	(1)
Gross Direct Debt		476,815,275.39
Exclusions :		
Sewer District Debt	67,895,141.46	
Budgeted Appropriations	29,630,451.73	
Total Deductions		<u>97,525,593.19</u>
Net Direct Debt (2)		<u><u>\$379,289,682.20</u></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 or 2008 to date.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of June 30, 2008

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2003	\$ 33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	38,102,215,587
2007	<u>40,477,680,885</u>
Total five year full valuation	\$ <u><u>182,615,862,409</u></u>
5 Year Average full valuation	\$ <u><u>36,523,172,482</u></u>
Debt limit - 7% of average full valuation	\$ <u><u>2,556,622,074</u></u>

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

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
1998	\$ 493,970,979	\$ 224,177,492	\$ 16,218,263	\$ 476,020,723	96.37 %
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

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 Division of Budget and Management.

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History
1995 - 2008

<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
2007	75,000,000	RAN	06/27/07	06/27/08

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 June 30, 2008 the County did not have any revenue anticipation notes outstanding.

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>
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
2002	256,295,578	2007	423,582,245

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

SOURCES: Erie County General Purpose Financial Statements – 1998-2001 (Audited)
 Erie County Basic Financial Statements – 2002-2007 (Audited)

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

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Valuation \$	32,158,167,722	\$31,165,324,890	\$30,165,315,955	\$28,276,734,647	\$27,557,186,821
Equalized Full Valuation	42,866,825,529	40,477,680,885	38,102,215,587	35,980,745,078	34,479,046,511
Levied for County Purposes (a)	211,837,793	206,176,541	194,655,585	164,052,166	159,436,984
Rates for \$1,000 of Equalized Full Valuation	\$4.94	\$5.09	\$5.11	\$4.56	\$4.62

Note:

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

SOURCE: Erie County Division of Budget and Management.

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2008

<u>Tax Year</u>	<u>Full Valuation</u>
2004	\$ 34,479,046,511
2005	35,980,745,078
2006	38,102,215,587
2007	40,477,680,885
2008	<u>42,866,825,529</u>
 Total	 <u>\$ 191,906,513,590</u>
 Five-Year Average Full Valuation	 \$ 38,381,302,718
Tax Limit (1.5%) (b)	575,719,541
Total Exclusions	<u>51,122,956</u>
Total Taxing Power	<u>626,842,497</u>
Total Levy for 2008 (c).....	<u>220,179,266</u>
Tax Margin (b)	<u><u>\$ 406,663,231</u></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 2008 total taxing power under this local law is \$434,935,983 leaving a tax margin of \$214,756,717.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.