



County of Erie

MARK C. POLONCARZ
COMPTROLLER

October 30, 2006

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 nine (9) months ended September 30, 2006 (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.

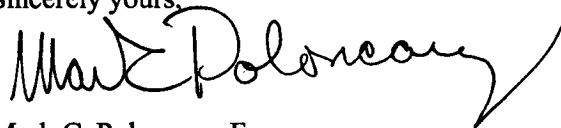
Erie County Legislature
Honorable Joel A. Giambra
October 30, 2006
Page 2

Please note that the 2005 information contained within this Report (e.g. 2006 beginning fund balance) has been finalized as the County's annual independent audit has been completed and the 2005 Comprehensive Annual Financial Report has been released.

Please also note that this will be the last quarterly report for 2006, the "fourth Quarter Report" being the 2006 year end Comprehensive Annual Financial Report. The next quarterly report will be issued for the first quarter of 2007.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz". The signature is written in a cursive style and is positioned above the printed name and title.

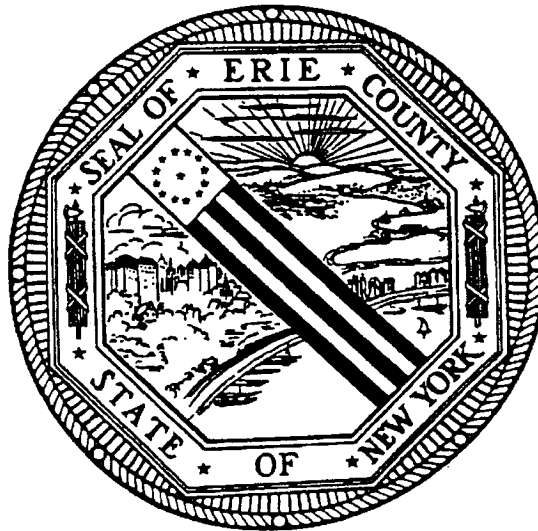
Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr
Enclosure

cc: Members of the Erie County Fiscal Stability Authority
James M. Hartman, Director of Budget, Management and Finance

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

October 30, 2006

COUNTY OF ERIE, NEW YORK

TABLE OF CONTENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2006

FINANCIAL STATEMENTS

Fund Financial Statements:

Balance Sheet – Governmental Funds 1
Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds 2
Statement of Net Assets – Utility Fund 3
Statement of Revenues, Expenses, and Changes in
Fund Net Assets – Utility Fund 4
Statement of Fiduciary Net Assets – Fiduciary Funds 5

Combining and Individual Fund Statements and Schedules:

Nonmajor Governmental Funds:

Combining Balance Sheet – Nonmajor Governmental Funds 6-7
Combining Statement of Revenues, Expenditures and Changes
in Fund Balances – Nonmajor Governmental Funds 8-9

Library Component Unit:

Balance Sheet – Library Component Unit 10
Statement of Revenues, Expenditures and Changes in Fund Balance – Library Component Unit.. 11

INVESTMENT REPORT

Quarterly Investment Report, 1st, 2nd and 3rd Quarters, 2006 12-13

CASH FLOW STATEMENT

Cash Flow Statement, 1st, 2nd and 3rd Quarters 2006 Actual; 4th Quarter 2006 Projected..... 14

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections..... 15
Sales Tax Revenue..... 16

DEBT SCHEDULES

Annual Debt Service Requirements for Long-Term General Obligation Indebtedness of the County 17
Direct General Obligation Indebtedness Outstanding 18
Calculation of Constitutional Debt Limit 19
Calculation of Total Net Indebtedness 20

MISCELLANEOUS FINANCIAL DATA

Property Tax Collections..... 21
Short-Term Borrowing History 22
Outstanding Long-Term Direct Indebtedness 23
Valuations, Tax Levies and Rates 24
Computation of Constitutional Taxing Power for 2006 25

FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
 Balance Sheet
 Governmental Funds
 September 30, 2006
 (amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 29,438	\$ 119,365	\$ 148,803
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	21,956	76	22,032
Other	6,809	25,048	31,857
Due from other funds	43,679	3,511	47,190
Due from component unit	3,155		3,155
Due from other governments	155,124	31,335	186,459
Prepaid items	240		240
Loan receivable	2,250		2,250
Restricted cash		53	53
Total assets	<u>\$ 262,651</u>	<u>\$ 179,388</u>	<u>\$ 442,039</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 1,194	\$ 1,322	\$ 2,516
Accrued liabilities	51,565	3,363	54,928
Due to other funds		39,719	39,719
Due to component unit	1,539		1,539
Due to other governments	68	572	640
Retained percentages payable	9	2,923	2,932
Deferred revenue	36,664	26,984	63,648
Short-term debt	110,000	2,358	112,358
Total liabilities	<u>201,039</u>	<u>77,241</u>	<u>278,280</u>
Fund Balances			
Reserved for:			
Encumbrances	27,481	34,021	61,502
Debt service		14,656	14,656
Loan receivable	2,250		2,250
Repairs		3,202	3,202
E-911 system costs		34	34
Handicapped parking	93		93
Unreserved, reported in:			
Undesignated	31,788		31,788
Special revenue funds			
Undesignated		13,713	13,713
Capital projects fund			
Undesignated		36,521	36,521
Total fund balances	<u>61,612</u>	<u>102,147</u>	<u>163,759</u>
Total liabilities and fund balances	<u>\$ 262,651</u>	<u>\$ 179,388</u>	<u>\$ 442,039</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Nine Months Ended September 30, 2006
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 176,855	\$ 24,936	\$ 201,791
Sales, use and transfer taxes	267,435	9,786	277,221
Intergovernmental	209,818	77,524	287,342
Departmental	46,392	11,685	58,077
Interest	5,709	4,760	10,469
Miscellaneous	19,999	1,177	21,176
Total revenues	<u>726,208</u>	<u>129,868</u>	<u>856,076</u>
Expenditures:			
Current:			
General government support	70,923	4,377	75,300
Public safety	78,948	9,705	88,653
Health	43,189	8,722	51,911
Transportation	14,505	14,642	29,147
Economic assistance and opportunity	360,841	51,399	412,240
Culture and recreation	15,148	275	15,423
Education	41,775	269	42,044
Home and community service	506	19,832	20,338
Capital outlay		41,844	41,844
Debt service:			
Principal retirement		24,209	24,209
Interest and fiscal charges	5,385	15,852	21,237
Total expenditures	<u>631,220</u>	<u>191,126</u>	<u>822,346</u>
(Deficiency) / excess of revenues over expenditures	<u>94,988</u>	<u>(61,258)</u>	<u>33,730</u>
Other financing sources (uses) :			
Proceeds of general obligation debt		2,081	2,081
Sale of property	70	3	73
Transfers in		41,355	41,355
Transfers out	(47,854)	(8,919)	(56,773)
Total other financing sources (uses)	<u>(47,784)</u>	<u>34,520</u>	<u>(13,264)</u>
Net change in fund balances	47,204	(26,738)	20,466
Fund balances at beginning of year	14,408	128,885	143,293
Fund balances at end of nine months	<u>\$ 61,612</u>	<u>\$ 102,147</u>	<u>\$ 163,759</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
September 30, 2006
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Assets	
Current Assets	
Receivables (net of allowances)	\$ 2,000
Due from other funds	194
Due from other governments	5,882
Prepaid items	158
Total assets	<u>8,234</u>
Liabilities	
Current Liabilities:	
Accounts payable	96
Accrued liabilities	3,060
Due to other funds	5,025
Total liabilities	<u>8,181</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	53
Total net assets	<u>\$ 53</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Nine Months Ended September 30, 2006
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 5,483
Other operating revenue	31,356
Total operating revenue	<u>36,839</u>
Operating Expenses:	
Employee wages	35
Employee benefits	11
Utilities and telephone	37,955
Total operating expenses	<u>38,001</u>
Change in net assets	(1,162)
Total net assets at beginning of year	1,215
Total net assets at end of nine months	<u>\$ 53</u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
September 30, 2006
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 31,900
Receivables:	
Due from other governments	870
Other receivables	2
Bonds and securities held in custody	155
Total assets	<u><u>\$ 32,927</u></u>
Liabilities	
Accrued liabilities	\$ 39
Due to other funds	2,640
Due to other governments	700
Held in custody for others	29,548
Total liabilities	<u><u>\$ 32,927</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 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.
- **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

- **Erie County Medical Center Corporation 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.

- **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.

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2006
 (amounts expressed in thousands)

	Special Revenue							
	Road	Sewer	Downtown Mall	E-911	Grants	Community Development	Total	Debt Service
Assets								
Cash and cash equivalents	\$ 3	\$ 23,138	\$ 1	\$	\$	\$ 114	\$ 23,256	\$ 13,963
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens			76				76	
Other	977	9		301	160	23,558	25,005	
Due from other funds		3,299					3,299	136
Due from other governments	5,104	216			18,519		23,839	655
Restricted cash								
Total assets	\$ 6,084	\$ 26,662	\$ 77	\$ 301	\$ 18,679	\$ 23,672	\$ 75,475	\$ 14,754
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 142	\$ 134	\$	\$ 70	\$ 219	\$ 47	\$ 612	\$
Accrued liabilities	1,120	416	77		597	158	2,368	98
Due to other funds	7,957			177	13,772		21,906	
Due to other governments					568	4	572	
Retained percentages payable		8			2		10	
Deferred revenue					3,521	23,463	26,984	
Short-term debt								
Total liabilities	9,219	558	77	247	18,679	23,672	52,452	98
Fund balances:								
Reserved for:								
Encumbrances	2,271	3,783		20			6,074	
Debt service								14,656
Repairs	3,202						3,202	
E-911 system costs				34			34	
Unreserved, reported in:								
Special revenue funds								
Undesignated	(8,608)	22,321					13,713	
Capital projects fund								
Total fund balances	(3,135)	26,104		54			23,023	14,656
Total liabilities and fund balances	\$ 6,084	\$ 26,662	\$ 77	\$ 301	\$ 18,679	\$ 23,672	\$ 75,475	\$ 14,754

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 2006
 (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	\$ 39,213	\$ 8,607	\$ 8,510	\$ 4,600	\$ 1,835	\$ 19,381	\$ 82,146	\$ 119,365
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens							43	76
Other	43						43	25,048
Due from other funds				76			76	3,511
Due from other governments	1,169	5,420			252		6,841	31,335
Restricted cash				53			53	53
Total assets	\$ 40,425	\$ 14,027	\$ 8,510	\$ 4,729	\$ 2,087	\$ 19,381	\$ 89,159	\$ 179,388
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 313	\$ 295	\$ 34	\$	\$	\$ 102	\$ 710	\$ 1,322
Accrued liabilities	245	461				157	897	3,363
Due to other funds	2,515	2,314	901		728	11,355	17,813	39,719
Due to other governments					6	35	2,913	572
Retained percentages payable	2,036	128	708					2,923
Deferred revenue								26,984
Short-term debt			2,358				2,358	2,358
Total liabilities	5,109	3,198	4,001		734	11,649	24,691	77,241
Fund balances:								
Reserved for:								
Encumbrances	12,630	5,799	7,019		158	2,341	27,947	34,021
Debt service								14,656
Repairs								3,202
E-911 system costs								34
Unreserved, reported in:								
Special revenue funds								13,713
Undesignated								36,521
Capital projects fund	22,686	5,030	(2,510)	4,729	1,195	5,391	36,521	36,521
Total fund balances	35,316	10,829	4,509	4,729	1,353	7,732	64,468	102,147
Total liabilities and fund balances	\$ 40,425	\$ 14,027	\$ 8,510	\$ 4,729	\$ 2,087	\$ 19,381	\$ 89,159	\$ 179,388

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Nine Months Ended September 30, 2006
 (amounts expressed in thousands)

	Special Revenue							
	Road	Sewer	Downtown Mail	E-911	Grants	Community Development	Total	Debt Service
Revenues:								
Real property taxes and tax items	\$	\$ 23,724	\$ 1,212	\$	\$	\$	24,936	\$
Sales, use and transfer taxes	7,976			1,810			9,786	
Intergovernmental	5,100				63,215	3,602	71,917	1,310
Departmental	64	8,604			1,515	847	11,030	
Interest		919					919	3,679
Miscellaneous		100		59	955		1,114	
Total Revenues	13,140	33,347	1,212	1,869	65,685	4,449	119,702	4,989
Expenditures:								
Current:								
General government support			1,212		3,165		4,377	
Public safety				1,859	7,846		9,705	
Health					8,722		8,722	
Transportation	14,642						14,642	
Economic assistance and opportunity					46,947	4,452	51,399	
Culture and recreation					275		275	
Education					269		269	
Home and community service		19,832					19,832	
Capital outlay								
Debt service:								
Principal retirement								24,209
Interest and fiscal charges								15,852
Total Expenditures	14,642	19,832	1,212	1,859	67,224	4,452	109,221	40,061
Excess (deficiency) of revenues over expenditures	(1,502)	13,515		10	(1,539)	(3)	10,481	(35,072)
Other financing sources (uses):								
Proceeds of general obligation debt								
Sale of property						3	3	
Transfers in					1,241		1,241	36,443
Transfers out	(18)	(2,562)					(2,580)	
Total other financing sources (uses)	(18)	(2,562)	0	0	1,241	3	(1,336)	36,443
Net change in fund balances	(1,520)	10,953	0	10	(298)	0	9,145	1,371
Fund balances at beginning of year	(1,615)	15,151		44	298		13,878	13,285
Fund balances at end of nine months	\$ (3,135)	\$ 26,104	\$ 0	\$ 54	\$ 0	\$ 0	\$ 23,023	\$ 14,656

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Nine Months Ended September 30, 2006
 (amounts expressed in thousands)

	Capital Projects							
	Buildings, Equipment and Improvements	Roads, Bridges and Equipment	Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects	Total	Nonmajor Governmental Funds
Revenues:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$ 24,936
Sales, use and transfer taxes								9,786
Intergovernmental	2,447	1,812			38		4,297	77,524
Departmental	14	641					655	11,685
Interest	10		152				162	4,760
Miscellaneous	3		60				63	1,177
Total Revenues	2,474	2,453	212	\$ 0	\$ 38	\$ 0	5,177	129,868
Expenditures:								
Current:								
General government support								4,377
Public safety								9,705
Health								8,722
Transportation								14,642
Economic assistance and opportunity								51,399
Culture and recreation								275
Education								269
Home and community service								19,832
Capital outlay	16,487	4,636	3,282		117	17,322	41,844	41,844
Debt service:								
Principal retirement								24,209
Interest and fiscal charges								15,852
Total Expenditures	16,487	4,636	3,282	0	117	17,322	41,844	191,126
Excess (deficiency) of revenues over expenditures	(14,013)	(2,183)	(3,070)	0	(79)	(17,322)	(36,667)	(61,258)
Other financing sources (uses):								
Proceeds of general obligation debt			2,081				2,081	2,081
Sale of property								3
Transfers in	3,595		76				3,671	41,355
Transfers out				(3,595)	(1,859)	(885)	(6,339)	(8,919)
Total other financing sources (uses)	3,595	0	2,157	(3,595)	(1,859)	(885)	(587)	34,520
Net change in fund balances	(10,418)	(2,183)	(913)	(3,595)	(1,938)	(18,207)	(37,254)	(26,738)
Fund balances at beginning of year	45,734	13,012	5,422	8,324	3,291	25,939	101,722	128,885
Fund balances at end of nine months	\$ 35,316	\$ 10,829	\$ 4,509	\$ 4,729	\$ 1,353	\$ 7,732	\$ 64,468	\$ 102,147

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
 September 30, 2006
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 10,416
Due from primary government	1,539
Due from other governments	10
Total assets	<u>\$ 11,965</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 94
Accrued liabilities	1,095
Deferred revenue	550
Total liabilities	<u>1,739</u>
Fund Balances	
Reserved for:	
Encumbrances	506
Unreserved, reported in:	
Designated	1,350
Undesignated	8,370
Total fund balances	<u>10,226</u>
Total liabilities and fund balances	<u>\$ 11,965</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Nine Months Ended September 30, 2006
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 21,672
Intergovernmental	2,695
Departmental	315
Interest	49
Miscellaneous	41
Total revenues	<u>24,772</u>
Expenditures:	
Current:	
Culture and recreation	17,325
Total expenditures	<u>17,325</u>
Excess (deficiency) of revenues over expenditures	<u>7,447</u>
Other financing sources (uses) :	
Transfers out	(11)
Total other financing sources (uses)	<u>(11)</u>
Net change in fund balances	7,436
Fund balance at beginning of year	2,790
Fund balances at end of nine months	<u>\$ 10,226</u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2006 through September 30, 2006

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first nine months of 2006 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 2,199 investments were made during the first nine months, resulting in \$8,655,158 in total interest earnings for all funds. The weighted average yield for the first nine months was 4.86%. For comparison, during the first nine months of 2005 1,742 investments were effectuated which generated \$4,208,520 in total interest earnings for all funds at an average weighted yield of 2.86%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan-Sept		Average Investment (in millions) Jan-Sept		Average Length of Investment (days) Jan-Sept	
	2006	2005	2006	2005	2006	2005
JP Morgan Chase, N.A.	291	712	\$ 4.0	\$ 5.6	7	3
Citizens Bank	505	162	12.5	5.8	9	4
Bank of America	981	595	3.6	2.2	2	5
HSBC Bank USA, N.A.	219	255	4.2	19.0	8	10
Key Bank, N.A.	203	0	3.6	0	3	0
M&T Bank	0	18	0	10.0	0	16
Totals	2199	1742				

In an effort to obtain the highest competitive interest rates while incurring the lowest possible bank fees during the first nine months of 2006, the Comptroller's Office added the following financial institutions as partners in order to help achieve our investment targets: Citizens Bank, Greenwich Capital Markets and Citibank.

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2006 through September 30, 2006

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 st Quarter	\$1,045,740	\$451,311	\$1,090,845	\$194,054	\$2,781,950
2nd Quarter	692,585	670,283	1,114,004	387,247	2,864,119
3 rd Quarter	1,052,938	530,068	1,092,220	333,863	3,009,089
Year to date	\$2,791,263	\$1,651,662	\$3,297,069	\$915,164	\$8,655,158

Please note the 2006 Adopted Budget General Fund interest earnings are projected to be \$2,500,000.00. The actual year to date earnings for the General Fund as of September 30, 2006 is \$2,791,263.00. For comparison, as of September 30, 2005 the General Fund interest earnings were \$ 2,045,367.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2006	2005
January	4.35%	2.25%
February	4.42%	2.42%
March	4.55%	2.59%
April	4.79%	2.73%
May	4.93%	2.82%
June	4.88%	2.99%
July	5.26%	3.08%
August	5.28%	3.28%
September	5.30%	3.58%
Weighted Average Jan. - Sept	4.86%	2.86%

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, 2006. 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
2006

Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Actual July	Actual August	Actual September	Projected October	Projected November	Projected December	TOTAL
Opening Balance	61,285,131												
** Receipts **													
DSS	27,075,318	18,224,909	48,604,776	1,997,059	22,130,290	17,194,265	7,903,411	34,414,500	26,059,973	26,113,202	25,966,232	21,863,737	277,547,673
Sales Tax	28,546,513	26,167,471	22,295,009	37,940,440	28,161,775	38,103,156	21,742,879	27,956,732	26,989,784	38,389,997	27,779,714	25,182,070	349,255,540
Real Property Tax	2,292,015	38,475,547	147,831,860	21,146,636	3,953,699	1,207,848	2,947,892	2,928,945	2,068,066	1,421,548	2,504,018	2,634,630	229,412,704
Other	28,361,684	47,266,153	31,225,425	12,091,764	22,037,657	9,815,653	36,958,951	17,665,106	19,172,212	24,610,285	33,545,092	15,553,445	298,303,427
RAN Proceeds	0	0	0	0	0	110,000,000	0	0	0	0	0	0	110,000,000
Total Receipts	147,560,661	130,134,080	249,957,070	73,175,899	76,283,421	176,320,921	69,553,133	82,965,283	74,290,036	90,535,032	89,795,056	65,233,882	1,264,519,344
** Disbursements **													
DSS	45,271,587	32,224,736	32,185,718	32,735,059	34,600,068	33,956,240	31,875,109	31,184,305	34,300,698	33,269,046	28,784,877	36,258,198	406,645,641
Payroll	21,991,542	21,226,469	30,621,337	22,344,249	22,224,546	32,454,944	22,894,566	23,133,673	23,763,937	22,000,000	22,000,000	33,000,000	297,655,262
Vendor	28,721,723	62,667,185	66,988,130	42,393,121	19,588,162	30,662,817	22,340,463	15,201,451	28,018,955	24,233,536	26,775,349	26,892,592	394,483,484
Debt Service	4,087,988	1,651,936	10,078,492	8,364,390	1,020,756	4,821,871	2,555,652	2,740,196	6,621,485	7,703,846	1,538,587	8,293,662	59,478,860
RANs Set Asides Mar 05	29,152,924	22,853,349	6,918,450	0	0	0	0	(0)	0	0	0	0	58,924,723
RANs Set Asides Jul 05	0	0	42,000,000	700,000	21,000,000	16,300,000							80,000,000
Total Disbursements	129,225,764	140,623,674	188,792,126	106,536,818	98,433,531	118,195,872	79,665,790	72,259,626	92,705,074	87,206,428	79,098,813	104,444,452	1,297,187,969
Monthly Cash Flow	18,334,898	(10,489,594)	61,164,944	(33,360,919)	(22,150,110)	58,125,049	(10,112,657)	10,705,657	(18,415,039)	3,328,604	10,696,243	(39,210,570)	(32,668,625)
Cumulative Cash Flow	18,334,898	7,845,303	69,010,248	35,649,329	13,499,218	71,624,267	61,511,610	72,217,268	53,802,229	57,130,833	67,827,076	28,616,506	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Nine Months Ended September 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
Gross Levy	\$ 540,580,523	\$ 493,517,706
Less: Amount Retained by Towns	(303,202,950)	(289,697,275)
Net To Be Collected by County	<u>237,377,573</u>	<u>203,820,431</u>
Less: January - September Collections	(220,502,040)	(186,490,584)
Net Outstanding at September 30th	<u>\$ 16,875,533</u>	<u>\$ 17,329,847</u>
Percentage Collected at September 30th	<u>92.9%</u>	<u>91.5%</u>

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Nine Months Ended September 30, 2006

	<u>2006 Budget</u>	<u>September 2006 YTD Revenue</u>	<u>% of Budget Realized</u>
Sales And Use Tax	\$ 134,021,204	\$ 99,173,912	74.0%
1 % Sales Tax - Erie County Purposes	\$ 126,433,027	\$ 93,559,192	74.0%
0.25 % Sales Tax	\$ 31,600,000	\$ 23,627,455	74.8%
0.50 % Sales Tax (1)	\$ 63,200,000	\$ 46,172,076	73.1%
Totals	<u>\$ 355,254,231</u>	<u>\$ 262,532,635</u>	73.9%

(1) The 0.50 % Sales Tax went into effect on January 15, 2006

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
 Annual Debt Service Requirements for Long-Term General Obligation
 Indebtedness of the County
 As of September 30, 2006

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2006	\$ 10,582,808.00	\$ 7,391,890.42	\$ 17,974,698.42 (1)
2007	39,766,860.58	22,342,559.52	62,109,420.10
2008	38,074,804.95	20,580,355.30	58,655,160.25
2009	35,579,345.37	18,831,460.09	54,410,805.46
2010	34,520,607.10	17,204,090.31	51,724,697.41
2011	35,198,591.28	15,560,763.55	50,759,354.83
2012	35,564,962.48	13,901,632.39	49,466,594.87
2013	30,741,544.49	12,090,553.53	42,832,098.02
2014	30,926,667.00	10,600,928.44	41,527,595.44
2015	31,410,286.00	9,105,078.63	40,515,364.63
2016	29,764,099.00	7,604,919.24	37,369,018.24
2017	30,596,341.00	6,112,474.22	36,708,815.22
2018	25,933,584.00	4,570,558.92	30,504,142.92
2019	19,179,727.00	3,458,847.77	22,638,574.77
2020	18,981,970.00	2,548,174.33	21,530,144.33
2021	4,674,213.00	1,783,044.76	6,457,257.76
2022	4,781,456.00	1,553,428.17	6,334,884.17
2023	4,918,699.00	1,320,560.51	6,239,259.51
2024	4,870,942.00	1,090,840.47	5,961,782.47
2025	4,603,185.00	859,705.88	5,462,890.88
2026	2,240,428.00	677,763.44	2,918,191.44
2027	2,282,671.00	579,063.72	2,861,734.72
2028	2,339,913.00	477,856.39	2,817,769.39
2029	2,392,156.00	373,925.76	2,766,081.76
2030	1,489,399.00	292,259.23	1,781,658.23
2031	1,536,642.00	233,001.94	1,769,643.94
2032	1,171,497.00	174,548.22	1,346,045.22
2033	1,070,000.00	123,955.32	1,193,955.32
2034	935,000.00	76,019.43	1,011,019.43
2035	805,000.00	37,000.00	842,000.00
	<u>\$ 486,933,399.25</u>	<u>\$ 181,557,259.90</u>	<u>\$ 668,490,659.15</u>

SOURCE: Erie County Comptroller's Office

(1) Amount is net of debt service payments of \$40,060,550.84 made from January 1, 2006 to September 30, 2006.

COUNTY OF ERIE, NEW YORK
Direct General Obligation Indebtedness Outstanding
As of September 30, 2006

Bonds :			
Buildings and other Improvements	\$138,541,250.48		
Highway Improvements	92,366,696.96		
Court House Facilities	84,543,541.26		
Sewer District Facilities	62,744,277.09		
Hospital	24,919,118.03	(1)	
HSBC Arena	20,065,000.00		
Computer System	18,520,013.49		
Ralph Wilson Stadium	15,718,054.59		
Pension	12,350,000.00		
Community College	10,521,070.28		
Convention Center	4,109,921.16		
Prison Facilities	2,071,431.09		
Nursing Home	463,024.82	(1)	
	<u>Total Long-Term Debt</u>		<u>\$486,933,399.25</u>
Bond Anticipation Notes - Sewer District Facilities	2,358,180.43		
Revenue Anticipation Notes	<u>110,000,000.00</u>		
	<u>Total Short-Term Debt</u>		<u>112,358,180.43</u>
Gross Direct Debt			599,291,579.68
Exclusions :			
Sewer District Debt	65,102,457.52		
Budgeted Appropriations	9,154,305.33		
Revenue Anticipation Notes	<u>110,000,000.00</u>		
	<u>Total Deductions</u>		<u>184,256,762.85</u>
	Net Direct Debt		<u>\$415,034,816.83</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 September 30, 2006

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2001	\$ 31,941,364,997
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	<u>35,980,745,078</u>
Total five year full valuation	\$ <u>168,122,586,634</u>
5 Year Average full valuation	\$ <u>33,624,517,327</u>
Debt limit - 7% of average full valuation	\$ <u>2,353,716,213</u>

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

COUNTY OF ERIE, NEW YORK
 Calculation of Total Net Indebtedness
 As of September 30, 2006

Five year average full valuation (2001-2005)	\$ 33,624,517,326.80
Debt Limit - 7% of average full valuation	\$ 2,353,716,212.88

Outstanding Indebtedness:

Bonds - General	\$ 411,839,122.16
Bonds - Sewer	62,744,277.09
Bonds - Pension	12,350,000.00
Bond Anticipation Notes - Sewer	2,358,180.43
Bond Guaranty - ECMCC (1)	101,375,000.00
Revenue Anticipation Notes	<u>110,000,000.00</u>
Total Indebtedness	<u>700,666,579.68</u>

Less Exclusions:

Sewer Exclusion	65,102,457.52
Revenue Anticipation Notes	110,000,000.00
Budgeted Appropriations	9,154,305.33
Total Exclusions	<u>184,256,762.85</u>

Total Net Indebtedness	<u>516,409,816.83</u>
Net Debt Contracting Margin	\$ <u>1,837,306,396.05</u>
Percentage of Debt Contracting Power Exhausted	<u>21.94%</u>

(1) Erie County Medical Center Corporation

MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK
 Tax Collections
 1996 - 2005

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
1996	\$ 469,836,893	\$ 213,635,011	\$ 13,585,860	\$ 22,170,876	4.72 %
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

- (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 September 30, 2006 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
1996 - 2005

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>
1996	\$228,708,990	2001	\$221,209,139
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

(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)

COUNTY OF ERIE, NEW YORK
 Valuations, Tax Levies and Rates
 2002 - 2006

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Assessed Valuation	\$ 30,165,315,955	\$ 28,276,734,647	\$ 27,557,186,821	\$ 27,026,638,924	\$ 26,480,690,610
Equalized Full Valuation	38,102,215,597	35,980,745,087	34,479,046,522	33,576,174,357	32,145,255,713
Levied for County Purposes (a)	194,655,585	164,052,166	159,436,984	159,348,027	159,161,728
Rates for \$1,000 of Equalized Full Valuation	\$5.11	\$4.56	\$4.62	\$4.75	\$4.95

(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 2006 (a) (b)

<u>Assessment Year</u>	<u>Full Valuation</u>
2001	\$ 31,941,364,997
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	<u>35,980,745,078</u>
 Total	 <u>\$ 168,122,586,634</u>
 Five-Year Average Full Valuation	 \$ 33,624,517,327
Tax Limit (1.5%) (b)	504,367,760
Total Exclusions	53,093,889
Total Taxing Power	557,461,649
Total Levy for 2006 (c).....	194,688,825
Tax Margin (b)	362,772,824

-
- (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 2006 total taxing power under this local law is \$389,339,062 leaving a tax margin of \$194,650,237.
 - (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.