



County of Erie

MARK C. POLONCARZ
COMPTROLLER

October 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

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 nine (9) months ended September 30, 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
- Miscellaneous Financial Data (including data on short and long-term bonded indebtedness, property tax rates and constitutional taxing power)

We offer the following observations and comments for your consideration.

I once again note that due to the County's receipt of Federal Medical Assistance Percentage ("FMAP") stimulus funds expected to total \$42.85 million by year-end, the County is able to avert a deficit in fiscal year 2009. Without those federal stimulus funds, the County's 2009 budget would be in deficit and incurring negative variances.

Through the end of August 2009, the County has experienced a year-to-date decline in sales tax revenues of 3.97% compared to 2008. The July 2009 budget adjustments by the County Legislature at the County Executive's request amended the 2009 Budget to provide for a 5% decline in sales tax. The 2009 decline in this major revenue source concerns our office, but compared to most counties in New York State which are experiencing double-digit declines in sales tax, the County's revenue loss has proved manageable so far.

A further noteworthy development is the significant reduction since 2005 of the County's short-term cash flow needs. In 2005, the County sold \$160 million of Revenue Anticipation Notes ("RAN"). Earlier this month, at the request of the County, the Erie County Fiscal Stability Authority sold a \$65 million RAN for the County's 2009 cash needs. This reduction in cash flow borrowing reflects improved cash management and the reestablishment of fund balance which is a positive development for the County.

Finally, as of September 30, 2009, pursuant to a 2009 Budget Resolution requiring the elimination of, there is no longer a deficit fund balance in the Road Fund.

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.

If you have any questions, please contact me at 858-8400.

Sincerely yours,



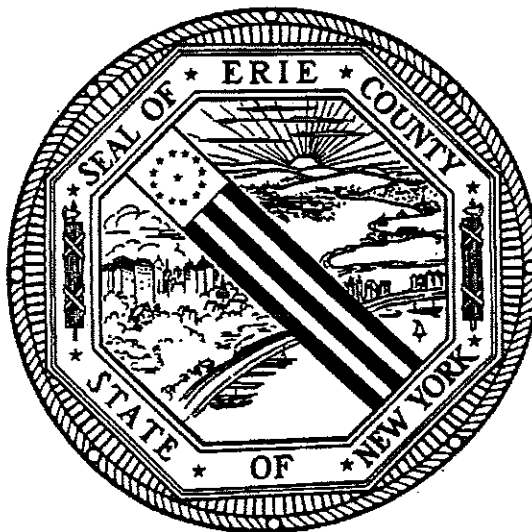
Mark C. Poloncarz, Esq.
Erie County Comptroller

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 NINE MONTHS ENDED SEPTEMBER 30, 2009



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

OCTOBER 30, 2009

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
September 30, 2009
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 121	\$ 149,492	\$ 149,613
Investments		300	300
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	51,841	115	51,956
Other	2,005	26,923	28,928
Due from other funds	20,864	11,516	32,380
Due from component unit	27		27
Due from other governments	236,304	28,556	264,860
Prepaid items	164		164
Loan receivable	1,550		1,550
Total assets	\$ 312,876	\$ 216,902	\$ 529,778
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 8,241	\$ 3,651	\$ 11,892
Accrued liabilities	70,198	7,491	77,689
Due to other funds	6,674	24,535	31,209
Due to component unit	2,430		2,430
Due to other governments	1,089	898	1,987
Retained percentages payable	12	1,127	1,139
Unearned revenue	26,495	28,449	54,944
Deferred revenue	36,533		36,533
Short-term debt		107,572	107,572
Total liabilities	151,672	173,723	325,395
Fund Balances			
Reserved for:			
Encumbrances	29,967	56,022	85,989
Debt service		14,950	14,950
Loan receivable	1,550		1,550
Prepaid items	164		164
E-911 system costs		1,535	1,535
Handicapped parking	72		72
Law enforcement	204		204
Unreserved, reported in:			
General fund			
Undesignated	129,247		129,247
Special revenue funds			
Undesignated		25,675	25,675
Capital projects funds			
Undesignated		(55,003)	(55,003)
Total fund balances	161,204	43,179	204,383
Total liabilities and fund balances	\$ 312,876	\$ 216,902	\$ 529,778

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Nine Months ended September 30, 2009
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 209,906	\$ 32,103	\$ 242,009
Sales and use taxes	480,051	2,956	483,007
Transfer taxes		6,272	6,272
Intergovernmental	302,453	46,015	348,468
Interfund revenues		144	144
Departmental	53,913	12,461	66,374
Interest	1,164	938	2,102
Miscellaneous	1,648	386	2,034
Total revenues	<u>1,049,135</u>	<u>101,275</u>	<u>1,150,410</u>
Expenditures:			
Current:			
General government support	259,060	3,726	262,786
Public safety	78,004	8,898	86,902
Health	55,641	11,387	67,028
Transportation	15,040	14,480	29,520
Economic assistance and opportunity	412,966	13,347	426,313
Culture and recreation	12,765		12,765
Education	50,857	54	50,911
Home and community service	1,764	28,757	30,521
Capital outlay		27,194	27,194
Debt service:			
Principal retirement		23,304	23,304
Interest and fiscal charges	1,682	14,103	15,785
Total expenditures	<u>887,779</u>	<u>145,250</u>	<u>1,033,029</u>
Excess of revenues over expenditures	<u>161,356</u>	<u>(43,975)</u>	<u>117,381</u>
Other financing sources (uses) :			
Sale of property	636		636
Transfers in		48,002	48,002
Transfers out	(58,979)	(6,244)	(65,223)
Total other financing sources (uses)	<u>(58,343)</u>	<u>41,758</u>	<u>(16,585)</u>
Net change in fund balances	103,013	(2,217)	100,796
Fund balances at beginning of year	<u>58,191</u>	<u>45,396</u>	<u>103,587</u>
Fund balances at end of nine months	<u>\$ 161,204</u>	<u>\$ 43,179</u>	<u>\$ 204,383</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
September 30, 2009
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Assets	
Current Assets	
Cash and cash equivalents	\$ 874
Receivables (net of allowances)	41
Due from other governments	3,296
Total assets	<u> 4,211</u>
Liabilities	
Current Liabilities:	
Accounts payable	1,342
Accrued liabilities	5
Total current liabilities	<u> 1,347</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	2,864
Total net assets	<u><u> \$ 2,864</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Nine Months ended September 30, 2009
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	<u>Utility Fund</u>
Operating Revenues:	
Interfund revenues	\$ 5,911
Other operating revenue	14,925
Total operating revenue	<u>20,836</u>
Operating Expenses:	
Employee wages	36
Employee benefits	10
Utilities and telephone	20,261
Total operating expenses	<u>20,307</u>
Change in net assets	529
Total net assets at beginning of year	<u>2,335</u>
Total net assets at end of nine months	<u><u>\$ 2,864</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
September 30, 2009
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 30,951
Receivables:	
Other receivables	2,152
Bonds and securities held in custody	167
Total assets	<u>\$ 33,270</u>
Liabilities	
Accrued liabilities	\$ 1,043
Held in custody for others	32,227
Total liabilities	<u>\$ 33,270</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
 September 30, 2009
 (amounts expressed in thousands)

	Special Revenue									
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service	
Assets										
Cash and cash equivalents	\$ 3	\$ 25,917	\$ 24	\$ 1,539	\$	\$	\$	\$ 27,483	\$	\$ 12,754
Investments										
Receivables (net of allowances)										
Real property taxes, interest, penalties and liens			115							115
Other		7		577		121	26,216	26,921		2
Due from other funds	1,334	6,876						8,210		1,694
Due from other governments	3,771	48			1,633	18,824		24,276		575
Total assets	\$ 5,108	\$ 32,848	\$ 139	\$ 2,116	\$ 1,633	\$ 18,945	\$ 26,216	\$ 87,005	\$	\$ 15,025
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$ 68	\$ 393	\$	\$ 82	\$	\$ 896	\$ 98	\$ 1,537	\$	\$ 3
Accrued liabilities	933	1,073	139			2,020	101	4,266		72
Due to other funds	1,612				1,633	13,447	393	17,085		
Due to other governments										
Retained percentages payable		9					25,624	28,206		9
Unearned revenue										
Short-term debt										
Total liabilities	2,613	1,475	139	82	1,633	18,945	26,216	51,103		75
Fund balances:										
Reserved for:										
Encumbrances	2,495	5,698		499				8,692		14,950
Debt service										
E-911 system costs				1,535				1,535		
Unreserved, reported in:										
Special revenue funds		25,675						25,675		
Undesignated										
Capital projects funds										
Undesignated										
Total fund balances	2,495	31,373	0	2,034	0	0	0	35,902		14,950
Total liabilities and fund balances	\$ 5,108	\$ 32,848	\$ 139	\$ 2,116	\$ 1,633	\$ 18,945	\$ 26,216	\$ 87,005	\$	\$ 15,025

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 September 30, 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
Assets							
Cash and cash equivalents	\$ 64,026	\$ 21,855	\$ 11,391	\$ 97	\$ 7,860	\$ 4,026	\$ 109,255
Investments				300			300
Receivables (net of allowances)	1,025	1,612			69		1,612
Real property taxes, interest, penalties and liens	65,051	26,078	11,391	397	7,929	4,026	114,872
Other							
Due from other funds							
Due from other governments							
Total assets	\$ 136,101	\$ 49,545	\$ 22,782	\$ 397	\$ 7,998	\$ 4,026	\$ 216,902
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ 1,136	\$ 877	\$ 98	\$	\$	\$	\$ 2,111
Accrued liabilities	15	2,210	910		15	3	3,153
Due to other funds	1,364	816	3,231		2,037	2	7,450
Due to other governments		898					898
Retained percentages payable	271		396		445	6	1,118
Unearned revenue	46	197					243
Short-term debt	55,894	36,291	4,037		11,350		107,572
Total liabilities	\$ 58,726	\$ 41,289	\$ 8,672	\$ 0	\$ 13,847	\$ 11	\$ 122,545
Fund balances:							
Reserved for:							
Encumbrances	10,472	28,171	7,717		331	639	47,330
Debt service							
E-911 system costs							
Unreserved, reported in:							
Special revenue funds	(4,147)	(43,382)	(4,998)	397	(6,249)	3,376	(55,003)
Undesignated	6,325	(15,211)	2,719	397	(5,918)	4,015	(7,673)
Capital projects funds	55,051	26,078	11,391	397	7,929	4,026	114,872
Undesignated							
Total fund balances	\$ 65,051	\$ 26,078	\$ 11,391	\$ 397	\$ 7,929	\$ 4,026	\$ 114,872
Total liabilities and fund balances	\$ 123,777	\$ 67,367	\$ 19,063	\$ 397	\$ 21,776	\$ 8,052	\$ 216,902

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Nine Months ended September 30, 2009
 (amounts expressed in thousands)

	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	\$ 2,956	\$	\$	\$	\$ 32,103	\$
Sales and use taxes								2,956	
Transfer taxes	6,272							6,272	
Intergovernmental	7,474				8	29,675	2,250	39,407	1,150
Interfund revenues	53							53	
Departmental	95	7,798				1,924	1,191	11,008	
Interest		135						135	
Miscellaneous	10	114				262		386	757
Total Revenues	13,904	38,901	1,249	2,956	8	31,861	3,441	92,320	1,907
Expenditures:									
Current:									
General government support			1,249						
Public safety				3,449					
Health									
Transportation	14,480								
Economic assistance and opportunity									
Education						13,205	142	13,347	
Home and community service		24,579			8	54	3,299	28,757	
Capital outlay									
Debt service:									23,304
Principal retirement									14,103
Interest and fiscal charges									37,407
Total Expenditures	14,480	24,579	1,249	3,449	8	33,443	3,441	80,649	
Excess (deficiency) of revenues over expenditures	(576)	14,322	0	(493)	0	(1,582)	0	11,671	(35,500)
Other financing sources (uses) :									
Transfers in	8,574								
Transfers out	(1,612)	(2,572)				1,582		10,156	35,550
Total other financing sources (uses)	6,962	(2,572)	0	0	0	1,582	0	5,972	35,550
Net change in fund balances	6,386	11,750	0	(493)	0	0	0	17,643	50
Fund balances at beginning of year	(3,891)	19,623		2,527				18,259	14,900
Fund balances at end of nine months	\$ 2,495	\$ 31,373	\$ 0	\$ 2,034	\$ 0	\$ 0	\$ 0	\$ 35,902	\$ 14,950

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Nine Months ended September 30, 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	Total	
Revenues:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$
Sales and use taxes								32,103
Transfer taxes								2,956
Intergovernmental	1,242	3,723	22		471		5,458	46,015
Interfund revenues	91							144
Departmental	99	271	1,045		38		1,453	12,461
Interest			46				46	938
Miscellaneous								386
Total Revenues	1,432	3,994	1,113	0	509	0	7,048	101,275
Expenditures:								
Current:								
General government support								3,726
Public safety								8,898
Health								11,387
Transportation								14,480
Economic assistance and opportunity								13,347
Education								54
Home and community service								28,757
Capital outlay	5,485	17,064	3,319		838	488	27,194	27,194
Debt service:								
Principal retirement								23,304
Interest and fiscal charges								14,103
Total Expenditures	5,485	17,064	3,319	0	838	488	27,194	145,250
Excess (deficiency) of revenues over expenditures	(4,053)	(13,070)	(2,206)	0	(329)	(488)	(20,146)	(43,975)
Other financing sources (uses):								
Transfers in	590	1,677	29				2,296	48,002
Transfers out		(65)	(195)		(1,800)		(2,060)	(6,244)
Total other financing sources (uses)	590	1,612	29	(195)	(1,800)	0	236	41,758
Net change in fund balances	(3,463)	(11,458)	(2,177)	(195)	(2,129)	(488)	(19,910)	(2,217)
Fund balances at beginning of year	9,788	(3,753)	4,896	592	(3,789)	4,503	12,237	45,396
Fund balances at end of nine months	\$ 6,325	\$ (15,211)	\$ 2,719	\$ 397	\$ (5,918)	\$ 4,015	\$ (7,673)	\$ 43,179

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, 2009
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 13,369
Due from primary government	1,643
Due from other governments	575
Total assets	<u>\$ 15,587</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 181
Accrued liabilities	1,310
Deferred revenue	828
Total liabilities	<u>2,319</u>
Fund Balances	
Reserved for:	
Encumbrances	432
Unreserved, reported in:	
Designated	3,420
Undesignated	9,416
Total fund balances	<u>13,268</u>
Total liabilities and fund balances	<u>\$ 15,587</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Nine Months ended September 30, 2009
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	2,582
Departmental	351
Interest	17
Miscellaneous	648
Total revenues	<u>25,770</u>
Expenditures:	
Current:	
Culture and recreation	<u>20,647</u>
Total expenditures	<u>20,647</u>
Net change in fund balances	5,123
Fund balance at beginning of year	<u>8,145</u>
Fund balances at end of nine months	<u><u>\$ 13,268</u></u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2009 through September 30, 2009

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first nine 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 offers the County the highest possible return on its investments without assuming unnecessary risks. A total of 1,727 investments were made during the first nine months, resulting in \$1,176,466 in total interest earnings for all funds. The weighted average yield for the first nine months was 0.77%. By comparison, during the first nine months of 2008, 2,416 investments were effectuated which generated \$3,983,001 in total interest earnings for all funds at an average weighted yield of 2.80%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan-Sept		Average Investment (in millions) Jan-Sept		Average Length of Investment (days) Jan-Sept	
	2009	2008	2009	2008	2009	2008
JP Morgan Chase, N.A.	333	713	1.9	4.2	4	5
Citizens Bank	274	130	0.6	0.3	20	29
Bank of America	174	308	19.8	7.6	2	2
HSBC Bank USA, N.A.	780	32	9.1	0.3	4	29
Key Bank, N.A.	166	1233	1.7	6.8	12	3
Totals	1727	2416				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2009 through September 30, 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
2nd Quarter	208,238	55,467	131,227	56,523	451,455
3rd Quarter	89,868	29,797	198,033	49,242	366,940
Year to date	\$478,839	\$134,667	\$427,574	\$135,386	\$1,176,466

The 2009 Adopted Budget General Fund interest earnings was \$2,100,000. This was decreased to \$1,250,000 via legislative resolution in 2009 mid-year budget adjustments on July 2, 2009. The actual year to date earnings for the General Fund as of September 30, 2009 is \$478,839. For comparison, as of September 30, 2008 the General Fund interest earnings were \$1,919,684. As we have previously warned, the County will not meet budget in this area.

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%
April	.66%	2.64%
May	.69%	2.61%
June	.58%	2.32%
July	.70%	2.34%
August	.70%	2.35%
September	.70%	2.75%
Weighted Average Jan. - Sept.	.77%	2.80%

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
1st, 2nd and 3rd Quarters 2009 Actual; 4th Quarter 2009 Projected

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	9,996,443												
** Receipts **													
DSS	14,071,817	23,419,522	37,502,153	1,432,647	15,765,937	19,754,069	22,503,570	26,763,701	25,848,060	20,518,752	16,630,117	12,941,381	237,171,727
Sales Tax	43,183,038	51,956,266	42,472,426	64,175,332	44,031,971	65,073,003	49,263,032	44,725,251	47,511,843	69,745,776	44,254,962	63,507,599	629,900,498
Real Property Tax	5,013,091	45,552,799	179,530,395	30,141,842	5,951,519	5,035,397	5,024,317	3,805,494	2,889,269	2,478,517	2,995,193	3,124,021	291,541,854
Other	23,441,898	21,775,230	29,521,198	(5,002,486)	35,664,370	19,703,673	17,670,135	21,171,184	35,138,590	18,148,790	14,514,847	15,619,923	247,367,353
RAN Proceeds	0	0	0	0	0	0	0	0	0	65,000,000	0	0	65,000,000
Total Receipts	95,706,287	142,703,816	289,026,172	90,747,335	101,413,797	109,566,142	94,461,053	96,485,630	111,387,763	175,891,836	78,395,119	95,192,925	1,470,981,433
** Disbursements **													
DSS	29,297,048	29,205,012	32,601,017	23,858,679	29,050,168	30,644,391	35,513,343	35,445,351	30,860,360	33,753,158	27,256,217	31,379,198	388,863,942
Payroll	23,907,590	26,819,801	28,765,867	17,253,916	37,311,302	25,020,294	26,101,967	24,793,208	24,385,419	36,850,416	24,991,944	25,020,184	321,221,909
Vendor	26,431,743	71,669,881	92,553,932	59,650,250	33,521,824	76,248,891	37,324,595	21,136,933	63,886,686	51,734,766	28,678,838	79,252,910	642,091,247
Debt Service	3,066,418	116,569	6,860,456	8,528,688	1,316,554	7,755,251	2,283,775	1,811,312	6,812,712	6,988,030	11,581,888	11,211,667	68,313,322
RANs Set Asides Jun 08	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	109,991,534	122,199,849	152,168,827	101,223,679	83,186,803	125,945,176	129,306,370	92,508,887	146,863,959	1,475,490,420
Monthly Cash Flow	13,003,488	(11,907,447)	114,244,900	(19,244,200)	(20,786,052)	(42,602,685)	(6,762,626)	13,298,827	(14,557,413)	46,585,466	(14,113,768)	(51,671,034)	(4,508,987)
Cumulative Cash Flow	13,003,488	1,096,041	115,340,941	96,096,741	75,310,689	32,708,004	25,945,378	39,244,205	24,686,792	71,272,258	57,158,490	5,487,456	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Nine Months Ended September 30, 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 - September Collections	(262,042,603)	(253,809,542)
Net Outstanding at September 30th	<u>\$ 20,967,931</u>	<u>\$ 19,858,603</u>
Percentage Collected at September 30th	<u>92.6%</u>	<u>92.7%</u>

COUNTY OF ERIE, NEW YORK
Sales Tax Revenue
Nine Months Ended September 30, 2009 and 2008

	2009	(1)	(2)	2008	(1)	% of Budget
	<u>Adopted Budget</u>	<u>September 2009</u>	<u>% of Budget</u>	<u>Adopted Budget</u>	<u>September 2008</u>	<u>% of Budget</u>
		<u>Y-T-D Revenue</u>	<u>Realized</u>		<u>Y-T-D Revenue</u>	<u>Realized</u>
Sales And Use Tax	\$ 146,622,263	\$ 105,710,717	72.1%	\$ 143,341,565	\$ 110,194,514	76.9%
1 % Sales Tax - Erie County Purposes	138,413,901	99,793,374	72.1%	135,307,984	104,031,175	76.9%
0.25 % Sales Tax	34,603,998	24,827,340	71.7%	33,826,996	25,660,858	75.9%
0.50 % Sales Tax	69,207,995	49,654,680	71.7%	67,653,993	51,231,715	75.7%
Totals	<u>\$ 388,848,157</u>	<u>\$ 279,986,111</u>	72.0%	<u>\$ 380,130,538</u>	<u>\$ 291,118,262</u>	76.6%

Note:

- (1) Sales tax shared with local municipalities is budgeted and recorded as an offsetting revenue and expenditure in the County's General Fund. \$193,707,102 and \$201,922,619 of actual September Year-To-Date ("Y-T-D") revenue and expenditures were recorded in 2009 and 2008, respectively. These amounts are excluded from the table above.
- (2) A budgetary resolution was passed by the Erie County Legislature on July 2, 2009 reducing the Sales Tax budget a total of \$20,715,238. Including this reduction, the re-calculated total percentage of budget realized by September 2009 Year-To-Date ("Y-T-D") revenue is 76.1 %.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
Annual Debt Service Requirements for Long-Term General Obligation
Indebtedness of the County
As of September 30, 2009

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2009	\$21,644,900.00	\$ 6,841,090.17	\$28,485,990.17 (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>\$ 421,669,480.35</u>	<u>\$ 128,807,610.18</u>	<u>\$ 550,477,090.53</u>

Note:

(1) Amount is net of debt service payments of \$37,406,777.95 made from January 1, 2009 to September 30, 2009.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of September 30, 2009

Bonds:		
Buildings and other Improvements	\$113,395,300.01	
Highway Improvements	70,423,264.11	
Court House Facilities	71,041,798.88	
Sewer District Facilities	64,434,056.04	
Hospital	40,870,323.37	(1)
HSBC Arena	17,960,000.00	
Computer System	15,231,869.07	
Ralph Wilson Stadium	13,687,541.29	
Community College	8,888,706.91	
Convention Center	3,784,980.48	
Prison Facilities	1,706,963.56	
Nursing Home	<u>244,676.63</u>	(1)
Total Long-Term Debt		\$421,669,480.35
Bond Anticipation Notes - Sewer District Facilities	4,037,401.72	
Bond Anticipation Notes	<u>103,534,867.00</u>	
Total Short-Term Debt		<u>107,572,268.72</u>
Gross Direct Debt		529,241,749.07
Exclusions :		
Sewer District Debt	68,471,457.76	
Budgeted Appropriations	20,281,392.54	
Bond Anticipation Notes	<u>103,534,867.00</u>	
Total Deductions		<u>192,287,717.30</u>
Net Direct Debt (2)		<u><u>\$336,954,031.77</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, 2008 or 2009 to date.

SOURCE: Erie County Comptroller's Office

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

COUNTY OF ERIE, NEW YORK
Calculation of Total Net Indebtedness
As of September 30, 2009

Five year average full valuation (2004-2008)		\$	38,297,058,212.40
Debt Limit - 7% of average full valuation		\$	2,680,794,074.87
<u>Outstanding Indebtedness:</u>			
Bonds - General	\$	357,235,424.31	
Bonds - Sewer		64,434,056.04	
Bond Anticipation Notes - Sewer		4,037,401.72	
Bond Guaranty - ECMCC (1)		101,375,000.00	
Bond Anticipation Notes		<u>103,534,867.00</u>	
Total Indebtedness		<u>630,616,749.07</u>	
<u>Less Exclusions:</u>			
Sewer Exclusion		68,471,457.76	
Bond Anticipation Notes		103,534,867.00	
Budgeted Appropriations		<u>20,281,392.54</u>	
Total Exclusions		<u>192,287,717.30</u>	
Total Net Indebtedness			<u>438,329,031.77</u>
Net Debt Contracting Margin		\$	<u>2,242,465,043.10</u>
Percentage of Debt Contracting Power Exhausted			<u>16.35%</u>

Note:

(1) Erie County Medical Center Corporation

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
2009	103,534,867	BAN (2)	05/20/09	05/18/10

Notes:

(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, 2009 the County did not have any revenue anticipation notes outstanding.

On October 27, 2009, subsequent to the end of the Third Quarter, ECFSA issued a \$65 million RAN on behalf of the County for the County's 2009 cash flow needs.

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.

(2) Bond Anticipation Notes ("BAN") may be issued in anticipation of bond proceeds to be received at a later date.

The Erie County Fiscal Stability Authority ("ECFSA") issued bond anticipation notes ("BAN") totaling \$103,791,077 on May 20, 2009 with an interest rate of 0.90%. On the same date, the ECFSA paid the County \$103,534,867 for the County's own BAN, with an interest rate of 1.142%. The proceeds will be used by the County to fund certain capital improvements. The County's notes mature on May 18, 2010 but may be extended for an additional four (4) years and will eventually be paid by the issuance of long-term general obligation bonds by the County or the ECFSA pursuant to an agreement entered into by the parties.

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 (Audited)

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 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.