



# COUNTY OF ERIE

**DAVID J. SHENK  
COMPTROLLER**

July 30, 2012

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, NY 14202

Honorable Mark C. Poloncarz  
Erie County Executive  
95 Franklin Street, 16<sup>th</sup> Floor  
Buffalo, NY 14202

Dear Honorable Members and County Executive Poloncarz:

We have prepared an Interim Financial Report ("Report") of the County of Erie, New York ("County") as of and for the six month period ended June 30, 2012 (i.e., "Second Quarter 2012"). The Report, which is enclosed for your review, consists of the following elements:

- Financial Statements
- Investment Report
- Cash Flow Statement
- Property Tax 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 provide the following observations and comments for your consideration:

## **Sales Tax**

As you are aware, the County's 2012 Adopted Budget amount of \$411,047,133 is predicated on a 2.5% increase in sales tax revenue over the County's 2011 actual sales tax revenue.

The final adjusted sales tax revenue amount for the First Quarter of 2012 was \$96,233,519 compared to \$93,809,038 for the First Quarter of 2011, an increase of 2.6%.

During first six months of 2012, the County experienced an estimated 2.73% increase in sales tax revenue, compared to the first six months of 2011. The final revenue amounts at June 30, 2012 will be known to the County in mid-August.

## **Second Quarter 2012 Financial Report**

**July 30, 2012**

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### **Real Property Taxes**

Through June 30, 2012, the County has received 90.4% of the \$311,412,974 that was levied and is collectible for County purposes, the same percentage as of June 30, 2011. Taxes remaining to be collected are at \$30,038,210, compared to \$29,170,042 at June 30, 2011.

### **2012 Capital Borrowing**

On March 29, 2012 the County Legislature approved the County Executive's 2012 Consolidated Bond

Resolution for capital projects amounting to approximately \$36.7 million, of which approximately \$21.2 million is approved to be bonded. Taking into account the 2011 authorization of \$3 million for the new polar bear exhibit at the Buffalo Zoological Gardens, approximately \$24.2 million was authorized to be bonded.

My office is working with our lead underwriter, Citigroup and co-underwriters M & T Securities, Inc. and Ramirez & Co., Inc. There are seven additional underwriters in the lending group. This will enable us to reach the most investors and obtain the best rate. The transaction is scheduled to close on August 14.

### **Short-term Borrowing in 2012**

My office projects that the County will require up to an \$80 million revenue anticipation note ("RAN") to be issued in October 2012. This represents an increase over our initial projections in the First Quarter Report, due in large measure to an increase in the Disproportionate Share ("DSH") and Upper Payment Limit ("UPL") payments associated with ECMCC that the County is required to make under federal law and as administered by the New York State Department of Health ("DOH"). The County had budgeted \$16.2 million for 2012 however the payments could be as high as \$51 million.

While DOH has not yet formally announced and directed the County to make the majority of these payment obligations, the County anticipates such notifications to be made and payments required between September and December 2012. Although ECMCC management has given the County assurances that the payments will be budget neutral through the use of credits, offsets and other mechanisms, no formal agreement can be reached until the payment(s) can be quantified.

### **Future Concerns**

#### **Budget Modernization Act ("BMA")**

The BMA, passed by the Erie County Legislature on July 12, 2012 brings the Charter's fund balance language into compliance with Governmental Accounting Standards Board Statement No. 54 ("GASB #54"), *Fund Balance Reporting and Governmental Fund Type Definitions*. However, the BMA does not create a comprehensive fund balance policy as recommended by the Government Finance Officers Association ("GFOA"), the main professional resource for government finance best practices. I am calling on the County Executive and the Legislature to work with my office to craft a well-developed and transparent comprehensive fund balance policy that (1) governs the use of the County's fund balances, (2) contains specific plans for replenishing the level of unassigned fund balance if it should fall below the 5% established level, and (3) includes a more flexible provision for non-general funds.

**Sheriff's Division of Jail Management**

The New York State Commission of Correction, the State agency which regulates and oversees the County Sheriff's Division of Jail Management, has directed the County to create 72 new sworn officer positions for the County's Holding Center and Correctional Facility between summer 2012 and the end of 2014. With State approval, the County is phasing-in the new positions starting with 15 for September 2012 and 30 new positions in 2013. The County has calculated an annual cost for the funding of these 72 positions at approximately \$6 million.

The financial statements and other information contained in this Report have been compiled largely from the official accounting records maintained in the County's SAP system. The Financial Statements from ECMCC, the Erie Community College, the Erie County Tobacco Securitization Corporation and the Erie County Fiscal Stability Authority are not included because financial information for the aforementioned entities is maintained separately from the County. Information contained in this Report has not been reviewed by the County's independent auditor; therefore, no opinion on this Report is expressed.

Note that the 2011 information contained in this report (e.g. 2011 beginning fund balance) has been finalized – the County's annual independent audit has been completed and the 2011 Comprehensive Annual Financial Report has been released.

If you have any questions regarding this submission, please contact me at 716-858-8400.

Sincerely yours,



David J. Shenk  
Erie County Comptroller

DJS/nr  
Enclosure

cc: Erie County Fiscal Stability Authority  
Robert W. Keating, Director of Budget and Management

**COUNTY OF ERIE, NEW YORK**  
**INTERIM FINANCIAL REPORT**

**FOR THE SIX MONTHS ENDED JUNE 30, 2012**



**Erie County Comptroller's Office**

**DAVID J. SHENK**  
**Erie County Comptroller**

**JULY 30, 2012**

**COUNTY OF ERIE, NEW YORK**

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# **FUND FINANCIAL STATEMENTS**

COUNTY OF ERIE, NEW YORK

## Balance Sheet

### Governmental Funds

June 30, 2012

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>			
Cash and cash equivalents . . . . .	\$ 20,905	\$ 60,562	\$ 81,467
Investments . . . . .	-	200	200
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens . . . . .	81,133	573	81,706
Other . . . . .	7,486	30,234	37,720
Due from other funds . . . . .	34,778	27,287	62,065
Due from other governments . . . . .	221,330	17,503	238,833
Prepaid items . . . . .	156	-	156
Loan receivable . . . . .	300	-	300
Restricted cash . . . . .	178	77,653	77,831
<b>Total assets . . . . .</b>	<b>\$ 366,266</b>	<b>\$ 214,012</b>	<b>\$ 580,278</b>
<b>LIABILITIES:</b>			
Accounts payable . . . . .	\$ 2,358	\$ 1,549	\$ 3,907
Accrued liabilities . . . . .	55,255	8,243	63,498
Due to other funds . . . . .	5,585	37,708	43,293
Due to component unit . . . . .	3,080	-	3,080
Due to other governments . . . . .	7,768	1	7,769
Retained percentages payable . . . . .	9	1,341	1,350
Unearned revenue . . . . .	14,184	29,184	43,368
Deferred revenue . . . . .	59,558	-	59,558
<b>Total liabilities . . . . .</b>	<b>147,797</b>	<b>78,026</b>	<b>225,823</b>
<b>FUND BALANCES:</b>			
Nonspendable:			
Loan receivable . . . . .	300	-	300
Prepaid items . . . . .	156	-	156
Restricted for:			
Handicapped parking . . . . .	111	-	111
Law enforcement . . . . .	67	-	67
E-911 system costs . . . . .	-	1,492	1,492
Debt service . . . . .	-	9,590	9,590
Assigned:			
Capital expenditures . . . . .	-	73,374	73,374
Other purposes . . . . .	71,747	51,530	123,277
Unassigned . . . . .	146,088	-	146,088
<b>Total fund balances . . . . .</b>	<b>218,469</b>	<b>135,986</b>	<b>354,455</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 366,266</b>	<b>\$ 214,012</b>	<b>\$ 580,278</b>

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the six months ended June 30, 2012

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>			
Real property taxes and tax items . . . . .	\$ 222,784	\$ 37,502	\$ 260,286
Sales and use taxes . . . . .	339,822	2,066	341,888
Transfer taxes . . . . .	-	3,725	3,725
Intergovernmental . . . . .	167,385	18,137	185,522
Departmental . . . . .	40,969	10,215	51,184
Interest . . . . .	637	2,473	3,110
Miscellaneous . . . . .	2,594	2,210	4,804
<b>Total revenues . . . . .</b>	<b>774,191</b>	<b>76,328</b>	<b>850,519</b>
<b>EXPENDITURES:</b>			
Current:			
General government support . . . . .	185,845	4,051	189,896
Public safety . . . . .	59,167	6,105	65,272
Health . . . . .	34,131	3,783	37,914
Transportation . . . . .	10,653	11,635	22,288
Economic assistance and opportunity . . . . .	272,910	7,277	280,187
Culture and recreation . . . . .	8,395	-	8,395
Education . . . . .	38,418	41	38,459
Home and community service . . . . .	1,028	24,151	25,179
Capital outlay . . . . .	-	19,079	19,079
Debt service:			
Principal retirement . . . . .	-	26,353	26,353
Interest and fiscal charges . . . . .	479	11,469	11,948
<b>Total expenditures . . . . .</b>	<b>611,026</b>	<b>113,944</b>	<b>724,970</b>
<b>Excess (deficiency) of revenues over expenditures . . . . .</b>	<b>163,165</b>	<b>(37,616)</b>	<b>125,549</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Issuance of general obligation debt . . . . .	-	3,150	3,150
Sale of property . . . . .	130	-	130
Transfers in . . . . .	-	47,577	47,577
Transfers out . . . . .	(60,961)	(2,245)	(63,206)
<b>Total other financing sources (uses) . . . . .</b>	<b>(60,831)</b>	<b>48,482</b>	<b>(12,349)</b>
<b>Net change in fund balances . . . . .</b>	<b>102,334</b>	<b>10,866</b>	<b>113,200</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>116,135</b>	<b>125,120</b>	<b>241,255</b>
<b>Fund balances at end of six months . . . . .</b>	<b>\$ 218,469</b>	<b>\$ 135,986</b>	<b>\$ 354,455</b>



## Statement of Net Assets

Proprietary Fund

June 30, 2012

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
<b>ASSETS:</b>	
<b>Current Assets:</b>	
Cash .....	\$ 789
Due from other governments .....	1,207
<b>Total current assets</b> .....	<b>1,996</b>
<b>Total assets</b> .....	<b>1,996</b>
<b>LIABILITIES</b>	
<b>Current Liabilities:</b>	
Accounts payable .....	190
Accrued liabilities .....	4
<b>Total current liabilities</b> .....	<b>194</b>
<b>Total liabilities</b> .....	<b>194</b>
<b>NET ASSETS:</b>	
Unrestricted .....	1,802
<b>Total net assets</b> .....	<b>\$ 1,802</b>

## Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the six months ended June 30, 2012

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund
	Utilities Aggregation Fund
<b>OPERATING REVENUES:</b>	
Interfund revenues .....	\$ 2,799
Other operating revenue .....	5,829
<b>Total operating revenue .....</b>	<b>8,628</b>
<b>OPERATING EXPENSES:</b>	
Employee wages .....	18
Employee benefits .....	11
Utilities and telephone .....	9,364
<b>Total operating expenses .....</b>	<b>9,393</b>
<b>Change in net assets .....</b>	<b>(765)</b>
<b>Total net assets - beginning .....</b>	<b>2,567</b>
<b>Total net assets at end of six months .....</b>	<b>\$ 1,802</b>

## Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2012

(amounts expressed in thousands)

	Agency Fund
<b>ASSETS:</b>	
Cash and cash equivalents .....	\$ 28,578
Receivables:	
Other receivables .....	521
Bonds and securities held in custody .....	17
<b>Total assets</b> .....	<b>\$ 29,116</b>
<b>LIABILITIES:</b>	
Held in custody for others .....	\$ 29,116
<b>Total liabilities</b> .....	<b>\$ 29,116</b>

**COMBINING & INDIVIDUAL  
FUND STATEMENTS & SCHEDULES**

## 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 and expenditures associated with the on-going clean up of major winter storm damage that occurred in October 2006. This fund is expected to be closed out during 2012.

- **Grants Special Revenue 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 current payments of principal and interest on general obligation long-term debt, and for financial resources that have been accumulated to make future principal and interest payments on general long term indebtedness.

**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

**CAPITAL PROJECTS FUNDS**

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

- **General Government Buildings, Equipment and Improvements Fund**  
Used to account for capital projects administered by the Department of Public Works involving the acquisition, construction, or reconstruction of major or permanent facilities having a relatively long useful life and equipment purchased from the proceeds of long-term debt.
- **Highways, Roads, Bridges and Equipment Fund**  
Utilized to account for capital projects administered by the Department of Public Works for the construction or reconstruction of County roads and bridges and the acquisition of equipment not accounted for in the Road Fund.
- **Sewers, Facilities, Equipment and Improvements Fund**  
Used to account for capital projects relating to the construction and acquisition of sewer facilities and equipment by the operating sewer districts.
- **Tobacco Proceeds Fund**  
Used to account for the net proceeds from the County's securitization of its share of the 1998 Master Settlement Agreement with the tobacco industry that will be used to fund capital projects that otherwise would have been supported by operating funds or the issuance of bonds
- **Special Capital Projects Fund**  
Utilized to account for capital projects administered by departments other than Public Works that are primarily for the acquisition or construction of buildings, improvements and equipment.
- **Erie County Medical Center Corporation (ECMCC) Capital Projects 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

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

(amounts expressed in thousands)

### Special Revenue

	Road	Sewer	Downtown Mall	E-911
<b>ASSETS:</b>				
Cash and cash equivalents . . . . .	\$ 2,973	\$ 37,790	\$ 93	\$ 176
Investments . . . . .	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens . . . . .	-	-	573	-
Other . . . . .	-	-	-	584
Due from other funds . . . . .	-	11,244	-	-
Due from other governments . . . . .	817	75	-	33
Restricted cash . . . . .	-	-	-	1,492
<b>Total assets</b> . . . . .	<b>\$ 3,790</b>	<b>\$ 49,109</b>	<b>\$ 666</b>	<b>\$ 2,285</b>
<b>LIABILITIES:</b>				
Accounts payable . . . . .	\$ 122	\$ 180	\$ -	\$ 1
Accrued liabilities . . . . .	1,682	1,211	658	306
Due to other funds . . . . .	-	70	8	-
Due to other governments . . . . .	-	-	-	-
Retained percentages payable . . . . .	-	4	-	-
Unearned revenue . . . . .	-	-	-	-
<b>Total liabilities</b> . . . . .	<b>1,804</b>	<b>1,465</b>	<b>666</b>	<b>307</b>
<b>FUND BALANCES:</b>				
Restricted for:				
E-911 system costs . . . . .	-	-	-	1,492
Debt service . . . . .	-	-	-	-
Assigned:				
Capital expenditures . . . . .	-	-	-	-
Other purposes . . . . .	1,986	47,644	-	486
<b>Total fund balances</b> . . . . .	<b>1,986</b>	<b>47,644</b>	<b>-</b>	<b>1,978</b>
<b>Total liabilities and fund balances</b> . . . . .	<b>\$ 3,790</b>	<b>\$ 49,109</b>	<b>\$ 666</b>	<b>\$ 2,285</b>

(Continued)

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

(amounts expressed in thousands)

### Special Revenue

	Emergency Response	Grants	Community Development	Total
<b>ASSETS:</b>				
Cash and cash equivalents . . . . .	\$ 1,197	\$ -	\$ -	\$ 42,229
Investments . . . . .	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens . . . . .	-	-	-	573
Other . . . . .	-	989	28,661	30,234
Due from other funds . . . . .	-	-	-	11,244
Due from other governments . . . . .	217	11,806	193	13,141
Restricted cash . . . . .	-	-	-	1,492
<b>Total assets</b> . . . . .	<b>\$ 1,414</b>	<b>\$ 12,795</b>	<b>\$ 28,854</b>	<b>\$ 98,913</b>
<b>LIABILITIES:</b>				
Accounts payable . . . . .	\$ -	\$ 544	\$ 45	\$ 892
Accrued liabilities . . . . .	-	1,505	76	5,438
Due to other funds . . . . .	-	10,363	72	10,513
Due to other governments . . . . .	-	-	-	-
Retained percentages payable . . . . .	-	-	-	4
Unearned revenue . . . . .	-	383	28,661	29,044
<b>Total liabilities</b> . . . . .	<b>-</b>	<b>12,795</b>	<b>28,854</b>	<b>45,891</b>
<b>FUND BALANCES:</b>				
Restricted for:				
E-911 system costs . . . . .	-	-	-	1,492
Debt service . . . . .	-	-	-	-
Assigned:				
Capital expenditures . . . . .	-	-	-	-
Other purposes . . . . .	1,414	-	-	51,530
<b>Total fund balances</b> . . . . .	<b>1,414</b>	<b>-</b>	<b>-</b>	<b>53,022</b>
<b>Total liabilities and fund balances</b> . . . . .	<b>\$ 1,414</b>	<b>\$ 12,795</b>	<b>\$ 28,854</b>	<b>\$ 98,913</b>

(Continued)



## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

(amounts expressed in thousands)

### Capital Projects

	Capital Projects				
	Debt Service	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds
<b>ASSETS:</b>					
Cash and cash equivalents . . . . .	\$ -	\$ 1,541	\$ 8,232	\$ 6,662	\$ -
Investments . . . . .	-	-	-	-	200
Receivables (net of allowances)					
Real property taxes, interest, penalties and liens . . . . .	-	-	-	-	-
Other . . . . .	-	-	-	-	-
Due from other funds . . . . .	16,042	-	1	-	-
Due from other governments . . . . .	658	346	3,341	17	-
Restricted cash . . . . .	2,987	41,580	15,263	6,173	16
<b>Total assets . . . . .</b>	<b>\$ 19,687</b>	<b>\$ 43,467</b>	<b>\$ 26,837</b>	<b>\$ 12,852</b>	<b>\$ 216</b>
<b>LIABILITIES:</b>					
Accounts payable . . . . .	\$ -	\$ 209	\$ 170	\$ 39	\$ -
Accrued liabilities . . . . .	48	510	1,933	309	-
Due to other funds . . . . .	10,049	899	9,330	5,659	-
Due to other governments . . . . .	-	-	1	-	-
Retained percentages payable . . . . .	-	269	-	672	-
Unearned revenue . . . . .	-	-	140	-	-
<b>Total liabilities . . . . .</b>	<b>10,097</b>	<b>1,887</b>	<b>11,574</b>	<b>6,679</b>	<b>-</b>
<b>FUND BALANCES:</b>					
Restricted for:					
E-911 system costs . . . . .	-	-	-	-	-
Debt service . . . . .	9,590	-	-	-	-
Assigned:					
Capital expenditures . . . . .	-	41,580	15,263	6,173	216
Other purposes . . . . .	-	-	-	-	-
<b>Total fund balances . . . . .</b>	<b>9,590</b>	<b>41,580</b>	<b>15,263</b>	<b>6,173</b>	<b>216</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 19,687</b>	<b>\$ 43,467</b>	<b>\$ 26,837</b>	<b>\$ 12,852</b>	<b>\$ 216</b>

(Continued)

## Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2012

(amounts expressed in thousands)

	<b>Capital Projects</b>			<b>Total</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Special Capital Projects</b>	<b>ECMCC Capital Projects</b>	<b>Total</b>		
<b>ASSETS:</b>					
Cash and cash equivalents . . . . .	\$ 1,874	\$ 24	\$ 18,333	\$	60,562
Investments . . . . .	-	-	200		200
Receivables (net of allowances)					
Real property taxes, interest, penalties and liens . . . . .	-	-	-		573
Other . . . . .	-	-	-		30,234
Due from other funds . . . . .	-	-	1		27,287
Due from other governments . . . . .	-	-	3,704		17,503
Restricted cash . . . . .	6,909	3,233	73,174		77,653
<b>Total assets . . . . .</b>	<b>\$ 8,783</b>	<b>\$ 3,257</b>	<b>\$ 95,412</b>	<b>\$</b>	<b>214,012</b>
<b>LIABILITIES:</b>					
Accounts payable . . . . .	\$ 239	\$ -	\$ 657	\$	1,549
Accrued liabilities . . . . .	2	3	2,757		8,243
Due to other funds . . . . .	1,256	2	17,146		37,708
Due to other governments . . . . .	-	-	1		1
Retained percentages payable . . . . .	377	19	1,337		1,341
Unearned revenue . . . . .	-	-	140		29,184
<b>Total liabilities . . . . .</b>	<b>1,874</b>	<b>24</b>	<b>22,038</b>		<b>78,026</b>
<b>FUND BALANCES:</b>					
Restricted for:					
E-911 system costs . . . . .	-	-	-		1,492
Debt service . . . . .	-	-	-		9,590
Assigned:					
Capital expenditures . . . . .	6,909	3,233	73,374		73,374
Other purposes . . . . .	-	-	-		51,530
<b>Total fund balances . . . . .</b>	<b>6,909</b>	<b>3,233</b>	<b>73,374</b>		<b>135,986</b>
<b>Total liabilities and fund balances . . . . .</b>	<b>\$ 8,783</b>	<b>\$ 3,257</b>	<b>\$ 95,412</b>	<b>\$</b>	<b>214,012</b>

*(Concluded)*

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
For the six months ended June 30, 2012  
(amounts expressed in thousands)

### Special Revenue

	Road	Sewer	Downtown Mall	E-911
<b>REVENUES:</b>				
Real property taxes and tax items . . . . .	\$ -	\$ 36,253	\$ 1,249	\$ -
Sales and use taxes . . . . .	-	-	-	2,066
Transfer taxes . . . . .	3,725	-	-	-
Intergovernmental . . . . .	-	-	-	22
Departmental . . . . .	66	8,001	-	-
Interest . . . . .	-	55	-	-
Miscellaneous . . . . .	5	685	-	-
<b>Total revenues . . . . .</b>	<b>3,796</b>	<b>44,994</b>	<b>1,249</b>	<b>2,088</b>
<b>EXPENDITURES:</b>				
Current:				
General government support . . . . .	-	-	1,249	-
Public safety . . . . .	-	-	-	2,604
Health . . . . .	-	-	-	532
Transportation . . . . .	11,513	-	-	-
Economic assistance and opportunity . . . . .	1	-	-	-
Education . . . . .	-	-	-	-
Home and community service . . . . .	-	21,863	-	-
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures . . . . .</b>	<b>11,514</b>	<b>21,863</b>	<b>1,249</b>	<b>3,136</b>
<b>(Deficiency) excess of revenues over expenditures . . . . .</b>	<b>(7,718)</b>	<b>23,131</b>	<b>-</b>	<b>(1,048)</b>
<b>OTHER FINANCING SOURCES (USES) :</b>				
Issuance of general obligation debt . . . . .	-	-	-	-
Transfers in . . . . .	7,718	-	-	1,026
Transfers out . . . . .	-	(2,245)	-	-
<b>Total other financing sources (uses) . . . . .</b>	<b>7,718</b>	<b>(2,245)</b>	<b>-</b>	<b>1,026</b>
<b>Net change in fund balances . . . . .</b>	<b>-</b>	<b>20,886</b>	<b>-</b>	<b>(22)</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>1,986</b>	<b>26,758</b>	<b>-</b>	<b>2,000</b>
<b>Fund balances at end of six months . . . . .</b>	<b>\$ 1,986</b>	<b>\$ 47,644</b>	<b>\$ -</b>	<b>\$ 1,978</b>

(Continued)

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
For the six months ended June 30, 2012  
(amounts expressed in thousands)

### Special Revenue

	Emergency Response	Grants	Community Development	Total
<b>REVENUES:</b>				
Real property taxes and tax items . . . . .	\$ -	\$ -	\$ -	\$ 37,502
Sales and use taxes . . . . .	-	-	-	2,066
Transfer taxes . . . . .	-	-	-	3,725
Intergovernmental . . . . .	-	14,246	1,240	15,508
Departmental . . . . .	-	1,052	902	10,021
Interest . . . . .	-	-	-	55
Miscellaneous . . . . .	-	529	-	1,219
<b>Total revenues</b> . . . . .	<b>-</b>	<b>15,827</b>	<b>2,142</b>	<b>70,096</b>
<b>EXPENDITURES:</b>				
Current:				
General government support . . . . .	-	2,802	-	4,051
Public safety . . . . .	-	3,501	-	6,105
Health . . . . .	-	3,251	-	3,783
Transportation . . . . .	-	122	-	11,635
Economic assistance and opportunity . . . . .	-	7,192	84	7,277
Education . . . . .	-	41	-	41
Home and community service . . . . .	-	230	2,058	24,151
Capital outlay . . . . .	-	-	-	-
Debt service:				
Principal retirement . . . . .	-	-	-	-
Interest and fiscal charges . . . . .	-	-	-	-
<b>Total expenditures</b> . . . . .	<b>-</b>	<b>17,139</b>	<b>2,142</b>	<b>57,043</b>
<b>(Deficiency) excess of revenues over expenditures</b> . . . . .	<b>-</b>	<b>(1,312)</b>	<b>-</b>	<b>13,053</b>
<b>OTHER FINANCING SOURCES (USES) :</b>				
Issuance of general obligation debt . . . . .	-	-	-	-
Transfers in . . . . .	-	1,312	-	10,056
Transfers out . . . . .	-	-	-	(2,245)
<b>Total other financing sources (uses)</b> . . . . .	<b>-</b>	<b>1,312</b>	<b>-</b>	<b>7,811</b>
<b>Net change in fund balances</b> . . . . .	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,864</b>
<b>Fund balances at beginning of year</b> . . . . .	<b>1,414</b>	<b>-</b>	<b>-</b>	<b>32,158</b>
<b>Fund balances at end of six months</b> . . . . .	<b>\$ 1,414</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 53,022</b>

(Continued)

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
For the six months ended June 30, 2012  
(amounts expressed in thousands)

	Capital Projects				
	Debt Service	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds
<b>REVENUES:</b>					
Real property taxes and tax items . . . . .	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes . . . . .	-	-	-	-	-
Transfer taxes . . . . .	-	-	-	-	-
Intergovernmental . . . . .	878	342	1,409	-	-
Departmental . . . . .	-	147	47	-	-
Interest . . . . .	2,389	14	-	15	-
Miscellaneous . . . . .	991	-	-	-	-
<b>Total revenues</b> . . . . .	<b>4,258</b>	<b>503</b>	<b>1,456</b>	<b>15</b>	<b>-</b>
<b>EXPENDITURES:</b>					
Current:					
General government support . . . . .	-	-	-	-	-
Public safety . . . . .	-	-	-	-	-
Health . . . . .	-	-	-	-	-
Transportation . . . . .	-	-	-	-	-
Economic assistance and opportunity . . . . .	-	-	-	-	-
Education . . . . .	-	-	-	-	-
Home and community service . . . . .	-	-	-	-	-
Capital outlay . . . . .	-	3,792	8,934	3,162	-
Debt service:					
Principal retirement . . . . .	26,353	-	-	-	-
Interest and fiscal charges . . . . .	11,469	-	-	-	-
<b>Total expenditures</b> . . . . .	<b>37,822</b>	<b>3,792</b>	<b>8,934</b>	<b>3,162</b>	<b>-</b>
<b>(Deficiency) excess of revenues over expenditures</b> . . . . .	<b>(33,564)</b>	<b>(3,289)</b>	<b>(7,478)</b>	<b>(3,147)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES) :</b>					
Issuance of general obligation debt . . . . .	-	-	-	3,150	-
Transfers in . . . . .	37,521	-	-	-	-
Transfers out . . . . .	-	-	-	-	-
<b>Total other financing sources (uses)</b> . . . . .	<b>37,521</b>	<b>-</b>	<b>-</b>	<b>3,150</b>	<b>-</b>
<b>Net change in fund balances</b> . . . . .	<b>3,957</b>	<b>(3,289)</b>	<b>(7,478)</b>	<b>3</b>	<b>-</b>
<b>Fund balances at beginning of year</b> . . . . .	<b>5,633</b>	<b>44,869</b>	<b>22,741</b>	<b>6,170</b>	<b>216</b>
<b>Fund balances at end of six months</b> . . . . .	<b>\$ 9,590</b>	<b>\$ 41,580</b>	<b>\$ 15,263</b>	<b>\$ 6,173</b>	<b>\$ 216</b>

(Continued)

## Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds  
For the six months ended June 30, 2012  
(amounts expressed in thousands)

### Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
<b>REVENUES:</b>				
Real property taxes and tax items . . . . .	\$ -	\$ -	\$ -	\$ 37,502
Sales and use taxes . . . . .	-	-	-	2,066
Transfer taxes . . . . .	-	-	-	3,725
Intergovernmental . . . . .	-	-	1,751	18,137
Departmental . . . . .	-	-	194	10,215
Interest . . . . .	-	-	29	2,473
Miscellaneous . . . . .	-	-	-	2,210
<b>Total revenues . . . . .</b>	<b>-</b>	<b>-</b>	<b>1,974</b>	<b>76,328</b>
<b>EXPENDITURES:</b>				
Current:				
General government support . . . . .	-	-	-	4,051
Public safety . . . . .	-	-	-	6,105
Health . . . . .	-	-	-	3,783
Transportation . . . . .	-	-	-	11,635
Economic assistance and opportunity . . . . .	-	-	-	7,277
Education . . . . .	-	-	-	41
Home and community service . . . . .	-	-	-	24,151
Capital outlay . . . . .	3,191	-	19,079	19,079
Debt service:				
Principal retirement . . . . .	-	-	-	26,353
Interest and fiscal charges . . . . .	-	-	-	11,469
<b>Total expenditures . . . . .</b>	<b>3,191</b>	<b>-</b>	<b>19,079</b>	<b>113,944</b>
<b>(Deficiency) excess of revenues over expenditures . . . . .</b>	<b>(3,191)</b>	<b>-</b>	<b>(17,105)</b>	<b>(37,616)</b>
<b>OTHER FINANCING SOURCES (USES) :</b>				
Issuance of general obligation debt . . . . .	-	-	3,150	3,150
Transfers in . . . . .	-	-	-	47,577
Transfers out . . . . .	-	-	-	(2,245)
<b>Total other financing sources (uses) . . . . .</b>	<b>-</b>	<b>-</b>	<b>3,150</b>	<b>48,482</b>
<b>Net change in fund balances . . . . .</b>	<b>(3,191)</b>	<b>-</b>	<b>(13,955)</b>	<b>10,866</b>
<b>Fund balances at beginning of year . . . . .</b>	<b>10,100</b>	<b>3,233</b>	<b>87,329</b>	<b>125,120</b>
<b>Fund balances at end of six months . . . . .</b>	<b>\$ 6,909</b>	<b>\$ 3,233</b>	<b>\$ 73,374</b>	<b>\$ 135,986</b>

(Concluded)

## **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.

## Balance Sheet

Library Component Unit

June 30, 2012

(amounts expressed in thousands)

	Library
<b>ASSETS:</b>	
Cash and cash equivalents . . . . .	\$ 16,047
Receivables (net of allowances)	
Other . . . . .	44
Due from primary government . . . . .	1,917
Due from other governments . . . . .	975
<b>Total assets</b> . . . . .	<b>\$ 18,983</b>
<b>LIABILITIES:</b>	
Accounts payable . . . . .	\$ 90
Accrued liabilities . . . . .	1,314
Unearned revenue . . . . .	966
<b>Total liabilities</b> . . . . .	<b>2,370</b>
<b>FUND BALANCES:</b>	
Committed . . . . .	4,119
Assigned . . . . .	567
Unassigned . . . . .	11,927
<b>Total fund balances</b> . . . . .	<b>16,613</b>
<b>Total liabilities and fund balances</b> . . . . .	<b>\$ 18,983</b>



## Statement of Revenues, Expenditures and Changes in Fund Balance

Library Component Unit

For the six months ended June 30, 2012

(amounts expressed in thousands)

	Library
<b>REVENUES:</b>	
Real property taxes and tax items . . . . .	\$ 19,872
Intergovernmental . . . . .	659
Departmental . . . . .	218
Interest . . . . .	1
Miscellaneous . . . . .	1,043
<b>Total revenues . . . . .</b>	<b>21,793</b>
<b>EXPENDITURES:</b>	
Current:	
Culture and recreation . . . . .	12,709
<b>Total expenditures . . . . .</b>	<b>12,709</b>
<b>Net change in fund balances . . . . .</b>	<b>9,084</b>
<b>Fund balance at beginning of year . . . . .</b>	<b>7,529</b>
<b>Fund balances at end of six months . . . . .</b>	<b>\$ 16,613</b>

# **INVESTMENT REPORT**

## Investment Report

January 1, 2012 through June 30, 2012

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first six months of 2012 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 714 investments were made during the first six months, resulting in \$508,130 in total interest earnings for all funds. The weighted average yield for the first six months was .35%. For comparison, during the first six months of 2011, 793 investments were effectuated which generated \$689,108 in total interest earnings for all funds at an average weighted yield of .51%.

### SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - June		Average Investment (in millions) Jan - June		Average Length of Investment (days) Jan - June	
	2012	2011	2012	2011	2012	2011
JP Morgan Chase, N.A.	697	769	43.0	31.6	5	4
Citizens Bank	N/A	5	N/A	.2	N/A	31
Bank of America	N/A	N/A	N/A	N/A	N/A	N/A
HSBC Bank USA, N.A.	9	13	1.7	20.6	12	18
Key Bank, N.A.	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturers & Traders	8	6	23.6	9.4	30	30
<b>Totals</b>	<b>714</b>	<b>793</b>				

**Investment Report**

January 1, 2012 through June 30, 2012

**SUMMARY OF INTEREST EARNINGS BY FUND**

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 <sup>st</sup> Quarter	\$117,016	\$17,983	\$88,223	\$17,548	\$240,770
2 <sup>nd</sup> Quarter	\$138,435	\$20,296	\$71,212	\$36,917	\$267,360
Year to date	\$255,451	\$38,279	\$159,935	\$54,465	\$508,130

Please note the 2012 Adopted Budget General Fund interest earnings is \$700,000. The actual year to date earnings for the General Fund as of June 30, 2012 is \$255,451. For comparison, as of June 30, 2011, the General Fund interest earnings were \$304,558.

**SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)**

Month	Weighted Average Yield	
	2012	2011
January	.41%	.55%
February	.39%	.54%
March	.38%	.55%
April	.33%	.53%
May	.29%	.44%
June	.27%	.44%
Weighted Average Jan. – Jun.	.35%	.51%

## 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, 2012.

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.**

## Cash Flow Statement

January-June Actual, July To December Projected  
2012

Description	Actual January	Actual February	Actual March	Actual April	Actual May
<b>Opening Balance</b> .....	\$ 46,643,771				
<b>RECEIPTS:</b>					
DSS .....	\$ 17,353,532	\$ 7,988,254	\$ 41,877,343	\$ 1,892,339	\$ 1,576,016
Sales Tax .....	53,135,241	57,002,694	48,542,752	61,053,182	52,676,105
Real Property Tax .....	4,385,875	43,730,394	206,427,594	26,759,322	6,988,335
Other .....	36,239,734	18,314,049	36,165,420	(15,285,740)	3,375,728
RAN Proceeds .....	-	-	-	-	-
EFSCA Set Aside Release .....	1,010,093	-	1,074,082	661,200	13,370,257
<b>Total Receipts</b> .....	<b>158,768,246</b>	<b>127,035,391</b>	<b>334,087,191</b>	<b>75,080,303</b>	<b>77,986,441</b>
<b>DISBURSEMENTS:</b>					
DSS .....	34,200,759	29,988,328	31,258,989	30,452,459	34,857,365
Payroll .....	30,037,283	24,181,661	34,049,486	21,557,231	24,523,351
Vendor .....	34,136,910	56,989,542	101,669,051	54,829,646	30,779,079
Debt Service .....	2,956,710	25,977	5,160,263	6,230,130	955,919
RAN Set Asides Oct '11 .....	-	18,500,000	14,800,000	25,700,000	16,000,000
ECFSA Bond Set Asides .....	2,351,553	2,351,553	2,351,545	2,351,445	2,314,243
ECFSA Debt Service .....	1,010,093	-	1,074,081	661,200	13,370,256
<b>Total Disbursements</b> .....	<b>104,693,308</b>	<b>132,037,061</b>	<b>190,363,415</b>	<b>141,782,111</b>	<b>122,800,213</b>
<b>Monthly Cash Flow</b> .....	<b>\$ 54,074,938</b>	<b>\$ (5,001,670)</b>	<b>\$ 143,723,776</b>	<b>\$ (66,701,808)</b>	<b>\$ (44,813,772)</b>
<b>Cumulative Cash Flow</b> .....	<b>\$ 54,074,938</b>	<b>\$ 49,073,268</b>	<b>\$ 192,797,044</b>	<b>\$ 126,095,236</b>	<b>\$ 81,281,464</b>

(Continued)

## Cash Flow Statement

January-June Actual, July To December Projected  
2012

Description	Actual June	Projected July	Projected August	Projected September	Projected October
<b>Opening Balance</b> .....					
<b>RECEIPTS:</b>					
DSS .....	\$ 26,785,782	\$ 3,407,280	\$ 42,308,603	\$ 37,137,821	\$ 23,732,045
Sales Tax .....	70,229,380	48,326,989	54,923,095	53,973,469	69,124,860
Real Property Tax .....	4,405,492	4,609,355	3,728,427	3,293,945	2,585,033
Other .....	24,753,952	27,089,231	19,843,897	20,184,930	16,618,592
RAN Proceeds .....	-	-	-	-	80,000,000
EFSCA Set Aside Release .....	588,459	4,985,322	-	946,582	656,160
<b>Total Receipts</b> .....	126,763,065	88,418,177	120,804,023	115,536,747	192,716,690
<b>DISBURSEMENTS:</b>					
DSS .....	35,408,688	30,892,270	41,453,074	40,054,293	89,592,894
Payroll .....	25,078,688	28,299,093	38,101,751	25,985,845	25,533,600
Vendor .....	80,258,394	32,479,569	29,786,726	61,289,730	40,646,434
Debt Service .....	5,795,495	609,719	1,242,475	5,011,469	714,926
RAN Set Asides Oct '11 .....	13,000,000	-	-	-	-
ECFSA Bond Set Asides .....	2,574,337	2,574,337	2,574,337	2,574,337	2,574,337
ECFSA Debt Service .....	588,459	4,985,322	-	946,582	656,160
<b>Total Disbursements</b> .....	162,704,061	99,840,311	113,158,362	135,862,255	159,718,350
<b>Monthly Cash Flow</b> .....	\$ (35,940,996)	\$ (11,422,134)	\$ 7,645,661	\$ (20,325,508)	\$ 32,998,340
<b>Cumulative Cash Flow</b> .....	\$ 45,340,468	\$ 33,918,334	\$ 41,563,995	\$ 21,238,487	\$ 54,236,826

(Continued)

## Cash Flow Statement

January-June Actual, July To December Projected  
2012

Description	Projected November	Projected December	TOTAL
<b>Opening Balance</b> .....			
<b>RECEIPTS:</b>			
DSS .....	\$ 14,123,335	\$ 42,805,967	\$ 260,988,316
Sales Tax .....	51,800,460	74,278,702	695,066,930
Real Property Tax .....	1,116,783	3,882,356	311,912,912
Other .....	21,445,643	35,988,199	244,733,635
RAN Proceeds .....	-	-	80,000,000
EFSCA Set Aside Release .....	3,229,657	1,290,250	27,812,062
<b>Total Receipts</b> .....	91,715,878	158,245,474	1,620,513,854
<b>DISBURSEMENTS:</b>			
DSS .....	38,438,923	35,585,975	472,184,016
Payroll .....	28,084,611	31,482,022	336,914,622
Vendor .....	21,617,774	94,563,308	639,046,163
Debt Service .....	2,084,965	11,504,563	42,292,611
RAN Set Asides Oct '11 .....	-	-	88,000,000
ECFSA Bond Set Asides .....	2,592,858	2,592,858	29,777,740
ECFSA Debt Service .....	3,229,657	1,290,250	27,812,060
<b>Total Disbursements</b> .....	96,048,788	177,018,976	1,636,027,212
<b>Monthly Cash Flow</b> .....	\$ (4,332,911)	\$ (18,773,503)	\$ (15,513,358)
<b>Cumulative Cash Flow</b> .....	\$ 49,903,916	\$ 31,130,413	

(Concluded)



# **PROPERTY AND SALES TAX SUMMARY**

## Property Tax Collections

Six Months Ended June 30, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Gross Levy . . . . .	\$ 655,894,171	\$ 648,241,682
Less: Amount Retained by Towns . . . . .	<u>(344,481,197)</u>	<u>(343,478,506)</u>
Net Collectible by County . . . . .	311,412,974	304,763,176
Less: January - June Collections . . . . .	<u>(281,374,664)</u>	<u>(275,593,134)</u>
Net Outstanding at June 30 . . . . .	<u>\$ 30,038,310</u>	<u>\$ 29,170,042</u>
Percentage Collected through June 30 . . . . .	<u>90.4%</u>	<u>90.4%</u>

Source: Erie County Govern Tax Collection System.

## Sales Tax Revenue

Six Months Ended June 30, 2012 and 2011

	<b>2012 Adopted Budget (1)</b>	<b>June 2012 Y-T-D Revenue (2)</b>	<b>% of Budget Realized</b>	<b>2011 Adopted Budget (2)</b>	<b>June 2011 Y-T-D Revenue</b>	<b>% of Budget Realized</b>
Sales And Use Tax . . . . .	\$ 155,253,226	\$ 74,770,594	48.2%	\$ 146,057,048	\$ 72,858,384	49.9%
1% Sales Tax - Erie County Purposes . . .	146,556,918	70,593,251	48.2%	138,543,491	68,781,070	49.6%
0.25% Sales Tax . . . . .	36,412,330	17,597,376	48.3%	34,053,618	17,082,068	50.2%
0.50% Sales Tax . . . . .	72,824,659	35,194,753	48.3%	68,106,288	34,164,135	50.2%
<b>Totals . . . . .</b>	<b>\$ 411,047,133</b>	<b>\$ 198,155,974</b>	<b>48.2%</b>	<b>\$ 386,760,445</b>	<b>\$ 192,885,657</b>	<b>49.9%</b>

Source: Erie County Comptroller's Office.

Notes:

(1) Through June 30, 2012 year to date, \$137,010,325 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.

(2) Includes accrual estimate for portion to be received in August 2012.

# **DEBT SCHEDULES**

## Annual Debt Service Requirements for Long-Term General Obligation Indebtedness of the County (1)

As of June 30, 2012

Fiscal Year				
Ending	Principal	Interest	Total	
December 31	Payments	Payments	Debt Service	
2012 . . . . .	\$ 22,094,429.00	\$ 10,696,375.75	\$ 32,790,804.75	(1)
2013 . . . . .	44,179,123.50	19,758,932.94	63,938,056.44	
2014 . . . . .	44,909,506.01	17,789,355.04	62,698,861.05	
2015 . . . . .	45,803,125.01	15,868,552.84	61,671,677.85	
2016 . . . . .	44,646,938.01	13,873,591.64	58,520,529.65	
2017 . . . . .	45,959,180.01	11,889,911.52	57,849,091.53	
2018 . . . . .	40,616,423.01	9,733,317.14	50,349,740.15	
2019 . . . . .	34,652,566.01	7,981,273.97	42,633,839.98	
2020 . . . . .	35,164,809.01	6,388,964.27	41,553,773.28	
2021 . . . . .	21,892,052.01	4,868,085.15	26,760,137.16	
2022 . . . . .	22,834,295.01	3,803,890.70	26,638,185.71	
2023 . . . . .	23,871,538.01	2,672,516.22	26,544,054.23	
2024 . . . . .	5,853,780.92	1,914,897.31	7,768,678.23	
2025 . . . . .	5,606,024.00	1,647,042.70	7,253,066.70	
2026 . . . . .	3,273,267.00	1,426,338.28	4,699,605.28	
2027 . . . . .	3,340,510.00	1,286,871.98	4,627,381.98	
2028 . . . . .	3,422,752.00	1,142,729.14	4,565,481.14	
2029 . . . . .	3,509,995.00	994,182.42	4,504,177.42	
2030 . . . . .	2,642,238.00	865,961.98	3,508,199.98	
2031 . . . . .	2,724,481.00	759,124.60	3,483,605.60	
2032 . . . . .	2,389,336.00	650,978.21	3,040,314.21	
2033 . . . . .	2,332,839.00	547,058.89	2,879,897.89	
2034 . . . . .	2,227,839.00	443,638.97	2,671,477.97	
2035 . . . . .	2,142,839.00	346,712.35	2,489,551.35	
2036 . . . . .	1,387,839.00	248,898.35	1,636,737.35	
2037 . . . . .	927,839.00	185,794.07	1,113,633.07	
2038 . . . . .	947,839.00	143,373.26	1,091,212.26	
2039 . . . . .	977,839.00	99,848.07	1,077,687.07	
2040 . . . . .	707,839.00	55,981.31	763,820.31	
2041 . . . . .	710,000.00	23,510.58	733,510.58	
2042 . . . . .	165,000.00	3,521.93	168,521.93	
<b>Totals</b>	<b>\$ 471,914,080.52</b>	<b>\$ 138,111,231.58</b>	<b>\$ 610,025,312.10</b>	

Source: Erie County Comptroller's Office

Notes:

(1) Amount is net of debt service payments of \$37,822,147.17 made from January 1, 2012 to June 30, 2012.

## Direct General Obligation Indebtedness Outstanding

As of June 30, 2012

	Amount	Totals
<b>Bonds:</b>		
Buildings and other Improvements . . . . .	\$ 126,200,734.00	
Highway Improvements . . . . .	105,075,857.80	
Court House Facilities . . . . .	57,292,696.16	
Sewer District Facilities . . . . .	80,478,809.82	
Hospital . . . . .	4,228,864.94	
First Niagara Center . . . . .	15,510,000.00 (1)	
Computer System . . . . .	15,416,520.56	
Ralph Wilson Stadium . . . . .	20,360,659.65	
Community College . . . . .	26,057,109.17	
Convention Center . . . . .	9,122,431.22	
Prison Facilities . . . . .	12,104,262.14	
Nursing Home . . . . .	66,135.06 (1)	
<b>Total Long-Term Debt . . . . .</b>		<b>\$ 471,914,080.52 (2)</b>
<b>Exclusions :</b>		
Sewer District Debt . . . . .	80,478,809.82	
Budgeted Appropriations . . . . .	19,775,314.52	
<b>Total Deductions . . . . .</b>		<b>100,254,124.34</b>
<b>Net Direct Debt . . . . .</b>		<b>\$ 371,659,956.18</b>

Source: Erie County Comptroller's Office

*Notes:*

(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 \$94,900,000 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 1993 to 2012 by the County.

## Calculation of Constitutional Debt Limit

As of June 30, 2012

For Fiscal Year Ended December 31	Equalized Full Valuation of Taxable Real Property
2007 .....	\$ 40,477,680,885.00
2008 .....	42,445,603,001.00
2009 .....	44,382,615,337.00
2010 .....	46,120,909,981.00
2011 .....	46,759,758,193.00
<b>Total five year full valuation .....</b>	<b>\$ 220,186,567,397.00</b>
<b>5 Year Average full valuation .....</b>	<b>\$ 44,037,313,479.40</b>
<b>Debt limit - 7% of average full valuation ...</b>	<b>\$ 3,082,611,943.56</b>

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

## Calculation of Total Net Indebtedness

As of June 30, 2012

Five year average full valuation ( 2007-2011) .....		<u><u>\$ 44,037,313,479.00</u></u>
Debt Limit - 7% of average full valuation .....		<u>\$ 3,082,611,943.53</u>
Outstanding Indebtedness:		
Bonds - General .....	\$ 391,435,270.70	
Bonds - Sewer .....	80,478,809.82	
Bond Guaranty - ECMCC (1) .....	<u>94,900,000.00</u>	
<b>Total Indebtedness .....</b>	<b><u>566,814,080.52</u></b>	
Less Exclusions:		
Sewer Exclusion .....	80,478,809.82	
Budgeted Appropriations .....	<u>19,775,314.52</u>	
<b>Total Exclusions .....</b>	<b><u>100,254,124.34</u></b>	
<b>Total Net Indebtedness .....</b>		<u><u>466,559,956.18</u></u>
<b>Net Debt Contracting Margin .....</b>		<u><u>\$ 2,616,051,987.35</u></u>
<b>Percentage of Debt Contracting Power Exhausted .....</b>		<u><u>15.14%</u></u>

*Sources:*

*Property Value - NYS Office of the State Comptroller - Data Management Unit.*

*Indebtedness and exclusions - Erie County Comptroller's Office.*

*Note:*

*(1) Erie County Medical Center Corporation*



## **MISCELLANEOUS FINANCIAL DATA**

## Property Tax Collection History

Last Ten Fiscal Years

Fiscal Year	County	All Other	Total Property	Collected within the	
	Property Taxes	Property Taxes	Taxes Levied	Fiscal Year of the Levy	
	Levied (1)	Levied (2)	for the	Amount	Percentage
			Fiscal Year		of Levy
2002 . . . . .	\$ 152,529,551	\$ 278,036,112	\$ 430,565,663	\$ 416,506,625	96.73%
2003 . . . . .	152,529,551	294,505,821	447,035,372	446,461,743	99.87%
2004 . . . . .	152,529,551	311,903,684	464,433,235	463,669,059	99.84%
2005 . . . . .	157,641,299	335,876,407	493,517,706	492,180,009	99.73%
2006 . . . . .	188,094,445	352,486,078	540,580,523	528,350,674	97.74%
2007 . . . . .	200,031,205	369,188,266	569,219,471	555,858,355	97.65%
2008 . . . . .	211,837,793	378,978,530	590,816,323	575,132,293	97.35%
2009 . . . . .	223,306,326	388,893,461	612,199,787	595,839,865	97.33%
2010 . . . . .	232,413,974	405,958,043	638,372,017	622,129,950	97.46%
2011 . . . . .	235,182,208	413,059,474	648,241,682	628,996,639	97.03%

**Sources:**

*Erie County Department of Real Property Tax Services  
Erie County Govern Tax Collection System*

**Notes:**

*(1) Totals shown exclude amounts levied in accordance with State law to recover election expenditures from the municipalities that were incurred by the County.*

*(2) Totals shown are primarily comprised of taxes levied for the benefit of County towns, re-levy of uncollected school and village taxes, and sewer district taxes and user charges.*

## Short-Term Borrowing History (1)

1995 - 2012

Year	Amount	Type	Issue Date	Maturity Date
1995	\$ 80,000,000	RAN (2)	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
1996	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
1997	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
2005	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 (3)	05/20/09	05/18/10
2009	65,000,000	RAN	10/27/09	06/30/10
2010	45,000,000	RAN	08/12/10	06/30/11
2010	20,000,000	RAN	12/14/10	04/14/11
2011	88,000,000	RAN	10/06/11	06/29/12

Source: Erie County Comptroller's Office

**Notes:**

(1) Excludes all Bond Anticipation Notes ("BANs") issued by the Environmental Facilities Corporation.

(2) Revenue Anticipation Notes ("RANs") 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.

The issuance of RANs 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.

The County is in the process of seeking authorization to issue a RAN of up to \$80 million in the fall of 2012.

(3) BANs may be issued in anticipation of bond proceeds to be received at a later date. On May 17, 2010, the BANs were paid by the issuance of long-term general obligation bonds by the ECFSA pursuant to an agreement entered into by the parties.

## Outstanding Long-Term Direct Indebtedness (1)

Last Ten Fiscal Years

As of December 31

Fiscal Year	Amount (2)
2002 .....	256,295,578
2003 .....	327,032,146
2004 .....	384,124,771
2005 .....	446,656,115
2006 .....	460,910,906
2007 .....	423,582,245
2008 .....	379,245,466
2009 .....	336,954,031
2010 .....	448,722,294 (3)
2011 .....	416,691,804 (3)

Source:

*Erie County Basic Financial Statements – 2002-2011 (Audited)*

Notes:

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

(2) Excludes ECMCC bond guaranty of \$101,375,000 for 2004-2008, \$99,305,000 for 2009, \$97,150,000 for 2010 and \$94,900,000 for 2011.

(3) Excludes ECFSA Bonds and includes Erie County Mirror Bonds.

## Valuations, Tax Levies and Rates

Last Five Fiscal Years

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Assessed Valuation . . . . . \$	35,707,718,703	\$ 35,467,308,165	\$ 34,851,607,714	\$ 33,402,435,778	\$ 32,121,849,671
Equalized Full Valuation . . . .	47,235,307,049	46,738,119,997	46,120,909,987	44,382,615,356	42,821,245,989
Levied for County Purposes (1) . . . . .	237,692,831	235,182,208	232,413,974	223,306,326	211,837,793
Rates for \$1,000 of Equalized Full Valuation . . . . .	\$5.03	\$5.03	\$5.03	\$5.03	\$4.94

*Source:*

*Division of Real Property Tax Annual Reports*

*Note:*

*(1) Includes County and Library property taxes.*

## Computation of Constitutional Taxing Power for 2012

Tax Year	Full Valuation
2008 .....	\$ 42,445,603,001
2009 .....	44,382,615,337
2010 .....	46,120,909,981
2011 .....	46,738,119,900
2012 .....	47,237,059,981
Total .....	\$ 226,924,308,200
Five-Year Average Full Valuation .....	\$ 45,384,861,640
Tax Limit (1.5%) (1) .....	680,772,925
Total Exclusions .....	68,553,845
Total Taxing Power .....	749,326,770
Total Levy for 2012 (2) .....	249,748,640
Tax Margin (1) .....	\$ 499,578,130

*Source: Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the New York State Comptroller.*

**Notes:**

*(1) 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 2012 total taxing power under this local law is \$522,402,461 leaving a tax margin of \$272,653,821.*

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