



COUNTY OF ERIE

DAVID J. SHENK
COMPTROLLER

November 8, 2012

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

Honorable Mark C. Poloncarz
Erie County Executive
95 Franklin St., 16th Floor
Buffalo, NY 14202

Dear Honorable Members and County Executive Poloncarz:

My office has prepared an Interim Financial Report ("Report") of the County of Erie, New York ("County") as of and for the nine-month period ended September 30, 2012 (i.e., "Third Quarter 2012"). The Report, enclosed for your review, consists of the following elements:

- Financial Statements
- Investment Reports
- Cash Flow Statements
- 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 2.51% increase in sales tax revenue above the County's 2011 actual sales tax revenue.

The final adjusted sales tax revenue amount for the County's Second Quarter 2012 was \$198,412,084 compared to \$192,885,656 for the Second Quarter of 2011; i.e., an increase of 2.87%.

During the first nine months of 2012, the County experienced an \$8,401,714 (2.86%) increase in sales tax revenue, compared to the first nine months of 2011. The final revenue amounts at September 30, 2012 will be known to the County in mid-November.

Real Property Taxes

Through the nine-month period ended September 30, 2012, the County received 92.1% of the \$311,412,974 that was levied and is collectible for County purposes, which is 0.3% lower than the percentage collected as of September 30, 2011. Taxes remaining to be collected are at \$24,695,715 compared to \$23,284,191 at September 30, 2011 (6.1% increase).

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 was approved to be bonded. Including the Legislature's authorization in 2011 of \$3 million for the new polar bear exhibit at the Buffalo Zoological Gardens, approximately \$24.2 million was authorized and bonded.

On August 14, 2012, the County closed a bond transaction involving a principal amount of \$20,960,000 in "new County money" that provided the necessary cash to fund the related capital projects.

Short-term Borrowing in 2012

On September 20, 2012, the County Legislature authorized my office to issue revenue anticipation notes ("RAN's") not to exceed \$80 million and further approved the County Executive's Declaration of Need requesting the Erie County Fiscal Stability Authority ("ECFSA") to conduct the borrowing on behalf of the County.

On October 11, 2012, the County's \$75 million RAN closed through the requested mirror Bond Anticipation Note-Revenue Anticipation Note (BAN-RAN) arrangement with the ECFSA.

Erie County Medical Center Corporation ("ECMCC")

Once the County's scheduled \$12.32 million Disproportionate Share ("DSH") payment was made in September 2012, coupled with the County's scheduled \$5.05 million Upper Payment Limit ("UPL") payment in June 2012, the County's total DSH/UPL outlay to-date for 2012 is approximately \$17.37 million. In early October 2012, the Budget Office learned the remaining two DSH/UPL payments for 2012, amounting to approximately \$22.57 million, may be postponed to early 2013 and, if paid in 2013, will be recognized as a 2013 expenditure; i.e., the County's 2012 DSH/UPL payment obligation to ECMCC may be considered "complete" at approximately \$17.37 million which is approximately \$1.17 million greater than the County's budgeted annual subsidy of \$16.2 million.

To mitigate the County's financial challenges associated with its gross DSH/UPL payment obligations (which have substantially exceeded the budgeted \$16.2 million annual subsidy), the Poloncarz Administration has negotiated with ECMCC officials to amend the 2010 settlement agreement.

The County's Administration anticipates the First Amendment to the Settlement Agreement will smooth out any unexpected financial obligations related to the settlement agreement. Beginning in 2014, anticipated Medicaid reforms related to the Affordable Health Care for America Act are expected to alleviate the County's financial obligations relating to gross DSH/UPL payment obligations.

To make binding, the First Amendment to the Settlement Agreement must be ratified by the County Legislature and a justice of the New York State Supreme Court. These formal actions are pending.

Conclusion

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, Erie Community College, the Erie County Tobacco Securitization Corporation, the Buffalo and Erie County Industrial Land Development Corporation, Inc. and the ECFSA 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.

Please note that this is the final quarterly report for 2012 as the "Fourth Quarter Financial Report" will be incorporated into the County's 2012 year-end Comprehensive Annual Financial Report which is currently scheduled to be released in June 2013. The next quarterly financial report will be issued in April 2013 for the First Quarter 2013.

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 NINE MONTHS ENDED SEPTEMBER 30, 2012



Erie County Comptroller's Office

DAVID J. SHENK
Erie County Comptroller

NOVEMBER 8, 2012

COUNTY OF ERIE, NEW YORK

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FUND FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK

Balance Sheet

Governmental Funds

September 30, 2012

(amounts expressed in thousands)

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 588	\$ 40,761	\$ 41,349
Investments	-	200	200
Receivables (net of allowances) Real property taxes, interest, penalties and liens	71,799	12	71,811
Other	3,936	30,458	34,394
Due from other funds	24,986	26,742	51,728
Due from other governments	210,361	23,845	234,206
Prepaid items	156	-	156
Loan receivable	300	-	300
Restricted cash	178	85,246	85,424
Total assets	\$ 312,304	\$ 207,264	\$ 519,568
LIABILITIES:			
Accounts payable	\$ 12,941	\$ 4,909	\$ 17,850
Accrued liabilities	60,622	5,156	65,778
Due to other funds	4,243	26,639	30,882
Due to component unit	1,579	-	1,579
Due to other governments	3,040	1	3,041
Retained percentages payable	-	1,549	1,549
Unearned revenue	13,133	30,519	43,652
Deferred revenue	59,554	-	59,554
Total liabilities	155,112	68,773	223,885
FUND BALANCES:			
Nonspendable:			
Loan receivable	300	-	300
Prepaid items	156	-	156
Restricted for:			
Handicapped parking	111	-	111
Law enforcement	67	-	67
E-911 system costs	-	1,366	1,366
Debt service	-	9,808	9,808
Capital expenditures	-	86,134	86,134
Assigned:			
Other purposes	41,065	41,183	82,248
Unassigned	115,493	-	115,493
Total fund balances	157,192	138,491	295,683
Total liabilities and fund balances	\$ 312,304	\$ 207,264	\$ 519,568

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the nine months ended September 30, 2012

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Real property taxes and tax items	\$ 223,393	\$ 37,290	\$ 260,683
Sales and use taxes	519,041	2,937	521,978
Transfer taxes	-	6,610	6,610
Intergovernmental	244,389	43,053	287,442
Departmental	52,151	11,068	63,219
Interest	826	3,549	4,375
Miscellaneous	3,326	2,488	5,814
Total revenues	1,043,126	106,995	1,150,121
EXPENDITURES:			
Current:			
General government support	277,661	6,063	283,724
Public safety	92,111	12,826	104,937
Health	50,445	5,363	55,808
Transportation	16,202	16,272	32,474
Economic assistance and opportunity	422,539	11,553	434,092
Culture and recreation	15,061	-	15,061
Education	52,307	64	52,371
Home and community service	1,574	32,987	34,561
Capital outlay	-	41,697	41,697
Debt service:			
Principal retirement	-	36,637	36,637
Interest and fiscal charges	479	14,006	14,485
Total expenditures	928,379	177,468	1,105,847
Excess (deficiency) of revenues over expenditures	114,747	(70,473)	44,274
OTHER FINANCING SOURCES (USES):			
Issuance of general obligation debt	-	24,110	24,110
Premium on bond issuance	-	3,245	3,245
Sale of property	227	-	227
Transfers in	-	67,123	67,123
Transfers out	(73,917)	(10,634)	(84,551)
Total other financing sources (uses)	(73,690)	83,844	10,154
Net change in fund balances	41,057	13,371	54,428
Fund balances at beginning of year	116,135	125,120	241,255
Fund balances at end of nine months	\$ 157,192	\$ 138,491	\$ 295,683

Statement of Net Assets

Proprietary Fund

September 30, 2012

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
ASSETS:	
Current Assets:	
Other receivables	\$ 356
Due from other governments	2,661
Total current assets	3,017
Total assets	3,017
 LIABILITIES	
Current Liabilities:	
Accounts payable	184
Accrued liabilities	213
Due to other funds	389
Total current liabilities	786
Total liabilities	786
 NET ASSETS:	
Unrestricted	2,231
Total net assets	\$ 2,231

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the nine months ended September 30, 2012

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund
	Utilities Aggregation Fund
OPERATING REVENUES:	
Interfund revenues	\$ 4,333
Other operating revenue	9,647
Total operating revenue	13,980
OPERATING EXPENSES:	
Employee wages	34
Employee benefits	20
Utilities and telephone	14,262
Total operating expenses	14,316
Change in net assets	(336)
Total net assets - beginning	2,567
Total net assets at end of nine months	\$ 2,231

Statement of Fiduciary Net Assets

Fiduciary Fund

September 30, 2012

(amounts expressed in thousands)

	<u>Agency Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 32,575
Receivables:	
Other receivables	1,518
Due from other governments	5
Bonds and securities held in custody	<u>17</u>
Total assets	\$ 34,115
LIABILITIES:	
Held in custody for others	<u>\$ 34,115</u>
Total liabilities	\$ 34,115

**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

September 30, 2012

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
ASSETS:				
Cash and cash equivalents	\$ 3	\$ 32,368	\$ 34	\$ 261
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	12	-
Other	-	6	-	544
Due from other funds	-	7,167	-	-
Due from other governments	5,813	76	-	14
Restricted cash	-	-	-	1,366
Total assets	\$ 5,816	\$ 39,617	\$ 46	\$ 2,185
LIABILITIES:				
Accounts payable	\$ 217	\$ 133	\$ -	\$ 355
Accrued liabilities	1,126	1,694	9	426
Due to other funds	2,487	70	8	-
Due to other governments	-	-	-	-
Retained percentages payable	-	4	-	-
Unearned revenue	-	-	-	-
Total liabilities	3,830	1,901	17	781
FUND BALANCES:				
Restricted for:				
E-911 system costs	-	-	-	1,366
Debt service	-	-	-	-
Capital expenditures	-	-	-	-
Assigned:				
Other purposes	1,986	37,716	29	38
Total fund balances	1,986	37,716	29	1,404
Total liabilities and fund balances	\$ 5,816	\$ 39,617	\$ 46	\$ 2,185

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2012

(amounts expressed in thousands)

Special Revenue

	Emergency Response	Grants	Community Development	Total
ASSETS:				
Cash and cash equivalents	\$ 1,197	\$ -	\$ 797	\$ 34,660
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	12
Other	-	1,191	28,717	30,458
Due from other funds	-	-	-	7,167
Due from other governments	217	12,167	339	18,626
Restricted cash	-	-	-	1,366
Total assets	\$ 1,414	\$ 13,358	\$ 29,853	\$ 92,289
LIABILITIES:				
Accounts payable	\$ -	\$ 1,143	\$ 484	\$ 2,332
Accrued liabilities	-	1,051	76	4,382
Due to other funds	-	10,029	-	12,594
Due to other governments	-	-	-	-
Retained percentages payable	-	49	-	53
Unearned revenue	-	1,086	29,293	30,379
Total liabilities	-	13,358	29,853	49,740
FUND BALANCES:				
Restricted for:				
E-911 system costs	-	-	-	1,366
Debt service	-	-	-	-
Capital expenditures	-	-	-	-
Assigned:				
Other purposes	1,414	-	-	41,183
Total fund balances	1,414	-	-	42,549
Total liabilities and fund balances	\$ 1,414	\$ 13,358	\$ 29,853	\$ 92,289

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

September 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
ASSETS:					
Cash and cash equivalents	\$ 947	\$ 725	\$ -	\$ 3,735	\$ -
Investments	-	-	-	-	200
Receivables (net of allowances)					
Real property taxes, interest, penalties and liens	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	18,882	-	693	-	-
Due from other governments	438	460	4,304	17	-
Restricted cash	-	50,321	22,457	6,883	16
Total assets	\$ 20,267	\$ 51,506	\$ 27,454	\$ 10,635	\$ 216
LIABILITIES:					
Accounts payable	\$ -	\$ 153	\$ 2,376	\$ 40	\$ -
Accrued liabilities	48	129	426	167	-
Due to other funds	10,411	708	-	2,924	-
Due to other governments	-	-	1	-	-
Retained percentages payable	-	195	-	621	-
Unearned revenue	-	-	140	-	-
Total liabilities	10,459	1,185	2,943	3,752	-
FUND BALANCES:					
Restricted for:					
E-911 system costs	-	-	-	-	-
Debt service	9,808	-	-	-	-
Capital expenditures	-	50,321	24,511	6,883	216
Assigned:					
Other purposes	-	-	-	-	-
Total fund balances	9,808	50,321	24,511	6,883	216
Total liabilities and fund balances	\$ 20,267	\$ 51,506	\$ 27,454	\$ 10,635	\$ 216

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

September 30, 2012

(amounts expressed in thousands)

Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
ASSETS:				
Cash and cash equivalents	\$ 662	\$ 32	\$ 5,154	\$ 40,761
Investments	-	-	200	200
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	12
Other	-	-	-	30,458
Due from other funds	-	-	693	26,742
Due from other governments	-	-	4,781	23,845
Restricted cash	978	3,225	83,880	85,246
Total assets	\$ 1,640	\$ 3,257	\$ 94,708	\$ 207,264
LIABILITIES:				
Accounts payable	\$ -	\$ 8	\$ 2,577	\$ 4,909
Accrued liabilities	1	3	726	5,156
Due to other funds	-	2	3,634	26,639
Due to other governments	-	-	1	1
Retained percentages payable	661	19	1,496	1,549
Unearned revenue	-	-	140	30,519
Total liabilities	662	32	8,574	68,773
FUND BALANCES:				
Restricted for:				
E-911 system costs	-	-	-	1,366
Debt service	-	-	-	9,808
Capital expenditures	978	3,225	86,134	86,134
Assigned:				
Other purposes	-	-	-	41,183
Total fund balances	978	3,225	86,134	138,491
Total liabilities and fund balances	\$ 1,640	\$ 3,257	\$ 94,708	\$ 207,264

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2012

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
REVENUES:				
Real property taxes and tax items	\$ -	\$ 36,023	\$ 1,267	\$ -
Sales and use taxes	-	-	-	2,937
Transfer taxes	6,610	-	-	-
Intergovernmental	5,153	-	-	33
Departmental	113	8,203	-	-
Interest	-	81	-	-
Miscellaneous	5	696	-	-
Total revenues	11,881	45,003	1,267	2,970
EXPENDITURES:				
Current:				
General government support	-	-	1,238	-
Public safety	-	-	-	4,360
Health	-	-	-	821
Transportation	16,150	-	-	-
Economic assistance and opportunity	-	-	-	-
Education	-	-	-	-
Home and community service	-	29,451	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	16,150	29,451	1,238	5,181
(Deficiency) excess of revenues over expenditures	(4,269)	15,552	29	(2,211)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	8,509	-	-	1,615
Transfers out	(4,240)	(4,594)	-	-
Total other financing sources (uses)	4,269	(4,594)	-	1,615
Net change in fund balances	-	10,958	29	(596)
Fund balances at beginning of year	1,986	26,758	-	2,000
Fund balances at end of nine months	\$ 1,986	\$ 37,716	\$ 29	\$ 1,404

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2012

(amounts expressed in thousands)

Special Revenue

	Emergency Response	Grants	Community Development	Total
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 37,290
Sales and use taxes	-	-	-	2,937
Transfer taxes	-	-	-	6,610
Intergovernmental	-	25,279	2,430	32,895
Departmental	-	1,539	919	10,774
Interest	-	-	-	81
Miscellaneous	-	600	-	1,301
Total revenues	-	27,418	3,349	91,888
EXPENDITURES:				
Current:				
General government support	-	4,825	-	6,063
Public safety	-	8,466	-	12,826
Health	-	4,542	-	5,363
Transportation	-	122	-	16,272
Economic assistance and opportunity	-	11,423	130	11,553
Education	-	64	-	64
Home and community service	-	317	3,219	32,987
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	29,759	3,349	85,128
(Deficiency) excess of revenues over expenditures	-	(2,341)	-	6,760
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	-	-	-	-
Transfers in	-	2,341	-	12,465
Transfers out	-	-	-	(8,834)
Total other financing sources (uses)	-	2,341	-	3,631
Net change in fund balances	-	-	-	10,391
Fund balances at beginning of year	1,414	-	-	32,158
Fund balances at end of nine months	\$ 1,414	\$ -	\$ -	\$ 42,549

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 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
REVENUES:					
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Transfer taxes	-	-	-	-	-
Intergovernmental	878	567	8,713	-	-
Departmental	-	282	-	12	-
Interest	3,434	14	-	20	-
Miscellaneous	1,187	-	-	-	-
Total revenues	5,499	863	8,713	32	-
EXPENDITURES:					
Current:					
General government support	-	-	-	-	-
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	-	-	-	-	-
Economic assistance and opportunity	-	-	-	-	-
Education	-	-	-	-	-
Home and community service	-	-	-	-	-
Capital outlay	-	7,674	21,324	3,569	-
Debt service:					
Principal retirement	36,637	-	-	-	-
Interest and fiscal charges	14,006	-	-	-	-
Total expenditures	50,643	7,674	21,324	3,569	-
(Deficiency) excess of revenues over expenditures	(45,144)	(6,811)	(12,611)	(3,537)	-
OTHER FINANCING SOURCES (USES) :					
Issuance of general obligation debt	-	10,618	8,783	3,150	-
Premium on bond issuance	4	1,642	1,358	-	-
Transfers in	49,315	3	4,240	1,100	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	49,319	12,263	14,381	4,250	-
Net change in fund balances	4,175	5,452	1,770	713	-
Fund balances at beginning of year	5,633	44,869	22,741	6,170	216
Fund balances at end of nine months	\$ 9,808	\$ 50,321	\$ 24,511	\$ 6,883	\$ 216

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the nine months ended September 30, 2012

(amounts expressed in thousands)

Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 37,290
Sales and use taxes	-	-	-	2,937
Transfer taxes	-	-	-	6,610
Intergovernmental	-	-	9,280	43,053
Departmental	-	-	294	11,068
Interest	-	-	34	3,549
Miscellaneous	-	-	-	2,488
Total revenues	-	-	9,608	106,995
EXPENDITURES:				
Current:				
General government support	-	-	-	6,063
Public safety	-	-	-	12,826
Health	-	-	-	5,363
Transportation	-	-	-	16,272
Economic assistance and opportunity	-	-	-	11,553
Education	-	-	-	64
Home and community service	-	-	-	32,987
Capital outlay	9,122	8	41,697	41,697
Debt service:				
Principal retirement	-	-	-	36,637
Interest and fiscal charges	-	-	-	14,006
Total expenditures	9,122	8	41,697	177,468
(Deficiency) excess of revenues over expenditures	(9,122)	(8)	(32,089)	(70,473)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	1,559	-	24,110	24,110
Premium on bond issuance	241	-	3,241	3,245
Transfers in	-	-	5,343	67,123
Transfers out	(1,800)	-	(1,800)	(10,634)
Total other financing sources (uses)	-	-	30,894	83,844
Net change in fund balances	(9,122)	(8)	(1,195)	13,371
Fund balances at beginning of year	10,100	3,233	87,329	125,120
Fund balances at end of nine months	\$ 978	\$ 3,225	\$ 86,134	\$ 138,491

(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

September 30, 2012

(amounts expressed in thousands)

	Library
ASSETS:	
Cash and cash equivalents	\$ 14,085
Receivables (net of allowances)	
Other	65
Due from primary government	1,576
Due from other governments	940
Total assets	\$ 16,666
LIABILITIES:	
Accounts payable	\$ 382
Accrued liabilities	1,427
Unearned revenue	1,143
Total liabilities	2,952
FUND BALANCES:	
Committed	4,119
Assigned	448
Unassigned	9,147
Total fund balances	13,714
Total liabilities and fund balances	\$ 16,666

Statement of Revenues, Expenditures and Changes in Fund Balance

Library Component Unit

For the nine months ended September 30, 2012

(amounts expressed in thousands)

	Library
REVENUES:	
Real property taxes and tax items	\$ 19,872
Intergovernmental	3,078
Departmental	310
Interest	11
Miscellaneous	1,817
Total revenues	25,088
EXPENDITURES:	
Current:	
Culture and recreation	18,903
Total expenditures	18,903
Net change in fund balances	6,185
Fund balance at beginning of year	7,529
Fund balances at end of nine months	\$ 13,714

INVESTMENT REPORT

Investment Report

January 1, 2012 through September 30, 2012

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first nine 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 1,085 investments were made during the first nine months, resulting in \$657,318 in total interest earnings for all funds. The weighted average yield for the first nine months was .33%. For comparison, during the first nine months of 2011, 1,179 investments were effectuated which generated \$949,383 in total interest earnings for all funds at an average weighted yield of .50%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - Sept		Average Investment (in millions) Jan - Sept		Average Length of Investment (days) Jan - Sept	
	2012	2011	2012	2011	2012	2011
JP Morgan Chase, N.A.	1,065	1,147	\$10.0	\$10.8	6	4
Citizens Bank	N/A	7	N/A	.4	N/A	32
Bank of America	N/A	N/A	N/A	N/A	N/A	N/A
HSBC Bank USA, N.A.	9	19	1.7	30.0	12	21
Key Bank, N.A.	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturers & Traders	11	6	1.0	9.4	63	30
Totals	1,085	1,179				

Investment Report

January 1, 2012 through September 30, 2012

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 st Quarter	\$117,016	\$17,983	\$88,223	\$17,548	\$240,770
2 nd Quarter	\$138,435	\$20,296	\$71,712	\$36,917	\$267,360
3 rd Quarter	\$45,091	\$9,641	\$67,829	\$26,627	\$149,188
Year to date	\$300,542	\$47,920	\$227,764	\$81,092	\$657,318

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 September 30, 2012 is \$300,542. For comparison, as of September 30, 2011, the General Fund interest earnings were \$388,431.

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%
July	.33%	.49%
August	.30%	.49%
September	.30%	.45%
Weighted Average Jan. – Sept.	.33%	.50%

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.

COUNTY OF ERIE, NEW YORK

Cash Flow Statement

January-September Actual, October-December Projected
2012

Description	Actual January	Actual February	Actual March	Actual April	Actual May
Opening Balance	\$ 46,643,771				
RECEIPTS:					
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
Total Receipts	158,768,246	127,035,391	334,087,191	75,080,303	77,986,441
DISBURSEMENTS:					
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
Total Disbursements	104,693,308	132,037,061	190,363,415	141,782,111	122,800,213
Monthly Cash Flow	\$ 54,074,938	\$ (5,001,670)	\$ 143,723,776	\$ (66,701,808)	\$ (44,813,772)
Cumulative Cash Flow	\$ 54,074,938	\$ 49,073,268	\$ 192,797,044	\$ 126,095,236	\$ 81,281,464

(Continued)

Cash Flow Statement

January-September Actual, October-December Projected
2012

Description	Actual June	Actual July	Actual August	Actual September	Projected October
Opening Balance					
RECEIPTS:					
DSS	\$ 26,785,782	\$ 13,833,124	\$ 40,593,458	\$ 14,479,163	\$ 23,732,045
Sales Tax	70,229,380	50,007,370	53,850,161	54,300,126	69,124,860
Real Property Tax	4,405,492	3,698,936	3,922,013	3,193,839	2,585,033
Other	23,243,429	19,208,999	17,931,062	27,949,124	16,618,592
RAN Proceeds	-	-	-	-	75,000,000
EFSCA Set Aside Release	588,458	4,985,093	-	946,581	656,160
Total Receipts	125,252,541	91,733,522	116,296,694	100,868,833	187,716,690
DISBURSEMENTS:					
DSS	33,886,352	34,810,026	30,485,337	42,512,171	55,482,394
Payroll	25,078,688	25,869,900	35,130,742	26,105,321	25,533,600
Vendor	80,258,394	29,703,975	30,411,876	74,275,031	40,646,434
Debt Service	5,795,495	610,936	1,250,968	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	588,458	4,985,093	-	946,581	656,160
Total Disbursements	161,181,724	98,554,267	99,853,260	151,424,910	125,607,850
Monthly Cash Flow	\$ (35,929,183)	\$ (6,820,745)	\$ 16,443,434	\$ (50,556,077)	\$ 62,108,840
Cumulative Cash Flow	\$ 45,352,281	\$ 38,531,536	\$ 54,974,970	\$ 4,418,893	\$ 66,527,733

(Continued)

Cash Flow Statement

January-September Actual, October-December Projected
2012

Description	Projected November	Projected December	TOTAL
Opening Balance			
RECEIPTS:			
DSS	\$ 14,123,335	\$ 42,805,967	\$ 247,040,358
Sales Tax	51,800,460	74,278,702	696,001,033
Real Property Tax	1,116,783	3,882,356	311,095,972
Other	21,445,643	39,988,200	245,194,239
RAN Proceeds	-	-	75,000,000
EFSCA Set Aside Release	3,229,657	1,290,250	27,811,831
Total Receipts	91,715,878	162,245,474	1,602,143,433
DISBURSEMENTS:			
DSS	52,366,923	35,585,975	445,887,078
Payroll	28,084,611	31,482,022	331,633,896
Vendor	21,617,774	94,563,308	649,881,020
Debt Service	2,084,965	11,504,563	42,302,321
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	27,811,829
Total Disbursements	109,976,788	177,018,976	1,615,293,884
Monthly Cash Flow	\$ (18,260,911)	\$ (14,773,502)	\$ (13,150,451)
Cumulative Cash Flow	\$ 48,266,822	\$ 33,493,320	

(Concluded)

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections

Nine Months Ended September 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 - September Collections	<u>(286,717,259)</u>	<u>(281,478,985)</u>
Net Outstanding at September 30	<u>\$ 24,695,715</u>	<u>\$ 23,284,191</u>
Percentage Collected through September 30	<u>92.1%</u>	<u>92.4%</u>

Source: Erie County Govern Tax Collection System.

Sales Tax Revenue

Nine Months Ended September 30, 2012 and 2011

	2012 Adopted Budget (1)	September 2012 Y-T-D Revenue (2)	% of Budget Realized	2011 Adopted Budget	September 2011 Y-T-D Revenue	% of Budget Realized
Sales And Use Tax	\$ 155,253,226	\$ 114,039,085	73.5%	\$ 146,057,048	\$ 110,856,390	75.9%
1% Sales Tax - Erie County Purposes . . .	146,556,918	107,668,216	73.5%	138,543,491	104,655,043	75.5%
0.25% Sales Tax	36,412,330	26,860,776	73.8%	34,053,618	26,125,494	76.7%
0.50% Sales Tax	72,824,659	53,721,553	73.8%	68,106,288	52,250,989	76.7%
Totals	\$ 411,047,133	\$ 302,289,630	73.5%	\$ 386,760,445	\$ 293,887,916	76.0%

Source: Erie County Comptroller's Office.

Notes:

(1) Through September 30, 2012 year to date, \$208,966,327.62 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 November 2012.

DEBT SCHEDULES

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

As of September 30, 2012

Fiscal Year			
Ending	Principal	Interest	Total
December 31	Payments	Payments	Debt Service
2012	\$ 11,811,100.00	\$ 7,093,352.85	\$ 18,904,452.85 (1)
2013	44,179,123.50	20,795,652.46	64,974,775.96
2014	46,174,506.01	18,693,705.12	64,868,211.13
2015	47,093,125.01	16,747,352.90	63,840,477.91
2016	45,966,938.01	14,719,691.69	60,686,629.70
2017	47,329,180.01	12,688,811.52	60,017,991.53
2018	42,041,423.01	10,476,317.16	52,517,740.17
2019	36,142,566.01	8,658,524.01	44,801,090.02
2020	36,729,809.01	6,989,839.29	43,719,648.30
2021	23,537,052.01	5,388,710.18	28,925,762.19
2022	24,564,295.01	4,240,140.73	28,804,435.74
2023	25,691,538.01	3,020,016.22	28,711,554.23
2024	7,768,780.92	2,169,022.30	9,937,803.22
2025	7,616,024.00	1,803,042.71	9,419,066.71
2026	5,388,267.00	1,479,213.27	6,867,480.27
2027	3,340,510.00	1,286,871.98	4,627,381.98
2028	3,422,752.00	1,142,729.15	4,565,481.15
2029	3,509,995.00	994,182.44	4,504,177.44
2030	2,642,238.00	865,961.98	3,508,199.98
2031	2,724,481.00	759,124.62	3,483,605.62
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
Totals	\$ 482,590,751.52	\$ 142,761,578.57	\$ 625,352,330.09

Source: Erie County Comptroller's Office

Notes:

(1) Amount is net of debt service payments of \$50,642,811.29 made from January 1, 2012 to September 30, 2012.

Direct General Obligation Indebtedness Outstanding

As of September 30, 2012

	Amount	Totals
Bonds:		
Buildings and other Improvements	\$ 128,570,143.53	
Highway Improvements	110,499,760.92	
Court House Facilities	55,231,282.04	
Sewer District Facilities	79,390,795.00	
Hospital	4,228,864.94	(1)
First Niagara Center	15,510,000.00	
Computer System	15,416,520.56	
Ralph Wilson Stadium	22,290,551.39	
Community College	27,224,658.91	
Convention Center	9,459,464.03	
Buffalo Zoo	2,598,313.00	
Prison Facilities	12,104,262.14	
Nursing Home	66,135.06	(1)
Total Long-Term Debt	482,590,751.52	\$ 482,590,751.52 ⁽²⁾
Exclusions :		
Sewer District Debt	79,390,795.00	
Budgeted Appropriations	10,580,000.34	
Total Deductions	89,970,795.34	89,970,795.34
Net Direct Debt	392,619,956.18	\$ 392,619,956.18

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 September 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
Total five year full valuation	\$ 220,186,567,397.00
5 Year Average full valuation	\$ 44,037,313,479.40
Debt limit - 7% of average full valuation . . .	\$ 3,082,611,943.56

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

Calculation of Total Net Indebtedness

As of September 30, 2012

Five year average full valuation (2007-2011)		<u>\$ 44,037,313,479.00</u>
Debt Limit - 7% of average full valuation		<u>\$ 3,082,611,943.53</u>
Outstanding Indebtedness:		
Bonds - General	\$ 403,199,956.52	
Bonds - Sewer	79,390,795.00	
Bond Guaranty - ECMCC (1)	<u>94,900,000.00</u>	
Total Indebtedness	<u>577,490,751.52</u>	
Less Exclusions:		
Sewer Exclusion	79,390,795.00	
Budgeted Appropriations	<u>10,580,000.34</u>	
Total Exclusions	<u>89,970,795.34</u>	
Total Net Indebtedness		<u>487,519,956.18</u>
Net Debt Contracting Margin		<u>\$ 2,595,091,987.35</u>
Percentage of Debt Contracting Power Exhausted		<u>15.82%</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
2012	75,000,000	RAN	10/11/12	06/30/13

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.

(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

<u>Fiscal Year</u>	<u>Amount (2)</u>
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.