



County of Erie

MARK C. POLONCARZ
COMPTROLLER

April 29, 2011

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

Honorable Christopher C. Collins
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, NY 14202

Dear Honorable Members and County Executive Collins:

We have prepared an Interim Financial Report ("Report") of the County of Erie, New York ("County") as of and for the three-month period ended March 31, 2011 (i.e., "First Quarter 2011"). The Report, which is enclosed for your review, consists of the following elements:

- Financial Statements
- Investment Report
- Cash Flow Statement
- Property and Sales Tax Summary
- Debt Schedules
- Miscellaneous Financial Data (including data on short and long-term bonded indebtedness, property tax rates and constitutional taxing power)

We provide the following observations and comments for your consideration:

Federal Medical Assistance Percentage Revenue

The County has budgeted \$13 million in Federal Medical Assistance Percentage ("FMAP") stimulus funds as revenue in 2011. This is anticipated to be a non-recurring revenue source that is scheduled to expire on June 30, 2011. However, it appears the County will ultimately receive approximately \$16.7 million in FMAP benefit/funds in 2011. In First Quarter 2011, the County received \$8,353,112 in FMAP benefit funds. Note that in 2010, the County received a total of \$42,958,847 in FMAP benefit/funds including \$9,146,280 in First Quarter 2010.

Sales Tax

During First Quarter 2011, excluding prior period adjustments, the County experienced a 4.17% increase in sales tax revenue (on a cash basis) compared to First Quarter 2010. The County had a negative prior period adjustment for First Quarter 2011 with a \$280,000 county share. As you are aware, the 2011 Budget (which has yet to be formally adopted as it is the subject of an ongoing lawsuit and as of this date has not been approved by the Erie County Fiscal Stability Authority) amount of \$386,760,445 is predicated on a .8% increase in sales tax revenue over the 2010 actual sales tax revenue.

For First Quarter 2011, the increase in sales tax revenue is in part attributed to the increase in consumer energy prices, particularly fuel and food prices, compared to First Quarter 2010. With respect to the impact of higher fuel prices, for 1Q 2011 approximately \$850,000 of the sales tax revenue increase is due to the increase in wholesale fuel prices as compared to 1Q 2010.

State legislation to extend the County's 1% sales tax beyond the expiration date November 30, 2011 was introduced in the New York State by Senator Michael Ranzenhofer and in the New York State Assembly by Assemblyman Robin Schimminger.

Redistribution of 3% Sales Tax to Municipalities

The County's change in population, as presented by the 2010 Census, has impacted the 3% sales tax sharing formula – as well as the remittance of \$12,500,000 of sales tax revenue – for determining the share of monies to distribute to cities, towns, villages and school districts. The decline in the City of Buffalo's population has led to a reduction in the City of Buffalo's share of sales tax money resulting in an increase in monies available for all other municipalities.

The outcome of the First Quarter 2011 distribution will be repeated for future distributions subject to established changes to the formula for sharing sales tax revenue among individual County municipalities each calendar quarter (i.e., first and third quarters by assessed values, second and fourth by population).

Debt and Property Tax Levels and Limits

Through First Quarter 2011, the County's debt level is 16.79% of the total Net Debt Contracting Margin allowed by State law. As for the County's property tax levy position in relation to the County Charter's stated property tax limit, the County is at 49.25% of the County's total taxing power.

State Hold-Back on Reimbursements

With respect to the State's 2010-2011 Adopted Budget, an amendment was passed in late summer 2010 containing a provision specifying that the State hold back 1.1% of reimbursements due and owing to counties in the event that the State experienced a shortfall in FMAP funds from the federal government. This provision took effect on September 16, 2010 and expired March 31, 2011 and was a minor cash flow issue for the County in First Quarter 2011; i.e., the County received approximately \$108,000 less in reimbursement payments than anticipated.

Erie Tax Certificate Corporation

Although Erie Tax Certificate Corporation's ("ETCC") Board of Directors voted in 2010 to terminate its contractual relationship with XSPAND and dissolve ETCC effective December 31, 2010, operations continued through First Quarter 2011 due to identification of a substantial number of properties held in tax foreclosure. On April 13, 2011 the County conducted a foreclosure sale of 26 properties in which the County realized \$142,050 in revenue.

In May 2011 the Certification of Dissolution will be filed with the New York State Attorney General's Office and ETCC's operations are expected to conclude by May 31, 2011. As a result, full responsibility for delinquent property tax collection and servicing will return to the County beginning June 1, 2011.

2006 October Storm (Emergency Response fund)

The County received a final payment of \$2.1 million from the NYS Emergency Management Office on October 15, 2010. Currently the Emergency Response fund has an unreserved fund balance of approximately \$1.4 million and an open receivable remains from the City of Buffalo for \$216,958.

Short-term Borrowing in 2011

As of March 31, 2011, my office projects that the County will require a \$90 million revenue anticipation note ("RAN"), with the note to be issued in September 2011. Ultimately the final dollar amount and timing of the issuance will be determined as the County's actual cash position is monitored and projections are adjusted, as applicable, throughout the year. The primary reasons for the anticipated increase in required RAN proceeds is the reduction and ultimate loss of FMAP assistance and the expected use of 2010 surplus proceeds in 2011.

First Quarter 2011 Financial Report
April 29, 2011
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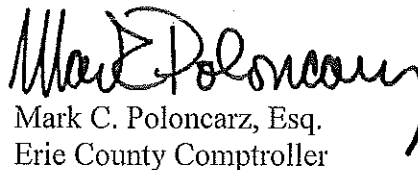
The financial statements and other information contained in this Report have been compiled largely from the official accounting records maintained in the County's SAP system. The financial statements for ECMCC, the Erie Community College, the Erie County Tobacco Securitization Corporation, the Erie Tax Certificate Corporation and the Erie County Fiscal

Stability Authority are not included 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 the 2010 information contained in this Report (e.g., 2011 beginning fund balance) is subject to change pending the results of the County's annual independent audit which is currently underway.

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

Sincerely yours,

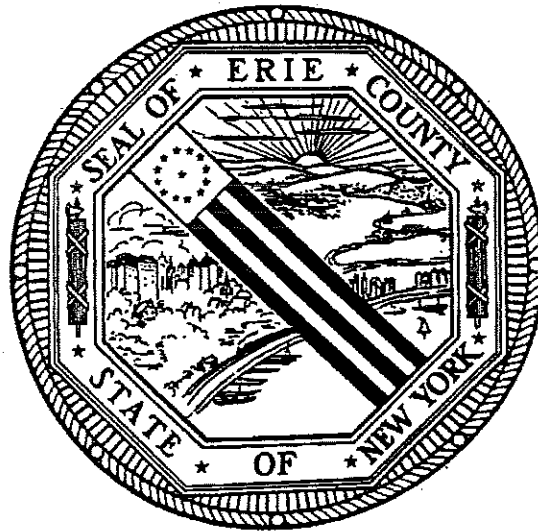

Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr
Enclosure

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

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE THREE MONTHS ENDED MARCH 31, 2011



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

APRIL 29, 2011

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK

Balance Sheet

Governmental Funds

March 31, 2011

(amounts expressed in thousands)

| | General | Other Governmental Funds | Total Governmental Funds |
|---|-------------------|--------------------------------|--------------------------------|
| ASSETS: | | | |
| Cash and cash equivalents | \$ 173,439 | \$ 122,190 | \$ 295,629 |
| Investments | - | 200 | 200 |
| Receivables (net of allowances) | | | |
| Real property taxes, interest, penalties and liens | 102,297 | 799 | 103,096 |
| Other | 8,887 | 28,365 | 37,252 |
| Due from other funds | 23,348 | 56,437 | 79,785 |
| Due from component unit | 124 | 7 | 131 |
| Due from other governments | 241,523 | 29,174 | 270,697 |
| Prepaid items | 156 | - | 156 |
| Advances to other funds | - | - | - |
| Loan receivable | 1,402 | - | 1,402 |
| Restricted cash | 10,800 | - | 10,800 |
| Total assets | \$ 561,976 | \$ 237,172 | \$ 799,148 |
| LIABILITIES: | | | |
| Accounts payable | \$ 9,523 | \$ 8,023 | \$ 17,546 |
| Accrued liabilities | 47,813 | 3,848 | 51,661 |
| Due to other funds | 39,782 | 25,124 | 64,906 |
| Due to component unit | 3,741 | - | 3,741 |
| Due to other governments | 368 | 909 | 1,277 |
| Retained percentages payable | 9 | 1,681 | 1,690 |
| Unearned revenue | 40,046 | 28,236 | 68,282 |
| Deferred revenue | 47,713 | - | 47,713 |
| Short-term debt | 65,000 | 7,841 | 72,841 |
| Total liabilities | 253,995 | 75,662 | 329,657 |
| FUND BALANCES: | | | |
| Reserved for: | | | |
| Encumbrances | 75,175 | 38,831 | 114,006 |
| Debt service | - | 13,064 | 13,064 |
| Loan receivable | 1,402 | - | 1,402 |
| Prepaid items | 156 | - | 156 |
| E-911 system costs | - | 1,405 | 1,405 |
| Handicapped parking | 109 | - | 109 |
| Law enforcement | 124 | - | 124 |
| Unreserved, reported in: | | | |
| General fund | | | |
| Designated | - | - | - |
| Undesignated | 231,015 | - | 231,015 |
| Special revenue funds | | | |
| Designated | - | - | - |
| Undesignated | - | 42,936 | 42,936 |
| Capital projects fund | | | |
| Designated | - | - | - |
| Undesignated (Deficit) | - | 65,274 | 65,274 |
| Total fund balances | 307,981 | 161,510 | 469,491 |
| Total liabilities and fund balances | \$ 561,976 | \$ 237,172 | \$ 799,148 |

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the three months ended March 31, 2011

(amounts expressed in thousands)

| | General | Other Governmental Funds | Total Governmental Funds |
|--|-------------------|--------------------------------|--------------------------------|
| REVENUES: | | | |
| Real property taxes and tax items | \$ 222,919 | \$ 35,574 | \$ 258,493 |
| Sales and use taxes | 157,955 | 1,159 | 159,114 |
| Transfer taxes | - | 2,309 | 2,309 |
| Intergovernmental | 83,988 | 13,065 | 97,053 |
| Interfund revenues | - | - | - |
| Departmental | 24,417 | 9,303 | 33,720 |
| Interest | 290 | 279 | 569 |
| Miscellaneous | 2,261 | 1,243 | 3,504 |
| Total revenues | 491,830 | 62,932 | 554,762 |
| EXPENDITURES: | | | |
| Current: | | | |
| General government support | 89,227 | 2,391 | 91,618 |
| Public safety | 27,265 | 3,227 | 30,492 |
| Health | 16,605 | 2,667 | 19,272 |
| Transportation | 5,339 | 7,648 | 12,987 |
| Economic assistance and opportunity | 128,242 | 3,258 | 131,500 |
| Culture and recreation | 4,855 | - | 4,855 |
| Education | 19,402 | 39 | 19,441 |
| Home and community service | 480 | 10,765 | 11,245 |
| Capital outlay | - | 4,968 | 4,968 |
| Debt service: | | | |
| Principal retirement | - | 7,203 | 7,203 |
| Interest and fiscal charges | - | 3,140 | 3,140 |
| Total expenditures | 291,415 | 45,306 | 336,721 |
| (Deficiency) excess of revenues over expenditures | 200,415 | 17,626 | 218,041 |
| OTHER FINANCING SOURCES (USES): | | | |
| Issuance of general obligation debt | - | - | - |
| Premium on bond issuance | - | - | - |
| Sale of property | 35 | - | 35 |
| Transfers in | - | 17,540 | 17,540 |
| Transfers out | (17,260) | (280) | (17,540) |
| Total other financing sources (uses) | (17,225) | 17,260 | 35 |
| Net change in fund balances | 183,190 | 34,886 | 218,076 |
| Fund balances at beginning of year | 124,791 | 126,624 | 251,415 |
| Fund balances at end of three months | \$ 307,981 | \$ 161,510 | \$ 469,491 |

COUNTY OF ERIE, NEW YORK

Statement of Net Assets

Proprietary Fund

March 31, 2011

(amounts expressed in thousands)

| | Business - Type Activity Enterprise Fund Utilities Aggregation Fund |
|--|--|
| ASSETS: | |
| Current Assets: | |
| Cash | \$ |
| Receivables (net of allowances) | 685 |
| Due from other funds | |
| Due from component unit | |
| Due from other governments | 5,101 |
| Prepaid items | |
| Total current assets | 5,786 |
| Noncurrent Assets: | |
| Capital assets, net of depreciation: | |
| Construction in progress | - |
| Other capital assets, net of depreciation .. | - |
| Total noncurrent assets | - |
| Total assets | 5,786 |
| LIABILITIES | |
| Current Liabilities: | |
| Accounts payable | 12 |
| Accrued liabilities | 1,166 |
| Due to other funds | 1,338 |
| Fringe benefits payable - current | - |
| Deferred revenue | - |
| Total current liabilities | 2,516 |
| Noncurrent Liabilities: | |
| Fringe benefits payable | - |
| Net OPEB obligation | - |
| Total noncurrent liabilities | - |
| Total liabilities | 2,516 |
| NET ASSETS (DEFICIT): | |
| Invested in capital assets | - |
| Unrestricted (Deficit), reported in: | |
| Community College | - |
| Nonmajor Fund | 3,270 |
| Total net assets (Deficit) | \$ 3,270 |

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the three months ended March 31, 2011

(amounts expressed in thousands)

| | Business - Type Activity <u>Enterprise Fund</u> Utilities Aggregation <u>Fund</u> |
|--|--|
| OPERATING REVENUES: | |
| Student tuition and fees | \$ - |
| Intergovernmental revenues and charges | - |
| State and local contracts | - |
| Interfund revenues | 1,894 |
| Other operating revenue | 6,280 |
| Total operating revenue | 8,174 |
| OPERATING EXPENSES: | |
| Employee wages | 12 |
| Employee benefits | 4 |
| Scholarships | - |
| Supplies | - |
| Utilities and telephone | 7,385 |
| Depreciation | - |
| Total operating expenses | 7,401 |
| Operating loss | 773 |
| NONOPERATING REVENUES (EXPENSES): | |
| Unrestricted state and local appropriations | - |
| Federal and state student financial aid | - |
| Income from investments | - |
| Loss on disposal of plant assets | - |
| Loss before transfers | 773 |
| Transfers in | - |
| Change in net assets | 773 |
| Total net assets - beginning | 2,497 |
| Total net assets at end of three months | \$ 3,270 |

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets

Fiduciary Fund

March 31, 2011

(amounts expressed in thousands)

| | <u>Agency Fund</u> |
|--|------------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 30,659 |
| Receivables: | |
| Other receivables | 617 |
| Bonds and securities held in custody | 19 |
| Total assets | <u>\$ 31,295</u> |
| LIABILITIES: | |
| Held in custody for others | \$ 31,295 |
| Total liabilities | <u>\$ 31,295</u> |

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. These funds include the Road, Sewer, Downtown Mall, E-911, Emergency Response, Grants and Community Development Funds.

- **Road Special Revenue Fund**
Used to account for all revenues and expenditures related to the maintenance of County roads and bridges, snow removal, construction and reconstruction of County roads not required to be recorded in a Capital Projects Fund.
- **Sewer Special Revenue Fund**
Used to account for the activities of the various sewer districts currently in operation within the County.
- **Downtown Mall Special Revenue Fund**
Used to account for revenues raised through a special district charge levy and the subsequent expenditure of these monies for the operation and maintenance of a downtown pedestrian/transit mall.
- **E-911 Special Revenue Fund**
Used to account for revenues raised through a telephone access line surcharge and the subsequent expenditure of these monies for the establishment and maintenance of an enhanced 911 emergency telephone system.
- **Emergency Response Special Revenue Fund**
Used to account for revenues received from the Federal Emergency Management Agency (FEMA) and expenditures associated with the on-going clean up of major storm damage that occurred in October, 2006.
- **Grants Fund**
Used to account for federal and state operating grants (except the Community Development Block Grant) earmarked for specific programs, so that grantor accounting and reporting requirements can be satisfied.
- **Community Development Special Revenue Fund**
Used to assist participating municipalities in the development of locally approved community or economic development activities that are eligible under federal program regulations.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and for the payment of, general long-term bond principal, interest and related costs of the County.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

- **General Government Buildings, Equipment and Improvements Fund**

Used to account for capital projects administered by the Department of Public Works involving the acquisition, construction, or reconstruction of major or permanent facilities having a relatively long useful life and equipment purchased from the proceeds of long-term debt.

- **Highways, Roads, Bridges and Equipment Fund**

Utilized to account for capital projects administered by the Department of Public Works for the construction or reconstruction of County roads and bridges and the acquisition of equipment not accounted for in the Road Fund.

- **Sewers, Facilities, Equipment and Improvements Fund**

Used to account for capital projects relating to the construction and acquisition of sewer facilities and equipment by the operating sewer districts.

- **Tobacco Proceeds Fund**

Used to account for the net proceeds from the County's securitization of its share of the 1998 Master Settlement Agreement with the tobacco industry that will be used to fund capital projects that otherwise would have been supported by operating funds or the issuance of bonds

- **Special Capital Projects Fund**

Utilized to account for capital projects administered by departments other than Public Works that are primarily for the acquisition or construction of buildings, improvements and equipment.

- **Erie County Medical Center Corporation (ECMCC) Fund**

Utilized to account for capital projects that are for the acquisition or construction of buildings, improvements and equipment for the Erie County Medical Center Corporation.

**COUNTY OF ERIE, NEW YORK
Combining Balance Sheet**

Nonmajor Governmental Funds

March 31, 2011

(amounts expressed in thousands)

Special Revenue

| | Road | Sewer | Downtown Mall | E-911 | Emergency Response | Grants | Community Development | Total |
|--|-----------------|------------------|------------------|-----------------|-----------------------|------------------|--------------------------|-------------------|
| ASSETS: | | | | | | | | |
| Cash and cash equivalents | \$ 770 | \$ 13,464 | \$ 483 | \$ 1,586 | \$ 1,197 | \$ - | \$ 151 | \$ 17,651 |
| Investments | - | - | - | - | - | - | - | - |
| Receivables (net of allowances) | - | - | - | - | - | - | - | - |
| Real property taxes, interest penalties and liens | - | - | 799 | - | - | - | - | 799 |
| Other | - | 12 | - | 576 | - | 153 | 27,624 | 28,365 |
| Due from other funds | - | 43,686 | 1 | - | - | 731 | - | 44,418 |
| Due from component unit | 7 | - | - | - | - | - | - | 7 |
| Due from other governments | 590 | 1,770 | - | - | 217 | 14,587 | 195 | 17,359 |
| Prepaid items | - | - | - | - | - | - | - | - |
| Total assets | \$ 1,367 | \$ 58,932 | \$ 1,283 | \$ 2,162 | \$ 1,414 | \$ 15,471 | \$ 27,970 | \$ 108,599 |
| LIABILITIES: | | | | | | | | |
| Accounts payable | \$ 2,022 | \$ 1,885 | \$ - | \$ 80 | \$ - | \$ 2,151 | \$ 67 | \$ 6,205 |
| Accrued liabilities | 589 | 651 | 1,283 | 193 | - | 705 | 48 | 3,469 |
| Due to other funds | - | - | - | - | - | 12,232 | - | 12,232 |
| Due to other governments | - | - | - | - | - | 10 | 1 | 11 |
| Retained percentages payable | - | 6 | - | - | - | 63 | - | 69 |
| Unearned revenue | - | - | - | - | - | 310 | 27,854 | 28,164 |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Short-term debt | - | - | - | - | - | - | - | - |
| Total liabilities | 2,611 | 2,542 | 1,283 | 273 | - | 15,471 | 27,970 | 50,150 |
| FUND BALANCES: | | | | | | | | |
| Reserved for: | | | | | | | | |
| Encumbrances | 2,718 | 10,906 | - | 484 | - | - | - | 14,108 |
| Debt service | - | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - |
| E-911 system costs | - | - | - | 1,405 | - | - | - | 1,405 |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | | | | | | | | |
| Designated | (3,962) | 45,484 | - | - | 1,414 | - | - | 42,936 |
| Undesignated | - | - | - | - | - | - | - | - |
| Capital projects fund | - | - | - | - | - | - | - | - |
| Designated | - | - | - | - | - | - | - | - |
| Undesignated (Deficit) | - | - | - | - | - | - | - | - |
| Total fund balances (Deficit) | (1,244) | 56,390 | - | 1,889 | 1,414 | - | - | 58,449 |
| Total liabilities and fund balances | \$ 1,367 | \$ 58,932 | \$ 1,283 | \$ 2,162 | \$ 1,414 | \$ 15,471 | \$ 27,970 | \$ 108,599 |

**COUNTY OF ERIE, NEW YORK
Combining Balance Sheet**

Nonmajor Governmental Funds

March 31, 2011

(amounts expressed in thousands)

| | Capital Projects | | | | | | Total Nonmajor Governmental Funds | |
|--|------------------|--|--|--|------------------|--------------------------|-----------------------------------|------------------------|
| | Debt Service | General Government Buildings, Equipment and Improvements | Highways, Roads, Bridges and Equipment | Sewers, Facilities, Equipment and Improvements | Tobacco Proceeds | Special Capital Projects | | ECMCC Capital Projects |
| ASSETS: | | | | | | | | |
| Cash and cash equivalents | \$ 271 | \$ 50,736 | \$ 27,347 | \$ 11,868 | \$ 16 | \$ 10,986 | \$ 3,315 | \$ 104,268 |
| Investments | - | - | - | - | 200 | - | - | 200 |
| Receivables (net of allowances) | - | - | - | - | - | - | - | - |
| Real property taxes, interest, penalties and liens | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | 799 |
| Due from other funds | 12,019 | - | - | - | - | - | - | 28,365 |
| Due from component unit | - | - | - | - | - | - | - | 56,437 |
| Due from other governments | 956 | 2,198 | 8,405 | 256 | - | - | - | 7 |
| Prepaid items | - | - | - | - | - | - | - | 10,859 |
| Total assets | \$ 13,246 | \$ 52,934 | \$ 35,752 | \$ 12,124 | \$ 216 | \$ 10,986 | \$ 3,315 | \$ 115,327 |
| LIABILITIES: | | | | | | | | |
| Accounts payable | \$ - | \$ 774 | \$ 919 | \$ 93 | \$ - | \$ 31 | \$ 1 | \$ 1,818 |
| Accrued liabilities | 58 | 4 | 126 | 188 | - | - | 3 | 321 |
| Due to other funds | 124 | 2,315 | 6,309 | 3,905 | - | 237 | 2 | 12,768 |
| Due to other governments | - | - | 898 | - | - | - | - | 898 |
| Retained percentages payable | - | 1,035 | - | 544 | - | - | 33 | 1,612 |
| Unearned revenue | - | - | 72 | - | - | - | - | 72 |
| Deferred revenue | - | - | - | - | - | - | - | - |
| Short-term debt | - | - | - | 7,841 | - | - | - | 7,841 |
| Total liabilities | 182 | 4,128 | 8,324 | 12,571 | - | 268 | 39 | 25,330 |
| FUND BALANCES: | | | | | | | | |
| Reserved for: | | | | | | | | |
| Encumbrances | - | 10,391 | 8,963 | 4,523 | - | 756 | 90 | 24,723 |
| Debt service | 13,064 | - | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - | - | - |
| E-911 system costs | - | - | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | | | |
| Special revenue funds | - | - | - | - | - | - | - | - |
| Designated | - | - | - | - | - | - | - | - |
| Undesignated | - | - | - | - | - | - | - | - |
| Capital projects fund | - | - | - | - | - | - | - | - |
| Designated | - | - | - | - | - | - | - | - |
| Undesignated (Deficit) | - | 38,415 | 18,485 | (4,970) | 216 | 9,962 | 3,186 | 65,274 |
| Total fund balances (Deficit) | 13,064 | 48,806 | 27,428 | (447) | 216 | 10,718 | 3,276 | 89,997 |
| Total liabilities and fund balances | \$ 13,246 | \$ 52,934 | \$ 35,752 | \$ 12,124 | \$ 216 | \$ 10,986 | \$ 3,315 | \$ 115,327 |

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Nonmajor Governmental Funds

For the three months ended March 31, 2011
(amounts expressed in thousands)

Special Revenue

| | Road | Sewer | Downtown Mall | E-911 | Emergency Response | Grants | Community Development | Total |
|--|-------------------|------------------|------------------|-----------------|-----------------------|--------------|--------------------------|------------------|
| REVENUES: | | | | | | | | |
| Real property taxes and tax items | \$ - | \$ 34,325 | \$ 1,249 | \$ - | \$ - | \$ - | \$ - | \$ 35,574 |
| Sales and use taxes | - | - | - | 1,159 | - | - | - | 1,159 |
| Transfer taxes | 2,309 | - | - | 9 | - | 8,274 | 127 | 2,309 |
| Intergovernmental | - | 26 | - | - | - | - | - | 8,436 |
| Interfund revenues | - | - | - | - | - | - | - | - |
| Departmental | 23 | 8,033 | - | - | - | 548 | 699 | 9,303 |
| Interest | - | 17 | - | - | - | - | - | 17 |
| Miscellaneous | - | 894 | - | - | - | 331 | 18 | 1,243 |
| Total revenues | 2,332 | 43,295 | 1,249 | 1,168 | | 9,153 | 844 | 58,041 |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| General government support | - | - | 1,249 | - | - | 1,142 | - | 2,391 |
| Public safety | - | - | - | 1,276 | - | 1,951 | - | 3,227 |
| Health | - | - | - | 222 | - | 2,445 | - | 2,667 |
| Transportation | 7,648 | - | - | - | - | - | - | 7,648 |
| Economic assistance and opportunity | - | - | - | - | - | 3,211 | 47 | 3,258 |
| Culture and recreation | - | - | - | - | - | - | - | - |
| Education | - | - | - | - | - | 39 | - | 39 |
| Home and community service | - | 9,297 | - | - | - | 671 | 797 | 10,765 |
| Capital outlay | - | - | - | - | - | - | - | - |
| Debt service: | | | | | | | | |
| Principal retirement | - | - | - | - | - | - | - | - |
| Interest and fiscal charges | - | - | - | - | - | - | - | - |
| Total expenditures | 7,648 | 9,297 | 1,249 | 1,498 | | 9,459 | 844 | 29,995 |
| (Deficiency) excess of revenues over expenditures | (5,316) | 33,998 | - | (330) | 0 | (306) | 0 | 28,046 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | |
| Issuance of general obligation debt | - | - | - | - | - | - | - | - |
| Premium on bond issuance | - | - | - | - | - | - | - | - |
| Sale of property | - | - | - | - | - | - | - | - |
| Transfers in | 3,221 | - | - | 639 | - | 306 | - | 4,166 |
| Transfers out | - | (280) | - | - | - | - | - | (280) |
| Total other financing sources (uses) | 3,221 | (280) | - | 639 | - | 306 | 0 | 3,886 |
| Net change in fund balances | (2,095) | 33,718 | - | 309 | 0 | 0 | - | 31,932 |
| Fund balances (Deficit) at beginning of year | 851 | 22,672 | - | 1,580 | 1,414 | - | - | 26,517 |
| Fund balances (Deficit) at end of year | \$ (1,244) | \$ 56,390 | \$ - | \$ 1,889 | \$ 1,414 | \$ 0 | \$ - | \$ 58,449 |

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances

Nonmajor Governmental Funds
 For the three months ended March 31, 2011
 (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 | Special Capital Projects | ECMCC Capital Projects | Total | Total Nonmajor Governmental Funds |
|--|------------------|--|--|---|------------------|--------------------------|------------------------|------------------|-----------------------------------|
| REVENUES: | | | | | | | | | |
| Real property taxes and tax items | \$ | | | | | | | \$ | \$ 35,574 |
| Sales and use taxes | | | | | | | | | 1,159 |
| Transfer taxes | | | | | | | | | 2,309 |
| Intergovernmental | 956 | 133 | 3,302 | 238 | | | | 3,673 | 13,065 |
| Interfund revenues | | | | | | | | | |
| Departmental | | 2 | | 13 | | | | 15 | 9,303 |
| Interest | 247 | | | | | | | 0 | 279 |
| Miscellaneous | | | | | | | | 0 | 1,243 |
| Total revenues | 1,203 | 135 | 3,302 | 251 | 0 | 0 | 0 | 3,688 | 62,932 |
| EXPENDITURES: | | | | | | | | | |
| Current: | | | | | | | | | |
| General government support | | | | | | | | | 2,391 |
| Public safety | | | | | | | | | 3,227 |
| Health | | | | | | | | | 2,667 |
| Transportation | | | | | | | | | 7,648 |
| Economic assistance and opportunity | | | | | | | | | 3,258 |
| Culture and recreation | | | | | | | | | |
| Education | | | | | | | | | 39 |
| Home and community service | | | | | | | | | 10,765 |
| Capital outlay | | 4,082 | 361 | 479 | | 45 | 1 | 4,968 | 4,968 |
| Debt service: | | | | | | | | | |
| Principal retirement | 7,203 | | | | | | | | 7,203 |
| Interest and fiscal charges | 3,140 | | | | | | | | 3,140 |
| Total expenditures | 10,343 | 4,082 | 361 | 479 | 0 | 45 | 1 | 4,968 | 45,306 |
| (Deficiency) excess of revenues over expenditures | (9,140) | (3,947) | 2,941 | (228) | 0 | (45) | (1) | (1,280) | 17,626 |
| OTHER FINANCING SOURCES (USES): | | | | | | | | | |
| Issuance of general obligation debt | | | | | | | | 0 | |
| Premium on bond issuance | | | | | | | | | |
| Sale of property | | | | | | | | | |
| Transfers in | 13,374 | | | | | | | 0 | 17,540 |
| Transfers out | | | | | | | | 0 | (280) |
| Total other financing | 13,374 | | | | | | | 0 | 17,260 |
| Net change in fund balances | 4,234 | (3,947) | 2,941 | (228) | | (45) | (1) | (1,280) | 34,886 |
| Fund balances (Deficit) at beginning of year | 8,830 | 52,753 | 24,487 | (219) | 216 | 10,763 | 3,277 | 91,277 | 126,624 |
| Fund balances (Deficit) at end of year | \$ 13,064 | \$ 48,806 | \$ 27,428 | \$ (447) | \$ 216 | \$ 10,718 | \$ 3,276 | \$ 89,997 | \$ 161,510 |

LIBRARY COMPONENT UNIT

The financial data shown for the Buffalo and Erie County Public Library is derived from records maintained on its behalf by the County. The Library does not issue separate financial statements. The inclusion of the Library as a component unit in the County's financial statements reflects the County's financial accountability for this legally separate entity.

COUNTY OF ERIE, NEW YORK

Balance Sheet

Component Unit

March 31, 2011

(amounts expressed in thousands)

| | <u>Component Unit</u> |
|--|---------------------------|
| ASSETS: | |
| Cash and cash equivalents | \$ 20,255 |
| Receivables (net of allowances) | |
| Other | - |
| Due from primary government | 3,512 |
| Due from other governments | 824 |
| Prepaid items | 35 |
| Total assets | <u>\$ 24,626</u> |
| LIABILITIES: | |
| Accounts payable | \$ 448 |
| Accrued liabilities | 763 |
| Due to primary government | |
| Unearned revenue | 559 |
| Total liabilities | <u>1,770</u> |
| FUND BALANCES: | |
| Reserved for: | |
| Encumbrances | 865 |
| Prepaid items | 35 |
| Unreserved, reported in: | |
| Designated | 8,055 |
| Undesignated | 13,901 |
| Total fund balances | <u>22,856</u> |
| Total liabilities and fund balances | <u>\$ 24,626</u> |

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balance

Component Unit

For the three months ended March 31, 2011

(amounts expressed in thousands)

| | <u>Component Unit</u> |
|---|---------------------------|
| REVENUES: | |
| Real property taxes and tax items | \$ 18,172 |
| Intergovernmental | 497 |
| Departmental | 154 |
| Interest | 4 |
| Miscellaneous | 21 |
| Total revenues | <u>18,848</u> |
| EXPENDITURES: | |
| Current: | |
| Culture and recreation | 6,897 |
| Total expenditures | <u>6,897</u> |
| Excess of revenues over expenditures | <u>11,951</u> |
| OTHER FINANCING SOURCES (USES) : | |
| Transfers in | - |
| Proceeds from General Obligation Debt | - |
| Premium on Obligation | - |
| Total other financing sources (uses) | <u>-</u> |
| Net change in fund balances | 11,951 |
| Fund balance at beginning of year | <u>10,905</u> |
| Fund balances at end of three months | <u>\$ 22,856</u> |

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2011 through March 31, 2011

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2011 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 376 investments were made during the first three months, resulting in \$326,522 in total interest earnings for all funds. The weighted average yield for the first three months was .55%. For comparison, during the first three months of 2010, 443 investments were effectuated which generated \$375,729 in total interest earnings for all funds at an average weighted yield of .62%.

SUMMARY OF INVESTMENTS PURCHASED

| | Number of Investments Jan - March | | Average Investment (in millions) Jan - March | | Average Length of Investment (days) Jan - March | |
|-------------------------------|--------------------------------------|------------|--|------|---|------|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| JP Morgan Chase, N.A. | 368 | 260 | 21.5 | 21.1 | 4 | 6 |
| Citizens Bank | 3 | 3 | .2 | .2 | 29 | 29 |
| Bank of America | N/A | N/A | N/A | N/A | N/A | N/A |
| HSBC Bank USA, N.A. | 5 | 177 | 43.7 | 28.1 | 5 | 2 |
| Key Bank, N.A. | N/A | N/A | N/A | N/A | N/A | N/A |
| Manufacturers & Traders Trust | N/A | 3 | N/A | 11.2 | N/A | 22 |
| Totals | 376 | 443 | | | | |

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2011 through March 31, 2011

SUMMARY OF INTEREST EARNINGS BY FUND

| | General Fund | Trust Fund | Capital Fund | Sewer Fund | Total |
|--------------|--------------|------------|--------------|------------|-----------|
| 1st Quarter | \$136,550 | \$28,007 | \$144,664 | \$17,301 | \$326,522 |
| Year to date | \$136,550 | \$28,007 | \$144,664 | \$17,301 | \$326,522 |

Please note the 2011 Adopted Budget General Fund interest earnings is \$919,000.00. The actual year to date earnings for the General Fund as of March 31, 2011 is \$136,550.00. For comparison, as of March 31, 2010, the General Fund interest earnings were \$186,762.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

| Month | Weighted Average Yield | |
|------------------------------|------------------------|------|
| | 2011 | 2010 |
| January | .55% | .62% |
| February | .54% | .61% |
| March | .55% | .63% |
| Weighted Average for Quarter | .55% | .62% |

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, 2011.

The projected financial information is subject to change based on various intervening factors, and was not produced to comply with guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. Rather, it was prepared by the Comptroller's Office based on data provided by the Division of Budget, Management and Finance and other sources to reflect the best and currently available estimates and judgments, and presents, to the best of the Comptroller's Office's knowledge, the expected future cash flow of the County.

This information is not static or audited, and should not be relied upon as indicative of future results.

NEITHER THE COUNTY'S INDEPENDENT AUDITORS NOR ANY OTHER INDEPENDENT ACCOUNTANTS HAVE COMPILED, EXAMINED OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROSPECTIVE CASH FLOW INFORMATION CONTAINED HEREIN. IN ADDITION, THEY HAVE NOT EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION.

County Of Erie
Cash Flow Statement
1st Quarter 2011 Actual; 2nd, 3rd and 4th Quarters 2011 Projected

| Description | Actual January | Actual February | Actual March | Projected April | Projected May | Projected June | Projected July | Projected August | Projected September | Projected October | Projected November | Projected December | TOTAL |
|------------------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------------|----------------------|-----------------------|-----------------------|----------------------|
| Opening Balance | 27,030,702 | | | | | | | | | | | | |
| ** Receipts ** | | | | | | | | | | | | | |
| DSS | 5,633,801 | 9,312,550 | 46,817,164 | 4,764,979 | 14,045,324 | 20,502,950 | 22,289,604 | 26,705,699 | 25,545,827 | 15,997,405 | 13,321,059 | 30,270,369 | 235,106,732 |
| Sales Tax | 46,967,258 | 55,798,331 | 45,631,945 | 61,443,134 | 49,162,849 | 66,789,864 | 43,118,495 | 51,908,926 | 50,918,849 | 64,110,657 | 49,119,898 | 70,380,009 | 655,350,215 |
| Real Property Tax | 6,576,426 | 46,008,092 | 201,650,478 | 25,455,712 | 8,233,559 | 5,462,231 | 4,752,065 | 3,779,403 | 3,173,150 | 2,679,666 | 3,600,101 | 4,258,995 | 315,629,877 |
| Other | 20,619,697 | 21,544,372 | 26,712,880 | (6,587,052) | 8,191,197 | 15,960,729 | 29,615,017 | 17,660,962 | 30,364,772 | 17,261,903 | 9,686,654 | 36,204,351 | 227,235,483 |
| RAN Proceeds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 90,000,000 | 0 | 0 | 0 | 90,000,000 |
| EFSCA Set Aside Release | 1,044,147 | 0 | 1,070,881 | 0 | 9,106,656 | 0 | 3,299,147 | 0 | 949,081 | 0 | 3,410,256 | 0 | 18,880,169 |
| Total Receipts | 107,872,031 | 132,663,345 | 321,883,349 | 85,076,774 | 88,739,586 | 108,715,773 | 103,074,327 | 100,054,990 | 200,951,679 | 99,949,631 | 79,137,968 | 141,113,724 | 1,542,202,476 |
| ** Disbursements ** | | | | | | | | | | | | | |
| DSS | 27,253,405 | 27,025,626 | 31,925,838 | 29,233,377 | 30,014,838 | 28,664,651 | 40,530,583 | 34,896,711 | 31,320,586 | 39,464,816 | 34,736,311 | 31,582,920 | 386,649,663 |
| Payroll | 30,584,194 | 25,473,320 | 25,488,162 | 32,239,999 | 24,198,561 | 24,889,182 | 27,672,943 | 24,006,203 | 36,559,004 | 26,103,955 | 24,542,033 | 28,823,753 | 330,581,310 |
| Vendor | 28,491,566 | 57,059,006 | 89,175,154 | 66,840,186 | 32,834,430 | 75,328,226 | 42,869,088 | 26,824,461 | 74,890,465 | 39,325,069 | 24,228,586 | 117,195,228 | 675,051,464 |
| Debt Service | 2,932,573 | 53,057 | 5,129,136 | 6,930,288 | 775,799 | 6,627,621 | 663,070 | 1,415,063 | 5,039,994 | 3,504,615 | 10,989,727 | 11,355,337 | 55,416,279 |
| RAN Set Asides Aug & Dec '10 | 0 | 0 | 10,800,000 | 25,700,000 | 16,000,000 | 12,500,000 | 0 | 0 | 0 | 0 | 0 | 0 | 65,000,000 |
| ECFSA Bond Set Asides | 1,578,197 | 1,578,314 | 1,578,314 | 1,928,914 | 1,928,914 | 2,066,610 | 2,066,610 | 2,066,610 | 2,066,610 | 2,066,610 | 2,066,610 | 2,066,610 | 23,058,923 |
| ECFSA Debt Service | 1,044,147 | 0 | 1,070,881 | 0 | 9,106,656 | 0 | 3,299,147 | 0 | 949,081 | 0 | 3,410,256 | 0 | 18,880,169 |
| Total Disbursements | 91,864,062 | 111,189,324 | 165,167,485 | 162,872,743 | 114,859,197 | 150,076,290 | 117,091,440 | 89,209,049 | 150,825,761 | 110,465,065 | 99,973,523 | 191,023,849 | 1,564,637,807 |
| Monthly Cash Flow | 15,987,948 | 21,474,021 | 156,715,865 | (77,795,969) | (26,119,612) | (41,360,517) | (14,017,113) | 10,845,940 | 50,125,918 | (10,515,434) | (20,835,554) | (49,910,124) | (12,435,331) |
| Cumulative Cash Flow | 15,987,948 | 37,461,970 | 194,177,834 | 116,381,865 | 90,262,254 | 48,901,737 | 34,884,624 | 45,730,565 | 95,856,483 | 85,341,049 | 64,505,495 | 14,595,370 | |

Note: Does not recognize \$7.9 Million Legislature expenditure cuts

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Three Months Ended March 31, 2011 and 2010

| | <u>2011</u> | <u>2010</u> |
|-----------------------------------|----------------------|----------------------|
| Gross Levy | \$ 648,241,682 | \$ 638,372,017 |
| Less: Amount Retained by Towns | (343,478,506) | (335,712,346) |
| Net Collectible by County | <u>304,763,176</u> | <u>302,659,671</u> |
| Less: January - March Collections | (245,869,639) | (239,870,103) |
| Net Outstanding at March 31 | <u>\$ 58,893,537</u> | <u>\$ 62,789,568</u> |
| Percentage Collected at March 31 | <u>80.7%</u> | <u>79.3%</u> |

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Three Months Ended March 31, 2011 and 2010

| | (1) 2011 Adopted Budget | (2) March 2011 Y-T-D Revenue | % of Budget Realized | 2010 Adopted Budget | March 2010 Y-T-D Revenue | % of Budget Realized |
|--------------------------------------|----------------------------|------------------------------------|-------------------------|-----------------------|-----------------------------|-------------------------|
| Sales And Use Tax | \$ 146,057,048 | \$ 35,003,297 | 24.0% | \$ 141,802,959 | \$ 34,007,839 | 24.0% |
| 1 % Sales Tax - Erie County Purposes | 138,543,491 | 33,044,494 | 23.9% | 134,508,244 | 32,096,556 | 23.9% |
| 0.25 % Sales Tax | 34,053,618 | 8,231,252 | 24.2% | 33,061,765 | 7,981,581 | 24.1% |
| 0.50 % Sales Tax | 68,106,288 | 16,462,503 | 24.2% | 66,122,610 | 15,963,162 | 24.1% |
| Totals | <u>\$ 386,760,445</u> | <u>\$ 92,741,546</u> | 24.0% | <u>\$ 375,495,578</u> | <u>\$ 90,049,138</u> | 24.0% |

Note:

(1) Through March 31, 2011 year to date, \$ 64,141,569 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 May 2011.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
Annual Debt Service Requirements for Long-Term General Obligation
Indebtedness of the County (1)
As of March 31, 2011

| Fiscal Year Ending December 31 | Principal Payments | Interest Payments | Total Debt Service |
|--------------------------------------|--------------------------|--------------------------|--------------------------|
| 2011 | \$ 44,175,036.85 | \$ 20,115,909.96 | \$ 64,290,946.81 (2) |
| 2012 | 47,174,962.49 | 20,904,707.58 | 68,079,670.07 |
| 2013 | 42,581,544.56 | 18,688,824.51 | 61,270,369.07 |
| 2014 | 43,261,667.00 | 16,754,075.28 | 60,015,742.28 |
| 2015 | 44,155,285.99 | 14,862,125.48 | 59,017,411.47 |
| 2016 | 42,989,099.02 | 12,881,265.92 | 55,870,364.94 |
| 2017 | 44,281,341.01 | 10,921,160.65 | 55,202,501.66 |
| 2018 | 38,888,583.94 | 8,801,027.21 | 47,689,611.15 |
| 2019 | 32,734,727.01 | 7,100,424.41 | 39,835,151.42 |
| 2020 | 33,156,970.01 | 5,588,254.63 | 38,745,224.64 |
| 2021 | 19,804,213.01 | 4,153,641.00 | 23,957,854.01 |
| 2022 | 20,671,456.01 | 3,171,642.03 | 23,843,098.04 |
| 2023 | 21,613,699.01 | 2,137,170.71 | 23,750,869.72 |
| 2024 | 5,380,941.92 | 1,483,215.79 | 6,864,157.71 |
| 2025 | 5,123,185.00 | 1,230,936.26 | 6,354,121.26 |
| 2026 | 2,775,428.00 | 1,026,970.58 | 3,802,398.58 |
| 2027 | 2,832,671.00 | 905,406.50 | 3,738,077.50 |
| 2028 | 2,904,913.00 | 780,519.79 | 3,685,432.79 |
| 2029 | 2,982,156.00 | 651,962.72 | 3,634,118.72 |
| 2030 | 2,099,399.00 | 544,462.47 | 2,643,861.47 |
| 2031 | 2,166,642.00 | 458,476.56 | 2,625,118.56 |
| 2032 | 1,826,497.00 | 371,683.20 | 2,198,180.20 |
| 2033 | 1,745,000.00 | 291,482.68 | 2,036,482.68 |
| 2034 | 1,630,000.00 | 212,967.81 | 1,842,967.81 |
| 2035 | 1,525,000.00 | 142,477.84 | 1,667,477.84 |
| 2036 | 755,000.00 | 72,760.12 | 827,760.12 |
| 2037 | 280,000.00 | 38,435.16 | 318,435.16 |
| 2038 | 285,000.00 | 25,546.72 | 310,546.72 |
| 2039 | 295,000.00 | 12,428.12 | 307,428.12 |
| | <u>\$ 510,095,418.83</u> | <u>\$ 154,329,961.69</u> | <u>\$ 664,425,380.52</u> |

Notes:

- (1) Table updated for EFC Refunding issue of \$650,000 in February 2011:
and EFC Refunded Bonds of \$650,000 in February 2011
- (2) Amount is net of debt service payments of \$10,342,760.13 made from January 1, 2011 to
March 31, 2011.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of March 31, 2011

| | | |
|---|----------------------|--------------------------------|
| Bonds: | | |
| Buildings and other Improvements | \$138,691,029.80 | |
| Highway Improvements | 119,843,778.93 | |
| Court House Facilities | 64,067,620.94 | |
| Sewer District Facilities | 68,465,397.68 | |
| Hospital | 17,056,117.47 | (1) |
| HSBC Arena | 17,180,000.00 | |
| Computer System | 17,902,725.66 | |
| Ralph Wilson Stadium | 21,007,482.74 | |
| Community College | 23,849,242.76 | |
| Convention Center | 10,304,753.56 | |
| Prison Facilities | 11,598,386.76 | |
| Nursing Home | 128,882.53 | (1) |
| | <hr/> | |
| Total Long-Term Debt | | \$510,095,418.83 (2) |
| | | |
| Bond Anticipation Notes - Sewer District Facilities | 7,841,238.64 | |
| Revenue Anticipation Notes | <u>65,000,000.00</u> | |
| | | |
| Total Short-Term Debt | | <u>72,841,238.64</u> |
| | | |
| Gross Direct Debt | | 582,936,657.47 |
| | | |
| Exclusions : | | |
| Sewer District Debt | 76,306,636.32 | |
| Budgeted Appropriations | 41,468,217.59 | |
| Revenue Anticipation Notes | <u>65,000,000.00</u> | |
| | | |
| Total Deductions | | <u>182,774,853.91</u> |
| | | |
| Net Direct Debt | | <u><u>\$400,161,803.56</u></u> |

Note:

(1) Pursuant to the agreement governing the sale of the County hospital and nursing home to Erie County Medical Center Corporation, the County continues to be directly responsible for the payment of certain bonded debt for these facilities. Bonded debt in the amount of \$97,150,000 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 1992 to 2011 by the County.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of March 31, 2011

| <u>For Fiscal Year Ended December 31</u> | <u>Full Valuation of Taxable Real Property</u> |
|--|--|
| 2006 | \$ 38,102,215,587 |
| 2007 | 40,477,680,885 |
| 2008 | 42,445,603,001 |
| 2009 | 44,382,615,337 |
| 2010 | <u>46,194,212,750</u> |
| Total five year full valuation | \$ <u><u>211,602,327,560.00</u></u> |
| 5 Year Average full valuation | \$ <u><u>42,320,465,512.00</u></u> |
| Debt limit - 7% of average full valuation | \$ <u><u>2,962,432,585.84</u></u> |

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

COUNTY OF ERIE, NEW YORK
 Calculation of Total Net Indebtedness
 As of March 31, 2011

Five year average full valuation (2006-2010) \$ 42,320,465,512.00

Debt Limit - 7% of average full valuation \$ 2,962,432,585.84

Outstanding Indebtedness:

| | |
|---------------------------------|----------------------|
| Bonds - General | \$ 441,630,021.15 |
| Bonds - Sewer | 68,465,397.68 |
| Bond Anticipation Notes - Sewer | 7,841,238.64 |
| Bond Guaranty - ECMCC (1) | 97,150,000.00 |
| Revenue Anticipation Note | <u>65,000,000.00</u> |

Total Indebtedness 680,086,657.47

Less Exclusions:

| | |
|---------------------------|----------------------|
| Sewer Exclusion | 76,306,636.32 |
| Revenue Anticipation Note | 65,000,000.00 |
| Budgeted Appropriations | <u>41,468,217.59</u> |

Total Exclusions 182,774,853.91

Total Net Indebtedness 497,311,803.56

Net Debt Contracting Margin \$ 2,465,120,782.28

Percentage of Debt Contracting Power Exhausted 16.79%

Note:

(1) Erie County Medical Center Corporation

MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK
Property Tax Collection History
Last Ten Fiscal Years

| Fiscal Year Ending <u>12/31</u> | Total General Property Tax Levy All Purposes (a) | Towns Levy (b) | Returned School Tax (c) | Collected in Year of Levy | Percentage Collected |
|---------------------------------|--|----------------|-------------------------|---------------------------|----------------------|
| 2001 | \$ 424,554,739 | \$ 231,109,689 | \$ 13,104,632 | \$ 411,135,430 | 96.84% |
| 2002 | 430,565,663 | 235,033,457 | 13,899,502 | 416,506,625 | 96.73 |
| 2003 | 447,035,372 | 250,233,121 | 14,124,489 | 446,461,743 | 99.87 |
| 2004 | 464,433,235 | 265,812,020 | 14,152,464 | 463,669,059 | 99.84 |
| 2005 | 493,517,706 | 289,697,275 | 13,788,438 | 492,180,009 | 99.73 |
| 2006 | 540,580,523 | 303,202,950 | 14,103,478 | 528,350,674 | 97.74 |
| 2007 | 569,219,471 | 314,868,342 | 16,162,844 | 555,858,355 | 97.65 |
| 2008 | 590,816,323 | 317,148,178 | 17,053,523 | 575,132,293 | 97.35 |
| 2009 | 612,199,787 | 329,189,492 | 15,362,283 | 595,839,865 | 97.33 |
| 2010 | 638,372,017 | 335,712,346 | 16,958,457 | 622,129,949 | 97.46 |

Notes:

- (a) Includes Countywide property tax, all town taxes, and relieved village and school taxes. Does not include initial school district levies.
- (b) Includes amount levied by the County for general town, special district, fire district and highway purposes. Also includes levy for Grand Island School District, the taxes for which are not separately levied in accordance with the procedure described above. All of such amounts are collected by the respective tax collectors in each town.
- (c) Represents amount of school taxes returned to the County as uncollected as of December 1st in the year in which they are levied, which taxes are extended on the County rolls for subsequent collection together with other County taxes.

SOURCE: Erie County Department of Real Property Tax Services.
Erie County Govern Tax Collection System.

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History (1)
1995 - 2011

| <u>Year</u> | <u>Amount</u> | <u>Type</u> | <u>Issue Date</u> | <u>Maturity Date</u> |
|-------------|---------------|-------------|-------------------|----------------------|
| 1995 | \$ 80,000,000 | RAN (2) | 09/21/95 | 09/20/96 |
| 1996 | 40,000,000 | RAN | 04/18/96 | 04/17/97 |
| | 40,000,000 | RAN | 11/20/96 | 11/19/97 |
| 1997 | 40,000,000 | RAN | 06/26/97 | 06/25/98 |
| | 40,000,000 | RAN | 10/30/97 | 10/29/98 |
| 1998 | 60,000,000 | RAN | 10/14/98 | 10/13/99 |
| 1999 | - | N/A | N/A | N/A |
| 2000 | - | N/A | N/A | N/A |
| 2001 | - | N/A | N/A | N/A |
| 2002 | 43,000,000 | RAN | 09/18/02 | 09/17/03 |
| 2003 | 90,000,000 | RAN | 06/24/03 | 06/23/04 |
| 2004 | 82,500,000 | RAN | 07/14/04 | 07/13/05 |
| 2005 | 80,000,000 | RAN | 03/11/05 | 03/10/06 |
| | 80,000,000 | RAN | 07/14/05 | 07/13/06 |
| 2006 | 110,000,000 | RAN | 06/13/06 | 06/13/07 |
| 2007 | 75,000,000 | RAN | 06/27/07 | 06/27/08 |
| 2008 | 75,000,000 | RAN | 09/30/08 | 06/30/09 |
| 2009 | 103,534,867 | BAN (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 |
| | 20,000,000 | RAN | 12/14/10 | 04/14/11 |

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.

COUNTY OF ERIE, NEW YORK
 Outstanding Long-Term Direct Indebtedness
 Last Ten Fiscal Years

Outstanding Long-Term Direct Indebtedness (a)
 (As of December 31)

| <u>Fiscal</u> <u>Year</u> | <u>Amount</u> | <u>Fiscal</u> <u>Year</u> | <u>Amount</u> |
|------------------------------|---------------|------------------------------|---------------|
| 2001 | 221,209,139 | 2006 | 460,910,906 |
| 2002 | 256,295,578 | 2007 | 423,582,245 |
| 2003 | 327,032,146 | 2008 | 379,245,466 |
| 2004 | 384,124,771 | 2009 | 336,954,031 |
| 2005 | 446,656,115 | 2010 | 400,161,804 |

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

SOURCES: Erie County General Purpose Financial Statements – 2001 (Audited)
 Erie County Basic Financial Statements – 2002-2009 (Audited)
 Erie County Basic Financial Statements – 2010 (Unaudited)

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

| | <u>2010</u> | <u>2009</u> | <u>2008</u> | <u>2007</u> | <u>2006</u> |
|---|------------------|------------------|------------------|------------------|------------------|
| Assessed Valuation | \$34,922,263,145 | \$33,446,388,926 | \$32,158,167,722 | \$31,165,324,890 | \$30,105,315,955 |
| Equalized Full Valuation | 46,194,212,750 | 44,434,521,055 | 42,866,825,529 | 40,477,681,759 | 38,102,215,597 |
| Levied for County Purposes (a) | 232,413,974 | 223,306,326 | 211,837,793 | 200,031,205 | 188,094,445 |
| Rates for \$1,000 of Equalized Full Valuation | \$5.03 | \$5.03 | \$4.94 | \$4.94 | \$4.94 |

Note:

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

SOURCES: 2006-2008: Annual Adopted Budget Messages & Summaries
 2009-2010 Assessed and Equalized Full Valuations: 2009-2010 Budget Message & Summary
 2010 Levied for County Purposes: 2010 Adopted Budget

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2011

| <u>Tax Year</u> | <u>Full Valuation</u> |
|--|---------------------------|
| 2007 | \$ 40,477,680,885 |
| 2008 | 42,445,603,001 |
| 2009 | 44,382,615,337 |
| 2010 | 46,120,909,981 |
| 2011 | <u>46,759,758,193</u> |
| | |
| Total | <u>\$ 220,186,567,397</u> |
| | |
| Five-Year Average Full Valuation | \$ 44,037,313,479 |
| Tax Limit (1.5%) (b) | 660,559,702 |
| Total Exclusions | <u>59,646,910</u> |
| Total Taxing Power | 720,206,612 |
| Total Levy for 2010 (c)..... | <u>246,243,492</u> |
| Tax Margin (b) | <u>\$ 473,963,120</u> |

Notes:

- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
- (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2011 total taxing power under this local law is \$500,020,045 leaving a tax margin of \$253,776,553.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.