



County of Erie

MARK C. POLONCARZ
COMPTROLLER

July 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 six-month period ended June 30, 2011 (i.e., "Second 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. However, ultimately the County will receive approximately \$16.7 million in FMAP benefit/funds in 2011. Through June 30, 2011, the County received \$15.64 million in FMAP benefit funds with additional funding realized for July 2011.

Sales Tax

During Second Quarter 2011, excluding prior period adjustments, the County experienced a 4.39% increase in sales tax revenue (on a cash basis) compared to Second Quarter 2010 and a 4.29% 2011 year-to-date growth. As you are aware, the County's 2011 Budget amount of \$386.76 million is predicated on a .8% increase in sales tax revenue over the County's 2010 actual sales tax revenue.

Second Quarter 2011 Financial Report
July 29, 2011
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For Second 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 Second Quarter 2011 approximately \$1.42 million of the sales tax revenue increase is due to the increase in wholesale fuel prices as compared to Second Quarter 2010.

The County Legislature acted to amend the Erie County Sales and Use Tax Resolution consistent with legislation passed by the State Senate and Assembly authorizing extension of the imposed additional 1% and .75% through November 30, 2013. As of this writing, this legislation is pending Governor Cuomo's approval to become law.

Real Property Tax Levy

Since the 2011 Budget, which includes the 2011 real property tax levy of \$235.18 million, is not yet formally adopted due to the ongoing lawsuit, the County Administration's \$7.9 million over-levy of assessed real property taxes may adversely impact the County if the court rules that County taxpayers must be reimbursed.

Erie Tax Certificate Corporation

Although the 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 into Second Quarter 2011 due to the 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.

Operations continued through May 31, 2011 with financial considerations extending through July 31, 2011 so all of ETCC's identifiable and invoiced liabilities are paid. Immediately after July 31, 2011 the Certification of Dissolution will be filed with the New York State Attorney General's Office and ETCC's operations will conclude.

Beginning June 1, 2011, full responsibility for delinquent property tax collection and servicing returned to the County. Furthermore, ETCC's tax liens were transferred to Erie County and recorded in the Erie County Clerk's Office on July 8, 2011.

State Hold-Back on Reimbursements

With respect to New York State's 2010-2011 Adopted Budget, an amendment was passed in late summer 2010 containing a provision specifying that the State shall 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, expired on March 31, 2011, and has been a minor cash flow issue for the County in 2011; i.e., the County received approximately \$282,000 less in reimbursement payments than anticipated. In total, the County's reimbursement payments were reduced \$717,676 during the 2010-11 holdback period.

Medicaid Overburden Settlement

On June 23, 2011, pursuant to legal action that began in 2006, the New York State of Appeals ruled that the New York State Department of Health must pay the County \$3.58 million for failure to reimburse the County for prior year Medicaid services for certain mentally disabled recipients. The windfall to Erie County in 2011, net of related legal fees, is \$2.865 million.

Short-term Borrowing in 2011

On July 21, 2011 the County Legislature authorized my office to issue revenue anticipation notes ("RAN's") not to exceed \$90 million. Currently I anticipate the notes will be issued by October 31, 2011. Ultimately the final 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 are the reduction and discontinuation of FMAP assistance, the County's use of nearly all 2010 surplus proceeds in 2011, the negative impact that the Erie County Fiscal Stability Authority's ("ECFSA) 2010 bond transaction has on the County's cash flow (as the County is required to set aside more funds than the County actually disburses in annual debt service), and we must take into account the additional set-asides that will be used to prepay a portion of the \$16.81 million bond for "new County money" that ECFSA will be issuing.

Long-term borrowing in 2011

Recognizing and reporting a substantial planned event, in August 2011 the County will enter into a mirror bond arrangement with ECFSA involving a principal amount of \$16.81 million in "new County money" for capital projects and \$27.7 million to partially refund the \$27.7 million of the 2004B series bonds. In addition, the ECFSA will borrow \$86.25 million which will pass through the County to Erie County Medical Center Corporation ("ECMCC") for ECMCC's planned construction of its new skilled nursing facility.

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.

Note that the 2010 information contained in this Report (e.g., 2011 beginning fund balance) has been finalized – the County's annual independent audit has been completed and the 2010 Comprehensive Annual Financial Report has been released.

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 SIX MONTHS ENDED JUNE 30, 2011



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

JULY 29, 2011

COUNTY OF ERIE, NEW YORK

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FUND FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK

Balance Sheet

Governmental Funds

June 30, 2011

(amounts expressed in thousands)

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and cash equivalents	\$ 19,532	\$ 141,204	\$ 160,736
Investments	-	200	200
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	71,103	609	71,712
Other	4,167	28,534	32,701
Due from other funds	25,615	19,079	44,694
Due from component unit	115	-	115
Due from other governments	294,365	27,085	321,450
Prepaid items	156	-	156
Loan receivable	902	-	902
Total assets	\$ 415,955	\$ 216,711	\$ 632,666
LIABILITIES:			
Accounts payable	\$ 7,717	\$ 9,277	\$ 16,994
Accrued liabilities	52,143	4,550	56,693
Due to other funds	5,366	27,152	32,518
Due to component unit	2,195	-	2,195
Due to other governments	5,052	908	5,960
Retained percentages payable	9	1,505	1,514
Unearned revenue	28,809	29,038	57,847
Deferred revenue	47,701	-	47,701
Short-term debt	-	7,198	7,198
Total liabilities	148,992	79,628	228,620
FUND BALANCES:			
Reserved for:			
Encumbrances	60,325	48,076	108,401
Debt service	-	9,355	9,355
Loan receivable	902	-	902
Prepaid items	156	-	156
E-911 system costs	-	1,581	1,581
Handicapped parking	109	-	109
Law enforcement	124	-	124
Unreserved, reported in:			
General fund			
Designated	24,153	-	24,153
Undesignated	181,194	-	181,194
Special revenue funds			
Undesignated	-	34,001	34,001
Capital projects fund			
Undesignated	-	44,070	44,070
Total fund balances	266,963	137,083	404,046
Total liabilities and fund balances	\$ 415,955	\$ 216,711	\$ 632,666

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the six months ended June 30, 2011

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
REVENUES:			
Real property taxes and tax items	\$ 223,452	\$ 35,574	\$ 259,026
Sales and use taxes	330,371	2,089	332,460
Transfer taxes	-	4,309	4,309
Intergovernmental	189,801	24,328	214,129
Departmental	37,524	10,029	47,553
Interest	623	727	1,350
Miscellaneous	6,293	1,969	8,262
Total revenues	788,064	79,025	867,089
EXPENDITURES:			
Current:			
General government support	178,930	4,326	183,256
Public safety	57,324	6,213	63,537
Health	33,038	4,075	37,113
Transportation	10,433	11,979	22,412
Economic assistance and opportunity	265,503	7,934	273,437
Culture and recreation	7,024	-	7,024
Education	37,543	170	37,713
Home and community service	977	24,297	25,274
Capital outlay	-	16,493	16,493
Debt service:			
Principal retirement	-	21,813	21,813
Interest and fiscal charges	403	11,846	12,249
Total expenditures	591,175	109,146	700,321
(Deficiency) excess of revenues over expenditures	196,889	(30,121)	166,768
OTHER FINANCING SOURCES (USES):			
Issuance of general obligation debt	-	34	34
Issuance of refunding bonds	-	650	650
Payments to refunding bond escrow	-	(650)	(650)
Sale of property	56	8	64
Transfers in	-	43,144	43,144
Transfers out	(55,295)	(3,269)	(58,564)
Total other financing sources (uses)	(55,239)	39,917	(15,322)
Net change in fund balances	141,650	9,796	151,446
Fund balances at beginning of year	125,313	127,287	252,600
Fund balances at end of six months	\$ 266,963	\$ 137,083	\$ 404,046

Statement of Net Assets

Proprietary Fund

June 30, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
ASSETS:	
Current Assets:	
Cash	\$ 27
Receivables (net of allowances)	90
Due from other governments	3,994
Total current assets	4,111
Total assets	4,111
LIABILITIES	
Current Liabilities:	
Accounts payable	570
Accrued liabilities	1,012
Total current liabilities	1,582
Total liabilities	1,582
NET ASSETS:	
Unrestricted	2,529
Total net assets	\$ 2,529

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Fund

For the six months ended June 30, 2011

(amounts expressed in thousands)

	Business - Type Activity Enterprise Fund Utilities Aggregation Fund
OPERATING REVENUES:	
Interfund revenues	\$ 3,724
Other operating revenue	10,398
Total operating revenue	14,122
OPERATING EXPENSES:	
Employee wages	24
Employee benefits	10
Utilities and telephone	14,056
Total operating expenses	14,090
Operating loss	32
Change in net assets	32
Total net assets - beginning	2,497
Total net assets at end of six months.	\$ 2,529

Statement of Fiduciary Net Assets

Fiduciary Fund

June 30, 2011

(amounts expressed in thousands)

	<u>Agency Fund</u>
ASSETS:	
Cash and cash equivalents	\$ 27,092
Receivables:	
Other receivables	627
Bonds and securities held in custody	31
Total assets	<u>\$ 27,750</u>
LIABILITIES:	
Held in custody for others	\$ 27,750
Total liabilities	<u>\$ 27,750</u>

**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.

- **Grants Special Revenue Fund**

Used to account for federal and state operating grants (except the Community Development Block Grant) earmarked for specific programs, so that grantor accounting and reporting requirements can be satisfied.

- **Community Development Special Revenue Fund**

Used to assist participating municipalities in the development of locally approved community or economic development activities that are eligible under federal program regulations.

DEBT SERVICE FUND

The Debt Service Fund is used to account for current payments of principal and interest on general obligation long-term debt, and for financial resources that have been accumulated to make future principal and interest payments on general long term indebtedness.

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
ASSETS:				
Cash and cash equivalents	\$ 3	\$ 37,855	\$ 62	\$ 1,206
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	609	-
Other	-	13	-	582
Due from other funds	-	10,242	-	-
Due from other governments	707	78	-	491
Total assets	\$ 710	\$ 48,188	\$ 671	\$ 2,279
LIABILITIES:				
Accounts payable	\$ 80	\$ 5,058	\$ -	\$ 67
Accrued liabilities	733	1,074	671	260
Due to other funds	201	-	-	-
Due to other governments	-	-	-	-
Retained percentages payable	-	6	-	-
Unearned revenue	-	-	-	-
Short-term debt	-	-	-	-
Total liabilities	1,014	6,138	671	327
FUND BALANCES:				
Reserved for:				
Encumbrances	3,047	6,112	-	371
Debt service	-	-	-	-
E-911 system costs	-	-	-	1,581
Unreserved, reported in:				
Special revenue funds				
Undesignated	(3,351)	35,938	-	-
Capital projects fund				
Undesignated (Deficit)	-	-	-	-
Total fund balances (Deficit)	(304)	42,050	-	1,952
Total liabilities and fund balances	\$ 710	\$ 48,188	\$ 671	\$ 2,279

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

(amounts expressed in thousands)

Special Revenue

	Emergency Response	Grants	Community Development	Total
ASSETS:				
Cash and cash equivalents	\$ 1,197	\$ -	\$ 168	\$ 40,491
Investments	-	-	-	-
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	609
Other	-	145	27,794	28,534
Due from other funds	-	-	-	10,242
Due from other governments	217	16,943	-	18,436
Total assets	\$ 1,414	\$ 17,088	\$ 27,962	\$ 98,312
LIABILITIES:				
Accounts payable	\$ -	\$ 1,657	\$ 55	\$ 6,917
Accrued liabilities	-	442	63	3,243
Due to other funds	-	13,963	-	14,164
Due to other governments	-	10	-	10
Retained percentages payable	-	-	-	6
Unearned revenue	-	1,016	27,844	28,860
Short-term debt	-	-	-	-
Total liabilities	-	17,088	27,962	53,200
FUND BALANCES:				
Reserved for:				
Encumbrances	-	-	-	9,530
Debt service	-	-	-	-
E-911 system costs	-	-	-	1,581
Unreserved, reported in:				
Special revenue funds				
Undesignated	1,414	-	-	34,001
Capital projects fund				
Undesignated (Deficit)	-	-	-	-
Total fund balances (Deficit)	1,414	-	-	45,112
Total liabilities and fund balances	\$ 1,414	\$ 17,088	\$ 27,962	\$ 98,312

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

(amounts expressed in thousands)

Capital Projects

		General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds
	Debt Service				
ASSETS:					
Cash and cash equivalents	\$ -	\$ 49,113	\$ 24,333	\$ 13,106	\$ 16
Investments	-	-	-	-	200
Receivables (net of allowances)					
Real property taxes, interest, penalties and liens	-	-	-	-	-
Other	-	-	-	-	-
Due from other funds	8,837	-	-	-	-
Due from other governments	717	489	7,426	17	-
Total assets	\$ 9,554	\$ 49,602	\$ 31,759	\$ 13,123	\$ 216
LIABILITIES:					
Accounts payable	\$ -	\$ 1,181	\$ 1,123	\$ 40	\$ -
Accrued liabilities	58	24	178	709	-
Due to other funds	141	751	6,981	4,876	-
Due to other governments	-	-	898	-	-
Retained percentages payable	-	840	-	626	-
Unearned revenue	-	-	178	-	-
Short-term debt	-	-	-	7,198	-
Total liabilities	199	2,796	9,358	13,449	-
FUND BALANCES:					
Reserved for:					
Encumbrances	-	10,779	15,497	7,057	-
Debt service	9,355	-	-	-	-
E-911 system costs	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds					
Undesignated	-	-	-	-	-
Capital projects fund					
Undesignated (Deficit)	-	36,027	6,904	(7,383)	216
Total fund balances (Deficit)	9,355	46,806	22,401	(326)	216
Total liabilities and fund balances	\$ 9,554	\$ 49,602	\$ 31,759	\$ 13,123	\$ 216

(Continued)

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2011

(amounts expressed in thousands)

	Capital Projects			Total Nonmajor Governmental Funds
	Special Capital Projects	ECMCC Capital Projects	Total	
ASSETS:				
Cash and cash equivalents	\$ 10,830	\$ 3,315	\$ 100,713	\$ 141,204
Investments	-	-	200	200
Receivables (net of allowances)				
Real property taxes, interest, penalties and liens	-	-	-	609
Other	-	-	-	28,534
Due from other funds	-	-	-	19,079
Due from other governments	-	-	7,932	27,085
Total assets	\$ 10,830	\$ 3,315	\$ 108,845	\$ 216,711
LIABILITIES:				
Accounts payable	\$ 13	\$ 3	\$ 2,360	\$ 9,277
Accrued liabilities	335	3	1,249	4,550
Due to other funds	237	2	12,847	27,152
Due to other governments	-	-	898	908
Retained percentages payable	-	33	1,499	1,505
Unearned revenue	-	-	178	29,038
Short-term debt	-	-	7,198	7,198
Total liabilities	585	41	26,229	79,628
FUND BALANCES:				
Reserved for:				
Encumbrances	5,123	90	38,546	48,076
Debt service	-	-	-	9,355
E-911 system costs	-	-	-	1,581
Unreserved, reported in:				
Special revenue funds				
Undesignated	-	-	-	34,001
Capital projects fund				
Undesignated (Deficit)	5,122	3,184	44,070	44,070
Total fund balances (Deficit)	10,245	3,274	82,616	137,083
Total liabilities and fund balances	\$ 10,830	\$ 3,315	\$ 108,845	\$ 216,711

(Concluded)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the six months ended June 30, 2011

(amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911
REVENUES:				
Real property taxes and tax items	\$ -	\$ 34,325	\$ 1,249	\$ -
Sales and use taxes	-	-	-	2,089
Transfer taxes	4,309	-	-	-
Intergovernmental	-	25	-	511
Departmental	71	8,411	-	-
Interest	-	69	-	-
Miscellaneous	2	897	-	-
Total revenues	4,382	43,727	1,249	2,600
EXPENDITURES:				
Current:				
General government support	-	-	1,249	-
Public safety	-	-	-	2,796
Health	-	-	-	498
Transportation	11,979	-	-	-
Economic assistance and opportunity	-	-	-	-
Education	-	-	-	-
Home and community service	-	21,576	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	11,979	21,576	1,249	3,294
(Deficiency) excess of revenues over expenditures	(7,597)	22,151	-	(694)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunding bond escrow	-	-	-	-
Sale of property	-	-	-	-
Transfers in	6,442	-	-	1,066
Transfers out	-	(2,743)	-	-
Total other financing sources (uses)	6,442	(2,743)	-	1,066
Net change in fund balances	(1,155)	19,408	-	372
Fund balances (Deficit) at beginning of year	851	22,642	-	1,580
Fund balances (Deficit) at end of six months	\$ (304)	\$ 42,050	\$ -	\$ 1,952

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the six months ended June 30, 2011

(amounts expressed in thousands)

Special Revenue

	Emergency Response	Grants	Community Development	Total
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 35,574
Sales and use taxes	-	-	-	2,089
Transfer taxes	-	-	-	4,309
Intergovernmental	-	16,561	1,384	18,481
Departmental	-	1,015	525	10,022
Interest	-	-	-	69
Miscellaneous	-	487	18	1,404
Total revenues	-	18,063	1,927	71,948
EXPENDITURES:				
Current:				
General government support	-	3,077	-	4,326
Public safety	-	3,417	-	6,213
Health	-	3,577	-	4,075
Transportation	-	-	-	11,979
Economic assistance and opportunity	-	7,837	97	7,934
Education	-	170	-	170
Home and community service	-	883	1,838	24,297
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	18,961	1,935	58,994
(Deficiency) excess of revenues over expenditures	-	(898)	(8)	12,954
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Payments to refunding bond escrow	-	-	-	-
Sale of property	-	-	8	8
Transfers in	-	898	-	8,406
Transfers out	-	-	-	(2,743)
Total other financing sources (uses)	-	898	8	5,671
Net change in fund balances	-	-	-	18,625
Fund balances (Deficit) at beginning of year	1,414	-	-	26,487
Fund balances (Deficit) at end of six months	\$ 1,414	\$ -	\$ -	\$ 45,112

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the six months ended June 30, 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
REVENUES:					
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-	-
Transfer taxes	-	-	-	-	-
Intergovernmental	955	589	4,065	238	-
Departmental	-	7	-	-	-
Interest	633	-	-	25	-
Miscellaneous	-	521	44	-	-
Total revenues	1,588	1,117	4,109	263	-
EXPENDITURES:					
Current:					
General government support	-	-	-	-	-
Public safety	-	-	-	-	-
Health	-	-	-	-	-
Transportation	-	-	-	-	-
Economic assistance and opportunity	-	-	-	-	-
Education	-	-	-	-	-
Home and community service	-	-	-	-	-
Capital outlay	-	7,063	6,264	2,645	-
Debt service:					
Principal retirement	21,813	-	-	-	-
Interest and fiscal charges	11,846	-	-	-	-
Total expenditures	33,659	7,063	6,264	2,645	-
(Deficiency) excess of revenues over expenditures	(32,071)	(5,946)	(2,155)	(2,382)	-
OTHER FINANCING SOURCES (USES) :					
Issuance of general obligation debt	-	-	-	34	-
Issuance of refunding bonds	-	-	-	650	-
Payments to refunding bond escrow	-	-	-	(650)	-
Sale of property	-	-	-	-	-
Transfers in	33,102	-	-	1,636	-
Transfers out	-	-	-	(526)	-
Total other financing	33,102	-	-	1,144	-
Net change in fund balances	1,031	(5,946)	(2,155)	(1,238)	-
Fund balances (Deficit) at beginning of year	8,324	52,752	24,556	912	216
Fund balances (Deficit) at end of six months	\$ 9,355	\$ 46,806	\$ 22,401	\$ (326)	\$ 216

(Continued)

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the six months ended June 30, 2011

(amounts expressed in thousands)

Capital Projects

	Special Capital Projects	ECMCC Capital Projects	Total	Total Nonmajor Governmental Funds
REVENUES:				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ 35,574
Sales and use taxes	-	-	-	2,089
Transfer taxes	-	-	-	4,309
Intergovernmental	-	-	4,892	24,328
Departmental	-	-	7	10,029
Interest	-	-	25	727
Miscellaneous	-	-	565	1,969
Total revenues	-	-	5,489	79,025
EXPENDITURES:				
Current:				
General government support	-	-	-	4,326
Public safety	-	-	-	6,213
Health	-	-	-	4,075
Transportation	-	-	-	11,979
Economic assistance and opportunity	-	-	-	7,934
Education	-	-	-	170
Home and community service	-	-	-	24,297
Capital outlay	518	3	16,493	16,493
Debt service:				
Principal retirement	-	-	-	21,813
Interest and fiscal charges	-	-	-	11,846
Total expenditures	518	3	16,493	109,146
(Deficiency) excess of revenues over expenditures	(518)	(3)	(11,004)	(30,121)
OTHER FINANCING SOURCES (USES) :				
Issuance of general obligation debt	-	-	34	34
Issuance of refunding bonds	-	-	650	650
Payments to refunding bond escrow	-	-	(650)	(650)
Sale of property	-	-	-	8
Transfers in	-	-	1,636	43,144
Transfers out	-	-	(526)	(3,269)
Total other financing	-	-	1,144	39,917
Net change in fund balances	(518)	(3)	(9,860)	9,796
Fund balances (Deficit) at beginning of year	10,763	3,277	92,476	127,287
Fund balances (Deficit) at end of six months	\$ 10,245	\$ 3,274	\$ 82,616	\$ 137,083

(Concluded)

LIBRARY COMPONENT UNIT

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

Balance Sheet

Library Component Unit

June 30, 2011

(amounts expressed in thousands)

	<u>Library</u>
ASSETS:	
Cash and cash equivalents	\$ 16,416
Receivables (net of allowances)	
Due from primary government	1,739
Due from other governments	819
Prepaid items	35
Total assets	\$ 19,009
LIABILITIES:	
Accounts payable	\$ 305
Accrued liabilities	938
Unearned revenue	543
Total liabilities	1,786
FUND BALANCES:	
Reserved for:	
Encumbrances	694
Prepaid items	35
Unreserved:	
Designated	8,055
Undesignated	8,439
Total fund balances	17,223
Total liabilities and fund balances	\$ 19,009

Statement of Revenues, Expenditures and Changes in Fund Balance

Library Component Unit

For the six months ended June 30, 2011

(amounts expressed in thousands)

	<u>Library</u>
REVENUES:	
Real property taxes and tax items	\$ 18,172
Intergovernmental	770
Departmental	268
Interest	7
Miscellaneous	40
Total revenues	19,257
EXPENDITURES:	
Current:	
Culture and recreation	12,883
Total expenditures	12,883
Excess of revenues over expenditures	6,374
Net change in fund balances	6,374
Fund balance at beginning of year	10,849
Fund balances at end of six months	\$ 17,223

INVESTMENT REPORT

Investment Report

January 1, 2011 through June 30, 2011

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first six 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 793 investments were made during the first six months, resulting in \$689,108 in total interest earnings for all funds. The weighted average yield for the first six months was .51%. For comparison, during the first six months of 2010, 909 investments were effectuated which generated \$878,677 in total interest earnings for all funds at an average weighted yield of .60%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - June		Average Investment (in millions) Jan - June		Average Length of Investment (days) Jan - June	
	2011	2010	2011	2010	2011	2010
JP Morgan Chase, N.A.	769	537	31.6	20.5	4	5
Citizens Bank	5	5	.2	.2	31	31
Bank of America	N/A	N/A	N/A	N/A	N/A	N/A
HSBC Bank USA, N.A.	13	357	20.6	44.7	18	2
Key Bank, N.A.	N/A	N/A	N/A	N/A	N/A	N/A
Manufacturers & Traders	6	10	9.4	17.9	30	24
Totals	793	909				

Investment Report

January 1, 2011 through June 30, 2011

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 st Quarter	\$136,550	\$28,007	\$144,664	\$17,301	\$326,522
2 nd Quarter	\$168,008	\$23,940	\$121,503	\$49,135	\$362,586
Year to date	\$304,558	\$51,947	\$266,167	\$66,436	\$689,108

Please note the 2011 Adopted Budget General Fund interest earnings is \$919,000. The actual year to date earnings for the General Fund as of June 30, 2011 is \$304,558. For comparison, as of June 30, 2010, the General Fund interest earnings were \$481,258.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2011	2010
January	.55%	.62%
February	.54%	.61%
March	.55%	.63%
April	.53%	.59%
May	.44%	.55%
June	.44%	.58%
Weighted Average Jan. – Jun.	.51%	.60%

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.

Cash Flow Statement

1st and 2nd Quarter 2011 Actual; 3rd and 4th Quarters 2011 Projected

Description	Actual January	Actual February	Actual March	Actual April	Actual May
Opening Balance	\$ 27,030,702				
RECEIPTS:					
DSS	\$ 5,633,801	\$ 9,312,550	\$ 46,817,164	\$ 1,956,948	\$ 4,655,104
Sales Tax	46,967,258	55,798,331	45,631,945	61,443,134	50,920,806
Real Property Tax	6,576,426	46,008,092	201,650,478	24,023,821	5,839,913
Other	20,619,697	21,544,372	26,712,880	(12,668,668)	8,428,640
RAN Proceeds	-	-	-	-	-
EFSCA Set Aside Release	1,044,147	-	1,070,881	-	9,106,656
Total Receipts	107,872,031	132,663,345	321,883,349	74,755,235	78,951,119
DISBURSEMENTS:					
DSS	27,253,405	27,025,626	31,925,838	28,728,995	31,048,082
Payroll	30,584,194	25,473,320	25,488,162	34,299,941	22,062,612
Vendor	28,491,566	57,059,006	89,175,154	63,507,188	25,255,926
Debt Service	2,932,573	53,057	5,129,136	6,913,336	775,525
RAN Set Asides Aug & Dec '10 .	-	-	10,800,000	25,700,000	16,000,000
ECFSA Bond Set Asides	1,578,197	1,578,314	1,578,314	1,928,914	1,928,914
ECFSA Debt Service	1,044,147	-	1,070,881	-	9,106,656
Total Disbursements	91,884,082	111,189,324	165,167,485	161,078,374	106,177,715
Monthly Cash Flow	\$ 15,987,948	\$ 21,474,021	\$ 156,715,865	\$ (86,323,139)	\$ (27,226,596)
Cumulative Cash Flow	\$ 15,987,948	\$ 37,461,970	\$ 194,177,834	\$ 107,854,695	\$ 80,628,099

(Continued)

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

Cash Flow Statement

1st and 2nd Quarter 2011 Actual; 3rd and 4th Quarters 2011 Projected

Description	Actual June	Projected July	Projected August	Projected September	Projected October
Opening Balance					
RECEIPTS:					
DSS	\$ 6,924,214	\$ 25,189,604	\$ 23,805,699	\$ 25,545,827	\$ 34,297,405
Sales Tax	68,523,425	48,480,467	51,908,926	50,918,849	64,110,657
Real Property Tax	5,080,770	4,752,065	3,779,403	3,173,150	2,679,666
Other	23,468,668	28,966,672	17,660,962	29,547,772	18,998,903
RAN Proceeds	-	-	-	84,000,000	-
EFSCA Set Aside Release	-	3,299,147	-	949,081	592,014
Total Receipts	103,997,077	110,687,954	97,154,990	194,134,679	120,678,645
DISBURSEMENTS:					
DSS	28,703,748	31,412,577	34,597,766	31,081,430	47,225,660
Payroll	24,525,810	27,672,943	24,006,203	36,559,004	26,103,955
Vendor	69,609,090	43,916,258	26,503,461	74,890,485	40,022,069
Debt Service	6,648,483	663,070	1,415,063	5,039,994	3,504,615
RAN Set Asides Aug & Dec '10	12,500,000	-	-	-	-
ECFSA Bond Set Asides	2,066,610	2,066,610	2,658,624	2,273,843	2,176,343
ECFSA Debt Service	-	3,299,147	-	949,081	592,014
Total Disbursements	144,053,741	109,030,604	89,181,118	150,793,838	119,624,656
Monthly Cash Flow	\$ (40,056,664)	\$ 1,657,350	\$ 7,973,872	\$ 43,340,841	\$ 1,053,989
Cumulative Cash Flow	\$ 40,571,435	\$ 42,228,785	\$ 50,202,657	\$ 93,543,497	\$ 94,597,486

(Continued)

Cash Flow Statement

1st and 2nd Quarter 2011 Actual; 3rd and 4th Quarters 2011 Projected

Description	Projected November	Projected December	TOTAL
Opening Balance			
RECEIPTS:			
DSS	\$ 13,321,059	\$ 30,270,369	\$ 227,729,745
Sales Tax	49,119,898	70,380,009	664,203,705
Real Property Tax	3,600,101	4,258,995	311,422,879
Other	8,900,900	32,081,487	224,262,284
RAN Proceeds	-	-	84,000,000
EFSCA Set Aside Release	3,410,256	-	19,472,183
Total Receipts	78,352,214	136,990,860	1,531,090,796
DISBURSEMENTS:			
DSS	34,437,366	31,343,764	384,784,259
Payroll	24,542,033	28,823,753	330,141,930
Vendor	24,228,586	128,695,228	671,354,017
Debt Service	10,989,727	11,355,337	55,419,915
RAN Set Asides Aug & Dec '10	-	-	65,000,000
ECFSA Bond Set Asides	2,352,031	2,352,031	24,538,745
ECFSA Debt Service	3,410,256	-	19,472,183
Total Disbursements	99,959,998	202,570,113	1,550,711,048
Monthly Cash Flow	\$ (21,607,784)	\$ (65,579,253)	\$ (19,620,253)
Cumulative Cash Flow	\$ 72,989,702	\$ 7,410,449	

(Concluded)

PROPERTY AND SALES TAX SUMMARY

Property Tax Collections

Six Months Ended June 30, 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	304,763,176	302,659,671
Less: January - June Collections	(275,593,134)	(272,924,101)
Net Outstanding at June 30	<u>\$ 29,170,042</u>	<u>\$ 29,735,570</u>

Sales Tax Revenue

Six Months Ended June 30, 2011 and 2010

	2011 Adopted Budget ⁽¹⁾	June 2011 Y-T-D Revenue ⁽²⁾	% of Budget Realized	2010 Adopted Budget	June 2010 Y-T-D Revenue	% of Budget Realized
Sales And Use Tax	\$ 146,057,048	\$ 72,964,206	50.0%	\$ 141,802,959	\$ 69,891,599	49.3%
1% Sales Tax - Erie County Purposes . . .	138,543,491	68,882,007	49.7%	134,508,244	65,969,960	49.0%
0.25% Sales Tax	34,053,618	17,113,661	50.3%	33,061,765	16,339,012	49.4%
0.50% Sales Tax	68,106,288	34,227,323	50.3%	66,122,610	32,678,024	49.4%
Totals	<u>\$ 386,760,445</u>	<u>\$ 193,187,197</u>	50.0%	<u>\$ 375,495,578</u>	<u>\$ 184,878,595</u>	49.2%

Notes:

(1) Through June 30, 2011 year to date, \$ 133,701,338 was recorded as both a revenue and an expenditure in the County's General Fund for sales tax shared with local municipalities. This revenue amount is excluded from the table above.

(2) Includes accrual estimate for portion to be received in August 2011.

DEBT SCHEDULES

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

As of June 30, 2011

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2011	\$ 29,582,342.87	\$ 11,409,970.32	\$ 40,992,313.19 ⁽²⁾
2012	47,192,801.49	20,904,707.58	68,097,509.07
2013	42,599,383.56	18,688,824.51	61,288,208.07
2014	43,279,506.00	16,754,075.28	60,033,581.28
2015	44,173,124.99	14,862,125.48	59,035,250.47
2016	43,006,938.02	12,881,265.92	55,888,203.94
2017	44,299,180.01	10,921,160.65	55,220,340.66
2018	38,906,422.94	8,801,027.21	47,707,450.15
2019	32,752,566.01	7,100,424.41	39,852,990.42
2020	33,174,809.01	5,588,254.63	38,763,063.64
2021	19,822,052.01	4,153,641.00	23,975,693.01
2022	20,689,295.01	3,171,642.03	23,860,937.04
2023	21,631,538.01	2,137,170.71	23,768,708.72
2024	5,398,780.92	1,483,215.79	6,881,996.71
2025	5,141,024.00	1,230,936.26	6,371,960.26
2026	2,793,267.00	1,026,970.58	3,820,237.58
2027	2,850,510.00	905,406.50	3,755,916.50
2028	2,922,752.00	780,519.79	3,703,271.79
2029	2,999,995.00	651,962.72	3,651,957.72
2030	2,117,238.00	544,462.47	2,661,700.47
2031	2,184,481.00	458,476.56	2,642,957.56
2032	1,844,336.00	371,683.20	2,216,019.20
2033	1,762,839.00	291,482.68	2,054,321.68
2034	1,647,839.00	212,967.81	1,860,806.81
2035	1,542,839.00	142,477.84	1,685,316.84
2036	772,839.00	72,760.12	845,599.12
2037	297,839.00	38,435.16	336,274.16
2038	302,839.00	25,546.72	328,385.72
2039	312,839.00	12,428.12	325,267.12
2040	17,839.00	-	17,839.00
	<u>\$ 496,020,055.85</u>	<u>\$ 145,624,022.05</u>	<u>\$ 641,644,077.90</u>

SOURCE: Erie County Comptroller's Office

Notes:

(1) Table updated for EFC Refunding issue of \$650,000 in February 2011:
EFC Refunded Bonds of \$650,000 in February 2011:and EFC Bond Issue of
\$535,170 in May 2011

(2) Amount is net of debt service payments of \$33,659,232.80 made from January 1, 2011 to
June 30, 2011.

Direct General Obligation Indebtedness Outstanding

As of June 30, 2011

Bonds:		
Buildings and other Improvements	\$ 134,328,029.93	
Highway Improvements	115,261,247.11	
Court House Facilities	62,851,501.39	
Sewer District Facilities	68,525,034.67	
Hospital	17,056,117.47 ⁽¹⁾	
HSBC Arena	16,365,000.00	
Computer System	17,078,317.84	
Ralph Wilson Stadium	20,150,253.05	
Community College	23,164,845.91	
Convention Center	10,008,725.35	
Prison Facilities	11,102,100.60	
Nursing Home	<u>128,882.53</u> ⁽¹⁾	
Total Long-Term Debt		496,020,055.85 ⁽²⁾
Bond Anticipation Notes - Sewer District Facilities	<u>7,198,128.13</u>	
Total Short-Term Debt		<u>7,198,128.13</u>
Gross Direct Debt		503,218,183.98
Exclusions :		
Sewer District Debt	75,723,162.80	
Budgeted Appropriations	<u>27,333,217.62</u>	
Total Deductions		<u>103,056,380.42</u>
Net Direct Debt		<u><u>\$ 400,161,803.56</u></u>

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 \$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.

Calculation of Constitutional Debt Limit

As of June 30, 2011

For Fiscal Year Ended December 31	Equalized Full Valuation of Taxable Real Property
2006	\$ 38,102,215,587.00
2007	40,477,680,885.00
2008	42,445,603,001.00
2009	44,382,615,337.00
2010	46,194,212,750.00
Total five year full valuation	<u>\$ 211,602,327,560.00</u>
5 Year Average full valuation	<u>\$ 42,320,465,512.00</u>
Debt limit - 7% of average full valuation	<u>\$ 2,962,432,585.84</u>

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

Calculation of Total Net Indebtedness

As of June 30, 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	427,495,021.18	
Bonds - Sewer	68,525,034.67	
Bond Anticipation Notes - Sewer	7,198,128.13	
Bond Guaranty - ECMCC ⁽¹⁾	97,150,000.00	
Total Indebtedness	600,368,183.98	
 Less Exclusions:		
Sewer Exclusion	75,723,162.80	
Budgeted Appropriations	27,333,217.62	
Total Exclusions	103,056,380.42	
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

Property Tax Collection History

Last Ten Fiscal Years

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes ⁽¹⁾	Towns Levy ⁽²⁾	Returned School Tax ⁽³⁾	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%

Sources:

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

Notes:

(1) Includes Countywide property tax, all town taxes, and relieved village and school taxes. Does not include initial school district levies.

(2) 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.

(3) 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.

Short-Term Borrowing History ⁽¹⁾

1995 - 2011

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

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>
2001	\$ 221,209,139
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

Sources:

Erie County General Purpose Financial Statements – 2001 (Audited)

Erie County Basic Financial Statements – 2002-2010 (Audited)

Note:

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

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

Valuations, Tax Levies and Rates

Last Five Fiscal Years

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Assessed Valuation	\$ 35,483,249,993	\$ 34,922,263,145	\$ 33,446,388,926	\$ 32,158,167,722	\$ 31,165,324,890
Equalized Full Valuation	46,759,758,193	46,194,212,750	44,434,521,055	42,866,825,529	40,477,681,759
Levied for County Purposes ⁽¹⁾	235,182,208	232,413,974	223,306,326	211,837,793	200,031,205
Rates for \$1,000 of Equalized Full Valuation	\$5.03	\$5.03	\$5.03	\$4.94	\$4.94

Sources:

2007-2008: Annual Adopted Budget Messages & Summaries

2009-2011 Assessed and Equalized Full Valuations: 2009-2011 Budget Messages & Summaries

2009-2011 Levied for County Purposes: 2009-2011 Adopted Budgets

Note:

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

Computation of Constitutional Taxing Power for 2011 ⁽¹⁾⁽²⁾

Tax Year	Full Valuation
2007	\$ 40,477,680,885
2008	42,445,603,001
2009	44,382,615,337
2010	46,120,909,981
2011	46,759,758,193
Total	\$ 220,186,567,397
Five-Year Average Full Valuation	\$ 44,037,313,479
Tax Limit (1.5%) ⁽²⁾	660,559,702
Total Exclusions	59,646,910
Total Taxing Power	720,206,612
Total Levy for 2011 ⁽³⁾	246,243,492
Tax Margin ⁽²⁾	\$ 473,963,120

Notes:

(1) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.

(2) 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.

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