



County of Erie

MARK C. POLONCARZ
COMPTROLLER

April 30, 2010

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

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

Dear Honorable Members and County Executive Collins:

We have prepared a financial report of the County of Erie, New York ("County") as of and for the three (3) months ended March 31, 2010 (the "Report").

The Report, a copy of which is enclosed for your review, consists of the following sections:

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

We submit the following observations and comments for your consideration.

The County has budgeted \$33,106,247 in Federal Medical Assistance Percentage ("FMAP") stimulus funds as revenue in 2010. Currently this is anticipated to be a non-recurring revenue source that is scheduled to expire December 31, 2010. The 2011 budget will likely not include a similar revenue source.

During First Quarter 2010, excluding negative prior period adjustments, the County experienced a 0.52% decline in sales tax revenue compared to First Quarter 2009. As you are aware, the 2010 Adopted Budget is predicated on an annual increase in sales tax of 3.00% from the 2009 Adopted Budget.

First Quarter 2010 Financial Report
April 30, 2010
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As noted in my letter dated April 22, 2010 to Sheriff Howard and Commissioner Sentz, in 2010 the County is incurring significant negative variances in overtime expense in the Sheriff's Division, the Sheriff's Jail Management Division, and the Department of Public Works' Division of Buildings and Grounds. The 2010 Budget will be adversely impacted if these negative variances continue at the same rate for the remainder of the year.

Additionally, it is uncertain what the result of the U.S. Department of Justice's lawsuit against the County will be regarding the issues and conditions in the Holding Center and Correctional Facility, though it is quite possible it will have an adverse financial impact on the County. In addition, the New York State Commission of Corrections' lawsuit against the County continues with a recent adverse ruling against the County in that matter.

As your Honorable Body and the County Executive know, the County Executive has withheld nearly \$1.7 million in 2010 budgeted payments to cultural agencies and public benefit organizations.

In addition, on May 12, 2010, XSPAND and the Collins Administration will hold a foreclosure of 32 properties/parcels owned by the Erie Tax Certificate Corporation.

Finally, my office projects that the County will require a \$30 million revenue anticipation note ("RAN"), with the note to be issued in November 2010. The issuance and final dollar amount of said RAN will be dependent on the then-current cash flow situation of the County. Regardless of whether a RAN is required, under the stewardship of this Office, the County has successfully reduced the need for short-term borrowing from the 2005 RAN borrowing which totaled \$160 million to last year's borrowing which totaled \$65 million.

The financial statements and other information contained in this Report have been compiled largely from the official accounting records maintained in the County's SAP system. The financial statements for the Erie County Medical Center Corporation, the Erie Community College, the Erie County Tobacco Securitization Corporation, the Erie Tax Certificate Corporation and the Erie County Fiscal Stability Authority are NOT included since financial information for these entities is maintained separately from the County. Information contained in this Report has not been reviewed by the County's independent auditor and accordingly no opinion on this Report is expressed.

Please note that the 2009 information contained in this Report (e.g., 2010 beginning fund balance) is subject to change pending the results of the County's annual independent audit which is currently underway.

First Quarter 2010 Financial Report
April 30, 2010
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If you have any questions, please contact me at 858-8400.

Sincerely yours,

A handwritten signature in black ink that reads "Mark C. Poloncarz". The signature is written in a cursive style with a long, sweeping tail on the final letter.

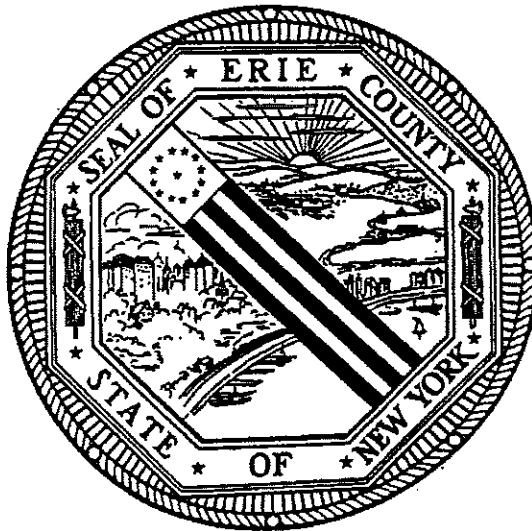
Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/mk
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, 2010



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

APRIL 30, 2010

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
March 31, 2010
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 142,472	\$ 121,094	\$ 263,566
Investments		200	200
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	104,100	836	104,936
Other	4,966	28,006	32,972
Due from other funds	28,623	42,784	71,407
Due from component unit	1,103		1,103
Due from other governments	214,517	29,422	243,939
Prepaid items	157	3,111	3,268
Loan receivable	1,550		1,550
Restricted cash	30,800		30,800
Total assets	\$ 528,288	\$ 225,453	\$ 753,741
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 6,290	\$ 2,186	\$ 8,476
Accrued liabilities	58,556	14,007	72,563
Due to other funds	37,666	28,949	66,615
Due to component unit	4,893		4,893
Due to other governments	1,081	937	2,018
Retained percentages payable	9	1,124	1,133
Unearned revenue	45,919	28,830	74,749
Deferred revenue	43,520		43,520
Short-term debt	65,000	109,815	174,815
Total liabilities	262,934	185,848	448,782
Fund Balances			
Reserved for:			
Encumbrances	83,254	52,401	135,655
Debt service		16,002	16,002
Loan receivable	1,550		1,550
Prepaid items	157		157
E-911 system costs		1,147	1,147
Handicapped parking	90		90
Law enforcement	204		204
Unreserved, reported in:			
General fund			
Undesignated	180,099		180,099
Special revenue funds			
Undesignated		45,600	45,600
Capital projects funds			
Undesignated		(75,545)	(75,545)
Total fund balances	265,354	39,605	304,959
Total liabilities and fund balances	\$ 528,288	\$ 225,453	\$ 753,741

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Three Months ended March 31, 2010
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 215,982	\$ 33,869	\$ 249,851
Sales and use taxes	153,483	1,130	154,613
Transfer taxes		1,171	1,171
Intergovernmental	96,487	10,447	106,934
Departmental	22,561	6,904	29,465
Interest	454	199	653
Miscellaneous	312	569	881
Total revenues	<u>489,279</u>	<u>54,289</u>	<u>543,568</u>
Expenditures:			
Current:			
General government support	95,876	2,247	98,123
Public safety	30,006	2,470	32,476
Health	17,318	2,690	20,008
Transportation	5,120	7,332	12,452
Economic assistance and opportunity	137,436	3,471	140,907
Culture and recreation	4,143		4,143
Education	19,326	17	19,343
Home and community service	551	4,352	4,903
Capital outlay		5,117	5,117
Debt service:			
Principal retirement		6,819	6,819
Interest and fiscal charges		3,309	3,309
Total expenditures	<u>309,776</u>	<u>37,824</u>	<u>347,600</u>
Excess of revenues over expenditures	<u>179,503</u>	<u>16,465</u>	<u>195,968</u>
Other financing sources (uses) :			
Sale of property	16		16
Transfers in		12,973	12,973
Transfers out	(12,595)	(378)	(12,973)
Total other financing sources (uses)	<u>(12,579)</u>	<u>12,595</u>	<u>16</u>
Net change in fund balances	166,924	29,060	195,984
Fund balances at beginning of year	<u>98,430</u>	<u>10,545</u>	<u>108,975</u>
Fund balances at end of three months	<u>\$ 265,354</u>	<u>\$ 39,605</u>	<u>\$ 304,959</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
March 31, 2010
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Assets	
Current Assets	
Cash and cash equivalents	\$
Receivables (net of allowances)	550
Due from other governments	6,014
Total assets	<u>6,564</u>
Liabilities	
Current Liabilities:	
Accounts payable	42
Accrued liabilities	1,819
Due to other funds	1,888
Total current liabilities	<u>3,749</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	2,815
Total net assets	<u>\$ 2,815</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Three Months ended March 31, 2010
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 1,346
Other operating revenue	8,238
Total operating revenue	<u>9,584</u>
Operating Expenses:	
Employee wages	12
Employee benefits	5
Utilities and telephone	9,031
Total operating expenses	<u>9,048</u>
Change in net assets	536
Total net assets at beginning of year	<u>2,279</u>
Total net assets at end of three months	<u>\$ 2,815</u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
March 31, 2010
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 28,725
Receivables:	
Due from other governments	3
Other receivables	712
Bonds and securities held in custody	167
Total assets	<u>\$ 29,607</u>
Liabilities	
Accrued liabilities	\$ 586
Held in custody for others	29,021
Total liabilities	<u>\$ 29,607</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, 2010
 (amounts expressed in thousands)

										Special Revenue						
										Downtown Mail	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Assets	Road	Sewer	Downtown Mail	E-911	Emergency Response	Grants	Community Development	Total	Debt Service							
Cash and cash equivalents	\$ -	\$ 13,155	\$ 453	\$ 1,343	\$ -	\$ -	\$ -	\$ 15,121	\$ 15,010							
Investments																
Receivables (net of allowances)																
Real property taxes, interest, penalties and liens			836					836								
Other		13						13								
Due from other funds		42,784				313	27,125	28,006								
Due from other governments	958	612			1,518	16,027		19,115								
Prepaid items		3,111						3,111								
Total assets	<u>\$ 958</u>	<u>\$ 59,675</u>	<u>\$ 1,289</u>	<u>\$ 1,898</u>	<u>\$ 1,518</u>	<u>\$ 16,340</u>	<u>\$ 27,295</u>	<u>\$ 108,973</u>	<u>\$ 16,071</u>							
Liabilities and Fund Balances																
Liabilities:																
Accounts payable	\$ 135	\$ 777	\$ -	\$ 80	\$ -	\$ 675	\$ 71	\$ 1,738	\$ -							
Accrued liabilities	3,141	1,357	1,289	103		2,265	167	8,322								
Due to other funds	2,952				1,518	11,743		16,213								
Due to other governments						38	1	39								
Retained percentages payable		8						8								
Unearned revenue						1,819	27,056	28,675								
Short-term debt																
Total liabilities	<u>6,228</u>	<u>2,142</u>	<u>1,289</u>	<u>183</u>	<u>1,518</u>	<u>16,340</u>	<u>27,295</u>	<u>54,995</u>	<u>68</u>							
Fund balances:																
Reserved for:																
Encumbrances	899	5,764								7,231						
Debt service											16,002					
E-911 system costs										1,147						
Unreserved, reported in:																
Special revenue funds																
Undesignated	(6,169)	51,769						45,600								
Capital projects funds																
Undesignated																
Total fund balances	<u>(5,270)</u>	<u>57,533</u>	<u>0</u>	<u>1,715</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>53,978</u>	<u>16,002</u>							
Total liabilities and fund balances	<u>\$ 958</u>	<u>\$ 59,675</u>	<u>\$ 1,289</u>	<u>\$ 1,898</u>	<u>\$ 1,518</u>	<u>\$ 16,340</u>	<u>\$ 27,295</u>	<u>\$ 108,973</u>	<u>\$ 16,071</u>							

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 March 31, 2010
 (amounts expressed in thousands)

	Capital Projects						Total	Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects		
Assets								
Cash and cash equivalents	\$ 53,782	\$ 16,328	\$ 11,247	\$ 53	\$ 5,758	\$ 3,795	\$ 121,094	
Investments				200			200	
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens								
Other							836	
Due from other funds							28,006	
Due from other governments	84	9,069			93		42,784	
Prepaid items							29,422	
Total assets	\$ 53,866	\$ 25,397	\$ 11,247	\$ 253	\$ 5,851	\$ 3,795	\$ 225,453	
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	22	425			1		448	
Accrued liabilities	1,366	3,573	555		67	55	14,007	
Due to other funds	501	6,879	5,117		237	2	28,949	
Due to other governments		898					937	
Retained percentages payable	256		378		467	15	1,124	
Unearned revenue		155					28,830	
Short-term debt	55,894	36,291	6,280		11,350		109,815	
Total liabilities	\$ 58,039	\$ 48,221	\$ 12,330	\$ 0	\$ 12,122	\$ 72	\$ 130,784	
Fund balances:								
Reserved for:								
Encumbrances	14,048	20,288	9,575		344	915	52,401	
Debt service							16,002	
E-911 system costs							1,147	
Unreserved, reported in:								
Special revenue funds								
Undesignated							45,600	
Capital projects funds								
Undesignated	(18,221)	(43,112)	(10,658)	253	(6,615)	2,808	(75,545)	
Total fund balances	(4,173)	(22,824)	(1,083)	253	(6,271)	3,723	39,605	
Total liabilities and fund balances	\$ 53,866	\$ 25,397	\$ 11,247	\$ 253	\$ 5,851	\$ 3,795	\$ 225,453	

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months ended March 31, 2010
 (amounts expressed in thousands)

Special Revenue

	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Revenues:									
Real property taxes and tax items	\$	\$ 32,620	\$ 1,249	\$ 1,130	\$	\$	\$	\$ 33,869	\$
Sales and use taxes								1,130	
Transfer taxes	1,171							1,171	
Intergovernmental						7,602	788	8,390	1,061
Departmental	25	6,216				469	194	6,904	
Interest		21						21	
Miscellaneous	1	568						569	164
Total Revenues	1,197	39,425	1,249	1,130	0	8,071	982	52,054	1,225
Expenditures:									
Current:									
General government support			1,249					2,247	
Public safety				1,130				2,470	
Health						2,690		2,690	
Transportation	7,332							7,332	
Economic assistance and opportunity						3,425	46	3,471	
Education						17		17	
Home and community service		3,288				128	936	4,352	
Capital outlay									
Debt service:									6,819
Principal retirement									3,309
Interest and fiscal charges									10,128
Total Expenditures	7,332	3,288	1,249	1,130	0	8,598	982	22,579	10,128
Excess (deficiency) of revenues over expenditures	(6,135)	36,137	0	0	0	(527)	0	29,475	(8,903)
Other financing sources (uses):									
Transfers in									12,370
Transfers out		(302)						(302)	
Total other financing sources (uses)	0	(302)	0	0	0	527	0	225	12,370
Net change in fund balances	(6,135)	35,835	0	0	0	0	0	29,700	3,467
Fund balances at beginning of year	865	21,698		1,715				24,278	12,535
Fund balances at end of three months	\$ (5,270)	\$ 57,533	\$ 0	\$ 1,715	\$ 0	\$ 0	\$ 0	\$ 53,978	\$ 16,002

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Three Months ended March 31, 2010
 (amounts expressed in thousands)

	Capital Projects							Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities, Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects	Total	
Revenues:								
Real property taxes and tax items								\$ 33,869
Sales and use taxes								1,130
Transfer taxes								1,171
Intergovernmental	42	836	25		93		996	10,447
Departmental			14				14	6,904
Interest								199
Miscellaneous								569
Total Revenues	42	836	39	0	93	0	1,010	54,289
Expenditures:								
Current:								
General government support								2,247
Public safety								2,470
Health								2,690
Transportation								7,332
Economic assistance and opportunity								3,471
Education								17
Home and community service								4,352
Capital outlay	2,493	1,473	948		146	57	5,117	5,117
Debt service:								
Principal retirement								6,819
Interest and fiscal charges								3,309
Total Expenditures	2,493	1,473	948	0	146	57	5,117	37,824
Excess (deficiency) of revenues over expenditures	(2,451)	(637)	(909)	0	(53)	(57)	(4,107)	16,465
Other financing sources (uses):								
Transfers in	76						76	12,973
Transfers out				(76)			(76)	(378)
Total other financing sources (uses)	76	0	0	(76)	0	0	0	12,595
Net change in fund balances	(2,375)	(637)	(909)	(76)	(53)	(57)	(4,107)	29,060
Fund balances at beginning of year	(1,798)	(22,187)	(174)	329	(6,218)	3,780	(26,268)	10,545
Fund balances at end of three months	(4,173)	(22,824)	(1,083)	253	(6,271)	3,723	(30,375)	39,605

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, 2010
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 20,681
Due from primary government	4,600
Due from other governments	398
Prepaid items	54
Total assets	<u>\$ 25,733</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 139
Accrued liabilities	1,103
Deferred revenue	803
Total liabilities	<u>2,045</u>
Fund Balances	
Reserved for:	
Encumbrances	608
Prepaid items	54
Unreserved, reported in:	
Designated	3,147
Undesignated	19,879
Total fund balances	<u>23,688</u>
Total liabilities and fund balances	<u>\$ 25,733</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Three Months ended March 31, 2010
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	173
Departmental	174
Interest	5
Miscellaneous	78
	<hr/>
Total revenues	22,602
	<hr/>
Expenditures:	
Current:	
Culture and recreation	7,294
	<hr/>
Total expenditures	7,294
	<hr/>
Net change in fund balances	15,308
Fund balance at beginning of year	8,380
	<hr/>
Fund balances at end of three months	\$ 23,688
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INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2010 through March 31, 2010

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2010 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 443 investments were made during the first three months, resulting in \$375,729 in total interest earnings for all funds. The weighted average yield for the first three months was .62%. For comparison, during the first three months of 2009, 549 investments were effectuated which generated \$358,071 in total interest earnings for all funds at an average weighted yield of .98%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - March		Average Investment (in millions) Jan - March		Average Length of Investment (days) Jan - March	
	2010	2009	2010	2009	2010	2009
JP Morgan Chase, N.A.	260	123	21.1	1.6	6	9
Citizens Bank	3	268	.2	13.1	29	3
Bank of America	N/A	60	N/A	4.0	N/A	3
HSBC Bank USA, N.A.	177	91	28.1	30.3	2	6
Key Bank, N.A.	N/A	7	N/A	.1	N/A	16
Manufacturers & Traders Trust	3	N/A	11.2	N/A	22	N/A
Totals	443	549				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2010 through March 31, 2010

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$186,762	\$30,573	\$137,212	\$21,182	\$375,729
Year to date	\$186,762	\$30,573	\$137,212	\$21,182	\$375,729

Please note the 2010 Adopted Budget General Fund interest earnings is \$600,000.00. The actual year to date earnings for the General Fund as of March 31, 2010 is \$186,762.00. For comparison, as of March 31, 2009, the General Fund interest earnings were \$180,733.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2010	2009
January	.62%	1.21%
February	.61%	.98%
March	.63%	.76%
Weighted Average for Quarter	.62%	.98%

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, 2010.

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
2010

January to March Actual, April to December 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	51,636,057												
** Receipts **													
DSS	18,895,891	8,055,038	54,866,957	1,432,647	15,765,937	19,754,069	22,503,570	18,271,701	25,848,060	33,884,326	11,713,131	26,725,641	257,716,968
Sales Tax	43,983,645	53,117,518	44,572,578	64,175,332	44,031,971	65,073,003	49,263,032	44,725,251	47,511,843	69,745,776	46,234,988	65,486,359	637,921,295
Real Property Tax	7,570,187	42,940,800	194,540,519	31,249,507	6,170,228	5,220,440	5,208,953	3,945,340	2,995,446	3,156,000	3,676,511	4,524,066	311,197,997
Other	20,172,210	23,573,991	25,997,043	(2,036,382)	9,868,297	16,652,872	18,492,363	18,842,129	36,452,587	33,630,494	8,367,359	19,767,717	228,780,680
RAN Proceeds	0	0	0	0	0	0	0	0	0	0	30,000,000	0	30,000,000
Total Receipts	142,257,989	127,687,347	319,977,097	94,821,103	79,836,433	106,700,384	95,467,917	85,784,421	112,807,936	140,416,597	99,991,989	116,503,784	1,466,616,940
** Disbursements **													
DSS	26,390,527	27,011,935	37,639,891	29,324,901	29,142,545	30,859,486	35,295,523	30,227,419	28,390,760	28,013,759	31,599,638	38,370,049	372,266,413
Payroll	29,912,380	27,458,329	25,953,723	17,786,164	37,861,207	25,556,621	26,639,777	25,331,067	24,919,925	37,623,228	26,293,621	27,285,203	332,621,245
Vendor	26,453,824	74,672,142	97,748,569	59,692,982	33,545,007	76,267,759	37,335,787	21,135,951	64,217,941	45,095,186	24,982,963	83,010,872	644,158,984
Debt Service	3,029,563	84,649	6,896,289	7,056,528	3,436,497	7,654,580	2,205,282	1,567,635	6,776,988	4,001,209	11,678,594	11,219,578	65,607,391
RAN Set Asides Oct '09	0	16,800,000	14,000,000	700,000	21,000,000	12,500,000	0	0	0	0	0	0	65,000,000
Total Disbursements	85,786,294	146,027,055	182,238,472	114,560,575	124,985,255	152,838,446	101,476,369	78,262,072	124,305,615	114,733,363	94,554,815	159,885,701	1,479,654,033
Monthly Cash Flow	56,471,695	(18,339,708)	137,738,624	(19,739,472)	(49,148,822)	(46,138,062)	(6,008,452)	7,522,349	(11,497,678)	25,683,234	5,437,174	(43,381,917)	(13,037,093)
Cumulative Cash Flow	56,471,695	38,131,987	175,870,612	156,131,139	106,982,317	60,844,255	54,835,803	62,358,152	50,860,474	76,543,708	81,980,381	38,598,964	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Three Months Ended March 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Gross Levy	\$ 638,372,017	\$ 612,200,026
Less: Amount Retained by Towns	(335,712,346)	(329,189,492)
Net Collectable by County	<u>302,659,671</u>	<u>283,010,534</u>
Less: January - March Collections	(239,870,103)	(219,194,371)
Net Outstanding at March 31st	<u>\$ 62,789,568</u>	<u>\$ 63,816,163</u>
Percentage Collected at March 31st	<u>79.3%</u>	<u>77.5%</u>

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Three Months Ended March 31, 2010 and 2009

	(1) <u>2010 Adopted Budget</u>	March 2010 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>	<u>2009 Adopted Budget</u>	March 2009 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>
Sales And Use Tax	141,802,959	\$ 33,267,318	23.5%	\$ 146,622,263	\$ 33,843,953	23.1%
1 % Sales Tax - Erie County Purposes	134,508,244	31,400,720	23.3%	138,413,901	31,946,485	23.1%
0.25 % Sales Tax	33,061,765	7,820,512	23.7%	34,603,998	7,970,678	23.0%
0.50 % Sales Tax	<u>66,122,610</u>	<u>15,641,024</u>	23.7%	<u>69,207,995</u>	<u>15,941,355</u>	23.0%
Totals	<u>\$ 375,495,578</u>	<u>\$ 88,129,574</u>	23.5%	<u>\$ 388,848,157</u>	<u>\$ 89,702,471</u>	23.1%

Note:

(1) Through March 31, 2010 year to date, \$ 64,426,080 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.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
 Annual Debt Service Requirements for Long-Term General Obligation
 Indebtedness of the County
 As of March 31, 2010

Fiscal Year Ending December 31	Principal Payments	Interest Payments	Total Debt Service
2010	\$37,516,678.66	\$15,558,308.36	\$53,074,987.02 (1)
2011	45,478,591.26	16,759,476.05	62,238,067.31
2012	37,084,962.49	14,610,464.87	51,695,427.36
2013	32,321,544.56	12,738,669.95	45,060,214.51
2014	32,561,667.00	11,185,844.88	43,747,511.88
2015	33,110,285.99	9,624,537.11	42,734,823.10
2016	31,524,099.02	8,056,257.74	39,580,356.76
2017	32,426,341.01	6,493,492.72	38,919,833.73
2018	26,208,583.94	4,878,385.88	31,086,969.82
2019	19,464,727.01	3,755,410.83	23,220,137.84
2020	19,276,970.01	2,832,729.43	22,109,699.44
2021	4,974,213.01	2,055,136.58	7,029,349.59
2022	5,091,456.01	1,812,696.67	6,904,152.68
2023	5,238,699.01	1,566,504.21	6,805,203.22
2024	5,200,941.92	1,322,815.37	6,523,757.29
2025	4,943,185.00	1,077,175.48	6,020,360.48
2026	2,590,428.00	880,177.56	3,470,605.56
2027	2,642,671.00	766,009.88	3,408,680.88
2028	2,709,913.00	648,894.29	3,358,807.29
2029	2,777,156.00	528,478.50	3,305,634.50
2030	1,884,399.00	429,676.73	2,314,075.73
2031	1,946,642.00	352,840.34	2,299,482.34
2032	1,591,497.00	276,157.38	1,867,654.38
2033	1,505,000.00	206,635.26	1,711,635.26
2034	1,385,000.00	139,025.99	1,524,025.99
2035	1,270,000.00	79,668.82	1,349,668.82
2036	480,000.00	21,666.66	501,666.66
	<u>\$ 393,205,651.90</u>	<u>\$ 118,657,137.54</u>	<u>\$ 511,862,789.44</u>

Note:

(1) Amount is net of debt service payments of \$10,128,310.92 made from January 1, 2010 to March 31, 2010.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of March 31, 2010

Bonds:		
Buildings and other Improvements	\$108,437,425.22	
Highway Improvements	66,929,894.80	
Court House Facilities	67,442,207.60	
Sewer District Facilities	62,965,549.04	
Hospital	29,256,680.61	(1)
HSBC Arena	17,960,000.00	
Computer System	14,655,825.70	
Ralph Wilson Stadium	12,534,882.94	
Community College	7,711,964.42	
Convention Center	3,479,557.08	
Prison Facilities	1,643,345.10	
Nursing Home	<u>188,319.39</u>	(1)
Total Long-Term Debt		\$393,205,651.90
Bond Anticipation Notes - Sewer District Facilities	5,173,242.87	
Bond Anticipation Notes	103,534,867.00	
Revenue Anticipation Notes	<u>65,000,000.00</u>	
Total Short-Term Debt		<u>173,708,109.87</u>
Gross Direct Debt		566,913,761.77
Exclusions :		
Sewer District Debt	68,138,791.91	
Bond Anticipation Notes	103,534,867.00	
Revenue Anticipation Notes	<u>65,000,000.00</u>	
Total Deductions		<u>236,673,658.91</u>
Net Direct Debt (2)		<u>\$330,240,102.86</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 \$99,305,000 of Erie County Medical Center Corporation for which the County has indirect responsibility as guarantor is not included above.
- (2) This schedule reflects remaining principal for bonds issued from 1983 to 2006 by the County. There were no bonds issued by the County in 2007, 2008, 2009 or 2010 to date.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of March 31, 2010

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2005	\$ 35,980,745,078
2006	38,102,215,587
2007	40,477,680,885
2008	42,445,603,001
2009	<u>44,434,521,055</u>
Total five year full valuation	\$ <u>201,440,765,606.00</u>
5 Year Average full valuation	\$ <u>40,288,153,121.20</u>
Debt limit - 7% of average full valuation	\$ <u>2,820,170,718.48</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, 2010

Five year average full valuation (2005-2009)	\$ 40,288,153,121.20
Debt Limit - 7% of average full valuation	\$ 2,820,170,718.48

Outstanding Indebtedness:

Bonds - General	\$ 330,240,102.86
Bonds - Sewer	62,965,549.04
Bond Anticipation Notes - Sewer	5,173,242.87
Bond Guaranty - ECMCC (1)	99,305,000.00
Bond Anticipation Notes	103,534,867.00
Revenue Anticipation Note	<u>65,000,000.00</u>
Total Indebtedness	<u>666,218,761.77</u>

Less Exclusions:

Sewer Exclusion	68,138,791.91
Bond Anticipation Notes	103,534,867.00
Revenue Anticipation Note	65,000,000.00
Budgeted Appropriations	<u>34,743,038.36</u>
Total Exclusions	<u>236,673,658.91</u>

Total Net Indebtedness	<u>429,545,102.86</u>
Net Debt Contracting Margin	\$ <u>2,390,625,615.62</u>
Percentage of Debt Contracting Power Exhausted	<u>15.23%</u>

Note:

(1) Erie County Medical Center Corporation

MISCELLANEOUS FINANCIAL DATA

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

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Collected in Year of Levy	Percentage Collected
2000	\$ 446,019,358	\$ 222,449,694	\$ 13,953,109	\$ 430,122,427	96.44%
2001	424,554,739	231,109,689	13,104,632	411,135,430	96.84
2002	430,565,663	235,033,457	13,899,502	416,506,625	96.73
2003	447,035,372	250,233,121	14,124,489	446,461,743	99.87
2004	464,433,235	265,812,020	14,152,464	463,669,059	99.84
2005	493,517,706	289,697,275	13,788,438	492,180,009	99.73
2006	540,580,523	303,202,950	14,103,478	528,350,674	97.74
2007	569,219,471	314,868,342	16,162,844	555,858,355	97.65
2008	590,816,323	317,148,178	17,053,523	575,132,292	97.35
2009	612,199,787	329,189,492	15,362,283	594,797,148	97.16

Notes:

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

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

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History
1995 - 2009

<u>Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995	\$ 80,000,000	RAN	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 (1)	05/20/09	05/18/10
2009	65,000,000	RAN (2)	10/27/09	06/30/10

Notes:

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

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

(2) Revenue Anticipation Notes ("RAN") may be issued in any fiscal year in anticipation of the collection or receipt of taxes (other than real property taxes) and certain other types of revenue which are due and payable in such fiscal year and moneys to be received from the State or Federal government which are due in such fiscal year. Pursuant to State law, such notes must mature within one year after the date of issuance, and may be renewed from time to time for periods of up to one year; however, the maturity of such notes, including renewals, may not extend beyond the end of the second fiscal year following the fiscal year in which such notes were originally issued.

On October 27, 2009 The ECFSA issued a BAN totaling \$65,137,450 with an interest rate of 0.700%. On the same date, the ECFSA paid the County \$65,000,000 for the County's RAN. The RAN matures on June 30, 2010 as noted above with an interest rate of 0.955%.

The issuance of revenue anticipation notes has been necessitated, in part, by the State's practice of requiring local governments to pay 100% of the expenditures for various programs in advance, and then providing subsequent, often delayed reimbursement for the non-local share.

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>
2000	\$214,890,782	2005	\$446,656,115
2001	221,209,139	2006	460,910,906
2002	256,295,578	2007	423,582,245
2003	327,032,146	2008	379,245,466
2004	384,124,771	2009	336,954,031

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

SOURCES: Erie County General Purpose Financial Statements – 2000-2001 (Audited)
 Erie County Basic Financial Statements – 2002-2008 (Audited)
 Erie County Comptroller's Office – 2009

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

	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Assessed Valuation	\$33,446,388,926	\$32,158,167,722	\$31,165,324,890	\$30,105,315,955	\$28,277,778,136
Equalized Full Valuation	44,434,521,055	42,866,825,529	40,477,681,759	38,102,215,597	35,982,862,212
Levied for County Purposes (a)	223,306,326	211,837,793	200,031,205	188,094,445	157,641,229
Rates for \$1,000 of Equalized Full Valuation	\$5.03	\$4.94	\$4.94	\$4.94	\$4.38

Note:

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

SOURCES: 2005-2008: Annual Adopted Budget Messages & Summaries
 2009 Assessed and Equalized Full Valuations: 2009 Budget Message & Summary
 2009 Levied for County Purposes: 2009 Adopted Budget

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2010

<u>Tax Year</u>	<u>Full Valuation</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	 <u>\$ 211,602,327,560</u>
 Five-Year Average Full Valuation	 \$ 42,320,465,512
Tax Limit (1.5%) (b)	634,806,983
Total Exclusions	<u>46,404,076</u>
Total Taxing Power	681,211,059
Total Levy for 2009 (c).....	<u>243,283,341</u>
Tax Margin (b)	<u><u>\$ 437,927,718</u></u>

Notes:

- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
- (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2009 total taxing power under this local law is \$454,146,719 leaving a tax margin of \$221,707,925.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.