



County of Erie

MARK C. POLONCARZ
COMPTROLLER

July 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 six (6) months ended June 30, 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. This is a non-recurring revenue source that is scheduled to expire December 31, 2010. As we warned in our 2010 Budget Report and in our First Quarter 2010 financial report, the 2011 budget will likely not include a similar revenue source. Given the 2011 budget targets requested by the Collins Administration premised on 20% reductions in personal services, the administration is now reversing its earlier projection of FMAP funds being available in 2011 as revenue.

During the second quarter 2010, *excluding negative prior period adjustments*, the County experienced a 3.30% growth in sales tax revenue compared to the second quarter 2009. Factoring out prior period adjustments, through the second quarter 2010, the County had sales

Second Quarter 2010 Financial Report
July 30, 2010
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tax growth year-to-date of 1.39% compared to 2009. However, the County experienced a significant negative prior period adjustment in sales tax revenue in second quarter 2010 totaling \$2,301,701. As a result, this adjustment led 2010 year-to-date sales tax revenues to decline 2.67% compared to the same period in 2009 and compared to the 2010 budget. As I have warned in my last four annual budget reports, the County is over-dependent on sales tax as our largest revenue source and changes in economic trends makes this revenue source fluid.

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 ETCC and the ECFA 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) remains in draft form pending the results of the County's annual independent audit which is still not finalized until the County Executive signs the representation letter. However, as a result of the Executive's recent veto declaration on the 2009 year-end designations approved by the Legislature on June 24, 2010, at year-end 2009, the County is reporting a General Fund fund balance totaling \$101,838,000. Of that amount, \$74,045,000 is undesignated and unreserved.

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

Sincerely yours,



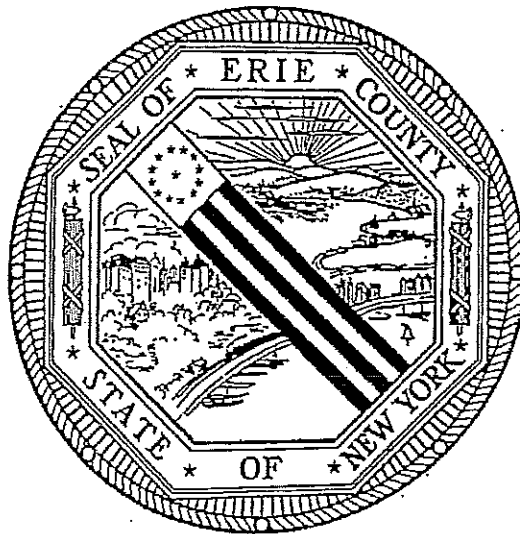
Mark C. Poloncarz, Esq.
Erie County Comptroller

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, 2010



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

JULY 30, 2010

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
 Balance Sheet
 Governmental Funds
 June 30, 2010
 (amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 171	\$ 186,866	\$ 187,037
Investments		200	200
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	66,675	618	67,293
Other	9,273	27,875	37,148
Due from other funds	26,034	10,582	36,616
Due from component unit	1,091		1,091
Due from other governments	254,410	40,102	294,512
Prepaid items	157	7,275	7,432
Loan receivable	1,550		1,550
Total assets	\$ 359,361	\$ 273,518	\$ 632,879
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 10,291	\$ 8,211	\$ 18,502
Accrued liabilities	53,179	4,112	57,291
Due to other funds	5,081	27,114	32,195
Due to component unit	2,786		2,786
Due to other governments	4,827	931	5,758
Retained percentages payable	9	1,245	1,254
Unearned revenue	22,219	28,802	51,021
Deferred revenue	43,512		43,512
Short-term debt		3,752	3,752
Total liabilities	141,904	74,167	216,071
Fund Balances			
Reserved for:			
Encumbrances	57,444	52,621	110,065
Debt service		13,783	13,783
Loan receivable	1,550		1,550
Prepaid items	157		157
E-911 system costs		1,217	1,217
Handicapped parking	90		90
Law enforcement	205		205
Unreserved, reported in:			
General fund			
Undesignated	158,011		158,011
Special revenue funds			
Undesignated		40,339	40,339
Capital projects funds			
Undesignated		91,391	91,391
Total fund balances	217,457	199,351	416,808
Total liabilities and fund balances	\$ 359,361	\$ 273,518	\$ 632,879

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Six Months ended June 30, 2010

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 216,607	\$ 35,111	\$ 251,718
Sales and use taxes	319,740	2,042	321,782
Transfer taxes		3,624	3,624
Intergovernmental	188,226	35,250	223,476
Departmental	36,820	9,669	46,489
Interest	952	610	1,562
Miscellaneous	987	741	1,728
Total revenues	<u>763,332</u>	<u>87,047</u>	<u>850,379</u>
Expenditures:			
Current:			
General government support	183,354	4,959	188,313
Public safety	59,111	5,289	64,400
Health	34,573	6,807	41,380
Transportation	10,150	11,583	21,733
Economic assistance and opportunity	265,534	7,918	273,452
Culture and recreation	10,580		10,580
Education	37,702	36	37,738
Home and community service	1,063	20,808	21,871
Capital outlay		23,437	23,437
Debt service:			
Principal retirement	1,595	15,749	17,344
Interest and fiscal charges		9,613	9,613
Total expenditures	<u>603,662</u>	<u>106,199</u>	<u>709,861</u>
Excess of revenues over expenditures	<u>159,670</u>	<u>(19,152)</u>	<u>140,518</u>
Other financing sources (uses):			
Proceeds of general obligation debt		160,557	160,557
Premium on bond issuance		15,719	15,719
Proceeds of refunding bonds		98,595	98,595
Payments to refunded bond escrow		(99,404)	(99,404)
Sale of property	266	7	273
Transfers in		31,934	31,934
Transfers out	(44,317)	(3,038)	(47,355)
Total other financing sources (uses)	<u>(44,051)</u>	<u>204,370</u>	<u>160,319</u>
Net change in fund balances	115,619	185,218	300,837
Fund balances at beginning of year	<u>101,838</u>	<u>14,133</u>	<u>115,971</u>
Fund balances at end of six months	<u>\$ 217,457</u>	<u>\$ 199,351</u>	<u>\$ 416,808</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
June 30, 2010
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	<u>Utility Fund</u>
Assets	
Current Assets	
Receivables (net of allowances)	\$ 200
Due from other governments	<u>6,430</u>
Total assets	<u>6,630</u>
Liabilities	
Current Liabilities:	
Accounts payable	514
Accrued liabilities	1,483
Due to other funds	<u>2,370</u>
Total liabilities	<u>4,367</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	<u>2,263</u>
Total net assets	<u>\$ 2,263</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Six Months ended June 30, 2010
(amounts expressed in thousands)

	Business - Type Activities <u>Enterprise Funds</u>
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 2,912
Other operating revenue	12,387
Total operating revenue	<u>15,299</u>
Operating Expenses:	
Employee wages	22
Employee benefits	9
Utilities and telephone	15,284
Total operating expenses	<u>15,315</u>
Change in net assets	(16)
Total net assets at beginning of year	2,279
Total net assets at end of six months	<u>\$ 2,263</u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2010
(amounts expressed in thousands)

	Agency Fund
Assets	
Cash and cash equivalents	\$ 28,110
Receivables:	
Due from other governments	3
Other receivables	695
Bonds and securities held in custody	167
Total assets	<u><u>\$ 28,975</u></u>
Liabilities	
Accrued liabilities	\$ 734
Held in custody for others	28,241
Total liabilities	<u><u>\$ 28,975</u></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
 June 30, 2010
 (amounts expressed in thousands)

	Special Revenue								
Assets	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Cash and cash equivalents	\$ 3	\$ 32,226	\$ 52	\$ 1,345	\$	\$	\$	\$ 33,626	\$ 8,893
Investments									
Receivables (net of allowances)									
Real property taxes, interest, penalties and liens									
Other			618						
Due from other funds		13		576		247		618	
Due from other governments	4,851	8,491					27,039	27,875	
Prepaid items		157			2,773	20,558	1	8,491	
Total assets	\$ 4,854	\$ 43,998	\$ 670	\$ 1,921	\$ 2,773	\$ 20,805	\$ 27,040	\$ 3,111	796
Liabilities and Fund Balances								\$ 102,061	\$ 4,164
Liabilities:									\$ 13,853
Accounts payable	\$ 126	\$ 342	\$	\$ 126	\$	\$ 2,913	\$ 221	\$ 3,728	\$
Accrued liabilities	633	725	670	19		1,232	55	3,334	
Due to other funds	3,121				1,035	14,664	17	18,837	70
Due to other governments						33		33	
Retained percentages payable		10				63		73	
Unearned revenue						1,900		26,747	
Short-term debt									
Total liabilities	3,880	1,077	670	145	1,035	20,805	27,040	54,652	70
Fund balances:									
Reserved for:									
Encumbrances	974	4,381		486				5,853	
Debt service									13,783
E-911 system costs				1,217				1,217	
Unreserved, reported in:									
Special revenue funds									
Undesignated									
Capital projects funds				61	1,738			40,339	
Undesignated									
Total fund balances	974	42,921	0	1,776	1,738	0	0	47,409	13,783
Total liabilities and fund balances	\$ 4,854	\$ 43,998	\$ 670	\$ 1,921	\$ 2,773	\$ 20,805	\$ 27,040	\$ 102,061	\$ 13,853

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 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	\$ 77,836	\$ 36,257	\$ 13,146	\$ 52	\$ 13,333	\$ 3,723	\$ 144,347	
Investments				200			200	
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens								
Other			2,091				2,091	
Due from other funds								
Due from other governments	1,152	9,814					10,966	
Prepaid items								
Total assets	\$ 78,988	\$ 46,071	\$ 15,237	\$ 252	\$ 13,333	\$ 3,723	\$ 157,604	
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	1,074	2,734	668			1	4,483	
Accrued liabilities	347	120	193		6	3	703	
Due to other funds	625	1,912	5,501		237	2	8,277	
Due to other governments		898					898	
Retained percentages payable	401	155	524		229	18	1,172	
Unearned revenue			3,752				155	
Short-term debt			10,638				3,752	
Total liabilities	2,447	5,819	10,638	0	517	24	19,445	
Fund balances:								
Reserved for:								
Encumbrances	20,522	18,016	7,065				46,768	
Debt service					265	900	52,621	
E-911 system costs							13,783	
Unreserved, reported in:							1,217	
Special revenue funds								
Undesignated								
Capital projects funds								
Undesignated	56,019	22,236	(2,466)	252	12,551	2,799	91,391	
Total fund balances	76,541	40,252	4,599	252	12,816	3,699	138,159	
Total liabilities and fund balances	\$ 78,988	\$ 46,071	\$ 15,237	\$ 252	\$ 13,333	\$ 3,723	\$ 157,604	

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Six Months ended June 30, 2010
 (amounts expressed in thousands)

	Special Revenue									
	Road	Sewer	Downtown Mail	E-911	Emergency Response	Grants	Community Development	Total	Debt Service	
Revenues:										
Real property taxes and tax items	\$	\$ 32,613	\$ 2,498	\$ 2,042	\$	\$	\$	\$ 35,111	\$	
Salas and use taxes								2,042		
Transfer taxes	3,624							3,624		
Intergovernmental	3,600			11	1,738	19,170	1,601	26,120		1,061
Departmental	65	7,835				1,029	701	9,630		
Interest		75						75		
Miscellaneous	4	587						591		468
Total Revenues	<u>7,293</u>	<u>41,110</u>	<u>2,498</u>	<u>2,053</u>	<u>1,738</u>	<u>20,349</u>	<u>2,302</u>	<u>77,343</u>		<u>1,529</u>
Expenditures:										
Current:										
General government support			2,498	1,992		2,372		4,870		89
Public safety						3,297		5,289		
Health						6,807		6,807		
Transportation	11,583							11,583		
Economic assistance and opportunity						7,823	95	7,918		
Education						36		36		
Home and community service		17,632				962	2,214	20,808		
Capital outlay										
Debt service:										
Principal retirement									15,749	
Interest and fiscal charges									9,613	
Total Expenditures	<u>11,583</u>	<u>17,632</u>	<u>2,498</u>	<u>1,992</u>	<u>0</u>	<u>21,297</u>	<u>2,309</u>	<u>57,311</u>		<u>25,451</u>
Excess (deficiency) of revenues over expenditures	<u>(4,290)</u>	<u>23,478</u>	<u>0</u>	<u>61</u>	<u>1,738</u>	<u>(948)</u>	<u>(7)</u>	<u>20,032</u>		<u>(23,922)</u>
Other financing sources (uses):										
Proceeds of general obligation debt										
Premium on bond issuance		(1,558)								
Proceeds of refunding bonds		(1,558)								
Payments to refunded bond escrow										
Sale of property		21,920								
Transfers in		21,001		61	1,738		0	23,829		1,248
Transfers out	4,400					948	7	25,170		89
Total other financing sources (uses)	<u>4,400</u>	<u>(1,558)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>948</u>	<u>7</u>	<u>25,170</u>		<u>25,890</u>
Net change in fund balances	<u>110</u>	<u>21,920</u>	<u>0</u>	<u>61</u>	<u>1,738</u>	<u>0</u>	<u>0</u>	<u>23,829</u>		<u>1,248</u>
Fund balances at beginning of year	<u>864</u>	<u>21,001</u>	<u>0</u>	<u>1,715</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,580</u>		<u>12,535</u>
Fund balances at end of six months	<u>\$ 974</u>	<u>\$ 42,921</u>	<u>\$ 0</u>	<u>\$ 1,776</u>	<u>\$ 1,738</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 47,409</u>		<u>\$ 13,783</u>

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Six Months ended June 30, 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	\$	\$	\$	\$	\$	\$	\$	\$
Sales and use taxes								
Transfer taxes								
Intergovernmental	1,084	6,749	67		159		8,069	3,624
Departmental	39						39	35,250
Interest	44		23				67	9,669
Miscellaneous								610
								741
Total Revenues	1,167	6,749	90	0	169	0	8,175	87,047
Expenditures:								
Current:								
General government support								4,959
Public safety								5,289
Health								6,807
Transportation								11,583
Economic assistance and opportunity								7,918
Education								36
Home and community services								20,808
Capital outlay	8,664	10,042	4,128		522	81	23,437	23,437
Debt service:								
Principal retirement								15,749
Interest and fiscal charges								9,613
Total Expenditures	8,664	10,042	4,128	0	522	81	23,437	106,199
Excess (deficiency) of revenues over expenditures	(7,497)	(3,293)	(4,038)	0	(353)	(81)	(15,262)	(19,152)
Other financing sources (uses) :								
Proceeds of general obligation debt	78,118	59,095	5,281		18,063		160,557	160,557
Premium on bond issuance	7,727	5,845	271		1,787		15,630	15,719
Proceeds of refunding bonds								98,595
Payments to refunded bond escrow								(98,404)
Sale of property								7
Transfers in	77	592	27				696	31,984
Transfers out	(68)	(872)					(1,480)	(3,038)
Total other financing sources (uses)	85,854	64,660	5,579	(77)	(463)	0	175,403	204,370
Net change in fund balances	78,357	61,367	1,541	(77)	19,034	(81)	160,141	185,218
Fund balances at beginning of year	(1,816)	(21,115)	3,058	329	(6,218)	3,780	(21,982)	14,133
Fund balances at end of six months	\$ 76,541	\$ 40,252	\$ 4,599	\$ 252	\$ 12,816	\$ 3,699	\$ 138,159	\$ 199,351

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
 June 30, 2010
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 16,792
Due from primary government	2,178
Due from other governments	577
Prepaid items	54
Total assets	<u>\$ 19,601</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 282
Accrued liabilities	931
Deferred revenue	810
Total liabilities	<u>2,023</u>
Fund Balances	
Reserved for:	
Encumbrances	505
Prepaid items	54
Unreserved, reported in:	
Designated	3,147
Undesignated	13,872
Total fund balances	<u>17,578</u>
Total liabilities and fund balances	<u>\$ 19,601</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Six Months ended June 30, 2010
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	662
Departmental	279
Interest	9
Miscellaneous	74
Total revenues	<u>23,196</u>
Expenditures:	
Current:	
Culture and recreation	<u>13,997</u>
Total expenditures	<u>13,997</u>
Net change in fund balances	9,199
Fund balance at beginning of year	<u>8,379</u>
Fund balances at end of six months	<u>\$ 17,578</u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2010 through June 30, 2010

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first six 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 909 investments were made during the first six months, resulting in \$878,677 in total interest earnings for all funds. The weighted average yield for the first six months was .60%. For comparison, during the first six months of 2009, 1,270 investments were effectuated which generated \$809,526 in total interest earnings for all funds at an average weighted yield of .81%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - June		Average Investment (in millions) Jan - June		Average Length of Investment (days) Jan - June	
	2010	2009	2010	2009	2010	2009
JP Morgan Chase, N.A.	537	235	20.5	4.7	5	4
Citizens Bank	5	271	.2	2.0	31	31
Bank of America	N/A	174	N/A	19.8	N/A	2
HSBC Bank USA, N.A.	357	424	44.7	30.2	2	2
Key Bank, N.A.	N/A	166	N/A	1.7	N/A	2
Manufacturers & Traders Trust	10	N/A	17.9	N/A	24	N/A
Totals	909	1270				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2010 through June 30, 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
2 nd Quarter	\$294,496	\$27,774	\$127,376	\$53,302	\$502,948
Year to date	\$481,258	\$58,347	\$264,588	\$74,484	\$878,677

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 June 30, 2010 is \$481,258.00. For comparison, as of June 30, 2009, the General Fund interest earnings were \$388,971.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2010	2009
January	.62%	1.21%
February	.61%	.98%
March	.63%	.76%
April	.59%	.66%
May	.55%	.69%
June	.58%	.58%
Weighted Average for Quarter	.60%	.81%

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
1st and 2nd Quarters 2010 Actual; 3rd and 4th Quarters 2010 Projected

Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	TOTAL
Opening Balance	51,522,313												
** Receipts **													
DSS	18,885,891	8,055,038	54,866,957	3,246,979	1,945,324	3,402,950	3,042,938	28,854,245	25,849,080	52,466,870	26,285,675	31,502,367	258,423,294
Sales Tax	43,983,645	53,117,518	44,572,578	59,451,122	48,991,413	66,556,961	42,968,136	44,725,251	47,511,843	69,745,776	46,234,988	65,486,359	632,345,589
Real Property Tax	7,570,187	45,007,881	196,307,900	25,292,474	8,180,760	5,427,203	5,208,953	3,945,340	2,995,446	3,156,000	3,676,511	4,524,066	311,282,521
Other	20,172,210	21,507,110	24,229,661	(3,009,363)	7,461,021	13,696,559	24,295,077	19,087,080	22,871,318	41,087,995	9,612,310	19,767,717	219,608,617
RAN Proceeds	0	0	0	0	0	0	0	45,000,000	0	0	0	0	45,000,000
EFSCA Set-Aside Release	0	0	0	0	0	0	607,446	0	470,158	0	3,408,879	0	4,486,482
Total Receipts	142,144,245	127,887,347	319,977,097	83,981,192	66,608,518	89,083,673	76,122,549	141,611,916	99,496,825	166,456,582	88,228,363	121,280,510	1,471,156,503
** Disbursements **													
DSS	26,390,527	27,011,935	37,689,891	27,141,714	24,490,327	29,689,436	29,143,800	30,227,419	28,390,760	36,205,769	31,569,638	28,321,772	356,256,988
Payroll	29,912,380	27,458,329	25,953,723	33,325,749	25,001,590	25,717,289	26,689,777	25,381,067	24,919,925	37,623,228	26,283,621	27,285,203	335,461,882
Vendor	26,453,824	74,672,142	97,748,569	63,506,618	32,880,909	75,269,811	33,482,985	27,555,326	64,217,941	45,095,186	24,982,963	111,010,872	676,977,145
Debt Service	3,029,563	84,649	6,896,289	7,056,527	2,260,144	8,049,445	2,206,282	1,567,635	6,776,988	4,001,209	11,678,594	11,219,578	64,825,903
RAN Set-Asides Oct '09	0	16,800,000	14,000,000	5,700,000	16,000,000	12,500,000	0	0	0	0	0	0	65,000,000
ECFSA Bond Set-Asides	0	0	0	0	0	4,163,683	1,850,388	1,568,568	1,566,568	1,578,197	1,578,197	1,578,197	13,895,799
ECFSA Debt Service	0	0	0	0	0	0	607,446	0	470,158	0	3,408,879	0	4,486,482
Total Disbursements	85,786,294	146,027,055	182,238,472	136,730,609	100,632,969	155,393,663	93,929,677	86,350,014	126,344,340	124,503,591	99,541,892	179,415,622	1,516,894,199
Monthly Cash Flow	56,357,951	(18,339,708)	137,738,624	(52,749,416)	(34,024,451)	(66,309,990)	(17,807,128)	55,261,901	(26,847,515)	41,952,991	(11,313,529)	(59,135,112)	(45,737,686)
Cumulative Cash Flow	56,357,951	38,018,243	175,756,868	123,007,450	88,982,998	22,673,008	4,865,880	60,127,781	33,280,266	75,233,258	63,919,729	5,784,617	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Six Months Ended June 30, 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 Collectible by County	<u>302,659,671</u>	<u>283,010,534</u>
Less: January - June Collections	(272,924,101)	(255,110,357)
Net Outstanding at June 30	<u>\$ 29,735,570</u>	<u>\$ 27,900,177</u>
Percentage Collected at June 30	<u>90.2%</u>	<u>90.1%</u>

COUNTY OF ERIE, NEW YORK
 Sales Tax Revenue
 Six Months Ended June 30, 2010 and 2009

	(1) 2010 Adopted Budget	(2) June 2010 Y-T-D Revenue	% of Budget Realized	2009 Adopted Budget	June 2009 Y-T-D Revenue	% of Budget Realized
Sales And Use Tax	141,802,959	\$ 69,795,241	49.2%	\$ 146,622,263	\$ 70,740,058	48.2%
1 % Sales Tax - Erie County Purposes	134,508,244	65,880,841	49.0%	138,413,901	66,779,525	48.2%
0.25 % Sales Tax	33,061,765	16,395,366	49.6%	34,603,998	16,638,360	48.1%
0.50 % Sales Tax	66,122,610	32,791,732	49.6%	69,207,995	33,276,720	48.1%
Totals	<u>\$ 375,495,578</u>	<u>\$ 184,863,180</u>	49.2%	<u>\$ 388,848,157</u>	<u>\$ 187,434,663</u>	48.2%

Note:
 (1) Through June 30, 2010 year to date, \$ 131,359,989 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 2010.

DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK
 Annual Debt Service Requirements for Long-Term General Obligation
 Indebtedness of the County (1)
 As of June 30, 2010

Fiscal Year Ending <u>December 31</u>	Principal Payments	Interest Payments	Total Debt Service
2010	\$ 29,321,678.65	\$ 11,113,569.34	\$40,435,247.99 (2)
2011	51,377,310.26	23,268,526.68	74,645,836.94
2012	47,174,962.49	20,921,763.46	68,096,725.95
2013	42,581,544.56	18,702,446.82	61,283,991.38
2014	43,261,667.00	16,764,465.91	60,026,132.91
2015	44,155,285.99	14,869,382.19	59,024,668.18
2016	42,989,099.02	12,885,777.28	55,874,876.30
2017	44,281,341.01	10,923,209.14	55,204,550.15
2018	38,888,583.94	8,801,223.63	47,689,807.57
2019	32,734,727.01	7,100,424.41	39,835,151.42
2020	33,156,970.01	5,588,254.63	38,745,224.64
2021	19,804,213.01	4,153,641.00	23,957,854.01
2022	20,671,456.01	3,171,642.03	23,843,098.04
2023	21,613,699.01	2,137,170.71	23,750,869.72
2024	5,380,941.92	1,483,215.79	6,864,157.71
2025	5,123,185.00	1,230,936.26	6,354,121.26
2026	2,775,428.00	1,026,970.58	3,802,398.58
2027	2,832,671.00	905,406.50	3,738,077.50
2028	2,904,913.00	780,519.79	3,685,432.79
2029	2,982,156.00	651,962.72	3,634,118.72
2030	2,099,399.00	544,462.47	2,643,861.47
2031	2,166,642.00	458,476.56	2,625,118.56
2032	1,828,497.00	371,683.20	2,198,180.20
2033	1,745,000.00	291,482.68	2,036,482.68
2034	1,630,000.00	212,967.81	1,842,967.81
2035	1,525,000.00	142,477.84	1,667,477.84
2036	755,000.00	72,760.12	827,760.12
2037	280,000.00	38,435.16	318,435.16
2038	285,000.00	25,546.72	310,546.72
2039	295,000.00	12,428.12	307,428.12
	<u>\$ 546,619,370.89</u>	<u>\$ 168,651,229.55</u>	<u>\$ 715,270,600.44</u>

Notes:

(1) Table updated for County Bond Issue of \$157,995,000 in May 2010; County Refunding Bond Issue of \$88,540,000 in June 2010; County Refunded Bonds of \$89,985,000 in June 2010; EFC Bond Issue of \$5,793,719 in June 2010; EFC Refunding Issue of \$120,000 in May 2010; and EFC Refunded Bonds of \$120,000 in May 2010.

(2) Amount is net of debt service payments of \$25,362,218.90 made from January 1, 2010 to June 30, 2010.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
Direct General Obligation Indebtedness Outstanding
As of June 30, 2010

Bonds:		
Buildings and other Improvements	\$148,557,565.56	
Highway Improvements	125,543,631.09	
Court House Facilities	66,365,944.35	
Sewer District Facilities	70,917,417.05	
Hospital	29,256,680.61	(1)
HSBC Arena	17,180,000.00	
Computer System	18,521,602.94	
Ralph Wilson Stadium	22,366,676.93	
Community College	25,343,785.84	
Convention Center	10,712,921.10	
Prison Facilities	11,664,826.03	
Nursing Home	188,319.39	(1)
Total Long-Term Debt	<u>546,619,370.89</u>	(2)
Bond Anticipation Notes - Sewer District Facilities	<u>3,752,392.61</u>	
Total Short-Term Debt	<u>3,752,392.61</u>	
Gross Direct Debt		550,371,763.50
Exclusions :		
Sewer District Debt	<u>74,669,809.66</u>	
Total Deductions		<u>74,669,809.66</u>
Net Direct Debt		<u>\$475,701,953.84</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 1993 to 2010 by the County.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of June 30, 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

MISCELLANEOUS FINANCIAL DATA

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

Fiscal Year Ending <u>12/31</u>	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Collected in Year of Levy	Percentage Collected
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	575,132,293	97.35
2009	612,199,787	329,189,492	15,362,283	595,839,865	97.33

Notes:

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

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

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History (1)
1995 - 2010

<u>Year</u>	<u>Amount</u>	<u>Type</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995	\$ 80,000,000	RAN (2)	09/21/95	09/20/96
1996	40,000,000	RAN	04/18/96	04/17/97
.....	40,000,000	RAN	11/20/96	11/19/97
1997	40,000,000	RAN	06/26/97	06/25/98
.....	40,000,000	RAN	10/30/97	10/29/98
1998	60,000,000	RAN	10/14/98	10/13/99
1999	-	N/A	N/A	N/A
2000	-	N/A	N/A	N/A
2001	-	N/A	N/A	N/A
2002	43,000,000	RAN	09/18/02	09/17/03
2003	90,000,000	RAN	06/24/03	06/23/04
2004	82,500,000	RAN	07/14/04	07/13/05
2005	80,000,000	RAN	03/11/05	03/10/06
.....	80,000,000	RAN	07/14/05	07/13/06
2006	110,000,000	RAN	06/13/06	06/13/07
2007	75,000,000	RAN	06/27/07	06/27/08
2008	75,000,000	RAN	09/30/08	06/30/09
2009	103,534,867	BAN (3)	05/20/09	05/18/10
2009	65,000,000	RAN	10/27/09	06/30/10
2010	-	N/A	N/A	N/A

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.

At June 30, 2010 the County did not have any RANs outstanding. In August 2010, the County plans to issue a \$45 million RAN on behalf of the County to the Erie County Fiscal Stability Authority ("ECFSA") for the County's 2010 cash flow needs.

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

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

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

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
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 – 2002-2009 (Audited)

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

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

Note:

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

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

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 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 2010 (c).....	<u>243,283,341</u>
Tax Margin (b)	<u>\$ 437,927,718</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 2010 total taxing power under this local law is \$469,608,731 leaving a tax margin of \$226,325,390.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.