

COUNTY OF ERIE NEW YORK

Annual Comprehensive Financial Report



For the Year Ended December 31, 2022

DR. KEVIN R. HARDWICK
Erie County Comptroller



COUNTY OF ERIE, NEW YORK

Annual Comprehensive Financial Report

For the Year Ended December 31, 2022

Prepared by:

Erie County Comptroller's Office
Dr. Kevin R. Hardwick
Erie County Comptroller



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2022

	<u>Page</u>
Introductory Section:	
Letter of Transmittal	i
GFOA Certificate of Achievement	vii
Organizational Chart.....	viii
Summary of Elected Officials.....	ix
Financial Section:	
Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities.....	16
Fund Financial Statements:	
Balance Sheet—Governmental Funds	17
Reconciliation of the Balance Sheet—Governmental Funds to the Government-wide Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances (Deficit)—Governmental Funds to the Government-wide Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual—General Fund (Non-GAAP Basis of Accounting).....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual (Non-GAAP Basis of Accounting)—Emergency Response Special Revenue Fund.....	22
Statement of Net Position—Proprietary Funds.....	23
Statement of Revenues, Expenses and Changes in Net Position—Proprietary Funds	24
Statement of Cash Flows—Proprietary Funds.....	25
Statement of Fiduciary Net Position—Custodial Fund.....	27
Statement of Changes in Fiduciary Net Position—Custodial Fund.....	28

(continued)



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2022

	<u>Page</u>
Notes to the Financial Statements	29
Required Supplementary Information:	
Schedule of the County's Proportionate Share of the Net Pension Liability/(Asset)—Employees' Retirement System—Primary Government	87
Schedule of the County's Contributions—Employees' Retirement System— Primary Government.....	88
Schedule of the County's Proportionate Share of the Net Pension Liability/(Asset)—Teachers' Retirement System—Primary Government.....	89
Schedule of the County's Contributions—Teachers' Retirement System— Primary Government.....	90
Schedule of Changes in the County's Total OPEB Liability and Related Ratios	91
Notes to the Required Supplementary Information	94
Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet—Nonmajor Governmental Funds.....	95
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	98
Schedules of Revenues, Expenditures, and Changes in Fund Balances— Budget and Actual (Non-GAAP Basis of Accounting)—Nonmajor Governmental Funds:	
Road Special Revenue Fund.....	101
Sewer Special Revenue Fund	102
Downtown Mall Special Revenue Fund.....	103
E-911 Special Revenue Fund	104
Pharmaceutical Litigation Settlements Special Revenue Fund	105
Debt Service Fund	106
Balance Sheet—Library Component Unit.....	107
Reconciliation of the Balance Sheet—Library Component Unit to the Government-wide Statement of Net Position.....	108
Statement of Revenues, Expenditures and Changes in Fund Balance— Library Component Unit to the Government-wide Statement of Activities	109
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance—Library Component Unit to the Government-wide Statement of Activities	110
Combining Statement of Net Position—Other Component Units.....	111

(continued)



COUNTY OF ERIE, NEW YORK
Table of Contents
Year Ended December 31, 2022

	(concluded)
	<u>Page</u>
Combining Statement of Revenues, Expenses, and Changes in Net Position— Other Component Units	112
 Statistical Section:	
Financial Trends:	
Net Position by Component	113
Changes in Net Position	114
Fund Balances of Governmental Funds	117
Changes in Fund Balances of Governmental Funds	118
Revenue Capacity:	
Taxable Sales by Category	120
Assessed and Equalized Full Value of Taxable Property	121
Direct and Overlapping Property Tax Rates	122
Principal Taxpayers	123
Property Tax Levies and Collections	124
Debt Capacity:	
Ratios of Outstanding Debt by Type	125
Ratios of General Bonded Debt Outstanding	126
Legal Debt Margin Information	127
Pledged-Revenue Coverage	128
Direct and Overlapping Governmental Activities Debt	129
Demographic and Economic Information:	
Demographic and Economic Statistics	130
Principal Employers	131
Operating Information:	
Full-time County Government Employees by Function	132
Operating Indicators by Function/Program	133
Capital Asset Statistics by Function	134



INTRODUCTORY SECTION

This section contains the following:

- LETTER OF TRANSMITTAL
- GFOA CERTIFICATE OF ACHIEVEMENT
- ORGANIZATIONAL CHART
- SUMMARY OF ELECTED OFFICIALS





ERIE COUNTY COMPTROLLER

KEVIN R. HARDWICK

June 16, 2023

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

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

Dear Honorable Members and County Executive Poloncarz:

The Annual Comprehensive Financial Report ("ACFR") of the County of Erie, New York (the "County"), for the fiscal year ended December 31, 2022 is hereby submitted in accordance with Section 1202 (i) of the Erie County Charter.

INTRODUCTION

This report was prepared by the Erie County Comptroller's Office in conformance with current accounting and financial reporting principles promulgated by the Governmental Accounting Standards Board ("GASB") and the New York Office of the State Comptroller. County management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The certified public accounting firm Drescher & Malecki LLP, the County's independent external auditor, has issued an unmodified ("clean") opinion on the County's financial statements for the year ended December 31, 2022. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis ("MD&A") immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Basic Information

The County is a metropolitan center covering 1,058 square miles that is located on the western border of New York State, adjacent to Lake Erie. Situated within the County are 3 cities, 25 towns, and 16 villages, including the City of Buffalo, which serves as the County seat and is the State's second most populous and largest city. The County provides a variety of mandated and discretionary services covering the areas of

culture, parks and recreation, social services, police, libraries, youth, health, senior services, roads, mental health, probation, corrections, emergency services, license bureau, and sanitary sewerage.

The County is a major New York industrial and commercial center and is favorably located relative to the commercial markets of both the United States and Canada. Access to these markets is enhanced by the County's standing of being among the largest rail centers in the United States; that it is provided trucking services by numerous transcontinental, international and common carriers and is a focal point of international water-borne transportation.

Subject to the New York State Constitution and Laws, the County operates pursuant to a County Charter ("Charter") and Administrative Code. Additionally, various New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government.

Legislative authority of the County is vested in an 11-member governing body, the County Legislature ("Legislature"), each member of which is elected for a two-year term. Principal functions of the Legislature include adoption of the annual budget, levying of taxes, review and approval of budget modifications, adoption of local laws, and authorization of the incurrence of all County indebtedness.

In addition to the members of the Legislature, there are five County-wide elected officials, each elected to four-year terms: County Executive, County Comptroller, County Clerk, District Attorney, and Sheriff. The County Comptroller serves as the County's chief fiscal, accounting, financial reporting and auditing officer.

Component Units

Consistent with criteria promulgated in the GASB Codification, the financial statement reporting entity includes the County of Erie, New York (the primary government) and its significant component units: the Buffalo and Erie County Public Library, the Erie County Medical Center Corporation and its three component units (i.e., Research for Health in Erie County, Inc., ECMC Foundation, Inc. and The Grider Initiative, Inc.), two component units of the Erie Community College proprietary fund (i.e., the Auxiliary Services Corporation of Erie Community College, Inc. and the Erie Community College Foundation, Inc.), the Erie County Fiscal Stability Authority, the Erie Tobacco Asset Securitization Corporation ("ETASC"), ErieNet Local Development Corporation ("ELDC"), and the Buffalo and Erie County Industrial Land Development Corporation, Inc. ("ILDC").

Additional detailed information relating to the specific organizations and the manner of inclusion (discrete presentation or blending) in the reporting entity as component units, and the basis for making such determinations, are also discussed in Note 1 to the financial statements.

Erie County Fiscal Stability Authority

In July 2005, the New York State Legislature and Governor created the Erie County Fiscal Stability Authority ("ECFSA") to monitor the County's finances. Under the Erie County Fiscal Stability Authority Act ("Act"), the legislation establishing the ECFSA, the County is required to develop and submit a Four-Year Financial Plan to ECFSA for its approval. Under the Act, if the County fails to meet certain criteria, or if the County meets other criteria such as the County having "incurred a major operating funds deficit of one percent or more in the aggregate results of operations of such funds of the County during its fiscal year," (§ 3959 of the Act) the ECFSA may declare and enter into a "control period." Under the Act, in a control period, the ECFSA may engage in a number of actions including establishing a wage and/or hiring freeze, setting maximum levels of County spending and requiring its approval for any County borrowing. On November 3, 2006, citing deficiencies in the County's 2007-2010 Four Year Financial Plan, ECFSA

imposed a control period on Erie County, which continued until June 2009, at which time the ECFSA voted to return to an advisory status in which it continues to function.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

Historically the local economy was built on railroad commerce, steel manufacturing, automobile production, Great Lakes shipping and grain storage. However, following heavy job losses in the manufacturing sector in the 1970's and early 1980's, the local economy has become more diversified with growth in the financial, health and service sectors. This diversification has cushioned local impacts during economic downturns, but redevelopment of the local economic base and improvement of the local economy has been a gradual, sometimes sporadic, ongoing process since the mid-1980s.

Erie County has increasingly become a center of bioinformatics and medical research including development at the University at Buffalo, Hauptman-Woodward Medical Research Institute, and Roswell Park Cancer Institute. The Buffalo Niagara Medical Campus in downtown Buffalo has continued to grow since its inception in 2001. Roswell Park is involved in the federal government's National Cancer Plan (called Operation Moonshot).

Technology employment in Buffalo is projected to increase by 7% from 2022 to 2032. During 2021, Buffalo doubled its startup venture capital, raising more than \$530 million. 43North is an annual tech startup competition that has invested in 51 startups from around the world and created more than 800 local jobs in industries and verticals range from artificial intelligence to medical devices, consumer products, manufacturing and all-in-one software platforms.

In Buffalo, at the edge of the Buffalo Niagara Medical Campus, the redevelopment of the former Trico Products plant in downtown Buffalo by the Krog Group has re-started after delays due to the COVID pandemic. The \$112 million project is converting the former 500,000 square foot windshield wiper plant into 242 apartments, office space, and indoor and on-site parking.

One of the largest projects in Buffalo has been the redevelopment of Seneca One, the tallest building in the city. The structure has been brought back to life with offices, apartments and event spaces. The mixed-use building's anchor tenant is M&T Bank, which is also one of the region's largest employers. In addition to M&T Bank, several tech companies have made the move into Seneca One. In April 2023, Highmark Blue Cross Blue Shield announced it was moving its offices into Seneca One. Developer Douglas Jemal, who owns Seneca One, has made significant other local investments, purchasing large commercial properties in downtown Buffalo, multiple hotels, and engaging in construction and redevelopment.

During the past ten years, Erie County and New York State have spent over \$50 million to buy land, move rail lines and create road, water and sewer infrastructure at the former Bethlehem Steel site in Lackawanna. The Erie County Industrial Development Agency ("ECIDA") owns 25% of the complex (now known as Renaissance Commerce Park) and has remediated the land. Since then, the private sector has invested more than \$100 million at the property creating manufacturing and warehouse complexes. Welded Tube of Canada built a \$48 million facility in 2013; TMP Technologies constructed a \$22.7 million factory to make the Mr. Clean Magic Eraser; Sucro Sourcing invested \$19 million to buy and refurbish several existing buildings into a new sugar refinery and storage operation; and Total Quality Assurance International has leased 108,000 square feet of Uniland Development Company's first 150,000-square-foot warehouse, constructed at a cost of \$17 million. Max Advanced Brakes of Markham, Ont., has signed a long-term lease with Uniland to occupy 42,000 square feet in the recently opened warehouse.

Uniland is currently building another warehouse on the site of between 170,000-200,000 square feet at a cost of \$20 million. Uniland announced in May 2023 that they are buying a third site from ECIDA and will build a third warehouse totaling 150,000 square feet. Ciminelli Real Estate Corp. is also working on plans for a mixed-use building and work may begin later in 2023 on the 250,000-square-foot building. Tecumseh Redevelopment, which owns most of the property that has not been purchased by the ECIDA, has committed to spending \$69 million over the next 10 years to remediate 489 acres to allow for new construction. At the Port of Buffalo, adjacent to the site, operator New Enterprise Stone & Lime Co. has 14 tenants on site, including: Castaloo USA, CDI Investigations, Compass Minerals, Cryptalo Ltd., Engineered Mix, Ferrous Manufacturing Inc., Linta Design and Manufacturing Corp., NESL Redi-Mix, Powers Coke & Coal, Rybo Marine, Southside Precast, the U.S. Army Corps of Engineers and WS Services LLC.

In Hamburg and Tonawanda, Amazon has constructed distribution/delivery centers. In June 2020, Amazon opened a 117,000 square foot facility with more than 600 full and part-time associates in the Riverview Solar Technology Park in the Town of Tonawanda. In 2021, Amazon began construction on a 181,500 square foot warehouse and distribution facility at the Lake Erie Commerce Center in Hamburg (across from a large FedEx center) in a project estimated to cost \$47 million. In March 2023, media reported that Amazon had begun installing systems in the facility, with the intention to start operating there by October 2023.

The County and the ECIDA are developing a 240-acre Agribusiness Park in the Town of Evans. The County is designing the road and infrastructure for the site and partnered with the Town of Evans to construct a new 1.5-million-gallon Water Tower on the parcel to provide water to the Agribusiness Park.

Due in part to the County's receipt of federal funds and budget surpluses, the County Executive and the County Legislature have allocated and appropriated tens of millions of dollars for public benefit agencies and projects such as Shea's Performing Arts Center, cultural agencies (for capital needs), the Buffalo Zoological Gardens, the Buffalo History Museum and other sites. Other significant investment in the County's parks, roads and sewer systems have been budgeted and planned using County share and federal stimulus funds.

Using federal stimulus funds, Erie County finished the planning and design for the \$36.7 million ErieNET broadband open-access Internet network that will lay hundreds of miles of fiber optic lines across the County. Construction began in late spring 2023.

In 2021, in conjunction with the economic development organization 43 North, the County developed a Back-to-Business grant program to make up for the gaps in the federal Paycheck Protection Program. In total, 1,399 small businesses were provided \$19.2 million in direct financial assistance from the County using federal funds. In 2022, the County provided \$10 million in American Rescue Plan grant funds for eligible businesses for a storefront (façade) renovation project. In 2023 and 2024, the County is continuing the investment with a new round of storefront (façade) renovation grants for eligible businesses totaling \$5 million.

In June 2023, the world-renowned Buffalo AKG Art Museum (formerly the Albright Knox-Art Gallery) re-opened after a \$195 million construction project, including a \$5 million contribution from the County. The project features a new 30,000 square foot Grundlach Building, 20,000 square feet of new exhibition space, an underground parking garage, and a rehabilitated auditorium. Following the expansion, the museum can now show about three times more of its collection of modern and contemporary art than ever.

The County, New York State and the Buffalo Bills completed agreements for the construction of the new Buffalo Bills stadium in May 2023. The project cost is estimated at \$1.4-\$1.7 billion, of which the County

share is \$250 million (half of which is funded by assigned fund balance and the remainder will be bonded in 2024). A groundbreaking ceremony was held in June 2023 and construction is expected to take three years.

OTHER RELEVANT INFORMATION

Relevant Financial Policies

The County Charter, amended by Local Law 3-2006 and the Budget Modernization Act Local Law 2-2012, includes specific provisions for fund balance. The Charter requires the County to establish and maintain “a balance in the General Fund established in the budget equal to or greater than five percent of the amount contained in the budget of the Fund in the immediately preceding fiscal year.” The Charter also provides for limits and specific requirements governing the County’s use/appropriation of fund balance including legislative approval and that the County may not appropriate fund balance below the five percent level.

Monthly Accrual/Monitoring System

Since 1985, the County has maintained a Budget Monitoring System which compares budgetary estimates at the department and account level to fully accrued actual data on a monthly basis. The monitoring reports are used as a management tool during the fiscal year. All major variances are reconciled and, as appropriate, corrective measures are taken to ensure any projected deficit condition will be prevented or minimized. The County Administration is also required to submit monthly budget monitoring reports to the County Legislature.

Independent Audit

Since 1975, it has been the County's policy to have an independent external audit of its annual financial statements performed by a certified public accounting firm. The Charter provides for an independent Audit Committee that is responsible for recommending one or more specific firms to conduct annual audits of the County and the Erie Community College. The County has complied with the Charter’s requirement to have an independent audit performed and the auditors’ opinion is provided in the Financial Section of this report.

Erie County’s 2023 Budget

Under the Charter, the County Executive is required to submit the tentative annual budget to the County Legislature by October 15th. On October 14, 2022, the County Executive presented his 2023 Tentative Budget to the Legislature for review and action. On December 1, 2022, the County Legislature adopted the 2023 Amended Budget.

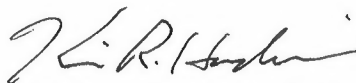
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (“GFOA”) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the seventeenth consecutive year that the County has received this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year. We believe the County's ACFR for fiscal year 2022 continues to meet the Certificate of Achievement Program's requirements and we will submit the document to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efforts of the Comptroller's Office's Accounting Division staff, other cooperating County departments, and Drescher & Malecki LLP. I extend my appreciation to everyone who assisted and contributed to the preparation of the County's ACFR for the 2022 fiscal year.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "K. R. Hardwick", with a stylized flourish at the end.

Kevin R. Hardwick, Ph.D.
Erie County Comptroller

KRH/tc



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Erie
New York**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

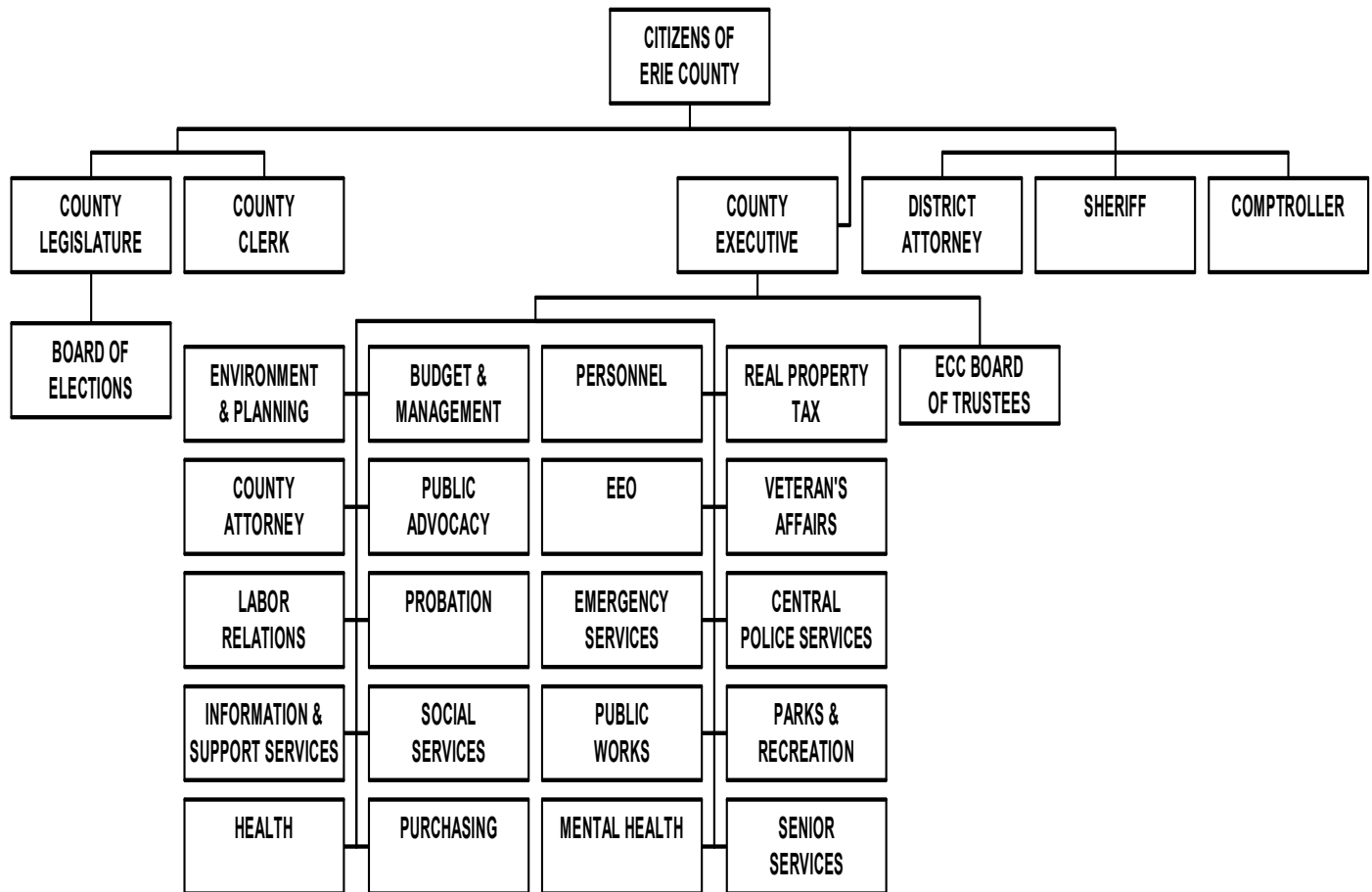
Christopher P. Morill

Executive Director/CEO



COUNTY OF ERIE, NEW YORK ORGANIZATIONAL CHART

December 31, 2022



COUNTY OF ERIE, NEW YORK
SUMMARY OF ELECTED OFFICIALS
December 31, 2022

COUNTY CLERK

Michael P. Kearns

**COUNTY
EXECUTIVE**

Mark C. Poloncarz

**DISTRICT
ATTORNEY**

John J. Flynn

SHERIFF

John C. Garcia

**COUNTY
COMPTROLLER**

Dr. Kevin R. Hardwick

ERIE COUNTY LEGISLATORS

District No. 1	Howard Johnson	District No. 7	Timothy J. Meyers
District No. 2	April N.M. Baskin	District No. 8	Frank J. Todaro
District No. 3	Michael H. Kooshoian	District No. 9	John J. Gilmour
District No. 4	John Bargnesi	District No. 10	James Malczewski
District No. 5	Jeanne M. Vinal	District No. 11	John J. Mills
District No. 6	Christopher D. Greene		

FINANCIAL SECTION

This section contains the following:

- **INDEPENDENT AUDITORS' REPORT**
- **MANAGEMENT'S DISCUSSION AND ANALYSIS**
- **BASIC FINANCIAL STATEMENTS**
- **REQUIRED SUPPLEMENTARY INFORMATION**
- **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**



DRESCHER & MALECKI LLP

2721 Transit Road, Suite 111
Elma, New York 14059
Telephone: 716.565.2299
Fax: 716.389.5178



INDEPENDENT AUDITORS' REPORT

Honorable County Executive
Honorable County Comptroller
Honorable Members of the County Legislature
County of Erie, New York:

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Erie, New York (the "County"), as of and for the year ended December 31, 2022 (with the Erie Community College for the year ended August 31, 2022), and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Erie County Fiscal Stability Authority ("ECFSA"), which represent 4.1% and 2.0% of the assets and revenues, respectively, of the governmental activities. We did not audit the financial statements of the Buffalo and Erie County Industrial Land Development Corporation, Inc. ("ILDC"), which represent 13.7% and 0.2% of the assets and revenues, respectively, of the business-type activities. We did not audit the financial statements of Erie County Medical Center Corporation ("ECMCC"), a discretely presented component unit. We did not audit the financial statements of the Erie Community College Foundation, Inc. ("Foundation"), which is shown as an aggregate discretely presented component unit, and represents 67.1% and 42.0% of the assets and revenues, respectively, of the aggregate discretely presented other component units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the ECFSA, ILDC, ECMCC, and Foundation, is based solely on the reports of other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standard generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 19 to the financial statements, during the year ended December 31, 2022, the County implemented Governmental Accounting Standards Board (“GASB”) Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The County’s management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors’ Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.


Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and the other auditors. In our opinion, the Combining and Individual Fund Financial Statements and Schedules, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information provided in the County's Annual Comprehensive Financial Report. The other information comprises the Introductory Section and Statistical Section, as listed in the table of contents, but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



June 16, 2023



COUNTY OF ERIE, NEW YORK
Management's Discussion and Analysis
Year Ended December 31, 2022

As management of the County of Erie, New York (the "County"), we offer readers of the County's financial statements this narrative overview and analysis of the County's financial activities for the fiscal year ended December 31, 2022. We encourage the reader to consider the information contained in this analysis in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. All amounts in this Management's Discussion and Analysis, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The primary government's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources at the close of the 2022 fiscal year by \$616,037. This consists of \$229,582 restricted for specific purposes (restricted net position), \$525,170 net investment in capital assets and unrestricted net position of \$(1,370,789) at December 31, 2022.
- As a result of current year activity, the primary government's total net position increased by \$269,759. Governmental activities increased the County's net position by \$261,251 and business-type activities increased the County's net position by \$8,508.
- As of December 31, 2022, the County's governmental funds reported combined fund balances of \$815,954, an increase of \$203,721 in comparison to the prior year. Approximately 16.7% of the total combined governmental funds fund balance, \$136,067, is available to meet the County's current and future needs (*unassigned fund balance*).
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$136,463, or 33.0%, of the total General Fund fund balance of \$414,103. Nonspendable, restricted and assigned General Fund fund balance totaled \$277,640 at December 31, 2022.
- The total bonded debt of the primary government decreased by \$26,080, or 2.9%, during the 2022 fiscal year as a result of principal payments made during the year and partially offset by the issuance of general obligation serial bonds, and annual net interest accretion of the ETASC Subordinate Turbo Capital Appreciation Bonds ("CABs").

Overview of the Financial Statements

The discussion and analysis provided here is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. In addition to the basic financial statements, other supplementary information is included.

Government-wide Financial Statements—The government-wide financial statements are designed to provide readers with a broad overview of County finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents financial information on all County assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The *Statement of Activities* presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (*business-type activities*). The governmental activities of the County include general government, public safety, health, transportation, economic assistance and opportunity, culture and recreation, education, and home and community service.

The business-type activities of the County include Erie Community College (“College”), the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”), the Utilities Aggregation Fund, and ErieNet Local Development Corporation (“ELDC”). A fiscal year ending August 31 is mandated by New York State law for the College. Accordingly, financial information for the College is presented as of and for the fiscal year then ended.

On July 12, 2005, the Governor of the State of New York signed legislation creating the Erie County Fiscal Stability Authority (“ECFSA”). The ECFSA began its work during 2005 in an advisory role and provides the County with financial oversight while giving local leaders the ability to improve the County’s fiscal condition without further State intervention. The ECFSA is included within governmental activities in the government-wide financial statements.

The government-wide financial statements include not only the County itself (i.e., *the primary government*) but also the legally separate Buffalo and Erie County Public Library (the “Library”), Erie County Medical Center Corporation (the “ECMCC”) and other component units. Financial information for these *discretely presented component units* of the County is reported separately from the financial information presented for the primary government itself. The Library does not issue separate financial statements.

Fund Financial Statements—A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All funds of the County are divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a county’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds’ Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains fifteen (15) individual governmental funds. Additionally, the County reports the activities of its *blended component units* within its governmental funds. Information is presented separately in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Emergency Response Fund, and the General Fund of the ECFSA blended component unit (reported as a major special revenue fund). Data from the other governmental funds and nonmajor blended component units are combined into a single, aggregated presentation.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund and Emergency Response Fund.

Proprietary funds—The County maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The County uses enterprise funds to account for the College, ILDC, ELDC, and the Utilities Aggregation Fund which is used to account for the bulk purchase and resale of gas, oil, and electric utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The College and the ILDC are considered to be major proprietary funds of the County.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The County has one fiduciary fund, the Custodial Fund, which is used to report resources held by the County in a custodial capacity for individuals, private organizations and other governments.

Notes to the Financial Statements—The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information—In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's net pension liability/(asset), and the changes in the County's total other postemployment benefits ("OPEB") obligation. Required supplementary information and the related notes to the required supplementary information can be found immediately following the notes to the financial statements.

Combining and Individual Fund Financial Statements and Schedules—This report also provides combining statements and schedules for nonmajor governmental funds and combining statements for other component units. They are presented immediately following the required supplementary information.

Government-wide Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the County's primary government, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$616,037 at the close of the most recent fiscal year.

Summary Statement of Net Position as of December 31, 2022 and 2021

	PRIMARY GOVERNMENT					
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (as restated)	2022	2021 (as restated)	2022	2021 (as restated)
Current and other assets	\$ 1,377,442	\$ 1,116,765	\$ 86,182	\$ 68,912	\$ 1,463,624	\$ 1,185,677
Capital assets and noncurrent assets	914,411	829,982	38,944	26,328	953,355	856,310
Total assets	<u>2,291,853</u>	<u>1,946,747</u>	<u>125,126</u>	<u>95,240</u>	<u>2,416,979</u>	<u>2,041,987</u>
Total deferred outflows of resources	464,290	573,231	70,722	80,364	535,012	653,595
Current and other liabilities	343,501	271,340	63,113	25,890	406,614	297,230
Long-term liabilities	2,116,519	2,360,685	196,668	228,752	2,313,187	2,589,437
Total liabilities	<u>2,460,020</u>	<u>2,632,025</u>	<u>259,781</u>	<u>254,642</u>	<u>2,719,801</u>	<u>2,886,667</u>
Total deferred inflows of resources	742,386	595,467	105,841	99,244	848,227	694,711
Net position:						
Net investment in capital assets	500,682	486,065	24,488	26,327	525,170	512,392
Restricted	228,974	139,114	608	652	229,582	139,766
Unrestricted	(1,175,919)	(1,332,693)	(194,870)	(205,261)	(1,370,789)	(1,537,954)
Total net position	<u>\$ (446,263)</u>	<u>\$ (707,514)</u>	<u>\$ (169,774)</u>	<u>\$ (178,282)</u>	<u>\$ (616,037)</u>	<u>\$ (885,796)</u>

A significant portion of the County's primary government net position at December 31, 2022, \$525,170, reflects its investment in capital assets (e.g., land, buildings, improvements, infrastructure, and equipment), net of accumulated depreciation/amortization and less any related debt used to acquire those assets that is still outstanding and any unspent proceeds from bond issues. The County uses these capital assets to provide services to citizens; accordingly, these assets are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the County's primary government net position, \$229,582, represents resources that are subject to external restrictions on how they may be used.

The remaining component of the County's primary government net position, \$(1,370,789), represents *unrestricted net position* which reflects all liabilities that are not related to the County's capital assets and which are not expected to be repaid from restricted resources. Long-term liabilities are typically funded annually in the funds with revenues of that year. The combined total of (1) Erie Tobacco Asset Securitization Corporation ("ETASC") (a blended component unit of the County) bonds net of discount, (\$361,217), issued to be paid back with future tobacco proceeds which are anticipated to be received annually over the next forty (40) years, and (2) the long-term liability associated with other post-employment benefits ("OPEB") (\$1,319,702), is greater than this deficit. As the revenue recognition criteria for the future funding of these liabilities has not been met, no assets have been recorded to offset these liabilities.

At the end of the current fiscal year, the County is able to report positive balances in two of the three categories of net position for the County as a whole. Governmental and business-type activities have an unrestricted net position of \$(1,175,919) and \$(194,870), respectively, at December 31, 2022.

The following table indicates the changes in net position for governmental and business-type activities for the current and prior fiscal years:

Summary of Changes in Net Position for the Years Ended December 31, 2022 and 2021

	PRIMARY GOVERNMENT					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 92,672	\$ 96,046	\$ 57,785	\$ 50,336	\$ 150,457	\$ 146,382
Operating grants and contributions	559,271	477,946	35,003	22,220	594,274	500,166
Capital grants and contributions	12,814	12,049	-	-	12,814	12,049
General revenues:						
Property taxes	333,107	329,267	-	-	333,107	329,267
Sales and use taxes	1,032,034	963,524	-	-	1,032,034	963,524
Transfer and other taxes	22,026	20,177	-	-	22,026	20,177
Federal, state and local appropriations	-	-	50,016	50,193	50,016	50,193
Unrestricted interest earnings	9,831	2,574	11	11	9,842	2,585
Miscellaneous and other	14,133	28,621	-	-	14,133	28,621
Total revenues	<u>2,075,888</u>	<u>1,930,204</u>	<u>142,815</u>	<u>122,760</u>	<u>2,218,703</u>	<u>2,052,964</u>
Expenses:						
General government support	563,319	545,831	-	-	563,319	545,831
Public safety	193,748	180,322	-	-	193,748	180,322
Health	108,537	104,764	-	-	108,537	104,764
Transportation	112,044	95,994	-	-	112,044	95,994
Economic assistance and opportunity	568,411	538,427	-	-	568,411	538,427
Culture and recreation	28,671	25,317	-	-	28,671	25,317
Education	80,687	73,019	-	-	80,687	73,019
Home and community services	101,460	68,503	-	-	101,460	68,503
Interest and fiscal charges	36,103	37,123	-	-	36,103	37,123
College	-	-	117,960	115,785	117,960	115,785
ILDC	-	-	2,755	1,006	2,755	1,006
Purchase and resale of utilities	-	-	35,022	23,464	35,022	23,464
Total expenses	<u>1,792,980</u>	<u>1,669,300</u>	<u>155,737</u>	<u>140,255</u>	<u>1,948,717</u>	<u>1,809,555</u>
Excess (deficiency) before transfers	282,908	260,904	(12,922)	(17,495)	269,986	243,409
Transfers	<u>(21,657)</u>	<u>(18,949)</u>	<u>21,430</u>	<u>18,809</u>	<u>(227)</u>	<u>-</u>
Change in net position	261,251	241,955	8,508	1,314	269,759	243,409
Net position - beginning	(707,514)	(948,888)	(178,282)	(179,596)	(885,796)	(1,128,484)
Restatement	-	(581)	-	-	-	(581)
Net position - ending	<u>\$ (446,263)</u>	<u>\$ (707,514)</u>	<u>\$ (169,774)</u>	<u>\$ (178,282)</u>	<u>\$ (616,037)</u>	<u>\$ (885,796)</u>

Governmental Activities

During the year ended December 31, 2022, governmental activities increased the County's net position, as restated, by \$261,251. Revenues increased by \$145,684 (7.6%) and expenses increased by \$123,680 (7.4%) from 2021 to 2022. Key elements of these changes are as follows:

- Operating grants and contributions increased by \$81,325 (17.0%) from the prior year due to the recognition and spending of Federal American Rescue Plan Act ("ARPA") funding, as well as the receipt of opioid settlement funds.
- The \$68,510 (7.1%) increase in the sales and use tax category was primarily the result of increased sales tax receipts.
- Home and community services expenses increased \$32,957 (48.1%) primarily due to an increase in spending of pandemic funding (\$31,515).
- Economic assistance and opportunity expenses increased by \$29,984 (5.6%) primarily due to increases in child care and family assistance social service programs (\$15,399), workforce development action fund program (\$8,653), and local Medicaid share costs (\$3,639).
- General government support expenses increased by \$17,488 (3.2%) primarily due to an increase in sales tax payments made to local governments (\$25,125).

Business-type Activities

Business-type activities increased the County's net position by \$8,508 in the 2022 fiscal year. The College generated an increases in net position of \$9,079 and \$1,221 for the years ended August 31, 2022 and 2021, respectively. The College's operating loss at August 31, 2022 was less than the operating loss at August 31, 2021 by \$5,410, as operating revenues increased \$7,584. Revenues generated during the fiscal year ended August 31, 2022 increased primarily due to an increase in federal grants and contracts related to continued COVID-19 assistance from the Higher Education Emergency Relief Fund. The County sponsorship share of support to the College for the College's fiscal year ended August 31, 2022 was \$21,432, and is reported as a 2022 operating transfer to the College from the County's General Fund. The ILDC generated a decrease in net position of \$513 and an increase in net position of \$820 for the years ended December 31, 2022 and 2021, respectively.

Financial Analysis of the County's Funds

As noted earlier, the County uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds—The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Projects Funds. The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the County's financing requirements. In particular, *unassigned fund balance*, which is available to meet the County's current and future operational needs, may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At December 31, 2022, the County's governmental funds reported combined fund balances of \$815,954, which is an increase of \$203,721 in comparison with the prior year.

Nonspendable fund balance totaling \$20,599 consists of a long-term interfund loan and prepaid items. Nonspendable amounts represent net current financial resources that are either not in spendable form or legally or contractually required to be maintained intact.

Restricted fund balance in the amount of \$309,288 is constrained to specific purposes and consists of \$155 for education, advocacy and increased public awareness of handicapped parking laws, \$27,351 for community development loans, \$7,204 for opioid prevention, \$40,754 for the future repayment of bonded debt service and \$233,824 to fund capital projects and the purchase of capital assets.

Assigned fund balance includes amounts intended to be used for a specific purpose that are subject to a purpose constraint imposed by a formal action of the Erie County Legislature. Significant assignments by the County at December 31, 2022 include \$15,378 to meet expenditure requirements in the 2023 fiscal year, \$3,520 assigned to fund future settlements of various claims and litigation, \$254,922 for approved supplemental appropriations in the 2023 fiscal year, \$13,952 to fund year-end encumbrances, and \$61,703 that represents the positive residual balances.

Approximately 16.7% of the County's total fund balances consists of *unassigned fund balance*, \$136,067.

Following is a discussion of the significant balances and operations of the major and selected nonmajor funds.

- **General Fund**—The General Fund is the chief operating fund of the County. At December 31, 2022, unassigned fund balance of the General Fund was \$136,463, while total fund balance was \$414,103. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 9.1% of total expenditures (excluding other financing uses), while total fund balance represents 27.6% of that same amount. Fund balance in the County's General Fund increased by \$106,430 during the 2022 fiscal year, primarily due to more revenue received by the County in comparison to the 2021 fiscal year. Sales and use tax revenue increased by \$35,724 due to an increase in sales tax receipts, including the amounts received by ECFSA and subsequently transferred to the General Fund, while intergovernmental revenue increased by \$33,817 due to additional federal and state aid received.
- **Emergency Response Special Revenue Fund**—Ending fund balance increased by \$13,701 compared to a \$907 increase during 2021. Total expenditures increased by \$24,335 due to greater spending of ARPA funds in 2022. Similarly, total revenues increased by \$20,036 due to ARPA federal funding received during 2022 as a response to the pandemic.
- **ECFSA General Fund**—This fund is the chief operating fund of the ECFSA and is reported as a special revenue fund of the County. Total fund balance at the end of the current fiscal year was \$528, an increase of \$89 from the 2021 amount, and is classified as nonspendable for prepaid items (\$3) and assigned fund balance (\$525) in the County's fund financial statements. The ECFSA General Fund increased from the 2021 fiscal year due to an increase in sales and use taxes.
- **Road Special Revenue Fund**—Ending fund balance increased by \$7,763 from 2021. Total revenues increased by \$1,544. Total expenditures increased by \$4,016 primarily due to increases in contractual costs.
- **Sewer Special Revenue Fund**—Total fund balance at the end of the current fiscal year was \$44,486, a decrease of \$1,462 from the 2021 amount. Total expenditures increased by \$3,747 mainly due to increases in supplies and contractual costs.
- **Capital Projects Funds**—The County reports five (5) capital projects funds which account for the construction and re-construction of general public improvements. At the end of the 2022 fiscal year, the total fund balances restricted for future capital projects amounted to \$233,824, of which \$44,584 was encumbered for contracted projects underway.

During 2022, the County's capital outlay increased in the General Government Buildings, Equipment and Improvements Fund (\$9,556), Highways, Roads, Bridges and Equipment Fund (\$3,942), Sewers, Facilities, Equipment and Improvements Fund (\$8,029) and the Special Capital Projects Fund (\$3,238).

Proprietary funds—The County's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. The College had an unrestricted net position of \$(201,966) at August 31, 2022, while ILDC and the Utilities Aggregation Fund had unrestricted net position of \$6,742 and \$354, respectively, at December 31, 2022.

The following table shows actual revenues, expenses, and results of operations for the current and prior fiscal years:

Summary of Revenues, Expenses, and Changes in Net Position - Proprietary Funds For the Year Ended December 31, 2022 and 2021

	Major Funds				Nonmajor Fund			Total	
	College (August 31,)		ILDC		Utilities Aggregation		Erie Net		
	2022	2021	2022	2021	2022	2021	2022	2022	2021
Operating revenues	\$ 55,582	\$ 47,998	\$ 191	\$ 11	\$ 34,964	\$ 22,732	\$ -	\$ 90,737	\$ 70,741
Operating expenses	117,949	115,775	655	506	35,022	23,464	-	153,626	139,745
Operating (loss) income	(62,367)	(67,777)	(464)	(495)	(58)	(732)	-	(62,889)	(69,004)
Non-operating revenues (expenses), net	50,016	50,194	(49)	1,315	-	-	-	49,967	51,509
Net (loss) income before contributions and transfers	(12,351)	(17,583)	(513)	820	(58)	(732)	-	(12,922)	(17,495)
Transfers	21,430	18,804	-	-	-	5	-	21,430	18,809
Change in net position	\$ 9,079	\$ 1,221	\$ (513)	\$ 820	\$ (58)	\$ (727)	\$ -	\$ 8,508	\$ 1,314

The net loss before contributions and transfers of enterprise funds during 2022 of \$12,922 is comprised of a net loss of \$12,351 for the College, \$513 for the ILDC, and \$58 for the Utilities Aggregation Fund.

The College reported a total deficit net position of \$177,478 at August 31, 2022. The ILDC reported net position of \$7,350, the Utilities Aggregation Fund reported net position of \$354, and the ELDC reporting a net position of \$0 at December 31, 2022.

Other factors concerning the activities of these funds have been addressed in the previous discussion of the County's business-type activities.

General Fund Budgetary Highlights

An annual appropriated budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles, except that encumbrances are reported as budgeted expenditures in the year of incurrence of commitment to purchase.

During the 2022 fiscal year there was a \$444,471 decrease in total budgeted revenues between the original and final budget. The main component of the net decrease is the reclassification of \$582,639 from the 'Sales and use taxes' line to the 'Transfers in' line to match sales tax transfers received from the ECFSa which intercepts the County portion of sales tax remitted by the New York State Department of Taxation and Finance.

The budget for other financing sources was increased during the year by \$627,579, for the sales and use taxes reclassification referred to in the previous paragraph, as well as the transfer in of American Rescue Plan Act (“ARPA”) funds from the Emergency Response Fund that were subsequently transferred out to the County’s Capital Projects Funds.

Budgeted appropriations and other financing uses increased by \$188,618. Budgeted expenditures increased in general government support (\$33,915), primarily for sales tax (\$31,733); budgeted interfund transfer out increased (\$135,323); budgeted expenditures decreased in economic assistance and opportunity (\$11,925), due primarily to various community assistance and social service programs (\$13,133).

For the year, actual revenues were less than budgeted revenues by \$3,145. This was mainly due to a negative variance in intergovernmental revenue of (\$16,620), offset by a positive variance in real property taxes of (\$7,957).

Actual expenditures were less than final budget by \$105,377, primarily due to economic assistance and opportunity (\$77,277), due primarily to various community assistance and social service programs (\$51,043) and public benefit agencies (\$16,826); there were also savings in general government support (\$14,620), in public safety (\$13,111). There were higher than budgeted expenditures in culture and recreation of (\$3,473), due to higher than expected expenditures in youth development programs (\$1,072).

The County experienced a negative variance in other financing sources and (uses) \$1,530, with offsets of lower interfund transfers in of (\$44,934), but less interfund transfers out of (\$43,209).

The total budget to budgetary actual variance for the year amounted to a positive \$100,702.

Capital Assets and Debt Administration

Capital Assets

The County’s investment in capital assets for its governmental and business-type activities as of December 31, 2022, amounted to \$855,297 (net of accumulated depreciation/amortization). This investment in capital assets includes land, infrastructure, buildings and improvements, improvements other than buildings, equipment, right-to-use leased assets, College library collections, and construction in progress. The total increase in the County’s investment in capital assets for the current period was 0.01%.

The County’s infrastructure assets are recorded at historical cost or estimated historical cost in the government-wide financial statements as required by GASB. The County has elected to depreciate infrastructure assets.

Major capital asset events during the current fiscal year included an increase to the governmental activities right-to-use leased assets (\$5,510) and construction in progress (\$14,174).

Capital assets net of depreciation/amortization for the governmental and business-type activities are presented below:

Summary of Capital Assets at December 31, 2022 and 2021 (net of depreciation/amortization)

	Governmental Activities		Business-type Activities		Total	
	2021		2021		2021	
	2022	(as restated)	2022	(as restated)	2022	(as restated)
Land	\$ 34,969	\$ 34,951	\$ -	\$ -	\$ 34,969	\$ 34,951
Construction in progress	68,724	54,550	804	741	69,528	55,291
Buildings and improvements	247,029	256,610	19,427	21,175	266,456	277,785
Sewer and transportation networks	420,340	432,992	-	-	420,340	432,992
Improvements other than buildings	17,805	16,383	9	12	17,814	16,395
Machinery and equipment	17,012	8,500	3,596	3,634	20,608	12,134
Right-to-use leased assets	24,722	25,996.00	206	-	24,928	25,996
Library collections	-	-	654	766	654	766
Total	<u>\$ 830,601</u>	<u>\$ 829,982</u>	<u>\$ 24,696</u>	<u>\$ 26,328</u>	<u>\$ 855,297</u>	<u>\$ 856,310</u>

Additional information on the County's capital assets can be found in Notes 1 and 6 of this report.

Debt Administration

At December 31, 2022, the primary government had total bonded debt outstanding of \$874,154, as compared to \$900,234 in the prior year. During the year, payments and other reductions of bonded debt amounted to \$69,414, while additions and accretions amounted to \$43,334. The issuance of long-term debt is a direct function of the County and is reported within the governmental activities columns in the government-wide financial statements.

Summary of Long-term Bonded Debt Outstanding at December 31, 2022 and 2021

	Governmental Activities	
	2022	2021
Erie County bonds	\$ 324,224	\$ 347,143
Less: ECFSA mirror bonds	<u>(62,035)</u>	<u>(89,665)</u>
Net Erie County bonds	262,189	257,478
ECFSA bonds	196,875	228,305
ETASC tobacco settlement bonds	371,468	367,792
Unamortized bond discounts - ETASC	(10,251)	(10,372)
Unamortized bond premiums	<u>53,873</u>	<u>57,031</u>
Total primary government long-term bonded debt outstanding	<u>\$ 874,154</u>	<u>\$ 900,234</u>

Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County.

New York State statutes limit the amount of general obligation debt a governmental entity may issue to 7% of its five-year valuation. The current available debt-limitation for the County is \$4,643,441, which is only 6.44% exhausted by the County's outstanding general obligation debt of \$319,430 (which includes a \$61,135 bond guaranty to ECMCC).

The County's current bond ratings are as follows: Standard & Poor's at AA- (stable outlook); Moody's at A1 (stable outlook); and Fitch Ratings at A+ (stable outlook).

Additional information on the County's long-term debt can be found in Note 13 of this report.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Erie County Office of the Comptroller, 95 Franklin Street, Room 1100, Buffalo, New York 14202.

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BASIC FINANCIAL STATEMENTS



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COUNTY OF ERIE, NEW YORK
Statement of Net Position
December 31, 2022
(dollars in thousands)

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Library	ECMCC	Other
ASSETS						
Cash and cash equivalents	\$ 383,510	\$ 32,880	\$ 416,390	\$ 19,317	\$ 46,805	\$ 1,885
Restricted investments	19,486	-	19,486	-	8,345	5,515
Restricted cash and cash equivalents	345,823	34,000	379,823	-	169,390	-
Receivables (net of allowance):						
Real property taxes, interest, penalties and liens	97,813	-	97,813	-	-	-
Leases	277	1,304	1,581	-	-	-
Other	45,071	15,434	60,505	271	147,596	136
Due from component unit	150,951	11,812	162,763	-	-	-
Internal balances	13,422	(12,927)	495	-	-	-
Intergovernmental receivables	306,041	3,583	309,624	283	-	-
Prepaid items	15,048	96	15,144	532	15,923	54
Noncurrent net pension asset	83,810	6,951	90,761	3,701	77,538	-
Noncurrent other assets	-	430	430	-	-	1,004
Land held for sale	-	6,867	6,867	-	-	-
Capital assets not being depreciated/amortized	103,693	804	104,497	11,778	21,643	-
Capital assets, net of accumulated depreciation/amortization	726,908	23,892	750,800	4,999	306,528	223
Other assets	-	-	-	-	6,288	16
Total assets	<u>2,291,853</u>	<u>125,126</u>	<u>2,416,979</u>	<u>40,881</u>	<u>800,056</u>	<u>8,833</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	12,995	-	12,995	-	-	-
Deferred outflows—relating to pensions	178,331	23,383	201,714	8,214	143,693	-
Deferred outflows—relating to OPEB	269,098	47,339	316,437	13,717	22,684	-
Deferred outflows—relating to forward purchase agreement swap	3,866	-	3,866	-	-	-
Deferred outflows—other	-	-	-	-	12,034	-
Total deferred outflows of resources	<u>464,290</u>	<u>70,722</u>	<u>535,012</u>	<u>21,931</u>	<u>178,411</u>	<u>-</u>
LIABILITIES						
Accounts payable	47,002	4,183	51,185	1,009	73,067	33
Accrued liabilities	134,130	7,341	141,471	851	81,138	60
Due to component unit	224	-	224	-	-	-
Due to primary government	-	-	-	-	162,763	-
Due to other governments	28,839	256	29,095	-	-	-
Retainaged percentages payable	2,215	-	2,215	23	-	-
Unearned revenue	131,091	51,333	182,424	3,063	98,828	93
Noncurrent liabilities:						
Net assets held on behalf of others	-	-	-	-	-	1,004
Due within one year	92,547	3,353	95,900	785	11,843	-
Due in more than one year	<u>2,023,972</u>	<u>193,315</u>	<u>2,217,287</u>	<u>78,539</u>	<u>407,842</u>	<u>-</u>
Total liabilities	<u>2,460,020</u>	<u>259,781</u>	<u>2,719,801</u>	<u>84,270</u>	<u>835,481</u>	<u>1,190</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred gain on refunding	116	-	116	-	-	-
Deferred inflows—relating to leases receivable	285	1,304	1,589	-	1,440	-
Deferred inflows—relating to pensions	296,872	25,616	322,488	13,109	280,189	-
Deferred inflows—relating to OPEB	<u>445,113</u>	<u>78,921</u>	<u>524,034</u>	<u>29,131</u>	<u>114,812</u>	<u>-</u>
Total deferred inflows of resources	<u>742,386</u>	<u>105,841</u>	<u>848,227</u>	<u>42,240</u>	<u>396,441</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	500,682	24,488	525,170	16,777	82,489	-
Restricted for:						
Community development loans	27,351	-	27,351	-	-	-
Opioid prevention	7,204	-	7,204	-	-	-
Capital projects	160,910	-	160,910	-	-	-
Debt service	33,354	-	33,354	-	-	-
Other purposes	155	608	763	-	92,126	7,643
Unrestricted (deficit)	<u>(1,175,919)</u>	<u>(194,870)</u>	<u>(1,370,789)</u>	<u>(80,475)</u>	<u>(428,070)</u>	<u>-</u>
Total net position	<u>\$ (446,263)</u>	<u>\$ (169,774)</u>	<u>\$ (616,037)</u>	<u>\$ (63,698)</u>	<u>\$ (253,455)</u>	<u>\$ 7,643</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Activities
For the Year Ended December 31, 2022
(dollars in thousands)

Net (Expense) Revenue and Changes in Net Position										
Functions/Programs	Expenses	Program Revenues			Primary Government			Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Library	ECMCC	Other
Primary government:										
Governmental activities:										
General government support	\$ 563,319	\$ 28,362	\$ 84,261	\$ 1,380	\$ (449,316)	\$ -	\$ (449,316)	\$ -	\$ -	\$ -
Public safety	193,748	8,154	3,740	1	(181,853)	-	(181,853)	-	-	-
Health	108,537	2,236	83,487	-	(22,814)	-	(22,814)	-	-	-
Transportation	112,044	-	17,367	3,888	(90,789)	-	(90,789)	-	-	-
Economic assistance and opportunity	568,411	19,536	309,041	-	(239,834)	-	(239,834)	-	-	-
Culture and recreation	28,671	1,824	3,774	3,132	(19,941)	-	(19,941)	-	-	-
Education	80,687	666	43,952	3,572	(32,497)	-	(32,497)	-	-	-
Home and community services	101,460	31,894	9,638	841	(59,087)	-	(59,087)	-	-	-
Interest and fiscal charges	36,103	-	4,011	-	(32,092)	-	(32,092)	-	-	-
Total governmental activities	1,792,980	92,672	559,271	12,814	(1,128,223)	-	(1,128,223)	-	-	-
Business-type activities										
College	117,960	22,617	32,965	-	-	(62,378)	(62,378)	-	-	-
ILDC	2,755	204	2,038	-	-	(513)	(513)	-	-	-
Utilities aggregation	35,022	34,964	-	-	-	(58)	(58)	-	-	-
Total business-type activities	155,737	57,785	35,003	-	-	(62,949)	(62,949)	-	-	-
Total primary government	\$ 1,948,717	\$ 150,457	\$ 594,274	\$ 12,814	(1,128,223)	(62,949)	(1,191,172)	-	-	-
Component units:										
Library	\$ 27,467	\$ 214	\$ 3,807	\$ -				(23,446)	-	-
ECMCC	822,536	660,779	66,547	-				-	(95,210)	-
Other	3,576	1,986	461	-				-	-	(1,129)
Total component units	\$ 853,579	\$ 662,979	\$ 70,815	\$ -				(23,446)	(95,210)	(1,129)
General revenues:										
Property taxes levied for mall, sewer, and general purposes					333,107	-	333,107	-	-	-
Property taxes levied for library					-	-	-	26,436	-	-
Sales and use taxes					1,032,034	-	1,032,034	-	-	-
Transfers and other taxes					22,026	-	22,026	-	-	-
Unrestricted state and local appropriations					-	29,203	29,203	-	-	-
Federal and state student financial aid					-	20,813	20,813	-	-	-
Interest earnings					9,831	11	9,842	25	-	-
Gain on sale of capital assets					567	-	567	-	-	-
Miscellaneous					13,566	-	13,566	301	62,398	214
Transfers					(21,657)	21,430	(227)	227	-	-
Total general revenues and transfers					1,389,474	71,457	1,460,931	26,989	62,398	214
Change in net position					261,251	8,508	269,759	3,543	(32,812)	(915)
Net position—beginning, as restated (refer to Note 19)					(707,514)	(178,282)	(885,796)	(67,241)	(220,643)	8,558
Net position—ending					\$ (446,263)	\$ (169,774)	\$ (616,037)	\$ (63,698)	\$ (253,455)	\$ 7,643

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Balance Sheet—Governmental Funds
December 31, 2022
(dollars in thousands)

	General Fund	Emergency Response Fund	ECFSA General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 254,356	\$ 48	\$ 588	\$ 128,518	\$ 383,510
Restricted investments	-	-	-	19,486	19,486
Restricted cash and cash equivalents	155	76,394	974	268,300	345,823
Receivables (net of allowance):					
Real property taxes, interest, penalties and liens	81,701	-	-	38	81,739
Leases	277	-	-	-	277
Other	12,930	-	-	32,141	45,071
Due from other funds	105,123	52,038	16	24,919	182,096
Due from component unit	57	-	-	1	58
Intergovernmental receivables	193,610	5	68,287	44,139	306,041
Prepaid items	11,445	-	3	3,600	15,048
Total assets	<u>\$ 659,654</u>	<u>\$ 128,485</u>	<u>\$ 69,868</u>	<u>\$ 521,142</u>	<u>\$ 1,379,149</u>
LIABILITIES					
Accounts payable	\$ 22,220	\$ 2,903	\$ 53	\$ 21,826	\$ 47,002
Accrued liabilities	115,029	6,006	-	5,695	126,730
Due to other funds	359	-	69,277	99,038	168,674
Due to component unit	204	-	-	20	224
Due to other governments	28,763	52	-	24	28,839
Retainaged percentages payable	-	-	-	2,215	2,215
Unearned revenue	20,556	104,268	10	6,257	131,091
Total liabilities	<u>187,131</u>	<u>113,229</u>	<u>69,340</u>	<u>135,075</u>	<u>504,775</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	58,135	-	-	-	58,135
Deferred inflows—relating to leases	285	-	-	-	285
Total deferred inflows of resources	<u>58,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,420</u>
FUND BALANCES (DEFICIT)					
Nonspendable:					
Long-term interfund loan	5,551	-	-	-	5,551
Prepaid items	11,445	-	3	3,600	15,048
Restricted:					
Handicapped parking	155	-	-	-	155
Community development loans	-	-	-	27,351	27,351
Opioid prevention	-	-	-	7,204	7,204
Debt service	-	-	-	40,754	40,754
Capital expenditures	-	-	-	233,824	233,824
Assigned:					
Subsequent year's expenditures	-	-	-	15,378	15,378
Judgments and claims	3,520	-	-	-	3,520
Other purposes	256,969	15,256	525	58,352	331,102
Unassigned	136,463	-	-	(396)	136,067
Total fund balances (deficit)	<u>414,103</u>	<u>15,256</u>	<u>528</u>	<u>386,067</u>	<u>815,954</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 659,654</u>	<u>\$ 128,485</u>	<u>\$ 69,868</u>	<u>\$ 521,142</u>	<u>\$ 1,250,664</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Reconciliation of the Balance Sheet—Governmental Funds
to the Government-wide Statement of Net Position
December 31, 2022
(dollars in thousands)

Amounts reported for governmental activities in the statement of net position (page 15) are different because:

Total fund balances (deficit)—governmental funds (page 17)		\$ 815,954
Net pension assets are not current financial resources and, therefore, are not reported in the funds.		83,810
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The cost of the assets is \$2,217,676 and the accumulated depreciation/amortization is \$1,387,075.		830,601
Uncollected property taxes are not available to pay for current period expenditures and therefore are deferred inflows of resources in the funds.		58,135
A long-term asset owed to ETASC by New York State is not available to pay for current period expenditures and, therefore, is not reported in the funds.		16,074
Due from a component unit was deemed to be not due and payable in the current period and, therefore, not reported in the funds.		150,893
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds:		
Deferred outflows related to employer contributions	\$ 23,892	
Deferred outflows related to experience, changes of assumptions, investment earnings, and changes in proportion for pensions	154,439	
Deferred inflows of resources related to pensions	(296,872)	
Deferred outflows related to OPEB liability	269,098	
Deferred inflows related to OPEB liability	<u>(445,113)</u>	(294,556)
Certain deferred outflows of resources represent a consumption of net position in a future period and certain deferred inflows of resources represent an acquisition of net position and, therefore, are not reported in the funds.		
Unamortized deferred charge on refundings	\$ 302	
Unamortized deferred gain on refundings	(116)	
Unamortized deferred charge on refundings - ETASC	<u>12,693</u>	12,879
Net accrued interest expense for general obligation bonds of \$6,513 and accrued interest on ETASC bonds of \$887 is not reported in the funds.		(7,400)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. The effects of these items are:		
Serial bonds—County	\$ (459,064)	
Unamortized bond premiums—County	(53,873)	
ETASC Tobacco Settlement Bonds and Subordinate Turbo CABs accreted interest	(371,468)	
ETASC Tobacco Settlement Bonds and Subordinate Turbo CABs discount	10,251	
Lease liability	(25,597)	
Compensated absences	(30,232)	
Judgments and claims	(50,888)	
Other postemployment benefits obligation	<u>(1,131,782)</u>	<u>(2,112,653)</u>
Net position of governmental activities		<u>\$ (446,263)</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures, and
Changes in Fund Balances (Deficit)—Governmental Funds
For the Year Ended December 31, 2022
(dollars in thousands)

	General Fund	Emergency Response Fund	ECFSA General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Real property taxes and tax items	\$ 319,546	\$ -	\$ -	\$ 24,154	\$ 343,700
Sales and use taxes	441,297	-	586,693	4,044	1,032,034
Transfer and other taxes	249	-	-	21,777	22,026
Intergovernmental	384,237	62,258	-	119,506	566,001
Departmental	55,547	-	-	37,383	92,930
Interest	6,158	341	182	7,161	13,842
Miscellaneous	12,176	-	-	8,381	20,557
Total revenues	<u>1,219,210</u>	<u>62,599</u>	<u>586,875</u>	<u>222,406</u>	<u>2,091,090</u>
EXPENDITURES					
Current:					
General government support	531,636	421	4,147	24,523	560,727
Public safety	169,955	31	-	22,495	192,481
Health	92,723	4,991	-	14,094	111,808
Transportation	30,301	9,254	-	35,848	75,403
Economic assistance and opportunity	554,250	224	-	18,474	572,948
Culture and recreation	26,806	-	-	-	26,806
Education	79,830	-	-	-	79,830
Home and community services	4,385	33,959	-	53,050	91,394
Debt service:					
Principal retirement	6,490	-	-	61,549	68,039
Interest and fiscal charges	921	-	-	32,154	33,075
Capital outlay	-	-	-	92,296	92,296
Total expenditures	<u>1,497,297</u>	<u>48,880</u>	<u>4,147</u>	<u>354,483</u>	<u>1,904,807</u>
Excess (deficiency) of revenues over expenditures	<u>(278,087)</u>	<u>13,719</u>	<u>582,728</u>	<u>(132,077)</u>	<u>186,283</u>
OTHER FINANCING SOURCES (USES)					
Issuance of general obligation debt	-	-	-	28,190	28,190
Premium on bond issuance	-	-	-	4,828	4,828
Issuance of leases	5,510	-	-	-	5,510
Sale of property	567	-	-	-	567
Transfers in	582,645	25,181	-	256,217	864,043
Transfers out	(204,205)	(25,199)	(582,639)	(73,657)	(885,700)
Total other financing sources (uses)	<u>384,517</u>	<u>(18)</u>	<u>(582,639)</u>	<u>215,578</u>	<u>17,438</u>
Net change in fund balances (deficit)	106,430	13,701	89	83,501	203,721
Fund balances—beginning	<u>307,673</u>	<u>1,555</u>	<u>439</u>	<u>302,566</u>	<u>612,233</u>
Fund balances (deficit)—ending	<u>\$ 414,103</u>	<u>\$ 15,256</u>	<u>\$ 528</u>	<u>\$ 386,067</u>	<u>\$ 815,954</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances—Governmental Funds to the Government-wide Statement of Activities
For the Year Ended December 31, 2022
(dollars in thousands)

Amounts reported for governmental activities in the statement of activities (page 16) are different because:

Net change in fund balances (deficit)—total governmental funds (page 19) \$ 203,721

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense and loss on disposal of assets in the current period.

Capital asset additions	\$ 74,260	
Loss on disposal of assets	(109)	
Depreciation expense	<u>(73,532)</u>	619

Certain tax and other revenue in the governmental funds is deferred or not recognized because it is not available soon enough after year end to pay for the current period's expenditures. On the accrual basis, however, this is recognized regardless of when it is collected.

ETSAC tobacco revenue	\$ 1,815	
Real property taxes	<u>(10,593)</u>	(8,778)

Governmental funds report loans to a component unit to be repaid on a long-term basis as expenditures. In the statement of net position, however, the cost of those outlays increases the due from component unit and does not affect the statement of activities. Similarly, repayment of long-term loan principal is a revenue in the governmental funds and thus contributes to the change in fund balance. In the statement of net position, however, repayment of long-term loan principal reduces the amount due from the component unit and does not affect the statement of activities. (6,991)

Net differences between pension contributions recognized on the fund financial statements and the government-wide financial statements are as follows:

County pension contributions	\$ (7,618)	
Cost of benefits earned net of employee contributions	<u>39,227</u>	31,609

Deferred outflows and inflows of resources relating to OPEB result from actuarial changes in the census, changes in medical premiums that are different than expected healthcare cost trend rates, and changes in assumptions and other inputs. These amounts are shown net of current year amortization and are as follows:

Changes of assumptions	\$ (20,315)	
Differences between expected and actual experience	(170,027)	
Benefit payments subsequent to the measurement date	<u>(1,452)</u>	(191,794)

In the statement of activities, interest expense is recognized as it accrues, regardless of when it is paid. 280

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Additionally, in the statement of activities, certain operating expenses are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). The net effect of these differences in the treatment of long-term debt and the related items is as follows:

Issuance of serial bonds	\$ (28,190)	
Repayment of serial bonds	54,909	
Premium on serial bonds issued	(4,828)	
Amortization of premiums on serial bonds	7,986	
Repayment of ETASC Tobacco Settlement Bonds	6,640	
Accreted interest on ETASC Subordinate Turbo CABs	(10,316)	
Amortization of ETASC bond discounts	(121)	
Change in deferred charge	(860)	
Change in deferred gain	4	
Issuance of leases	(5,510)	
Repayment of lease liability	6,490	
Change in compensated absences	(1,829)	
Change in judgments and claims	(2,074)	
Change in other postemployment benefits obligation	<u>210,284</u>	232,585

Change in net position of governmental activities \$ 261,251

The notes to the financial statements are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—General Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)**

	Budgeted Amounts		Budgetary	Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Real property taxes and tax items	\$ 308,475	\$ 311,589	\$ 319,546	\$ 7,957
Sales and use taxes	938,518	438,670	441,297	2,627
Transfer and other taxes	412	412	249	(163)
Intergovernmental	363,940	400,857	384,237	(16,620)
Departmental	52,194	53,642	55,547	1,905
Interest	515	6,112	6,158	46
Miscellaneous	2,772	11,073	12,176	1,103
Total revenues	<u>1,666,826</u>	<u>1,222,355</u>	<u>1,219,210</u>	<u>(3,145)</u>
EXPENDITURES				
Current:				
General government support	512,137	546,052	531,432	14,620
Public safety	178,109	184,797	171,686	13,111
Health	83,342	92,625	92,621	4
Transportation	28,091	30,301	30,301	-
Economic assistance and opportunity	643,795	632,500	555,223	77,277
Culture and recreation	23,077	23,451	26,924	(3,473)
Education	79,214	83,158	79,829	3,329
Home and community services	7,092	8,039	7,598	441
Debt service:				
Principal	-	6,490	6,490	-
Interest and fiscal charges	250	989	921	68
Total expenditures	<u>1,555,107</u>	<u>1,608,402</u>	<u>1,503,025</u>	<u>105,377</u>
Excess (deficiency) of revenues over expenditures	<u>111,719</u>	<u>(386,047)</u>	<u>(283,815)</u>	<u>102,232</u>
OTHER FINANCING SOURCES (USES)				
Issuance of leases	-	5,510	5,510	-
Sale of property	372	372	567	195
Transfers in	-	627,579	582,645	(44,934)
Transfers out	(112,091)	(247,414)	(204,205)	43,209
Total other financing sources (uses)	<u>(111,719)</u>	<u>386,047</u>	<u>384,517</u>	<u>(1,530)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,702</u>	<u>\$ 100,702</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Emergency Response Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 89,224	\$ 89,344	\$ 62,258	\$ (27,086)
Interest	-	-	341	341
Total revenues	<u>89,224</u>	<u>89,344</u>	<u>62,599</u>	<u>(26,745)</u>
EXPENDITURES				
Current:				
General government support	-	1,332	703	629
Public safety	-	1,019	41	978
Health	24,000	24,919	3,717	21,202
Transportation	-	14,581	11,555	3,026
Economic assistance and opportunity	-	211	143	68
Home and community services	<u>34,000</u>	<u>33,970</u>	<u>33,959</u>	<u>11</u>
Total expenditures	<u>58,000</u>	<u>76,032</u>	<u>50,118</u>	<u>25,914</u>
Excess (deficiency) of revenues over expenditures	<u>31,224</u>	<u>13,312</u>	<u>12,481</u>	<u>(831)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	25,181	25,181	-
Transfers out	<u>(31,224)</u>	<u>(32,223)</u>	<u>(25,199)</u>	<u>7,024</u>
Total other financing sources (uses)	<u>(31,224)</u>	<u>(7,042)</u>	<u>(18)</u>	<u>7,024</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ 6,270</u>	<u>\$ 12,463</u>	<u>\$ 6,192</u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Net Position—
Proprietary Funds
December 31, 2022
(dollars in thousands)

	Business-Type Activities				
	Major Funds		Nonmajor Funds		
	SUNY Erie (August 31, 2022)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	ErieNet LDC	Total Enterprise Funds
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 31,615	\$ 1,265	\$ -	\$ -	\$ 32,880
Restricted cash and cash equivalents	-	-	-	34,000	34,000
Receivables (net of allowances)	5,102	10,212	-	-	15,314
Lease receivables	1,304	-	-	-	1,304
Loan receivables	-	120	-	-	120
Due from other funds	98	-	340	-	438
Due from component unit	-	-	11,812	-	11,812
Intergovernmental receivables	-	-	3,583	-	3,583
Prepaid items	60	32	4	-	96
Total current assets	38,179	11,629	15,739	34,000	99,547
Noncurrent assets:					
Net pension asset	6,951	-	-	-	6,951
Loan receivables, net	-	430	-	-	430
Land held for sale	-	6,867	-	-	6,867
Capital assets, net of depreciation:					
Construction in progress	804	-	-	-	804
Other capital assets, net of depreciation	23,892	-	-	-	23,892
Total noncurrent assets	31,647	7,297	-	-	38,944
Total assets	69,826	18,926	15,739	34,000	138,491
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows—relating to pensions	23,383	-	-	-	23,383
Deferred outflows—relating to OPEB	47,339	-	-	-	47,339
Total deferred outflows of resources	70,722	-	-	-	70,722
LIABILITIES					
Current liabilities:					
Accounts payable	866	824	2,493	-	4,183
Accrued liabilities	7,334	-	7	-	7,341
Due to other funds	556	-	12,809	-	13,365
Due to other governments	-	180	76	-	256
Unearned revenue	6,761	10,572	-	34,000	51,333
Lease liability - current	102	-	-	-	102
Fringe benefits payable - current	3,251	-	-	-	3,251
Total current liabilities	18,870	11,576	15,385	34,000	79,831
Noncurrent liabilities:					
Accrued liabilities	802	-	-	-	802
Lease liability	105	-	-	-	105
Fringe benefits payable	2,697	-	-	-	2,697
OPEB obligation	187,920	-	-	-	187,920
Net pension liability	1,791	-	-	-	1,791
Total noncurrent liabilities	193,315	-	-	-	193,315
Total liabilities	212,185	11,576	15,385	34,000	273,146
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows—relating to leases receivable	1,304	-	-	-	1,304
Deferred inflows—relating to pensions	25,616	-	-	-	25,616
Deferred inflows—relating to OPEB	78,921	-	-	-	78,921
Total deferred inflows of resources	105,841	-	-	-	105,841
NET POSITION					
Net investment in capital assets	24,488	-	-	-	24,488
Restricted—Erie County Buisness Development Fund	-	608	-	-	608
Unrestricted (deficit)	(201,966)	6,742	354	-	(194,870)
Total net position	\$ (177,478)	\$ 7,350	\$ 354	\$ -	\$ (169,774)

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Net Position—
Proprietary Funds
For the Year Ended December 31, 2022
(dollars in thousands)

	Business-Type Activities				
	Major Funds		Nonmajor Funds		
	SUNY Erie (August 31, 2022)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	ErieNet LDC	Total Enterprise Funds
OPERATING REVENUES					
Student tuition and fees	\$ 22,617	\$ -	\$ -	\$ -	\$ 22,617
Intergovernmental revenues and charges	27,692	-	135	-	27,827
Administrative fees	-	191	-	-	191
State and local contracts	4,233	-	-	-	4,233
Interfund revenues	-	-	9,410	-	9,410
Other operating revenue	1,040	13	25,419	-	26,472
Total operating revenues	55,582	204	34,964	-	90,750
OPERATING EXPENSES					
Employee wages	55,219	-	167	-	55,386
Employee benefits	20,977	-	76	-	21,053
Scholarships	19,544	-	-	-	19,544
Supplies, services and general	16,843	191	-	-	17,034
Utilities and telephone	2,340	-	34,779	-	37,119
Depreciation	3,026	1	-	-	3,027
Transfer to Erie County Industrial Development Agency	-	282	-	-	282
Loss on land held for sale	-	181	-	-	181
Total operating expenses	117,949	655	35,022	-	153,626
Operating (loss)	(62,367)	(451)	(58)	-	(62,876)
NONOPERATING REVENUES (EXPENSES)					
Unrestricted state and local appropriations	29,203	-	-	-	29,203
Federal and state student financial aid	20,813	-	-	-	20,813
Income from investments, net	11	-	-	-	11
Grant income	-	2,038	-	-	2,038
Grant expenses	-	(1,617)	-	-	(1,617)
Bad debt expense	-	(483)	-	-	(483)
Loss on disposal of plant assets	(11)	-	-	-	(11)
Total nonoperating revenues (expenses)	50,016	(62)	-	-	49,954
Income (loss) before transfers	(12,351)	(513)	(58)	-	(12,922)
TRANSFERS IN					
County contributions	21,430	-	-	-	21,430
Total transfers in	21,430	-	-	-	21,430
Change in net position	9,079	(513)	(58)	-	8,508
Net position—beginning	(186,557)	7,863	412	-	(178,282)
Net position—ending	\$ (177,478)	\$ 7,350	\$ 354	\$ -	\$ (169,774)

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Cash Flows—
Proprietary Funds
For the Year Ended December 31, 2022
(dollars in thousands)

	Business-Type Activities				
	Major Funds		Nonmajor Funds		
	SUNY Erie (August 31, 2022)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	ErieNet LDC	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Tuition and fees	\$ 22,929	\$ -	\$ -	\$ -	\$ 22,929
Receipts from utility customers	-	-	17,279	-	17,279
Federal grants and contracts	27,692	-	-	-	27,692
State grants and contracts	3,313	-	-	-	3,313
Local grants	1,420	-	-	-	1,420
Other sources	1,040	(913)	-	-	127
Personal service payments	(55,393)	-	-	-	(55,393)
Payments for wages and fringe benefits	(27,680)	-	(243)	-	(27,923)
Payments to suppliers	(17,404)	578	(34,774)	-	(51,600)
Payments for scholarships	(19,544)	-	-	-	(19,544)
Internal activity—payments from other funds	-	-	17,738	-	17,738
Transfer to Erie County Industrial Development Agency	-	(560)	-	-	(560)
Chargeback revenues	1,318	-	-	-	1,318
Net cash (used for) operating activities	(62,309)	(895)	-	-	(63,204)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
State appropriations	42,429	-	-	-	42,429
County contributions	21,430	-	-	-	21,430
Federal and state student financial aid grants	5,755	-	-	-	5,755
Net cash provided by noncapital financing activities	69,614	-	-	-	69,614
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition/funding of capital projects	(1,405)	(22)	-	-	(1,427)
Lease adjustment	306	-	-	-	306
Principal payment on lease	(99)	-	-	-	(99)
Proceeds from sale of land	-	207	-	-	207
Grant income	-	2,038	-	34,000	36,038
Grant expense	-	(2,100)	-	-	(2,100)
Net cash (used for) provided by capital and related financing activities	(1,198)	123	-	34,000	32,925
CASH FLOW FROM INVESTING ACTIVITIES					
Interest, dividends, and realized gains on investments	11	-	-	-	11
Net cash provided by investing activities	11	-	-	-	11
Net increase (decrease) in cash and cash equivalents	6,118	(772)	-	34,000	39,346
Cash and cash equivalents—beginning	25,497	2,037	-	-	27,534
Cash and cash equivalents—ending	\$ 31,615	\$ 1,265	\$ -	\$ 34,000	\$ 66,880

(continued)

COUNTY OF ERIE, NEW YORK
Statement of Cash Flows—
Proprietary Funds
For the Year Ended December 31, 2022
(dollars in thousands)

(concluded)

	Business-Type Activities					
	Major Funds		Nonmajor Funds			
	SUNY Erie (August 31, 2022)	Buffalo and Erie County ILDC	Utilities Aggregation Fund	ErieNet LDC		Total Enterprise Funds
Reconciliation of operating (loss) to net cash (used for) operating activities:						
Operating (loss)	\$ (62,367)	\$ (451)	\$ (58)	\$ -	\$	(62,876)
Adjustments to reconcile operating (loss) to net cash (used for) operating activities:						
Depreciation expense	3,025	-	-	-		3,025
Bad debt expense	-	-	-	-		-
Loss on land held for sale	-	181	-	-		181
Decrease in student receivables, net	311	-	-	-		311
Decrease (increase) in other receivables, net	522	(2,558)	(2,016)	-		(4,052)
Decrease in loan receivables	-	117	-	-		117
(Increase) in due from other funds	-	-	(48)	-		(48)
(Increase) in due from component unit	-	-	(6,261)	-		(6,261)
Decrease in net pension asset	10,603	-	-	-		10,603
Decrease (increase) in prepaid items	264	(32)	2	-		234
Decrease in deferred outflows of resources	9,641	-	-	-		9,641
(Decrease) increase in accounts payable	(329)	801	-	-		472
(Decrease) increase in accrued liabilities	(173)	-	5	-		(168)
(Decrease) in retirement liabilities	(2,296)	-	-	-		(2,296)
Increase (decrease) in other liabilities	187	(278)	-	-		(91)
Increase in due to other funds	-	-	8,376	-		8,376
Increase in unearned revenues	1,636	1,325	-	-		2,961
(Decrease) in OPEB obligation	(31,643)	-	-	-		(31,643)
Chargeback revenue	1,318	-	-	-		1,318
Increase in net pension liability	1,698	-	-	-		1,698
Increase in deferred inflows of resources	5,294	-	-	-		5,294
Total adjustments	58	(444)	58	-		(328)
Net cash (used for) operating activities	\$ (62,309)	\$ (895)	\$ -	\$ -	\$	(63,204)

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Position—
Custodial Fund
December 31, 2022
(dollars in thousands)

	Custodial Fund
ASSETS	
Restricted cash and cash equivalents	\$ 26,942
Receivables	547
Bonds and securities held in custody	<u>20</u>
Total assets	<u>27,509</u>
LIABILITIES	
Held in custody for others	<u>8,206</u>
Total liabilities	<u>8,206</u>
NET POSITION	
Total net position restricted for individuals, organizations, and other governments	<u><u>\$ 19,303</u></u>

The notes to the financial statements are an integral part of this statement.

COUNTY OF ERIE, NEW YORK
Statement of Changes in Fiduciary Net Position—
Custodial Fund
For the Year Ended December 31, 2022
(dollars in thousands)

	Custodial Fund
ADDITIONS	
Funds received on behalf of individuals	\$ 254,046
Total additions	<u>254,046</u>
DEDUCTIONS	
Funds distributed to individuals	<u>257,373</u>
Total deductions	<u>257,373</u>
Change in fiduciary net position	(3,327)
Net position—beginning	<u>22,630</u>
Net position—ending	<u><u>\$ 19,303</u></u>

The notes to the financial statements are an integral part of this statement.

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COUNTY OF ERIE, NEW YORK
Notes to the Financial Statements
For the Year Ended December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of County of Erie, New York (the “County”) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the County’s accounting principles are described below.

Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The County was established in 1821. Subject to the New York State Constitution, the County operates pursuant to its Charter and Administrative Code (the “Charter”), as well as various local laws. Additionally, certain New York State laws govern the County to the extent that such laws are applicable to counties operating under a charter form of government. The Charter was enacted by local law and approved by the electorate at a general election held in November 1959. The Administrative Code was enacted into local law in 1961. The County Legislature is the legislative body responsible for overall operations, the County Executive serves as chief executive officer, and the County Comptroller serves as chief fiscal, accounting, reporting and auditing officer.

The County provides mandated social service programs such as Medicaid, Temporary Assistance for Needy Families and Safety Net. The County also provides services and facilities in the areas of culture, recreation, police, libraries, youth, health, senior services, roads, and sanitary sewerage. These general governmental programs and services are financed by various taxes, state and federal aid, and departmental revenue (which is primarily comprised of service fees and various types of program-related charges). Additionally, the County operates SUNY Erie (“the College”).

The financial reporting entity includes the County (the “primary government”) and its significant component units. A component unit is either a legally separate organization for which the elected officials of a primary government are financially accountable, or another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete.

Blended Component Units—The following blended component units are separate entities from the County, but are, in substance, part of the County’s operations and therefore data from the units are combined with data of the primary government.

- **Erie County Fiscal Stability Authority**—Erie County Fiscal Stability Authority (“ECFSA”) is included as a blended component unit of the County’s primary government pursuant to GASB. The ECFSA was created to monitor and oversee the finances of the County. Agencies and departments examined by the ECFSA’s activities include all of the County’s departments and sewer districts, the College and the Library. It reports using the governmental model and its general fund is reported as part of the County’s special revenue funds.

The ECFSA is a corporate governmental agency and instrumentality of the State of New York (the “State”) constituting a public benefit corporation created by the Erie County Fiscal Stability Authority Act, Chapter 182 of the Laws of 2005, as supplemented by Chapter 183 of the Laws of 2005 (the “Act”). The Act became effective July 12, 2005.

The ECFSA is governed by seven directors, each appointed by the Governor, including one each appointed upon the recommendation of the Majority Leader of the State Senate, the Speaker of the State Assembly and the State Comptroller. The Governor also designates the chairperson and vice-chairperson from among the directors.

The ECFSA has power under the Act to monitor and oversee the finances of the County, and upon declaration of a “Control Period” as defined in the Act. The ECFSA is also empowered to issue its bonds and notes for various County purposes, defined in the Act as “Financeable Costs.”

On November 3, 2006, the Authority imposed a control period on the County in accordance with Section 3595(1)(e) of New York Public Authorities Law through resolution 06-49. The resolution empowered the ECFSA to operate with its maximum authorized complement of control over County finances. During a control period all County contracts of \$50,000 or more and filling of any positions are subject to ECFSA approval and ECFSA has the power to approve or reject all proposed County borrowings and the County may not borrow without formal ECFSA approval. In addition, the ECFSA has the right to freeze wages, although it has not elected to exercise that right. On June 2, 2009, the ECFSA revoked the control period and reverted to an advisory status with limited control over County finances.

In 2011, the ECFSA issued serial bonds to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby the ECFSA loaned the proceeds to the County, who in turn loaned the monies to ECMCC. The facility was opened in February 2013.

Revenues of the ECFSA consist of sales tax revenues, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sales and use of tangible personal property and services in the County (“Sales Tax Revenues”), and investment earnings on money and investments on deposit in various ECFSA accounts. Sales tax revenues collected by the State Comptroller for transfer to the ECFSA are not subject to appropriation by the State or County. Revenues of the ECFSA that are not required to pay debt service, operating expenses and other costs of the ECFSA are payable to the County as frequently as practicable. Separate financial statements for ECFSA can be obtained from the Erie County Fiscal Stability Authority, 295 Main Street, Room 946, Buffalo, NY, 14203.

- **Erie County Tobacco Asset Securitization Corporation**—Erie Tobacco Asset Securitization Corporation (“ETASC”) is a special purpose local development corporation organized under the Not-for-Profit Corporation Law of the State of New York and is an instrumentality of, but separate and apart from the County. ETASC was incorporated for the sole purpose of issuing tobacco settlement asset backed bonds in order to provide funds to purchase from the County all of the County’s right, title, and interest in annual payments to be received in settlement of certain smoking-related litigation. Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County. Although legally separate and independent of the County, ETASC is considered an affiliated organization under GASB and reported as a component unit of the County for financial reporting purposes and, accordingly, is included in the County’s financial statements. Separate financial statements for ETASC can be obtained from the Erie Tobacco Asset Securitization Corporation, Treasurer, 95 Franklin Street, Room 1600, Buffalo, NY, 14202.
- **SUNY Erie**—SUNY Erie (the “College”) is a locally sponsored, two-year College established for the purpose of providing education services primarily to the residents of the County. Resources received and used for college purposes are accounted for through the College. A fiscal year ending August 31 is mandated by New York State law for the College. Accordingly, financial information for the College is presented as of and for the 2021-2022 fiscal year then ended.

The College does not account for certain capital projects, certain capital assets or certain indebtedness. These are direct functions of the County and are reported within the governmental activities columns in the government-wide financial statements.

Additional information as excerpted from the College’s financial statements is as follows:

- The County Executive and the County Legislature approve the College’s annual budget, with the County providing funding for one-half and approximately one-fifth of capital and operating costs, respectively.
- Equipment of the College has been included in the business-type activities column in the statement of net position. This equipment is recorded at cost or estimated historical cost. Donated assets are stated at estimated fair value as of the date received.

Separate financial statements for the College can be obtained from SUNY Erie, Comptroller, 4041 Southwestern Blvd., Orchard Park, NY, 14127.

- **The Buffalo and Erie County Industrial Land Development Corporation**—The Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) is a legally separate entity of which the County, acting by and through the County Executive, is the sole member. It is discretely presented in the County’s financial statements because the County is financially accountable for it. The ILDC is managed by its Board of Directors. Although ILDC does not meet the GASB requirements to be presented as a major fund, the County has elected to show ILDC as a major fund.

In 2009, ILDC by-laws and organizing documents were changed and specific activities first became under the direct governance of the County. These changes allow the ILDC to provide tax-exempt bond financing for not-for-profit organizations. Such debt of the ILDC can never be the debt of the County or any political subdivision thereof and can only be paid out of specific revenues and receipts of the ILDC. The ILDC provides no services to the County. Separate financial statements can be obtained from Buffalo and Erie County Industrial Land Development Corporation Inc., Chief Operating Officer, 275 Oak Street, Buffalo, NY 14203.

- **ErieNet Local Development Corporation**—The ErieNet Local Development Corporation (“ELDC”) is a public benefit corporation established in 2022 under Section 1411 of the New York Not-for-Profit Corporation Law. The ELDC was established to create a foundation to address the broadband needs of unserved areas, improve services in unserved areas of the community and enable world class broadband investment and deployment county wide. The ELDC is legally separate entity of which the County, acting by and through the County Executive, is the sole member. Although legally separate and independent of the County, ELDC is considered an affiliated organization under GASB and reported as a component unit of the County for financial reporting purposes and, accordingly, is included in the County’s financial statements. The ELDC does not issue separate financial statements.

Discretely Presented Component Units—The component units column in the basic financial statements includes the financial data of the County’s discretely presented component units. These units are reported separately from the financial data of the primary government to emphasize that they are legally separate from the County.

- **The Buffalo and Erie County Public Library**—The Buffalo and Erie County Public Library (the “Library”), formed through a consolidation of several public and private libraries, was established by the County and chartered by the State University Board of Regents in 1953. It is a separate and distinct legal corporation that receives an annual budgetary contribution from the County. Library operations are governed by a Board of Trustees who are appointed by the County Legislature. Bonds and notes for Library capital costs are issued by the County and are obligations of the County. Title to real and personal property acquired with County funds vests with the County. The Library is included as a component unit of the County in the financial statements based on the fact that it is a legally separate entity for which the County is financially accountable. The Library does not issue separate financial statements.
- **Erie County Medical Center Corporation**—Erie County Medical Center Corporation (“ECMCC”) is a public benefit corporation created in 2003 for the purpose of acquiring and operating the health facilities of the County. Effective January 1, 2004, a transaction was executed which transferred ownership of the capital assets, equipment, inventories and certain other assets to ECMCC in exchange for a payment of \$85,000,000 from ECMCC to the County. Concurrent with the transaction, \$101,375,000 of ECMCC bonds were issued, which are guaranteed by the County. Pursuant to consent decrees entered into between the County and ECMCC, the County is committed to providing ongoing operating and capital support to ECMCC. The following component units are included within ECMCC:
 - **Research for Health in Erie County, Inc.** (“RHEC”) is a nonprofit organization dedicated to developing and increasing the facilities of the public health institutions, agencies, and departments of the County. Additionally, RHEC is committed to provide more extensive conduct of studies and research into the causes, nature, and treatment of diseases, disorders, and defects of particular importance to the public health. RHEC’s support comes primarily from investment income. The financial statements of RHEC have been prepared on the accrual basis of accounting. RHEC is exempt from income tax as a not-for-profit corporation under Section 501 (c)(3) of the Internal Revenue Code. The entity has not been receiving funding in recent years. The annual financial report can be obtained by writing Grant Administration, Research for Health in Erie County, Inc., 462 Grider Street, Buffalo, NY 14215.
 - **ECMC Foundation, Inc.** (the “Foundation”), formerly the ECMC Lifeline Foundation, Inc., is a nonprofit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code. The Foundation was formed for the purpose of supporting

ECMC programs. The annual financial report can be obtained by writing to: Executive Director, ECMC Foundation, Inc., 462 Grider Street, Buffalo, NY 14215.

- **The Grider Initiative, Inc.** (the “Physician Endowment”) is a nonprofit organization exempt from federal income taxes under Section 501 (c)(3) of the Internal Revenue Code. The Physician Endowment was formed in 2009, and funded in 2010, for the purpose of recruiting physicians who shall practice on the Grider Street campus of ECMCC. The entity was funded with an initial transfer of \$10,000 from ECMCC. Earnings from the investment of the initial transfer may be used only for physician recruitment and reasonable and necessary expenses of the entity. The annual financial report can be obtained by writing to: Chair, The Grider Initiative, Inc., 424 Main Street, Suite 2000, Buffalo, NY 14202.

ECMCC is considered to be a component unit of the County and is discretely presented based on the fact that it is a legally separate entity for which the County is financially accountable. Separate financial statements for ECMCC can be obtained from ECMCC, 462 Grider Street, Buffalo, NY 14215.

- **The Auxiliary Services Corporation of Erie Community College, Inc.** (the “ECC Auxiliary Corporation”), and the **Erie Community College Foundation, Inc.** (the “ECC Foundation”) are both included as discretely presented component units of the County’s primary government based on the fact that they are legally separate entities for which the College and County are financially accountable. They receive or hold economic resources that are significant to, and can be accessed by, the College that are entirely or almost entirely for the direct benefit of its constituents (students).

The purpose of the ECC Auxiliary Corporation, a New York nonprofit corporation, is to promote and cultivate educational and social relations through the operation of bookstores, on-campus dining services, vending facilities, childcare, and student centers for the convenience of the students, faculty and staff of the College. The ECC Auxiliary Corporation is funded through sales of merchandise and food, federal and state grants, and other fees. Separate financial statements can be obtained from the Auxiliary Services Corporation of Erie Community College, Inc., Executive Director, 4041 Southwestern Blvd., Orchard Park, NY 14127.

The ECC Foundation is a New York State nonprofit corporation established to support the College. Its purpose is to raise, receive, and administer all private gifts and program services for the College, its programs, and its students. Separate financial statements can be obtained from Erie Community College Foundation, Inc., Executive Director, 121 Ellicott Street, Buffalo, NY 14203.

Excluded from the Financial Reporting Entity—Although the following are related to the County, they are not included in the County reporting entity:

- **Related Organizations**—County elected officials nominate and confirm the three-member board of the Erie County Water Authority, (“Water Authority”) and also appoint a voting majority of the board of the Buffalo Convention Center Management Corporation (“BCCMC”). The Erie County Industrial Development Agency (“ECIDA”), is a public benefit corporation created to promote and assist private sector industrial/business development thereby advancing job opportunities and economic well-being to the people of Erie County. The County’s accountability for these legally separate organizations does not extend beyond making the board appointments. Specifically, the County cannot impose its will on any of these organizations. In addition, in the case of the Water Authority, no financial operating assistance is provided to, nor is the County liable for, any debt issued by this public benefit corporation. In regard to the not-for-profit BCCMC, the entity and the County are parties to an exchange transaction under which the BCCMC is responsible for operating and

managing the area's convention center. These related organizations are not component units of the County and do not meet the basic criteria for inclusion in the County reporting entity.

- **Joint Ventures:**

- **Western Regional Off-Track Betting Corporation**—The County is a participant in the Western Regional Off-Track Betting Corporation (“OTB”), a public benefit corporation established under New York State Racing, Pari-Mutuel Wagering and Breeding Law. The OTB conducts within the region a system of off-track pari-mutuel betting on horse races, and distributes net revenues to the participants in accordance with a predetermined formula. Separate financial data for this joint venture has been excluded from the financial statements, consistent with GASB. Additional information about this joint venture is presented in Note 18.
- **Buffalo Erie Niagara Land Improvement Corporation**—The Buffalo Erie Niagara Land Improvement Corporation (“BENLIC”) was organized on June 6, 2012, pursuant to Article 16 of the Not-for-Profit Corporation Law of the State of New York. BENLIC was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda. BENLIC was created to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties. Separate financial data for this joint venture has been excluded from the financial statements, consistent with GASB. Additional information about this joint venture is presented in Note 18.

Basis of Presentation—Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the County's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the fiduciary funds are excluded from the government-wide statements.

As discussed earlier, the County has four discretely presented component units, with two major component units being shown in separate columns and two nonmajor component units being aggregated into a single column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are interfund services provided and used such as Utilities Aggregation Fund billings to other funds. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of Presentation—Fund Financial Statements

The fund financial statements provide information about the County's funds, including its fiduciary fund and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental funds are aggregated and reported as nonmajor funds.

The County reports the following major governmental funds:

- *General Fund*—The General Fund is the primary operating fund of the County and is used to account for all financial resources of the general government except those required to be accounted for in other funds.
- *Emergency Response Fund*—The Emergency Response Fund is used to account for revenues received from the Federal Emergency Management Agency and expenditures associated with winter storms, other natural disasters and certain pandemic response costs. Current activity in this fund includes activities related to the County's COVID-19 pandemic response and funds received through the American Rescue Plan Act.
- *ECFSA General Fund*—The ECFSA General Fund is used to account for all of the operations of the ECFSA, included as a blended component unit. This fund accounts for sales tax revenues received by ECFSA and for general operating expenditures of ECFSA.

The County reports two major enterprise funds:

- *SUNY Erie*—SUNY Erie is a blended component unit of the government, is a locally sponsored, two-year college established for the purpose of providing education services primarily to the residents of the County.
- *ILDC*—The ILDC is a blended component unit of the government, incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of capital assets by industrial companies locating or expanding within the County.

Additionally, the County reports the following fund type:

- *Fiduciary Funds*—These funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. Trust funds account for resources received and disbursements made in accordance with trust agreements or applicable legislative enactments for each particular fund. Fiduciary funds include the *Custodial Fund*. Activities reported in the fiduciary funds include monies from outside entities, controlled and administered by the County for the benefit of others, including monies related to social services, probation fines, bid deposits, and miscellaneous trust programs.

During the course of operations the County has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the

funds included in business-type activities are eliminated so that only the net amount is included as transfer in the business-type activities column.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and considers all other revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue sources (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and fiduciary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

Budgetary Information

Annual appropriated budgets are adopted and employed for control of the General Fund; the Emergency Response Fund; the Road, Sewer, Downtown Mall, and E-911 Special Revenue Funds; the Utilities Aggregation Enterprise Fund; and the Debt Service Fund, minimally detailed to the department and account level. These budgets are adopted on a basis consistent with GAAP, except that encumbrances are reported as budgetary expenditures in the year of incurrence of commitment to purchase in the General Fund, the enumerated Special Revenue Funds and the Debt Service Fund. All unencumbered appropriations lapse at the end of the fiscal year. Budgetary comparisons presented in this report are on the budgetary basis and represent the budget as modified. Annual appropriated budgets are not employed for the Grants and Community Development Special Revenue Funds.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash, Cash Equivalents and Investments—All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents. Investments are stated at fair value, the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

Restricted Cash and Cash Equivalents—Restricted cash represents amounts to support restricted fund balance, amounts with constraints placed on their use by either external parties and/or statute, amounts held on behalf of others, and for unspent bond proceeds.

Receivables—Receivables are stated net of estimated allowances for uncollectible amounts. Amounts due from state and federal governments represent amounts owed to the County to reimburse it for expenditures incurred pursuant to state and federally funded programs. All major revenues of the County are considered “susceptible to accrual” under the modified accrual basis. These include property tax, sales tax, State and Federal aid, and various grant program revenues.

Prepaid Items—Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenses/expenditures when consumed rather than when purchased.

Capital Assets—All capital assets which are acquired or constructed for general governmental purposes are reported as expenditures in the fund that finances the asset acquisition and are accounted for and reported in the government-wide financial statements as capital assets, if they meet the County’s capitalization criteria. These statements also contain the County’s infrastructure assets that are required to be capitalized under GAAP. Infrastructure assets include public domain assets such as roads, bridges, and sewer systems. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Equipment with an initial individual cost equal to or greater than \$10,000 and an estimated useful life of three or more years is capitalized. All purchases of library books are capitalized because there is no minimum capitalization threshold.

Property, plant, and equipment of the primary government, as well as the component units, are depreciated/amortized using the straight-line method over the following estimated useful lives:

	Estimated Useful Life (Years)
Improvements other than buildings	5-25
Buildings and improvements	15-40
Infrastructure	20-100
Right-to-use leased assets	5-100
Library collections	5-10

The Buffalo and Erie County Public Library has a rare book collection that is classified as a Work of Art and Historical Treasure for financial reporting purposes. This collection is deemed an inexhaustible asset, and therefore, is not depreciated.

When capital assets are retired, or otherwise disposed of, the cost and related accumulated depreciation/amortization are removed from the accounts, and any resulting gain or loss is reflected in income for the period in the government-wide statements. Amortization of right-to-use leased assets is computed using the straight-line method over the lease term or the estimated useful lives of the assets,

whichever is shorter. Maintenance and repairs are charged to expense as incurred; significant renewals and betterments are capitalized.

The *capital outlays* character classification is employed only for expenditures reported in the Capital Projects Fund. Routine capital expenditures in the General Fund and other governmental funds are included in the appropriate functional category (for example, the purchase of a new sheriff vehicle included as part of *expenditures—public safety*). At times, amounts reported as *capital outlays* in the Capital Projects Fund will also include non-capitalized, project-related costs (for example, furnishings).

Unearned Revenue—Certain cash receipts have not met the revenue recognition criteria for government-wide or fund financial statement purposes. The County received cash in advance related to grants, but has not performed the services, and therefore recognizes a liability. Included within unearned revenues at December 31, 2022, the County reported \$104,267,940 within the Emergency Response Fund for unspent American Rescue Plan Act funds.

Deferred Outflows/Inflows of Resources—In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. At December 31, 2022, the County's primary government has four items that qualify for reporting in this category. The first item is related to the deferred charge on refunding which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second relates to pensions and represents the effect of the net change in the County's proportion of the collective net pension asset or liability, the difference during the measurement periods between the County's contributions and its proportionate share of the total contribution to the pension systems not included in the pension expense, and any contributions to the pension systems made subsequent to the measurement date. The third item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability. The last item relates to the deferred outflow on ETASC's forward purchase agreement swap relating to the accumulated increase in its fair value.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. At December 31, 2022, the primary government of the County has five items that qualify for reporting in this category. The first item is a deferred gain on refunding, which the County reports within its governmental activities. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to leases receivable and reported on the government-wide statements and on the balance sheet of governmental funds, is recognized at the commencement of the County's lease receivable and amortized over the life of the lease. The third item represents the effect of the net change in the County's proportion of the collective net pension liability/(asset) and the difference during the measurement periods between the County's contributions and its proportionate share of total contributions to the pension system not included in pension expense and is reported on the government-wide statements. The fourth item represents the effects of the change in the County's proportion of the collective OPEB liability and difference during the measurement period between certain of the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective OPEB liability and is reported on the government-wide financial statements. The final item, reported within the governmental fund financial statements represents unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available.

Net Position Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted—net position and unrestricted—net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted—net position to have been depleted before unrestricted—net position is applied.

Fund Balance Flow Assumption—Sometimes the County will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies—Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The County itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Erie County Legislature is the highest level of decision-making authority for the County that can, by adoption of a Legislative Resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to rescind or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The County Legislature authorizes assigned amounts of fund balance. The County Legislature may also assign fund balance when appropriating fund balance to lower a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Revenues and Expenditures/Expenses

Program Revenues—Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Tax Revenue Recognition—The County-wide property tax is levied by the County Legislature effective January 1 of the year the taxes are recognizable as revenue. Taxes become a lien on the related property on January 1 of the year for which they are levied. Accordingly, property tax is only recognized as revenue in the year for which the levy is made, and to the extent that such taxes are received within the reporting period or 60 days thereafter in the fund financial statements.

Delinquent property taxes not collected at year-end (excluding collections in the 60-day subsequent period) are recorded as deferred inflow—unavailable revenue in the fund financial statements. The portion of delinquent property taxes for prior years estimated to be uncollectible at December 31, 2022, amounted to \$54,947,585. This amount has been recorded as an allowance against the property taxes receivable account.

Compensated Absences—Most employees are granted vacation, personal, and sick leave and earn compensatory time in varying amounts. When they leave service, employees are entitled to payment for accumulated vacation and unused compensatory time at various rates subject to certain maximum limitations. In addition, depending on the applicable collective bargaining agreement, retirees may be eligible to receive a direct cash payment for a portion of unused sick time upon retirement.

Compensated absences for governmental fund type employees are reported as a liability and expense in the government-wide financial statements. Governmental funds recognize the expenditure when paid. For proprietary fund type employees, the accumulation is recorded as an accrued liability and/or other long-term obligation of the proprietary fund type.

Payment of compensated absences recorded in the government-wide financial statements is dependent upon many factors; therefore, timing of future payment is not readily determinable. However, management believes that sufficient resources will be made available for the payment of compensated absences when such payments become due. Financial information regarding compensated absences is included in Note 13.

Pension Plans—The County is mandated by New York State law to participate in the New York State Teacher's Retirement System and the New York State Local Employees' Retirement System. For purposes of measuring the net pension liability/(asset), deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the defined benefit pension plan, and changes thereof, have been determined on the same basis as they are reported by the respective defined benefit pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. More information regarding pensions is included in Note 8.

Other Postemployment Benefits—In addition to providing pension benefits, the County provides health insurance benefits for retired employees as required by the union contracts. The employees become eligible for these benefits if they reach normal retirement age while working for the County. More information regarding OPEB is included in Note 9.

Proprietary Funds Operating and Nonoperating Revenues and Expenses—Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing educational services and the purchase and resale of utilities in connection with the proprietary fund's ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal operating revenues of the College and the ILDC, the County's major proprietary funds, are charges to students for tuition and fees and administrative fees, respectively. Operating expenses for the College include employee wages and benefits and student scholarships. Operating expenses for the ILDC include supplies and services, depreciation expense, and a transfer to the Erie County Industrial Development Agency.

Other

Estimates—The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of revenues, expenditures/expenses, assets, liabilities, deferred outflows of resources, deferred inflows of resources, and disclosures of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates.

Statement of Cash Flows—For purposes of reporting cash flows, cash and cash equivalents include the following items: cash on hand; cash in checking and time accounts; and certain short-term items maturing three months or less from the date acquired, as permitted by State statute.

Reclassifications—Certain amounts were reclassified from ECFSA’s financial statements to conform to the County’s reporting presentation. In the ECFSA’s statement of revenue, expenditures, and changes in fund balances, \$43,155,544 representing principal and interest revenue received from the County relating to mirror bonds and a revenue anticipation note purchased by the ECFSA, and \$582,638,936 representing sales tax revenue and other distributions to the County, were reclassified as transfers in and transfers out, respectively.

Adoption of New Accounting Pronouncements—During the year ended December 31, 2022, the County implemented GASB Statement No. 87, *Leases*. GASB Statement No. 87 better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of GASB Statement No. 87 is discussed in Note 19 to the financial statements.

Future Impacts of Accounting Pronouncements—The County has not completed the process of evaluating the impact that will result from adopting GASB Statements No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*; No. 96, *Subscription-Based Information Technology Arrangements*; and a portion of No. 99, *Omnibus 2022*, effective for the year ending December 31, 2023; the remaining portion of No. 99, *Omnibus 2022*; No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*; and No. 101, *Compensated Absences*, effective for the year ending December 31, 2024. The County is, therefore, unable to disclose the impact that adopting GASB Statements No. 94, 96, 99, 100, and 101 will have on its financial position and results of operations when such statements are adopted.

Stewardship, Compliance and Accountability

Legal Compliance—Budgets—The County’s annual procedures in establishing the budgetary data reflected in the basic financial statements are as follows:

- In accordance with the County Charter and Administrative Code, no later than October 15, the County Executive submits a tentative operating and capital budget which details proposed expenditures and the proposed means of financing to the Erie County Legislature for the fiscal year commencing the following January 1. The College budget is not included in the County Executive’s tentative budget, since it is separately adopted during the first County legislative meeting in July for the fiscal year commencing September 1.
- After public hearings are conducted to obtain taxpayer comments, the County Legislature (governing board) adopts the budget no later than the second Tuesday in December.
- The County Executive is authorized to make budget transfers within the same administrative unit up to a cumulative total of \$10,000 between accounts or line items. Any proposed transfer which would result in an increase exceeding \$10,000 in any one line item in the budget, as adopted during the fiscal year or would affect any salary rate or salary total, would need prior approval by resolution of the County Legislature. In no instance shall a transfer be made from appropriations for debt service, and no appropriations may be reduced below any amount which is required by law to be appropriated.

- The Emergency Response Special Revenue Fund was established to account for revenues received from the Federal Emergency Management Agency and expenditures associated with the cleanup of major storm damage that occurred in October 2006, November 2014, November 2022, and December 2022. This fund also includes activities related to the County's COVID-19 pandemic response.
- Capital Projects Funds are subject to project budgets determined primarily by the bonding authorizations used to fund a particular project rather than annual budgetary appropriations. These budgets do not lapse at year-end; rather, they lapse upon termination of the project.
- Expenditures within the General, Special Revenue, Utilities Aggregation Enterprise, and the Debt Service funds may not legally exceed the amount appropriated for such accounts within a department. During the year, numerous supplementary appropriations were necessary.

Individual governmental fund comparisons of budgetary and actual data at the legal level of control established by the adopted budget (i.e., minimally the department and account level) are not presented in this report for those funds with annual appropriated budgets due to the excessive detail involved. However, a separate budgetary comparison report is available which contains this information. An electronic version of this report can be obtained by contacting the Erie County Office of the Comptroller.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded for budgetary control purposes to reserve that portion of the applicable appropriations, is employed in all County funds except the Enterprise Funds and the Custodial Fund. Outstanding encumbrances at year end, except for grant-related commitments that are not reported in the financial statements, are presented for GAAP reporting purposes as assignments of fund balances, and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year. Unencumbered appropriations lapse at fiscal year-end.

The County reports its budgetary status with the actual data including encumbrances as charges against budgeted appropriations. Following is a reconciliation of the budgetary basis (i.e. non-GAAP) and the GAAP basis operating results (dollars in thousands):

	<u>General Fund</u>	<u>Emergency Response Fund</u>
Net change in fund balance - GAAP basis	\$ 106,430	\$ 13,701
Less:		
Encumbrances at December 31, 2022	9,533	2,766
Plus:		
Encumbrances at January 1, 2022	<u>3,805</u>	<u>1,528</u>
Net change in fund balance - basis of budgeting	<u>\$ 100,702</u>	<u>\$ 12,463</u>

Budget columns presented in the accompanying financial statements reflect deficiencies of revenues and other financing sources over expenditures and other financing uses. These deficiencies are caused by the anticipated use of prior-year's fund balance, which had been assigned for 2022 expenditures through the budget process. When compared to the final budget, the County overspent on Culture and Recreation, \$3,473, due to higher than expected expenditures in youth development programs.

Commitments related directly to the Grants and the Community Development Special Revenue Funds in the amounts of \$21,051,002 and \$2,928,707, respectively, at December 31, 2022, are not reported on the GAAP financial statements. Budget appropriations are not made available for these commitments until grant revenues are recognized at the time of expenditure.

Deficit Net Position—The Governmental Activities reported a total net position deficit of approximately \$446,263,000 at December 31, 2022, resulting primarily from the effect of GASB required recognition of the obligation for other postemployment benefits annually and also from ETASC's net position deficit of \$312,368,954, which is caused by its recognition of bonds payable with no offsetting capital assets.

The College Proprietary Fund reported a total net position deficit of \$177,478,198 that primarily represents the effect of GASB required recognition of other post-employment benefits annually. It is anticipated that this trend will continue.

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Primary Government, Fiduciary Fund and Library Component Unit

Available cash of the County is deposited and invested in accordance with the County's own written investment guidelines which have been established by the Comptroller's Office, approved by the County Legislature and are in compliance with provisions of applicable State statutes. The ECFSA does not have a formal investment policy.

Custodial Fund bank accounts are maintained at financial institutions where monies of the County's other funds are also on deposit. In addition, the Library does not maintain a separate bank account; instead, it participates in the pooled cash of the County. The banks calculate and report FDIC coverage and collateral requirements for the County's Custodial Fund, the County's other funds and Library together, separately from that of the College.

Interest Rate Risk—As a means of limiting its exposure to fair value losses arising from fluctuating interest rates, it is the County's policy to generally limit investments to municipal bonds or investments of 180 days or less.

Credit Risk—In compliance with New York State law, it is the County's policy to limit its investments to obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America, obligations of the State of New York, time deposit accounts and certificates of deposit issued by a bank or trust company located in and authorized to do business in New York State and certain joint or cooperative investment programs.

Custodial Credit Risk—For investments, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. A margin of 2% or higher of the fair value of purchased securities in repurchase transactions must be maintained and the securities must be held by a third party in the County's name. For deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. Collateral is required for deposits and certificates of deposit in an amount equal to or greater than the amount of all deposits not covered by federal deposit insurance. Banks can satisfy collateral requirements by furnishing a letter of credit, a surety bond, or by pledging eligible securities as specified in Section 10 of New York State General Municipal Law. New York State Education Law does not require collateral for college checking accounts, unless the Board of Trustees deems it necessary. If collateral is required, it can be in the form of a surety bond or obligations of the United States, the State, or any municipality or college of the State. Certain balances for accounts held in trust are collateralized by the State of New York.

Concentration of Credit Risk—To promote competition in rates and service cost, and to limit the risk of institutional failure, County deposits and investments are placed with multiple institutions. The general rule is not to place more than \$200,000,000 or 50% of the County’s total investment portfolio, whichever is less, in overnight investments with any one institution.

Deposits—The County deposits cash into a number of bank accounts. Monies must be deposited in demand, time or NOW accounts or certificates of deposit issued by FDIC-insured commercial banks or trust companies located within the State. Some of the County’s accounts are required by various statutes and borrowing restrictions for specific funds, while the remainder are used for County operating cash and for investment purposes.

As of December 31, 2022 (August 31, 2022 as to the College), the bank deposits of the primary government, Library, and Custodial Fund were either FDIC insured or fully collateralized with securities held by the pledging financial institution’s agent in the County’s name.

Cash and Cash Equivalents—All highly liquid investments with an original maturity date of three months or less are considered to be cash equivalents. Existing policies require that any underlying securities for repurchase transactions must be only federal obligations. Such obligations are explicitly guaranteed by the U.S. Government and therefore not considered to have credit risk. At December 31, 2022, the fair value of money market accounts was \$50,117,985 which were fully collateralized with securities held by the pledging financial institution’s agent in the County’s name. In addition, ECFSa has \$25,293,879 in money market accounts at December 31, 2022.

Investments—All investments are carried at fair value and are held by a third party in the County’s or ETASC’s name. Investments for the primary government at year-end are shown below (dollars in thousands):

	Fair Value
Municipal bonds	\$ 200
Corporate commercial paper	<u>19,286</u>
Total investments	<u>\$ 19,486</u>

The County’s investment in municipal bonds at December 31, 2022 consists of \$200,000 of Gulf Coast Waste Disposal Authority of Texas revenue bonds maturing September 1, 2025 that were rated Aaa by Moody’s.

ETASC’s investment in corporate commercial paper at December 31, 2022 consisted of \$19,285,458 of General Electric Capital Corporation Commercial Paper which was rated P-1 by Moody’s.

Fair Value Measurements—The County has adopted GASB Statement No. 72, *Fair Value Measurement and Application*. This guidance requires entities to expand their fair value disclosures by determining major categories of debt and equity securities within the fair value hierarchy on the basis of the nature and risk of the investment. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Management utilizes valuation techniques that maximize the use of observable inputs (Level 1 and 2) and minimize the use of unobservable inputs (Level 3) within the fair value hierarchy established by GASB. Assets and liabilities carried at fair value are required to be classified and disclosed in one of the following three categories:

- Level 1 - Valuations based on quoted prices in active markets for identical assets that the County has the ability to access.

- Level 2 - Valuations based on quoted prices in active markets for similar assets, quoted prices in markets that are not active or for which all significant inputs are observable, directly or indirectly.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. These are generally company generated inputs and are not market-based inputs. The County has no Level 3 assets.

The primary government has the following fair value measurements as of December 31, 2022:

Description	Level 1	Level 2	Level 3	Total
Debt Securities:				
Municipal bonds	\$ 200	\$ -	\$ -	\$ 200
Corporate commercial paper	19,286	-	-	19,286
Total	<u>\$ 19,486</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,486</u>

Erie County Medical Center Corporation (“ECMCC”)

The ECMCC maintains various accounts for depositing, disbursing and investing its funds. The ECMCC’s investments are made in accordance with State regulations and its investment guidelines.

Cash and Cash Equivalents—Include cash on hand and monies deposited in checking and money market accounts. Excluding assets whose use is limited, cash and cash equivalents total \$46,805,000 as of December 31, 2022.

Interest Rate Risk—Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. ECMCC’s cash equivalent securities are limited to maturities of no greater than eighteen months; short-term fixed income securities are limited to maturities of no greater than five years; and long-term fixed income securities are limited to maturities to no more than ten years. Substantially all of ECMCC’s investments and assets whose use is limited have stated maturities of less than one year.

Restrict Cash and Cash Equivalents and Investments—All investments are carried at fair value, and are categorized as insured or uninsured, and collateralized by securities held by the pledging financial institution in the ECMCC’s name. The ECMCC’s investments and restricted cash and cash equivalents as of December 31, 2022 are shown below (dollars in thousands).

	Fair Value
Money market mutual funds, bank accounts and deposits	\$ 96,213
Marketable equity securities	24,976
Corporate bonds	<u>43,580</u>
Total investments and restricted cash and cash equivalents	
ECMCC primary government	164,769
Foundation Component Unit	2,298
RHEC Component Unit	1,092
Physician Endowment Component Unit	<u>9,576</u>
Total ECMCC investments and restricted cash and cash equivalents	<u>\$ 177,735</u>
	Fair Value
Investments - unrestricted	\$ 8,345
Restricted cash and cash equivalents	<u>169,390</u>
Total	<u>\$ 177,735</u>

Fair Value Measurements—ECMCC primary government has the following fair value measurements as of December 31, 2022 (dollars in thousands):

Description	Level 1	Level 2	Level 3	Total
Investments and assets whose use is limited:				
Cash and cash equivalents	\$ 96,213	\$ -	\$ -	\$ 96,213
Marketable equity securities:				
Small/Mid-cap value equities	4,117	-	-	4,117
Growth equities	1,459	-	-	1,459
Core equities	9,070	-	-	9,070
International equities	10,330	-	-	10,330
Short-term fixed income	43,580	-	-	43,580
Total	<u>\$ 164,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 164,769</u>

Other Component Units

Erie Community College Foundation, Inc.—The Foundation considers all money market mutual funds and highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

Financial instruments that potentially subject the Foundation to off-balance-sheet credit risk include cash and cash equivalents on deposit with financial institutions which were insured for up to \$250,000 by the U.S. Federal Deposit Insurance Corporation. At various times throughout the year ended August 31, 2022 the Foundation's balance in its accounts has exceeded these federally insured limits.

The Foundation uses appropriate valuation techniques based on the available inputs to measure the fair value of its investments. The Foundation's investments are reported at fair value as follows (dollars in thousands):

	Fair Value	Quoted Market Prices (Level 1)
Fixed income	\$ 2,291	\$ 2,291
Equity securities	3,224	3,224
	<u>\$ 5,515</u>	<u>\$ 5,515</u>

Auxiliary Services Corporation of Erie Community College, Inc.—For the year ended August 31, 2022 the Corporation reported cash, cash equivalents and investments of \$1,617,422 and receivables of \$41,750, as financial assets available for general expenditure that are, without donor or other restrictions limiting their use, within one year of the balance sheet date. The Corporation ensures funds are invested to provide high levels of safety and liquidity, while also looking to maximize yield in a conservative manner.

3. RESTRICTED CASH AND CASH EQUIVALENTS

Primary Government

Restricted Cash and Cash Equivalents—At December 31, 2022 the County reported the following restricted cash and cash equivalents (dollars in thousands):

	<u>Fair Value</u>
Handicapped parking	\$ 155
Emergency response	76,394
ECFSA General Fund	974
Grants	64
Opioid prevention	7,223
Debt service	26,003
Capital expenditures	251,693
ErieNet LDC	<u>34,000</u>
Total	<u>\$ 396,506</u>

Erie County Medical Center Corporation (“ECMCC”)

Assets Whose Use is Limited—Assets whose use is limited are reported as restricted cash and cash equivalents at December 31, 2022 and consist of the following (dollars in thousands), as shown below.

	<u>Fair Value</u>
Patient and resident's trust cash	\$ 362
Restricted for debt service principal and interest	12,185
Medical and dental staff funds	1,004
Designated for retiree health obligations	24,831
Designated for self insurance	31,164
Designated for long-term investment	9,099
Designated for DSRIP program	68,534
NYS voluntary defined contribution plan escrow	129
Restricted for self-insured workers compensation collateral	5,272
Foundation Component Unit	2,298
Physicians Endowment Component Unit	9,576
Restricted - insured workers' compensation collateral	<u>4,936</u>
Total	<u>\$ 169,390</u>

4. PROPERTY TAXES

The Countywide property tax is levied by the County upon the taxable real property in the towns and cities in the County in late December of each year at the last meeting of the County Legislature and becomes a lien on the next succeeding January 1. Such taxes are collected by the respective collection officers in each town and in the cities of Lackawanna and Tonawanda until the date established for return of the tax rolls to the County, which can be no later than September 15. For the City of Buffalo, the County collects these taxes from the lien date.

With respect to the cities, the County taxes are due by February 15, and penalties are imposed as follows: 1.5% prior to March 1; 3% prior to March 16; 4.5% prior to April 1; 6% prior to April 16; 7.5% prior to May 1; and 1.5% additional each month thereafter. The cities each levy and collect their city taxes, and the County is not responsible for any unpaid city taxes. The County is responsible only for uncollected County taxes levied in such cities.

With respect to the towns, the countywide property tax is levied by the County together with town property taxes, which include special district, fire district, and highway taxes. In towns of the first class, taxes are due without penalties by February 15. Penalties are 1.5% prior to March 1; 3% prior to March 16; 4.5% prior to April 2; 6% prior to April 16; 7.5% prior to May 1; and 1.5% additional for each month thereafter. In towns of the second class, taxes are due without penalty within ten days after receipt of the tax roll by the respective collection agency. Penalties are 1.5% prior to March 16 unless waived; 7.5% prior to May 1; and 1.5% additional each month thereafter. All towns first retain their share of taxes from collections and remit the balance to the County. The County is responsible for uncollected taxes of all subordinate jurisdictions, except for the three cities.

The County levies taxes for most school districts throughout the County and is responsible for uncollected school district taxes outside the cities of Buffalo, Lackawanna, and Tonawanda.

Additionally, at the option of villages within the County, the County may also be responsible for uncollected village taxes.

Constitutional Tax Limit—The amount that may be raised by the countywide tax levy on real estate in any fiscal year (for purposes other than debt service on County indebtedness) is limited to one and one-half per centum (subject to increase up to two per centum by resolution of the County Legislature) of the five-year average full valuation of taxable real estate of the County, per New York State statutes. On November 13, 1978, a local law became effective which limits the maximum amount of real estate taxes which can be levied other than for debt service to one per centum of such average full valuation of all the taxable real estate within the County.

The County constitutional tax limit (per New York State statutes) for the fiscal year ended December 31, 2022 is computed as follows (dollars in thousands):

Five-year average full valuation of taxable real estate (2018-2022)	<u>\$ 70,898,164</u>
Tax limit @ 1.5%	\$ 1,063,472
Statutory additions	<u>60,777</u>
Total taxing power	1,124,249
Total levy	<u>(367,397)</u>
Tax margin	<u>\$ 756,852</u>

5. RECEIVABLES

All major revenues of the County's governmental funds are considered "susceptible to accrual" based on the 60 day rule under the modified accrual basis. These include property tax, sales tax, state and federal aid, and various grant program revenues. The proprietary funds record revenues using the accrual basis of accounting.

Major revenues accrued by the County in the various governmental fund types at December 31, 2022 include real property taxes, interest, penalties and liens of \$139,686,481, net of an allowance for estimated uncollectible property taxes of \$57,947,585; sales and use taxes in the amount of \$68,287,304; state and federal assistance for social services of \$123,909,419; other state and federal aid (including grants) approximating \$113,845,000; a lease receivable of \$276,962; and other receivables of \$45,071,000.

Receivables at year-end of the County's major individual funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are outlined below (dollars in thousands).

Receivables and due from other governments - Governmental Funds	General Fund	Emergency Response Fund	ECFSA General	Other Governmental Funds	Total
Real property taxes, interest, penalties and liens	\$ 139,649	\$ -	\$ -	\$ 38	\$ 139,687
Sales and use tax	-	-	68,287	-	68,287
Federal and state assistance for social services programs	123,909	-	-	-	123,909
Other federal and state aid	69,701	5	-	44,139	113,845
Leases	277	-	-	-	277
Other	12,930	-	-	32,141	45,071
Gross receivables	346,466	5	68,287	76,318	491,076
Less: allowances for uncollectibles	57,948	-	-	-	57,948
Total receivables	<u>\$ 288,518</u>	<u>\$ 5</u>	<u>\$ 68,287</u>	<u>\$ 76,318</u>	<u>\$ 433,128</u>

Receivables and due from other governments - Proprietary Funds	College (8/31/22)	ILDC	Utilities Aggregation Fund	Total
Accounts receivable	\$ 20,447	\$ -	\$ -	\$ 20,447
Grant receivable	-	10,212	-	10,212
Leases	1,304	-	-	1,304
Other	-	120	3,583	3,703
Gross receivables	21,751	10,332	3,583	35,666
Less: allowances for uncollectibles	15,345	-	-	15,345
Total receivables	<u>\$ 6,406</u>	<u>\$ 10,332</u>	<u>\$ 3,583</u>	<u>\$ 20,321</u>

All Governmental and Proprietary Fund receivables are expected to be collected within one year.

Lease Receivable—The County recognizes the lease of land, buildings, and office space to third parties. During the year ended December 31, 2022, the County's governmental activities recognized \$245,482 in lease revenue and \$12,810 in interest revenue, whereas the County's business-type activities recognized \$221,387 in lease revenue and \$49,350 in interest revenue, during the current fiscal year related to these leases. As of December 31, 2022, the County's receivable for lease payments was \$276,962 as to the governmental activities and \$1,304,309 as to the business-type activities. Also, the County has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources reported within the governmental activities and the business-type activities was \$284,734 and \$1,304,309, respectively.

6. CAPITAL ASSETS

Primary Government

Governmental activities—Capital asset activity for governmental activities for fiscal year ended December 31, 2022 follows (dollars in thousands):

	Balance 1/1/2022 (as restated)	Increases	Decreases	Balance 12/31/2022
Capital assets, not being depreciated/amortized:				
Land	\$ 34,951	\$ 18	\$ -	\$ 34,969
Construction in progress	54,550	58,124	(43,950)	68,724
Total capital assets not being depreciated/amortized	89,501	58,142	(43,950)	103,693
Capital assets, being depreciated/amortized:				
Buildings and improvements	733,160	11,967	-	745,127
Transportation network	781,764	22,043	-	803,807
Sewer network	341,833	5,965	-	347,798
Improvements other than buildings	44,787	3,022	-	47,809
Machinery and equipment	123,633	11,561	(2,912)	132,282
Right-to-use leased assets	31,650	5,510	-	37,160
Total capital assets being depreciated/amortized	2,056,827	60,068	(2,912)	2,113,983
Less accumulated depreciation/amortization for:				
Buildings and improvements	(476,550)	(21,548)	-	(498,098)
Transportation network	(553,944)	(34,188)	-	(588,132)
Sewer network	(136,661)	(6,472)	-	(143,133)
Improvements other than buildings	(28,404)	(1,600)	-	(30,004)
Machinery and equipment	(115,133)	(2,940)	2,803	(115,270)
Right-to-use leased assets	(5,654)	(6,784)	-	(12,438)
Total accumulated depreciation/amortization	(1,316,346)	(73,532)	2,803	(1,387,075)
Total capital assets, being depreciated/amortized, net	740,481	(13,464)	(109)	726,908
Governmental activities capital assets, net	\$ 829,982	\$ 44,678	\$ (44,059)	\$ 830,601

Depreciation/amortization expense was charged to functions and programs of the governmental activities as follows:

Governmental activities:	
General government support	\$ 21,054
Public safety	4,410
Health	216
Transportation	34,806
Economic assistance and opportunity	2,323
Culture and recreation	1,720
Education	1,116
Home and community services	7,887
Total depreciation/amortization expense—governmental activities	\$ 73,532

Business-type activities—Capital asset activity for business-type activities for fiscal year ended December 31, 2022 follows (dollars in thousands):

	Beginning Balance*	Increases	Decreases	Ending Balance*
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 741	\$ 63	\$ -	\$ 804
Total capital assets, not being depreciated/amortized	<u>741</u>	<u>63</u>	<u>-</u>	<u>804</u>
Capital assets, being depreciated/amortized:				
Building improvements	34,979	-	-	34,979
Land improvements	64	-	-	64
Equipment	21,951	765	(893)	21,823
Library collections	1,806	62	(216)	1,652
Right-to-use leased assets	-	515	-	515
Total capital assets, being depreciated/amortized	<u>58,800</u>	<u>1,342</u>	<u>(1,109)</u>	<u>59,033</u>
Less accumulated depreciation/amortization for:				
Building improvements	(13,803)	(1,749)	-	(15,552)
Land improvements	(52)	(3)	-	(55)
Equipment	(18,318)	(802)	893	(18,227)
Library collections	(1,040)	(162)	204	(998)
Right-to-use leased assets	-	(309)	-	(309)
Total accumulated depreciation/amortization	<u>(33,213)</u>	<u>(3,025)</u>	<u>1,097</u>	<u>(35,141)</u>
Total capital assets, being depreciated/amortized, net	<u>25,587</u>	<u>(1,683)</u>	<u>(12)</u>	<u>23,892</u>
Total capital assets, net	<u>\$ 26,328</u>	<u>\$ (1,620)</u>	<u>\$ (12)</u>	<u>\$ 24,696</u>

*Capital asset table above presented for the period of September 1, 2021 through August 31, 2022 for the College.

Depreciation expense for the College was \$3,025,972 for the year ended August 31, 2022. The Utilities Aggregation Fund and the ErieNet LDC do not have capital assets.

ILDC's land held for resale is recorded at net realizable value based on the assessment of the fair value of each project. The net realizable value as of December 31, 2022 amounted to \$6,867,153. The ILDC does not have capital assets.

Discretely Presented Component Units

The Buffalo and Erie County Public Library (the “Library”)

Capital asset activity for the Library for the year ended December 31, 2022 was as follows (dollars in thousands):

	Balance 1/1/2022	Increases	Decreases	Balance 12/31/2022
Capital assets, not being depreciated:				
Rare book collection	\$ 11,764	\$ 14	\$ -	\$ 11,778
Capital assets, being depreciated:				
Machinery, equipment, and library materials	54,619	1,983	(1,135)	55,467
Less accumulated depreciation for:				
Machinery, equipment, and library materials	(48,913)	(2,526)	971	(50,468)
Total capital assets, being depreciated, net	5,706	(543)	(164)	4,999
Total capital assets, net	\$ 17,470	\$ (529)	\$ (164)	\$ 16,777

Depreciation expense for the Library was \$2,525,937 for the year ended December 31, 2022.

Erie County Medical Center Corporation (“ECMCC”)

Capital asset activity for ECMCC for the year ended December 31, 2022 was as follows (dollars in thousands):

	Balance 1/1/2022 (as restated)	Increases	Decreases	Balance 12/31/2022
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 19,699	\$ 8,216	\$ (6,272)	\$ 21,643
Total capital assets not being depreciated/amortized	19,699	8,216	(6,272)	21,643
Capital assets, being depreciated/amortized:				
Land and land improvements	41,624	525	(983)	41,166
Buildings and improvements	547,713	4,763	(7,384)	545,092
Fixed/major moveable equipment	160,780	5,632	(14,889)	151,523
Right-to-use leased assets	33,755	8,930	-	42,685
Total capital assets being depreciated/amortized	783,872	19,850	(23,256)	780,466
Less accumulated depreciation/amortization	(454,754)	(41,566)	22,382	(473,938)
Total capital assets, being depreciated/amortized, net	329,118	(21,716)	(874)	306,528
Total capital assets, net	\$ 348,817	\$ (13,500)	\$ (7,146)	\$ 328,171

Depreciation/amortization expense for ECMCC was \$41,566,000 for the year ended December 31, 2022.

7. PAYABLES, ACCRUED LIABILITIES AND DUE TO OTHER GOVERNMENTS

Accounts payable, accrued liabilities, and due to other governments reported by the governmental funds and proprietary funds at December 31, 2022, were as follows (dollars in thousands):

Accounts and retained percentage payable, accrued liabilities and due to other governments - Governmental Funds	General Fund	Emergency Response Fund	ECFSA General	Other Nonmajor Governmental Funds	Total
Accounts payable	\$ 22,220	\$ 2,903	\$ 53	\$ 21,827	\$ 47,003
Other governments	28,763	52	-	24	28,839
Health and social service programs and agencies	71,919	3,577	-	3,264	78,760
Retained percentages	-	-	-	2,215	2,215
Salaries & fringes	13,014	2	-	2,431	15,447
Other	30,096	2,427	-	-	32,523
Total	<u>\$ 166,012</u>	<u>\$ 8,961</u>	<u>\$ 53</u>	<u>\$ 29,761</u>	<u>\$ 204,787</u>

Accounts payable, accrued liabilities due to other governments and fringe benefits payable - current Proprietary Funds	College (8/31/22)	ILDC	Utilities Aggregation Fund	Total
Accounts payable	\$ 866	\$ 824	\$ 2,493	\$ 4,183
Fringes benefits payable - current	3,251	-	-	3,251
Other	7,334	180	83	7,597
Total	<u>\$ 11,451</u>	<u>\$ 1,004</u>	<u>\$ 2,576</u>	<u>\$ 15,031</u>

8. PENSION PLANS

All tables within this note present dollars in thousands.

Plan Descriptions and Benefits Provided

New York State and Local Employees' Retirement System ("ERS")— The County participates in the ERS, a cost-sharing multiple-employer retirement system (the "System"). ERS provides retirement benefits, as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law ("NYSRSSL"). As set forth in the NYSRSSL, the Comptroller of the State of New York ("Comptroller") serves as sole trustee and administrative head of the ERS. System benefits are established under the provisions of the NYSRSSL. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory, except for those employees who joined the ERS after July 27, 1976 who contribute 3% of their salary for the first ten years of membership and employees who joined on or after January 1, 2010, who generally contribute 3.0% to 3.5% of their salary for their entire length of service. Those joining after April 1, 2012 (Tier 6) are required to contribute a percentage ranging from 3% to 6%, based on salary. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employer's contributions based on the salaries paid during the ERS's fiscal year ending March 31.

New York State Teachers' Retirement System ("TRS")—The County participates in the TRS, a cost-sharing multiple-employer retirement system (the "System"). TRS provides retirement benefits as well as death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the NYSRSSL. TRS is governed by a 10 member Board of Trustees. TRS benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors and administrators employed in New York State Public Schools and BOCES who elect to participate in TRS. Once a public employer elects to participate in TRS, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. Additional information regarding TRS may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSSTR Annual Comprehensive Financial Report which can be found on TRS's website at www.nystsr.org.

Pension Liabilities/(Assets), Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions—At December 31, 2021, the County reported the following liabilities/(asset) for its proportionate share of the net pension liability/(asset) for ERS and TRS (dollars in thousands), shown below. The net pension liability/(asset) was measured as of March 31, 2022 for ERS and as of June 30, 2022 for TRS. The total pension liability used to calculate the net pension liability/(asset) were determined by actuarial valuations as of April 1, 2021 and June 30, 2021, respectively, with update procedures used to roll forward the total net pension liability/(asset) to the measurement dates. The County's proportion of the net pension liability/(asset) were based on projections of the County's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the Systems in reports provided to the County and College. For ERS, the Library is under the County's plan. The County determined a percentage allocated to the Library for their portion of the County's net pension liability/(asset).

	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Measurement date	March 31, 2022	March 31, 2022	March 31, 2022	June 30, 2022
Net pension liability/(asset)	\$ (83,810)	\$ (6,951)	\$ (90,761)	\$ 1,791
County's portion of the Plan's total net pension liability	1.0252385%	0.085032%	1.110271%	0.093321%

For the year ended December 31, 2022, the County recognized ERS pension expense of \$2,087,723 and \$172,389 for governmental activities and business-type activities, respectively. The County recognized TRS pension expense of \$2,289,596 for business-type activities. The aggregate amount of pension expense for the primary government for ERS and TRS for the year ended December 31, 2022 was \$4,549,708. At December 31, 2022 and August 31, 2022 (as to the College), the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources as shown on the following page.

	Deferred Outflows of Resources			
	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Differences between expected and actual experiences	\$ 6,347	\$ 526	\$ 6,873	\$ 1,876
Changes in assumptions	139,869	11,601	151,470	3,474
Net difference between projected and actual earnings on pension plan investments	-	-	-	2,314
Changes in proportion and differences between the County's contributions and proportionate share of contributions	8,223	679	8,902	464
County contributions subsequent to the measurement date	<u>23,892</u>	<u>1,099</u>	<u>24,991</u>	<u>1,350</u>
Total	<u>\$ 178,331</u>	<u>\$ 13,905</u>	<u>\$ 192,236</u>	<u>\$ 9,478</u>

	Deferred Inflows of Resources			
	ERS			TRS
	Governmental Activities	Business-type Activities	Primary Government	Business-type Activities
Differences between expected and actual experiences	\$ 8,232	\$ 683	\$ 8,915	\$ 36
Changes in assumptions	2,360	196	2,556	721
Net difference between projected and actual earnings on pension plan investments	274,443	22,762	297,205	-
Changes in proportion and differences between the County's contributions and proportionate share of contributions	<u>11,837</u>	<u>980</u>	<u>12,817</u>	<u>238</u>
Total	<u>\$ 296,872</u>	<u>\$ 24,621</u>	<u>\$ 321,493</u>	<u>\$ 995</u>

The County's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023 and August 31, 2023 (as to the College).

Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as shown below.

Year Ending December 31, (*August 31,)	ERS			TRS
	Governmental Activities	Business-type Activities*	Primary Government	Business-type Activities*
2023	\$ (22,637)	\$ (1,878)	\$ (24,515)	\$ 1,372
2024	(32,052)	(2,659)	(34,711)	704
2025	(72,455)	(6,010)	(78,465)	(284)
2026	(15,289)	(1,268)	(16,557)	4,614
2027	-	-	-	655
Thereafter	-	-	-	72

Actuarial Assumptions—The total pension liability as of the measurement date was determined by using actuarial valuations as noted in the table below, with update procedures used to roll forward the total pension liability to the respective measurement dates. The actuarial valuations used the actuarial assumptions presented below:

	ERS	TRS
Measurement date	March 31, 2022	June 30, 2022
Actuarial valuation date	April 1, 2021	June 30, 2021
Interest rate	5.90%	6.95%
Salary scale	4.40%	1.95%-5.18%
Decrement tables	April 1, 2015- March 31, 2020	July 1, 2015- June 30, 2020
Inflation rate	2.7%	2.4%
Cost-of-living adjustment	1.4%	1.3%

For TRS, annuitant mortality rates are based on July 1, 2015 – June 30, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries Scale MP2021, applied on a generational basis. For ERS, annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020.

For TRS, the actuarial assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2015 – June 30, 2020. For ERS, the actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

The long-term rate of return on pension plan investments was determined using a building block method in which the best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized in the table on the following page.

Measurement date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
			June 30, 2022	March 31, 2022
Asset class:				
Domestic equities	33.0 %	32.0 %	6.5 %	3.3 %
International equities	16.0	15.0	7.2	5.9
Global equities	4.0	0.0	6.9	0.0
Private equity	8.0	10.0	9.9	6.5
Real estate	11.0	9.0	6.2	5.0
Absolute return strategies	0.0	4.0	0.0	3.8
Domestic fixed income securities	16.0	0.0	1.1	0.0
Global fixed income securities	2.0	0.0	0.6	0.0
High-yield fixed income securities	1.0	0.0	3.3	0.0
Opportunistic portfolio	0.0	3.0	0.0	4.1
Private debt	2.0	0.0	5.3	0.0
Real assets	0.0	3.0	2.4	5.6
Bonds and mortgages	6.0	23.0	3.3	0.0
Cash	1.0	1.0	(0.3)	(1.0)
Total	100.0 %	100.0 %		

Discount Rate—The discount rate used to calculate the total pension liability/(asset) was 6.95% for TRS and 5.90% for ERS. The projection of cash flows used to determine the discount rate assumes that the contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability/(asset).

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to the Discount Rate Assumption—The chart on the following page presents the County’s proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.95% for TRS and 5.90% for ERS, as well as what the County’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage-point lower (5.95% for TRS and 4.90% for ERS) or one percentage-point higher (7.95% for TRS and 6.90% for ERS) than the current assumption.

ERS	1% Decrease (4.90%)	Current Assumption (5.90%)	1% Increase (6.90%)
Governmental Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 215,726	\$ (83,810)	\$ (334,357)
Business-type Activities:			
Employer's proportionate share of the net pension liability/(asset)	\$ 17,892	\$ (6,951)	\$ (27,731)
Primary Government:			
Employer's proportionate share of the net pension liability/(asset)	\$ 233,618	\$ (90,761)	\$ (362,088)
TRS	1% Decrease (5.95%)	Current Assumption (6.95%)	1% Increase (7.95%)
Business-type Activities (College):			
Employer's proportionate share of the net pension liability/(asset)	\$ 16,511	\$ 1,791	\$ (10,589)

Pension Plan Fiduciary Net Position—The components of the current-year net pension liability/(asset) of the employers as of the respective valuation dates, were as follows:

	TRS	ERS
Valuation date	June 30, 2021	April 1, 2021
Employers' total pension liability	\$ 133,883,474	\$ 223,874,888
Plan fiduciary net position	131,964,582	232,049,476
Employers' net pension liability/(asset)	\$ 1,918,892	\$ (8,174,588)
System fiduciary net position as a percentage of total pension liability		
	98.6%	103.7%

Payables to the Pension Plan—For TRS, employer and employee contributions for the fiscal year ended August 31, 2022 are paid to the System in September, October and November 2022. Accrued retirement contributions as of August 31, 2022 represent employee and employer contributions for the fiscal year ended August 31, 2022 based on paid TRS wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. The College reports accrued retirement contributions as of August 31, 2022 of \$1,924,544.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends of March 31st. Accrued retirement contributions as of August 31, 2022 represent the projected employer contribution for the period of April 1, 2022 through August 31, 2022 based on paid ERS wages multiplied by the employer's contribution rate, by tier. The College reports accrued retirement contributions as of August 31, 2022 of \$1,124,224.

Defined Contribution Plan

Teachers' Insurance and Annuity Association – College Retirement Equities Fund

Plan Description—TIAA/CREF is a college Optional Retirement Program (“ORP”) and offers benefits through annuity contracts. The TIAA/CREF issues a publicly available financial report that contains financial statements and required supplementary information for the System. The Report may be obtained by writing to the Teachers' Insurance and Annuity Association – College Retirement Equities Fund, 730 Third Avenue, New York, New York, 10017.

Funding Policy—TIAA/CREF provides benefits through annuity contracts and provides retirement and death benefits to those employees who elected to participate in the ORP. Benefits are determined by the amount of individual accumulations and the retirement income option selected. All benefits generally vest after the completion of one year of service if the employee is retained thereafter. TIAA/CREF is contributory for employees who joined after July 27, 1976, who contribute 3 percent (3.0%) of their salary. For employees enrolled after July 27, 1992, the College contributes 8 percent (8.0%) of salary for the first seven years of employment and 10 percent (10.0%) of salary thereafter. For employees enrolled between July 27, 1976 and July 17, 1992, the College contributes 9 percent (9.0%) of the first \$16,500 in salary and 12 percent (12.0%) thereafter. Those joining after April 1, 2013 contribute a percentage ranging from 3 percent (3.0%) to 6 percent (6.0%), based on salary for their entire length of service. Employee contributions are deducted from their salaries and remitted on a current basis to TIAA/CREF.

The College's contributions to TIAA/CREF for the most recent three fiscal years are as follows:

<u>Year Ended August 31,</u>	<u>Employer Contributions</u>	<u>Employee Contributions</u>
2022	\$ 1,675,488	\$ 68,037
2021	1,456,391	59,140
2020	1,904,697	70,584

The College's contribution made to the TIAA/CREF was equal to 100 percent of the contributions required for each year.

9. OTHER POSTEMPLOYMENT BENEFITS (“OPEB”) OBLIGATION

All tables within this note present dollars in thousands.

Plan Description—The County provides continuation of medical insurance coverage to employees if they have been continuously employed by the County for the equivalent of at least five years at the time of retirement through a single employer defined benefit plan. The obligation of the County to contribute to the cost of these benefits has been established pursuant to legislative resolution and various collective bargaining agreements. The retiree and his or her beneficiaries receive this coverage for the life of the retiree. Healthcare benefits for non-union employees are similar to those of union employees. The retiree's share of premium costs in most instances range from 0% to 50% depending on the employee group, length of service and year of retirement.

Employees Covered by Benefit Terms—At January 1, 2022, the valuation date, the following employees were covered by the benefit terms:

	Governmental Activities	Business-type Activities
Active employees	4,131	635
Inactive employees or beneficiaries currently receiving benefit payments	3,734	474
Total	7,865	1,109

Under GASB Statement No. 75, the total OPEB liability represents the sum of expected future benefit payments which may be attributed to past service (or “earned”), discounted to the end of the fiscal year using the current discount rate. The total OPEB liability is analogous to the Unfunded Actuarial Accrued Liability (“UAAL”) under GASB Statement No. 45.

Total OPEB Liability—The County’s governmental activities and business-type activities total OPEB liabilities of \$1,131,782,282 and \$187,920,331, respectively, were measured as of December 31, 2021, and were determined by actuarial valuations as of January 1, 2022.

Actuarial Methods and Assumptions—Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the employer and the plan members) and on the historical pattern of cost sharing between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. Included coverages are “experience-rated” and annual premiums for experience-rated coverages were used as a proxy for claims costs with age adjustments for pre-65 and post-65 participants.

In the January 1, 2022 actuarial valuation, the liabilities were computed using the entry age normal actuarial cost method, over a level percent of pay was used. The actuarial assumptions utilized an inflation rate of 2.25%. The single discount rate changed from 2.00% effective January 1, 2020 to 1.84% effective December 31, 2021 which is based on the projected long-term earning rate of the assets expected to be available to pay benefits. Because the County does not currently segregate funding for these benefits, the rate selected is the expected return on the County’s assets. The expected rate of compensation increase was assumed to be 2.25%. The valuation assumes healthcare cost trends as follows: pre-65 medical, 7.00%; post-65 medical, 4.50% and prescription, 7.00%. Healthcare trends are reduced by decrements to reach a rate of 3.78% in 2075.

Medical Reimbursements—The County’s Medicare Part D prescription drug subsidy, which reduces the cost of retiree healthcare premiums, is accrued as revenue only in the current year. Projected subsidies for future years cannot be recognized as a reduction to the actuarial accrued liability.

Business-type activities— In the January 1, 2022 actuarial valuation, the entry age normal actuarial cost method, over a level percent of pay was used. The single discount rate changed from 2.00% effective January 1, 2021 to 1.84% effective December 31, 2021. The salary scale assumed to increase at 2.25% per year. The sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and healthy retirees, adjusted for mortality improvements with scale MP-2021 mortality improvement scale on a generational basis were used for mortality rates. In order to estimate the change in the cost of healthcare, the actuaries initial healthcare cost trend rate used is 7.00% while the

ultimate healthcare cost trend rate is 3.78%. An inflation rate of 2.25% was assumed for developing the rate of increase in healthcare costs.

Changes in the Total OPEB Liability—The following table presents the changes to the total OPEB liability during the fiscal year, by source:

	Total OPEB Liability		
	Governmental Activities	Business-type Activities*	Primary Government
Balance at December 31, 2021 (August 31, 2021*)	\$ 1,342,066	\$ 219,563	\$ 1,561,629
Changes for the year:			
Service cost	31,264	6,912	38,176
Interest	27,135	4,486	31,621
Changes of assumptions	25,201	9,457	34,658
Differences between expected and actual experience	(260,700)	(48,156)	(308,856)
Benefit payments	(33,184)	(4,342)	(37,526)
Net changes	(210,284)	(31,643)	(241,927)
Balance at December 31, 2022 (August 31, 2022*)	\$ 1,131,782	\$ 187,920	\$ 1,319,702

Sensitivity of the Total OPEB Liability to the Change in the Discount Rate and Healthcare Cost Trend Rate—The discount rate assumption can have an impact on the total OPEB liability. The following table presents the effect a 1% change in the discount rate assumption would have on the total OPEB liability:

	1% Decrease (0.84%)	Current Discount Rate (1.84%)	1% Increase (2.84%)
Governmental activities:			
Total OPEB liability	\$ 1,334,152	\$ 1,131,782	\$ 970,029
Business-type activities:			
Total OPEB liability	\$ 220,395	\$ 187,920	\$ 161,797
Primary Government:			
Total OPEB liability	\$ 1,554,547	\$ 1,319,702	\$ 1,131,826

Additionally, healthcare costs can be subject to considerable volatility over time. The following table presents the effect on the OPEB liability of a 1% change in the initial (7.00%)/ultimate (3.78%) healthcare cost trend rates.

	1% Decrease (6.0%/2.78%)	Healthcare Cost Trend Rates (7.0%/3.78%)	1% Increase (8.0%/4.78%)
Governmental activities:			
Total OPEB liability	\$ 956,658	\$ 1,131,782	\$ 1,357,182
Business-type activities:			
Total OPEB liability	\$ 159,701	\$ 187,920	\$ 223,762
Primary Government:			
Total OPEB liability	\$ 1,116,359	\$ 1,319,702	\$ 1,580,944

Funding Policy—Governmental activities—Authorization for the County to pay all, a portion, or none of retiree health insurance premiums was enacted by resolution of the Legislature or through union contracts, which are ratified by the Legislature. Retirees hired on or prior to August 7, 2014 with fifteen or more years' service and retire on or prior to December 31, 2022 will have 100% of their retiree health insurance premium paid by Erie County. Retirees hired on or prior to August 7, 2014 with less than fifteen years' service and retire on or prior to December 31, 2022 will pay an adjusted percentage based on years of service per the ratified contract. Retirees hired on or prior to August 7, 2014 and retire after January 1, 2022 will have 95% of their retiree health insurance paid by the County. The County has no contribution requirement for employees hired after August 7, 2014. The County currently pays for governmental activities post-employment health care benefits on pay-as-you-go basis, primarily from the General Fund (81%). The remainder is allocated to Emergency Response, Road, Sewer, E-911, Grants, Community Development, and Pharmaceutical Settlements Litigation Special Revenue Funds. These financial statements assume that pay-as-you-go funding will continue. The County contributed \$33,183,540 for the year ended December 31, 2022 and recognized an OPEB expense of \$13,243,573.

Funding Policy—Business-type activities—Authorization for the College to pay a portion, or all, of retiree health insurance premiums was enacted by resolution of the Board of Trustees or through union contracts, which are ratified by the Board. Retirees responsible for a portion of their health insurance premiums pay based on one of two scenarios. Employees who retired prior to January 1, 2003, pay approximately 50% of health insurance costs while the College pays the remainder. Individuals who retired on or after January 1, 2003 pay between 0% and 25% of premiums based on the amount of sick leave the retiree has banked as of their retirement date. The remainder of the retirees make no contribution and the College pays 100% of premiums. The College recognizes the cost of providing these benefits by expensing the annual insurance premiums when invoiced by the County or by the health insurance provider. The College contributed \$4,341,962 for the year ended August 31, 2022 and recognized an OPEB expense of \$2,855,788.

The aggregate amount of OPEB expense for the primary government for the year ended December 31, 2022 (August 31, 2022 to the College) was \$16,099,361.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB—The County reports deferred outflows of resources and deferred inflows of resources due to differences during the measurement period between the employer's contributions and its proportionate share of the total of certain contributions from employers included in the collective total OPEB liability. The table below presents the County's deferred outflows of resources and deferred inflows of resources for governmental activities and business-type activities at December 31, 2022 and August 31, 2022, respectively.

	Deferred Outflows of Resources			Deferred Inflows of Resources		
	Governmental Activities	Business-type Activities	Primary Government	Governmental Activities	Business-type Activities	Primary Government
Differences between expected and actual experience	\$ 1,615	\$ 814	\$ 2,429	\$ 387,134	\$ 70,344	\$ 457,478
Changes of assumptions	233,793	43,216	277,009	57,979	8,577	66,556
Benefit payments subsequent to the measurement date	33,690	3,309	36,999	-	-	-
Total	<u>\$ 269,098</u>	<u>\$ 47,339</u>	<u>\$ 316,437</u>	<u>\$ 445,113</u>	<u>\$ 78,921</u>	<u>\$ 524,034</u>

County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2023 and August 31, 2023 for governmental and business-type activities, respectively. Other amounts reported as deferred outflows and deferred inflows of related to OPEB will be recognized in OPEB expense as follows:

Year ending December 31, (*August 31)	Governmental Activities	Business-type Activities*	Primary Government
2023	\$ (45,155)	\$ (8,542)	\$ (53,697)
2024	(62,161)	(8,835)	(70,996)
2025	(40,926)	(7,257)	(48,183)
2026	(13,429)	(2,294)	(15,723)
2027	(21,991)	(4,133)	(26,124)
Thereafter	(26,043)	(3,830)	(29,873)

10. CONSTRUCTION AND OTHER COMMITMENTS

Construction Commitments—The County has a number of active construction projects at December 31, 2022. The amounts spent to date and remaining commitments (encumbrances) presented by major project groupings are as follows (dollars in thousands):

Capital Projects Fund	Spent-to-date	Construction Commitments
General Government Buildings, Equipment, and Improvements	\$ 105	\$ 15,486
Highways, Roads, Bridges and Equipment	43	8,111
Sewers, Facilities, Equipment	396	15,530
Special Capital Projects	55	5,457
Total	<u>\$ 599</u>	<u>\$ 44,584</u>

11. RISK MANAGEMENT

Insurance—The County assumes the liability for most risk including, but not limited to, property damage, personal injury liability, medical malpractice, and workers' compensation. Asserted and incurred but not reported judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Such recording is consistent with the requirements of GAAP. Governmental fund type estimated current contingent loss liabilities for property damage, personal injury liability, medical malpractice, and workers' compensation are reported within governmental activities in the government-wide financial statements.

Loss contingency liabilities arising from operations of the College are recorded in accordance with GASB by the County and are reported in full within governmental activities in the government-wide financial statements and in the General Fund when payment is due. They are only recognized as a College liability when invoiced from the County.

Self-Insurance Programs—The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; business interruption; errors or omissions; injuries to employees; and natural disasters. The County assumes the liability for risks relating to property damage, personal injury liability, medical malpractice and workers' compensation. The County has also elected to purchase some minor policies from commercial insurers to provide for items such as comprehensive crime and boiler/machinery coverage, as well as protection of valuable papers and records; settled claims have not exceeded commercial coverage in any of the past three fiscal years.

Judgments and claims are recognized as liabilities in the government-wide financial statements when it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated. These liabilities include an estimate of claims that have been incurred but not reported, and the effects of both specific, incremental claims adjustment expenditures/expenses and estimated recoveries on unsettled claims, if any. Judgments and claims reportable as part of the County's governmental type fund activities are recognized as expenditures and liabilities in the General Fund when payment is due.

The County Attorney is responsible for analyzing the County's judgments and claims and providing an opinion regarding the County's ability to cover its liabilities in the self-insurance programs. Based on this analysis, judgments and claims of \$50,888,192 were recorded as governmental activities long-term liabilities at December 31, 2022.

In addition, the County has claims in the range of \$647,500 to \$230,194,000 for which there is a reasonable possibility of a future loss. No accrual has been recorded for such possible losses as of December 31, 2022.

The amounts and classifications of the judgments and claims noted above are based upon information and opinions from the County Attorney.

The changes since December 31, 2019 in the County's judgment and claims liability for risk financing activities were as follows (dollars in thousands):

Year Ended December 31,	Liability, Beginning of Year	Claims and Adjustments	Claim Payments	Liability, End of Year
2022	\$ 48,814	\$ 11,963	\$ 9,889	\$ 50,888
2021	51,268	5,923	8,377	48,814
2020	52,576	7,640	8,948	51,268

Erie County Medical Center Corporation ("ECMCC")

Losses from asserted and unasserted claims identified under ECMCC's incident reporting system are accrued based on actuarial estimates that incorporate ECMCC's past experience, the nature of each claim or incident, relevant trend factors, and estimated recoveries on unsettled claims. Approximately \$30,975,000 has been accrued at December 31, 2022, discounted at 2.00% and included as liabilities in the accompanying statement of net position. ECMCC has recorded liabilities of approximately \$27,264,000 for workers' compensation related exposure, discounted at 1.75%. Effective April 1, 2016, ECMCC became self-insured for workers' compensation through a combination of self-insurance and a high-deductible plan.

12. LEASE LIABILITY

Lease Liability—The County is a lessee for a noncancellable leases of buildings, vehicles, and parking space. The County recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The County recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rates charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease terms include the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-to-use asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

During the years ended December 31, 2018, 2020, 2021, and 2022, the County's governmental activities entered into long-term, lease agreements as the lessee for the acquisition and use of various buildings and vehicles. As a result of the implementation of the GASB Statement No. 87, *Leases*, the County reports these as lease liabilities. As of December 31, 2022, the value of the lease liabilities was \$25,597,401 in governmental funds. The County is required to make annual principal and interest payments ranging from \$53,330 to \$3,379,683. The leases have interest rates ranging from 3.12% to 4.15%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$37,160,000 and had accumulated amortization of \$12,438,000 for governmental activities.

During the year ended August 31, 2019, the County's business-type activities, (the "College"), entered into a long-term, lease agreement as the lessee for the use of parking space. As a result of the implementation of the GASB Statement No. 87, *Leases*, the College now reports this as a lease liability. As of August 31, 2022, the value of the lease liability was \$207,515. The College is required to make eight monthly principal and interest payments of \$13,500 per year. The lease has an interest rate of 3.0%. The value of the right-to-use lease assets as of the end of the current fiscal year was \$515,424 and reported accumulated amortization of \$309,254.

The future principal and interest payments for governmental activities as of December 31, 2022, were as follows:

Fiscal Year Ending December 31,	Principal	Interest	Total
2023	\$ 6,394	\$ 766	\$ 7,160
2024	5,610	580	6,190
2025	4,919	414	5,333
2026	3,858	273	4,131
2027	2,569	133	2,702
Thereafter	2,247	38	2,285
Total	<u>\$ 25,597</u>	<u>\$ 2,204</u>	<u>\$ 27,801</u>

The future principal and interest payments for business-type activities as of August 31, 2022, were as follows:

Fiscal Year Ending August 31,	Principal	Interest	Total
2023	\$ 102	\$ 6	\$ 108
2024	105	3	108
Total	<u>\$ 207</u>	<u>\$ 9</u>	<u>\$ 216</u>

13. LONG-TERM DEBT

Bonded Indebtedness

Bonded indebtedness is reported in the government-wide financial statements.

On August 25, 2022, the County issued \$27,095,000 in Series 2022A, and \$1,095,000 in Series 2022B general obligation serial bonds, all of which were issued for governmental activities. The serial bonds were issued at a premium of \$4,826,920 and at an interest rate of 5.0 percent. Principal payments on the bonds begin September 15, 2023 and will be fully matured on September 15, 2037.

Under current law, provision is made for contract creditors, including bondholders and noteholders of the County to enforce payments upon such contracts, if necessary, through court action, although the present statute limits interest on the amount adjudged due to creditors to nine per centum per annum from the date due to the date of payment.

The table as shown on the following page is a summary of bond transactions of the County for the year ended December 31, 2022 (dollars in thousands).

Purpose (1)	Issue	Maturity	Interest Rate (%)	Balance 1/1/22	Additions	Reductions	Balance 12/31/22	Due Within One Year
Governmental activities general obligation bonds issued by County of Erie:								
Capital	2001	2031	0.00	\$ 1,849	\$ -	\$ 175	\$ 1,674	\$ 177
Capital	2002	2031	1.362-5.082	520	-	50	470	50
Capital	2002	2024	2.521-6.181	920	-	295	625	305
Capital	2003	2032	1.031-4.901	615	-	50	565	50
Capital	2003	2029	2.549-6.259	4,255	-	860	3,395	900
Capital	2003	2032	0.00	185	-	16	169	16
Capital	2003	2032	0.790-4.612	560	-	45	515	45
Capital	2004	2033	1.02-4.63	540	-	40	500	40
Capital	2005	2034	1.56-4.57	1,637	-	105	1,532	110
Capital	2005	2033	2.06-4.13	1,285	-	90	1,195	95
Capital	2006	2035	0.00	965	-	70	895	70
Capital	2007	2036	3.63-4.79	3,020	-	170	2,850	175
Capital	2010	2023	2.00-4.99	32,255	-	16,050	16,205	16,205
Refunding	2010	2022	2.001-5.00	90	-	90	-	-
Capital	2011	2040	0.00	338	-	18	320	18
Capital	2011	2023	3.00-5.00	3,495	-	1,705	1,790	1,790
Capital	2012	2026	2.00-5.00	1,730	-	1,730	-	-
Capital	2012	2042	0.27-4.27	2,435	-	80	2,355	85
Capital	2013	2024	2.726-5.00	8,870	-	2,810	6,060	2,955
Refunding	2013	2024	2.00-5.00	545	-	230	315	235
Capital	2013	2023	2.00-5.00	8,580	-	4,185	4,395	4,395
Capital	2014	2026	2.00-5.00	9,385	-	2,180	7,205	2,285
Capital	2014	2028	2.00-5.00	735	-	170	565	180
Capital	2015	2028	5.00	18,295	-	2,245	16,050	2,360
Refunding	2015	2029	5.00	10,815	-	1,890	8,925	2,010
Capital	2015	2028	3.00-5.00	1,295	-	165	1,130	170
Capital	2016	2029	4.00-5.00	22,380	-	2,345	20,035	2,460
Capital	2016	2028	3.00-5.00	1,430	-	175	1,255	185
Capital	2017	2031	3.00-5.00	26,400	-	2,085	24,315	2,195
Refunding	2017	2036	2.00-5.00	9,430	-	475	8,955	495
Capital	2017	2047	0.96-3.98	13,570	-	430	13,140	435
Capital	2018	2031	4.00-5.00	32,785	-	2,605	30,180	2,735
Capital	2018	2033	3.375-5.00	1,960	-	125	1,835	130
Capital	2019	2034	4.00-5.00	37,584	-	2,620	34,964	2,750
Capital	2020	2035	4.00-5.00	34,785	-	2,150	32,635	2,260
Refunding	2020	2028	1.07-1.71	12,175	-	320	11,855	2,100
Refunding	2020	2039	3.23-4.60	3,590	-	155	3,435	155
Capital	2021	2036	3.00-5.00	24,395	-	1,565	22,830	1,315
Capital	2021	2036	3.00-5.00	1,260	-	70	1,190	60
Refunding	2021	2041	3.26-4.89	10,185	-	475	9,710	485
Capital	2022	2037	5.00	-	28,190	-	28,190	1,240
Total				347,143	28,190	51,109	324,224	53,721

(continued)

Purpose (1)	Issue	Maturity	Interest Rate (%)	Balance 1/1/22	Additions	Reductions	Balance 12/31/22	Due Within One Year
Totals brought forward				\$ 347,143	\$28,190	\$ 51,109	\$ 324,224	\$ 53,721
Less bonds issued by the County to ECFSA (mirror bonds):								
Capital	2010	2023	2.00-4.99	(32,255)	-	(16,050)	(16,205)	(16,205)
Refunding	2010	2022	2.00-5.00	(90)	-	(90)	-	-
Capital	2011	2023	3.00-5.00	(3,495)	-	(1,705)	(1,790)	(1,790)
Capital	2013	2024	2.726-5.00	(8,870)	-	(2,810)	(6,060)	(2,955)
Refunding	2013	2024	2.00-5.00	(545)	-	(230)	(315)	(235)
Capital	2013	2023	2.00-5.00	(8,580)	-	(4,185)	(4,395)	(4,395)
Capital	2017	2031	3.00-5.00	(26,400)	-	(2,085)	(24,315)	(2,195)
Refunding	2017	2036	0.96-3.98	(9,430)	-	(475)	(8,955)	(495)
Total mirror bonds				(89,665)	-	(27,630)	(62,035)	(28,270)
Net general obligation bonds issued by County of Erie				257,478	28,190	23,479	262,189	25,451
Governmental activities general obligation bonds issued by ECFSA:								
Refunding	2010	2022	2.0-5.0	90	-	90	-	-
Capital	2011	2023	2.00-5.00	3,495	-	1,705	1,790	1,790
Capital	2013	2024	2.00-5.00	8,870	-	2,810	6,060	2,955
Refunding	2013	2024	2.00-5.00	545	-	230	315	235
Capital	2013	2023	2.00-5.00	8,580	-	4,185	4,395	4,395
Refunding	2016	2023	3.375-5.00	30,295	-	14,765	15,530	15,530
Capital	2017	2031	4.00-5.00	26,400	-	2,085	24,315	2,195
Refunding	2017	2036	2.00-5.00	9,430	-	475	8,955	495
ECMCC facility	2017	2034	3.00-5.00	51,950	-	3,045	48,905	3,195
ECMCC capital	2017	2039	3.00-5.00	88,650	-	2,040	86,610	2,115
Total general obligation bonds issued by ECFSA				228,305	-	31,430	196,875	32,905
Total general obligation bonds issued by County of Erie and ECFSA				485,783	28,190	54,909	459,064	58,356
Premium on bond issuance				34,221	4,828	3,994	35,055	-
Premium on bond issuance-ECFSA				22,810	-	3,992	18,818	-
Total County of Erie and ECFSA bonds payable-net				542,814	33,018	62,895	512,937	58,356
Governmental activities bonds issued by ETASC(2):								
Tobacco refunding	2005	varies	varies	219,585	-	6,640	212,945	-
Subordinate CABs	2005	varies	varies	32,870	-	-	32,870	-
Subordinate CABs	2006	varies	varies	17,695	-	-	17,695	-
Subordinate CABs	2005-06	varies	varies	97,642	10,316	-	107,958	-
Subtotal bonds issued by ETASC				367,792	10,316	6,640	371,468	-
Discount on ETASC bonds				(8,992)	-	(100)	(8,892)	-
Discount on ETASC subordinate CABs				(1,380)	-	(21)	(1,359)	-
Total ETASC bonds payable-net				357,420	10,316	6,519	361,217	-
Governmental activities bonds payable for financial statement purposes				\$ 900,234	\$ 43,334	\$ 69,414	\$ 874,154	\$ 58,356

(concluded)

- (1) Capital—Capital acquisition and construction.
- (2) Refer to discussion following this table regarding outstanding ETASC bonds payable, including Capital Appreciation Bonds (CABs).

Erie Tobacco Asset Securitization Corporation (“ETASC”)

In 2000, ETASC issued \$246,325,000 of tobacco settlement asset-backed bonds, Series 2000, pursuant to an indenture dated as of September 1, 2000. The \$246,325,000 bond issuance was comprised of \$196,985,000 tobacco settlement asset-backed bonds Series 2000A and \$49,340,000 tobacco settlement asset-backed bonds Series 2000B. The net proceeds of the Series 2000 Bonds were used to purchase from the County all of the County’s right, title, and interest to TSR to which the County would otherwise be entitled under the MSA and the Decree.

On August 15, 2005, ETASC issued \$318,834,680 in tobacco settlement asset-backed bonds (Series 2005A, E) and capital appreciation bonds (“CABs”) (Series 2005B, C, D), with interest rates ranging from 5.00% to 6.75% to advance refund \$239,060,000 of outstanding Series 2000 Bonds bearing interest rates ranging from 5.0% to 6.5% originally issued in 2000. The net proceeds amounted to \$305,330,026 after original issuance discount and payment of \$13,504,654 for underwriting fees, insurance, and other issuance costs, of which \$267,037,311 was used to fund an irrevocable trust to defease the remaining original bonds. This transaction enabled ETASC to release \$55,231,709 in previously restricted funds for debt service and trapping events to the County.

On September 15, 2005, ETASC entered into an agreement with the bondholders to replace the government securities in the irrevocable trust with government agency securities. This transaction generated a savings of \$2,802,806. Of this, \$1,331,893 was transferred to the County and the remainder less costs of sale was paid to the bondholders for their concessions. During 2010, the bonds were called and the balance in the irrevocable trust was used to satisfy all required debt payments.

On January 5, 2006, ETASC issued \$17,694,720 of tobacco settlement asset-backed CABs, Series 2006A, with an interest rate of 7.65%. ETASC entered into a purchase and sale agreement with the County on January 1, 2006, in which ETASC purchased the County’s sole undivided beneficial interest in and to the trust established by ETASC pursuant to the Declaration and Agreement of Trust dated September 1, 2000, between ETASC and the Wilmington Trust Company (“2000 Residential Trust”), in its capacity as trustee, including the County’s right to receive residual tobacco settlement revenues payable to the County, as sole beneficiary of the 2000 Residential Trust. The net proceeds of \$15,638,465 were transferred to the County.

The payment of the Series 2005 and Series 2006 Bonds is dependent on the receipt of TSRs. The amount of TSRs actually collected is dependent on many factors, including cigarette consumption and the continued operations of the OPMs. Such bonds are secured by and payable solely from TSRs and investment earnings pledged under the Indenture and amounts established and held in accordance with the Indenture. ETASC has no financial assets other than the collections and reserves and amounts held in the other funds and accounts established under the Bond Indenture.

ETASC has covenanted to apply 100% of funds not used to make principal and interest payments, if any, in the turbo redemption account to the special mandatory redemption (“Turbo Redemption”) of the authorized denominations of the Series 2005 Bonds in order of maturity and then to the Series 2006A Bonds to the extent that there exists excess funds. Any such surplus revenues shall be applied on each distribution date beginning on June 1, 2006.

Interest on the Series 2005A and E bonds are payable each June 1 and December 1. The 2005 Series B, C, and D and the Series 2006A are subordinate CABs and accrete interest throughout the life of the bonds but is payable at redemption. Series 2005B, C, and D CABs were subject to redemption at the option of ETASC beginning in years after 2016. The Series 2006A CABs were subject to redemption after May 31, 2017. The Series 2005E bonds were fully redeemed in 2022.

Details of long-term debt as of December 31, 2022, are as follows:

Series 2005 \$318,834,680 Term Bond			
Issue Amount	Rate	Description	Final Redemption Date
\$ 30,330,000	5.000 %	Series 2005A Bonds due June 1, 2031, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2031
74,685,000	5.000	Series 2005A Bonds due June 1, 2038, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2038
111,480,000	5.000	Series 2005A Bonds due June 1, 2045, semiannual interest-only payments through maturity, may be redeemed at the option of ETASC at anytime in whole or in part after June 1, 2015.	June 1, 2045
9,163,000	5.750	Series 2005B Bonds due June 1, 2047, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2047
12,565,080	6.250	Series 2005C Bonds due June 1, 2050, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2050

(continued)

(concluded)

11,141,600	6.750	Series 2005D Bonds due June 1, 2055, semiannual interest accrued but not payable until maturity, subject to redemption at the option of ETASC anytime after June 1, 2015 at accreted values as follows: June 1, 2015 through May 31, 2016, 102%; June 1, 2016 through May 31, 2017, 101%; and June 1, 2017 and thereafter, 100%.	June 1, 2055
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69,470,000	6.000	Series 2005E Taxable Bonds due June 1, 2028, semiannual interest only payments through maturity, redeemed in June 2022.	June 1, 2028
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Series 2006
\$17,694,720
Term Bond

Issue Amount	Rate	Description	Final Redemption Date
\$ 17,694,720	7.650 %	Series 2006A Taxable Bonds due June 1, 2060, semiannual interest accrued but not payable until maturity, subordinate to the Series 2005A-E Bonds, subject to redemption at the option of ETASC anytime after June 1, 2016 at accreted values as follows: June 1, 2016 through May 31, 2017, 102%; June 1, 2017 through May 31, 2018, 101%; and June 1, 2018 and thereafter, 100%.	June 1, 2060

Changes in ETASC bonded indebtedness for the year ended December 31, 2022 were as follows (dollars in thousands):

	Tobacco Settlement Bonds	Subordinate CABs	Total
Bonds payable at January 1, 2022	\$ 219,585	\$ 148,207	\$ 367,792
Principal payments during 2022	(6,640)	-	(6,640)
Annual net interest accretion	-	10,316	10,316
Bonds payable at December 31, 2022	<u>\$ 212,945</u>	<u>\$ 158,523</u>	<u>\$ 371,468</u>

The ETASC's debt service requirements for the Series 2005A as of December 31, 2022 are as follows (dollars in thousands):

Year Ending December 31,	Principal	Interest	Total
2023	\$ -	\$ 10,647	\$ 10,647
2024	-	10,647	10,647
2025	-	10,647	10,647
2026	-	10,647	10,647
2027	-	10,647	10,647
2028-2032	26,780	52,568	79,348
2033-2037	-	46,541	46,541
2038-2042	74,685	33,471	108,156
2043-2045	111,480	19,509	130,989
Total	<u>\$ 212,945</u>	<u>\$ 205,324</u>	<u>\$ 418,269</u>

Amortization of Bond Premiums and Discounts—The total unamortized discount as of December 31, 2022 was \$10,250,995. The County's governmental funds report the effect of premiums when the debt is first issued, whereas these amounts are deferred and amortized within governmental activities. The total unamortized premium as of December 31, 2022 was \$53,872,482. ETASC issued serial bonds and CABs which included a bond discount. The discounts are being amortized using the effective interest rate and straight-line methods over the life of the bonds, with maturity dates ranging from 2028 to 2060.

Erie County Medical Center Corporation ("ECMCC")

Bonds Payable—The following is a summary of long-term bonded debt at December 31, 2022:

Erie County—Guaranteed Senior Revenue Bonds, Series 2004 (interest of 4.1% to 5.7%)	<u>\$ 61,135</u>
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The Series 2004 bonds are secured by a pledge of the gross receipts of ECMCC and amounts on deposit in certain debt service reserve funds. To the extent that the debt service reserve funds fall below their requirements, the County has agreed to restore such accounts to their requirement.

Pursuant to a Guaranty Agreement, the County has unconditionally guaranteed to ECMCC the punctual payment of the principal, interest and redemption premium, if any, on the Series 2004 Bonds, as the same shall become due and payable, and has pledged the faith and credit of the County for the performance of such guaranty. A municipal bond insurance policy has been purchased by ECMCC to guarantee all debt service payments in case of default by ECMCC and the County.

The Series 2004 Bonds require ECMCC to make monthly payments to certain debt service accounts for the semiannual payment of interest and the annual payment of principal (principal payments commenced November 1, 2009).

Other Long-Term Liabilities

Retirement Liabilities—The College’s total liability relating to retirement is \$3,120,898 as of August 31, 2022. Of this, \$2,850,875 is recorded in current liabilities as of August 31, 2022, and \$270,023 is recorded as noncurrent liabilities as of August 31, 2022.

Lease Liability—The County entered into leases for acquisition and use of various buildings and vehicles. The outstanding balance at December 31, 2022 was \$25,597,401. Refer to Note 12 for additional information related to the County’s leases.

The College entered into a lease for parking space during 2019. The lease matures on May 31, 2024 with payments due monthly and the lease carries an interest rate of 3%. The outstanding balance at August 31, 2022 was \$207,515. Refer to Note 12 for additional information related to the College’s leases.

Compensated Absences—The value recorded in the government-wide financial statements for compensated absences at December 31, 2022, for governmental activities is \$30,231,579 classified as a long-term liability in the accompanying financial statements, which includes \$16,992,863 due within one year. The following governmental funds have been used in prior years to liquidate this liability: General Fund and the Road, Sewer, E-911, Grants and Community Development Special Revenue Funds.

Compensated absences of \$3,628,764 have been reported for business-type activities, classified as fringe benefits payable, on the fund financial statements, which includes \$400,000 due within one year.

Compensated absences of the Library component unit totaling \$1,589,167 have been reported as a long-term liability, which includes \$785,137 due within one year. Compensated absences of the ECMCC component unit totaling approximately \$15,295,000 have been reported as an accrued liability.

Judgments and Claims—As explained in Note 11, the County is self-insured. Liabilities are established for workers’ compensation, general and malpractice claims in accordance with GAAP. Estimated long-term contingent loss liabilities of governmental fund types total \$50,888,192 and have been reported as long-term liabilities in the government-wide financial statements.

Also, as further explained in Note 11, ECMCC is self-insured and has recorded approximately \$30,975,000 and \$27,264,000 for the long-term portions of medical malpractice and workers’ compensation liability related exposures, respectively.

OPEB Obligation—As discussed in Note 9, the County’s net OPEB obligation at December 31, 2022 is estimated to be \$1,131,782,282 and \$187,920,331 for governmental activities and business-type activities, respectively.

Net Pension Liability—The County reports a liability for its proportionate share of the net pension liability for the Employees’ Retirement System. The net pension liability is estimated to be \$1,790,725 in the business-type activities. Refer to Note 8 for additional information related to the County’s net pension liability.

Accrued Derivative Liability (“ETASC”)—At December 31, 2022, ETASC reported deferred outflows of resources in the amounts of \$3,865,725 on the government-wide financial statements, relating to the accumulated increase in fair value of its forward purchase agreement swap.

Summary of Changes in Long-Term Liabilities

A summary of the County's long-term debt at December 31, 2022 follows:

	Balance 1/1/2022 (as restated)	Additions	Reductions	Balance 12/31/2022	Due Within One Year
Governmental activities:					
Serial bonds	\$ 485,783	\$ 28,190	\$ (54,909)	\$ 459,064	\$ 58,356
Unamortized bond premiums	57,031	4,828	(7,986)	53,873	-
ETASC bonds payable-net	357,420	10,316	(6,519)	361,217	-
Lease liability	26,577	5,510	(6,490)	25,597	6,394
Compensated absences*	28,403	1,829	-	30,232	16,993
Judgments and claims	48,814	11,963	(9,889)	50,888	10,804
Other postemployment benefits obligation	1,342,066	83,601	(293,885)	1,131,782	-
Net pension liability*	987	-	(987)	-	-
Accrued derivative liability-ETASC	13,604	-	(9,738)	3,866	-
Total governmental activities	<u>\$ 2,360,685</u>	<u>\$ 146,237</u>	<u>\$ (390,403)</u>	<u>\$ 2,116,519</u>	<u>\$ 92,547</u>

The General Fund or applicable special revenue funds are the governmental funds that generally have been used in prior years to liquidate compensated absences, judgments and claims, other postemployment benefits obligation and net pension liabilities.

	Balance 9/1/2021	Additions	Reductions	Balance 8/31/2022	Due Within One Year
Business-type activities:					
Retirement liabilities	\$ 4,054	\$ 5,735	\$ (6,667)	\$ 3,122	\$ 2,851
Lease liability	-	306	(99)	207	102
Compensated absences	5,042	-	(1,414)	3,628	400
Other postemployment benefits obligation	219,563	-	(31,643)	187,920	-
Net pension liability*	93	1,698	-	1,791	-
Total business-type activities	<u>\$ 228,752</u>	<u>\$ 7,739</u>	<u>\$ (39,823)</u>	<u>\$ 196,668</u>	<u>\$ 3,353</u>

*Additions to the net pension liability are shown net of reductions.

Component Units

The Buffalo and Erie County Public Library (the "Library")

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022 (dollars in thousands):

	Balance 1/1/22	Additions	Reductions	Balance 12/31/22	Due Within One Year
Compensated absences*	\$ 1,912	\$ -	\$ (323)	\$ 1,589	\$ 785
OPEB liability	91,164	5,960	(19,389)	77,735	-
Net pension liability*	44	-	(44)	-	-
Library Component Unit long-term liabilities	<u>\$ 93,120</u>	<u>\$ 5,960</u>	<u>\$ (19,756)</u>	<u>\$ 79,324</u>	<u>\$ 785</u>

*Reductions to the compensated absences and net pension liability are shown net of additions.

Erie County Medical Center Corporation ("ECMCC")

The following is a summary of changes in long-term liabilities for the year ended December 31, 2022 (dollars in thousands):

	Balance 1/1/22 (as restated)	Additions	Reductions	Balance 12/31/22	Due Within One Year
Bonds payable for financial statement purposes	\$ 65,080	\$ -	\$ 3,945	\$ 61,135	\$ 4,165
Long-term loan (1)	157,884	-	6,990	150,894	7,170
Medicare Advance Payment program	20,879	-	20,879	-	-
Leases	28,330	2,157	-	30,487	7,297
Finance obligations	2,710	-	382	2,328	381
Judgments and claims (2)	47,561	1,322	-	48,883	-
OPEB obligation*	379,106	-	107,711	271,395	-
Net pension liability *	915	-	915	-	-
Other	5,307	150	-	5,457	-
ECMCC Component Unit long-term liabilities	<u>\$ 707,772</u>	<u>\$ 3,629</u>	<u>\$ 140,822</u>	<u>\$ 570,579</u>	<u>\$ 19,013</u>

* Reductions to the OPEB obligation and the net pension liability are shown net of additions.

(1) Refer to discussion within Note 15 regarding long-term loan due to primary government.

(2) Refer to discussions within Note 11 regarding judgments and claims of ECMCC.

Additional judgments and claims liabilities for workers' compensation and medical malpractice, along with other post-employment benefits have been recorded by ECMCC as accrued liabilities in the amounts of \$7,556,000, \$1,800,000 and \$12,770,000 respectively.

Maturity Schedules

The table below presents the primary government's remaining annual maturities of long-term liabilities as of December 31, 2022 (dollars in thousands):

Year	Total	Bonds	Leases	Retirement	Compensated Absences	Judgments and Claims	OPEB	Net Pension Liability	Accrued Derivative Liability - ETASC
2023	\$ 95,900	\$ 58,356	\$ 6,496	\$ 2,851	\$ 17,393	\$ 10,804	\$ -	\$ -	\$ -
2024	44,120	38,134	5,715	271	-	-	-	-	-
2025	41,039	36,120	4,919	-	-	-	-	-	-
2026	39,215	35,357	3,858	-	-	-	-	-	-
2027	34,519	31,950	2,569	-	-	-	-	-	-
2028-2032	174,068	171,821	2,247	-	-	-	-	-	-
2033-2037	82,177	82,177	-	-	-	-	-	-	-
2038-2042	103,449	103,449	-	-	-	-	-	-	-
2043-2047	114,645	114,645	-	-	-	-	-	-	-
2048-2052	-	-	-	-	-	-	-	-	-
2053-2057	-	-	-	-	-	-	-	-	-
2058-2062	-	-	-	-	-	-	-	-	-
Various (1)	1,540,434	158,524	-	-	16,467	40,084	1,319,702	1,791	3,866
	<u>2,269,566</u>	<u>830,533</u>	<u>\$ 25,804</u>	<u>\$ 3,122</u>	<u>\$ 33,860</u>	<u>\$ 50,888</u>	<u>\$ 1,319,702</u>	<u>\$ 1,791</u>	<u>\$ 3,866</u>
Discount - ETASC	(10,252)	(10,252)							
Premium - County	35,055	35,055							
Premium - ECFSA	18,818	18,818							
	<u>\$ 2,313,187</u>	<u>\$ 874,154</u>							

(1) Payment of Subordinate CABs, compensated absences, judgments and claims, OPEB, and net pension liabilities are dependent upon many factors; therefore, timing of future payments is not readily determinable.

The table below presents the primary government's remaining annual interest payments due on serial bonds as of December 31, 2022 (dollars in thousands):

Year	Primary Government	ECMCC Component Unit
2023	\$ 31,550	\$ 3,468
2024	29,054	3,239
2025	27,348	2,997
2026	25,666	2,733
2027	24,148	2,454
2028-2032	97,198	7,493
2033-2037	64,157	412
2038-2042	36,396	-
2043-2047	19,830	-
Totals	<u>\$ 355,347</u>	<u>\$ 22,796</u>

The table below presents the remaining principal and interest payments due on County mirror bonds to ECFSA as of December 31, 2022 (dollars in thousands):

Year	Principal	Interest
2023	\$ 28,270	\$ 2,492
2024	6,015	1,482
2025	2,975	1,258
2026	3,130	1,106
2027	3,290	946
2028-2032	15,670	2,124
2033-2037	<u>2,685</u>	<u>177</u>
Totals	<u>\$ 62,035</u>	<u>\$ 9,585</u>

The table below presents the remaining annual maturities of long-term liabilities of the Library (County Component Unit) as of December 31, 2022 (dollars in thousands):

Year	Total	Compensated Absences	OPEB
2023	\$ 785	\$ 785	\$ -
Various (1)	<u>78,539</u>	<u>804</u>	<u>77,735</u>
Totals	<u>\$ 79,324</u>	<u>\$ 1,589</u>	<u>\$ 77,735</u>

(1) Payment of compensated absences and OPEB liability are dependent on many factors; therefore, timing of future payments is not readily determinable.

The table below presents the remaining annual maturities of long-term liabilities of ECMCC (County Component Unit) as of December 31, 2021 (dollars in thousands):

Year	Total	Serial Bonds	Long-term Loan	Lease	Judgments and Claims	Finance Obligations	OPEB	Other
2023	\$ 19,013	\$ 4,165	\$ 7,170	\$ 7,297	\$ -	\$ 381	\$ -	\$ -
2024	17,882	4,390	7,357	6,135	-	-	-	-
2025	17,624	4,635	7,549	5,440	-	-	-	-
2026	15,683	4,895	7,749	3,039	-	-	-	-
2027	15,035	5,175	7,951	1,909	-	-	-	-
2028-2032	78,238	30,655	43,064	4,519	-	-	-	-
2033-2037	61,743	7,220	52,375	2,148.00	-	-	-	-
2038-2042	17,679	-	17,679	-	-	-	-	-
Various (1)	327,682	-	-	-	48,883	1,947	271,395	5,457
Totals	<u>\$ 570,579</u>	<u>\$ 61,135</u>	<u>\$ 150,894</u>	<u>\$ 30,487</u>	<u>\$ 48,883</u>	<u>\$ 2,328</u>	<u>\$ 271,395</u>	<u>\$ 5,457</u>

- (1) Payment of the judgments and claims and OPEB liability is dependent on many factors; therefore, timing of future payments is not readily determinable.

Permanent Financing Requirements

Under New York State statutes, permanent bonding of general County improvements must take place within five to seven years of the date of initial financing. Specially assessed improvements, (e.g., sewer), have no limitation as to their period of temporary financing, except that a three-year limitation exists where such financing has been obtained through the New York State Environmental Facilities Corporation. The County has permanently financed all significant indebtedness subject to this permanent financing statute.

Constitutional Debt Limit

The County constitutional debt limit at December 31, 2022 is computed as follows (dollars in thousands):

Five-year average full valuation of taxable real estate (2018-2022)	<u>\$ 70,898,164</u>
Debt limit @ 7%	\$ 4,962,871
Net indebtedness (after statutory exclusions)	<u>319,430</u> *
Net debt contracting margin	<u>\$ 4,643,441</u>
Percentage of debt contracting power exhausted	<u>6.44%</u>

*Net indebtedness includes general obligation bonds of \$258,295,000 and ECMCC bond guaranty of \$61,135,000 (excludes ETASC bonds of \$371,467,278 to be paid with tobacco settlement proceeds by ETASC, sewer bonds for self-supporting districts of \$65,928,634, and ECFSA bonds of \$86,610,000 for capital projects and \$48,905,000 for the nursing home refunding, totaling \$135,515,000 to be paid by ECMCC. The capital projects bonds will mature in September 2039 while the refunding bonds will mature in September 2034).

Defeasance

In prior years, the ECFSA defeased serial bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the ECFSA's financial statements. At December 31, 2022, \$56,945,000 of defeased bonds remains outstanding.

ECFSA Transactions

The County entered into a loan agreement and a capitalized interest liability assumption agreement in the year ended December 31, 2017, with the Erie County Medical Center, with the assistance of the Erie County Fiscal Stability Authority. The proceeds of the loan were used to finance the construction of a new Level 1 Adult Trauma Center and Emergency Department, fund various other capital projects on the Erie County Medical Center's campus as well as refinance the 2011 loan. The loan has an interest rate of 3.377% with monthly principal and interest payments ranging from \$223,000 to \$930,000 during the term of the loan. In addition to the loan, the Erie County Medical Center assumed the liability related to funds borrowed to pay capitalized interest during construction on the various projects noted above. The capitalized interest liability assumption has an interest rate of 3.377% with monthly principal and interest payments ranging from \$40,000 to \$77,000 during the term of the loan. The new money portion of the loan and the capitalized interest assumption agreement is fully amortized and matures in 2039. The refinancing component of the loan has an interest rate of 2.649% with monthly principal and interest payments ranging from \$333,000 to \$460,000 during the term of the loan and is fully amortized and maturing in 2034.

In September 2017, the Authority issued \$62,745,000 in sales tax and State aid secured refunding bonds with interest rates ranging from 3.0% to 5.0% to advance refund \$70,355,000 of outstanding Series 2011C serial bonds with interest rates of 5.0%. Proceeds of \$79,884,255 (including a premium of \$11,621,859 and other debt set-aside funds of \$5,517,396) were used to purchase U.S. Government Securities of \$79,491,279 and to fund estimated costs of issuance in the amount of \$392,976. The securities were placed in an irrevocable trust with an escrow agent to pay for all future debt service payments of the original bonds until their call date of December 1, 2021. As a result, the original bonds are considered to be defeased and the liability has been removed from the financial statements. The amount outstanding on the original bonds at December 31, 2022 was \$56,945,000.

14. NET POSITION AND FUND BALANCE

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ***Net Investment In Capital Assets***—This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation/amortization and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- ***Restricted Net Position***—This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ***Unrestricted Net Position***—This category represents net position of the County not restricted for any project or other purpose.

In the governmental fund financial statements, nonspendable amounts represent net current financial resources that cannot be spent because they are either not in spendable form or legally or contractually

required to be maintained intact. Nonspendable fund balance maintained by the County at December 31, 2022 includes prepaid items and long-term due from other funds.

- ***Prepaid Items***—\$15,048,000 representing amounts prepaid to vendors that are applicable to future accounting periods. The County reported prepaid items in the amount of \$15,048,000 at December 31, 2022.
- ***Long-term Due from Other Funds***—\$5,551,000 represents a long-term interfund loan from the Utilities Fund to the General Fund to cover a receivable due from Erie County Medical Center Corporation (“ECMCC”) for utility billings.

In the fund financial statements, restricted fund balances are amounts constrained to specific purposes (such as grantors, bondholders, and higher levels of government) through constitutional provisions or by enabling legislation. Restricted fund balance of the County at December 31, 2022 includes:

- ***Handicapped Parking***—\$154,504 representing monies restricted for education, advocacy and increased public awareness of handicapped parking laws.
- ***Community Development Loans***—\$27,351,434 representing amounts offset for community development loans receivable, which are legally required to be maintained intact.
- ***Opioid Prevention***—\$7,203,967 representing amounts restricted for specific public health measures to combat opioid abuse.
- ***Debt Service***—\$40,753,272 representing funds to be used toward the future repayment of bonded debt service.
- ***Capital Expenditures***—\$233,824,052 representing funds that have been reserved to fund capital projects and the purchase of capital assets. This amount includes commitments (encumbrances) of \$80,566,454 for capital projects currently in process.

The County Legislature authorizes assigned amounts of fund balance. Assigned funds represent amounts intended to be used for a specific purpose. In the fund financial statements, assignments by the County at December 31, 2022 include:

- ***Subsequent Year’s Expenditures***—Represents available fund balance of \$15,377,356 appropriated to meet expenditure requirements in the 2023 fiscal year.
- ***Judgments and Claims***—Represents amounts to fund future settlements of various claims and litigation in the amount of \$3,520,262.
- ***Other Purposes***—Includes amounts assigned for supplemental appropriations (\$254,922,185) within the 2023 year which were approved by the Legislature subsequent to the adoption of the 2023 budget in the General Fund, General Fund encumbrances (\$9,533,252), positive residual balance of (\$525,411) in the ECFSA General Fund, encumbrances (\$4,418,655), and positive residual balances of (\$61,703,304) in the Special Revenue Funds.

Accounting prescription set by the Erie County Comptroller provides for a sunset provision of one fiscal year for all fund balance assignments. Legislature approval is required to establish and subsequently appropriate fund balance assignments.

The County considers encumbrances to be significant for amounts that are encumbered in excess of \$1,000,000 for a particular purpose. As of December 31, 2022, significant encumbrances are as follows (dollars in thousands):

Purpose	Other Governmental Funds
Countywide Capital Overlay Program	\$ 23,070,325
Countywide Sewer Costs	15,529,655
Countywide Road Construction and Preservation	10,111,175
Countywide Workforce Development	4,450,000
Total	<u>\$ 53,161,155</u>

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, it is the County's policy that the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

15. INTERFUND BALANCES AND ACTIVITY

Interfund receivables and payables are short term in nature and exist because of temporary advances or payments made on behalf of other funds. All interfund balances are expected to be collected/paid within the subsequent year.

The composition of interfund balances as of December 31, 2022 is shown below:

Receivable Fund	Payable Fund	Amount
General Fund	ECFSA General	\$ 69,277
	Nonmajor Governmental Funds	22,065
	College	972
	Nonmajor Proprietary Fund	12,809
		<u>105,123</u>
Emergency Response Fund	Nonmajor Governmental Funds	<u>52,038</u>
ECFSA General Fund	Nonmajor Governmental Funds	<u>16</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>24,919</u>
College	General Fund	<u>98</u>
Nonmajor Proprietary Fund	College	264
	General Fund	<u>76</u>
		<u>340</u>
Total receivables		182,534
Less: timing differences		<u>(495)</u>
Total payables		<u>\$ 182,039</u>

Interfund receivables exceed interfund payables by \$495,000. This difference represents interfund receivables recorded by the County and the College that are not reflected as interfund payables in the corresponding balance sheets because of the difference between the County and the College fiscal year end. All balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Due To/From Component Unit and Primary Government—Amounts due between the component units and the primary government at December 31, 2022, consisted of the following (dollars in thousands):

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government-General Fund	ECMCC Component Unit	\$ <u>57</u>
Primary Government-Governmental Activities	ECMCC Component Unit	\$ <u>150,893</u>
Primary Government-Nonmajor Governmental Fund	ECMCC Component Unit	\$ <u>1</u>
Primary Government-Nonmajor Proprietary Fund	ECMCC Component Unit	\$ <u>11,812</u>

During 2011, the ECFSA issued serial bonds in the amount of \$86,250,000 to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby the ECFSA loaned the proceeds and net premium of \$10,614,413 to the County, who in turn loaned the monies to ECMCC. In 2017, these serial bonds were refunded through a similar agreement. The par amount of the refunded bonds issued was \$62,745,000. Although the amortization schedules on the bonds and the loan are approximately the same in total, the principal and interest components vary. On a monthly basis, ECMCC pays the County directly, while the ECFSA withholds sales tax revenue that otherwise would be transferred to the County. The ECFSA retains these monies until the semi-annual debt service on the bonds are due. Principal and interest payments on long-term obligations between the ECFSA and the County are reported as transfers in and transfers out in the fund financial statements.

Principal payments received from ECMCC during 2022 totaling \$6,975,367 are recorded within miscellaneous revenues in the County's Debt Service Fund and eliminated in the government-wide statements. The remaining amount due from ECMCC in the amount of \$150,893,000 is reported on the government-wide financial statements only. This balance is shown as a reconciling item on the Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position.

The remaining principal and interest payments on ECMCC's long-term loan payable to the County are as follows (dollars in thousands):

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 7,170	\$ 4,499	\$ 11,669
2024	7,357	4,288	11,645
2025	7,549	4,072	11,621
2026	7,749	3,850	11,599
2027	7,951	3,622	11,573
2028-2032	43,064	14,477	57,541
2033-2037	52,375	7,358	59,733
2038-2042	17,678	459	18,137
Totals	<u>\$ 150,893</u>	<u>\$ 42,625</u>	<u>\$ 193,518</u>

The County made the following transfers during the year ended December 31, 2022:

Transfers Out	Transfers In	Amount	Purpose - provide financial resources:
General Fund	Emergency Response Fund	\$ 25,181	For emergency response operations
	Nonmajor Governmental Funds	6,454	For the local share of grant programs
	Nonmajor Governmental Funds	20,740	For highway improvements
	Nonmajor Governmental Funds	5,636	To support E-911 operations
	Nonmajor Governmental Funds	154	To support community development grants
	Nonmajor Governmental Funds	56,275	For general debt service
	Nonmajor Governmental Funds	53,707	To support various capital projects
	Nonmajor Governmental Funds	14,311	For highway maintenance
	Nonmajor Governmental Funds	-	For College projects
	Nonmajor Governmental Funds	90	For Library projects
	Library	227	To support Library operations
	College	21,430	To support College operations
		<u>204,205</u>	
Emergency Response Fund	Nonmajor Governmental Funds	<u>25,199</u>	
ECFSA	General Fund	<u>582,639</u>	For general operations from sales tax receipts
Nonmajor Governmental Funds	Nonmajor Governmental Funds	23,192	To support various capital projects
	Nonmajor Governmental Funds	6,828	For sewer debt service
	Nonmajor Governmental Funds	275	For general debt service
	Nonmajor Governmental Funds	43,156	For ECFSA debt service
	Nonmajor Governmental Funds	200	For ETASC debt service
	General Fund	<u>6</u>	For general operations
		<u>73,657</u>	
Total transfers out/transfers in		<u>\$ 885,700</u>	

16. TAX ABATEMENTS

As of December 31, 2022, the County provides property tax abatements through a Housing for Low and Very Low Income Households Payment in Lieu of Taxes (“PILOT”) program. The program was established to stimulate development of affordable housing in the region, especially for those with the lowest level of incomes.

The State of New York passed Articles 5 and 11 of the New York State Private Housing Finance Law and section 421-e of the New York State Real Property Tax Law, which allows municipal governments to enter into agreements with developers to make a PILOT agreement. In 1999, the Erie County PILOT Policy was approved by the Erie County Legislature through resolution 21E-26. This policy defined two PILOT agreements for low income households in Erie County.

PILOT A refers to PILOT agreements that are used with housing for low income households. The criteria for PILOT A agreements is that 60% of units are affordable (no more than 30% of resident’s imputed income) to people earning no more than 60% median income for the area.

PILOT B refers to PILOT agreements that are used with housing for very low income households. The criteria for PILOT B agreements is that 60% of units are affordable (no more than 30% of resident’s imputed income) to people earning no more than 50% median income for the area.

Both PILOTs A & B must have a fifteen year commitment for low-income use that includes appropriate regulatory restrictions.

Applicants for a PILOT agreement must supply the Erie County Department of Environment and Planning and the local taxing jurisdiction with information that includes, but is not limited to, the percentage of units for low and very low income residents, the planned development's five year operating budget, the number of residential units and square footage and a letter indicating community support from the chief elected official.

Once the application is received by Erie County, the Commissioner of Environment and Planning will respond within fifteen business days with a letter acknowledging the receipt of the application. The Commissioner will then write a letter of recommendation to approve or disapprove the PILOT request within thirty days of receipt of the completed application. If recommended for approval, the Commissioner will submit the PILOT agreement to the County Legislature within forty days of receipt of the application. Once approved by the Legislature, the PILOT agreement will be submitted to the County Executive for his signature. It is expected that the applicant will concurrently seek approval from the local taxing jurisdiction in which the planned development is located.

The initial PILOT payment will be 5% of the housing project's Total Effective Income for PILOT A agreements, and 3% of the housing project's Total Effective Income for PILOT B agreements. Under both PILOT agreements, in each and every subsequent year, a 3% escalator will be applied to the previous year's PILOT payment. Payments will continue for 15 years, after which time the property will be subject to full taxation. Of the PILOT payments, 75% will be paid directly to the local taxing jurisdiction in which the Development is located, and 25% of will be paid directly to the County.

During 2022, the County received payments for 49 PILOT agreements from within the City of Buffalo, which encompassed 153 properties. The County real property taxes for these properties totaled \$1,011,659 while \$306,463 was received for PILOT payments. This resulted in tax abatements totaling \$705,196.

There were also two additional agreements with properties in the Town of Amherst that were not covered under an IDA. The County real property taxes for these properties totaled \$46,860 while \$25,850 was received for PILOT payments. This resulted in tax abatements totaling \$21,010.

The County also is subject to tax abatements granted by six (6) Industrial Development Agencies ("IDA's"), entities created under New York State Law. The IDA's in Erie County have adopted a Countywide Industrial Development Agency Uniform Tax Exemption Policy to provide for uniform policies for the claiming of IDA incentives. Permissible business activities include traditional manufacturing, distributive services, business services, and arts, entertainment and recreation.

Property tax abatements for the year ended December 31, 2022 were as follows:

<u>IDA*</u>	<u>Real Property Taxes</u>	<u>PILOT Payments</u>	<u>Tax Abatements</u>
Amherst	\$ 836,142	\$ 481,474	\$ 354,668
Clarence	229,889	162,133	67,756
Erie County (ECIDA)	3,220,034	1,706,332	1,513,702
Hamburg	454,013	252,378	201,635
Lancaster	<u>519,662</u>	<u>319,138</u>	<u>200,524</u>
Total	<u>\$ 5,259,740</u>	<u>\$ 2,921,455</u>	<u>\$ 2,338,285</u>

*Concord IDA property tax abatement information is not available for the year ended December 31, 2022.

17. CONTINGENCIES

Litigation—The County is involved in litigation in the ordinary course of its operations. Various legal actions are pending against the County. The outcome of these matters is not presently determinable but, in the opinion of management, the ultimate liability will not have a material adverse effect on the County's financial condition or results of operation.

Sales Tax Audits—The State of New York periodically audits its distribution of sales tax revenues to counties throughout the State. Subsequent revisions to the revenues recorded as of December 31, 2022, if any, would be reflected in the operating statement in the year that they are calculated.

Supplemental 1% Sales Tax— Through legislation approved by the County and the State of New York, first effective in March of 1985, the County extended an additional 1% sales and compensating use tax. An added requirement of this legislation commencing in 2007, is that the County is required to share \$12,500,000 of this tax with other local municipalities. This tax generated approximately \$213,156,227 (gross) for the year ended December 31, 2022. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Supplemental 0.25% Sales Tax—Through legislation approved by the County and the State of New York, the County initiated an additional 0.25% sales and compensating use tax effective July 1, 2005. This tax generated approximately \$53,280,954 for the year ended December 31, 2022. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Supplemental 0.50% Sales Tax—The County Legislature approved a home rule message requesting approval of the New York State Legislature to raise the sales tax 0.50%, to 8.75%. The New York State Legislature approved the Sales Tax Request in January 2006 and the County Legislature enacted the tax increase effective January 15, 2006. This tax generated approximately \$105,561,908 for the year ended December 31, 2022. The enabling legislation allowing this additional tax expired November 30, 2023. Legislative approval by both New York State and the County is required for the continuation of this revenue source.

Federal and State Aid—The County receives federal aid, state aid, or both for a portion of its mandated social services program expenditures (reported in the Economic Assistance and Opportunity category in the financial statements), such as Medicaid, Family Assistance and Safety Net. The County appropriates only the local share of state administered Medicaid expenditures. Conversely, the County appropriates total expenditures for Family Assistance and Safety Net programs, and budgets state and/or federal aid as revenue. Federal and state aid represents approximately 44% of 2022 County appropriations for social services programs.

The County also receives certain federal, state and private grants. These grants are used primarily to augment current operations, and for special demonstration projects and programs. Should funding of any such grant be stopped at any point, the County may assume the cost thereof in its operating budget or suspend the programs funded by such grant.

The Federal and State governments are not constitutionally obligated to maintain or continue current levels of federal and state aid to the County. Accordingly, no assurance can be given that present federal and state aid levels will be maintained in the future. Federal and state budgetary restrictions which may eliminate or substantially reduce federal or state aid could have a material adverse effect upon the County, requiring either a counterbalancing increase in revenues from other sources or a curtailment of non-mandated expenditures. Social Services and Medicaid expenditures are generally mandated by New York State law.

Financial Assistance Audits—As discussed on the previous page, the County receives significant financial assistance from numerous federal and state governmental agencies and third-party payors. The disbursement of monies received under these programs generally requires compliance with terms and conditions specified in the related agreements and are subject to audit by the funding agencies or payors. Any disallowed expenditures resulting from such audits could become a liability of the governmental or proprietary funds. At December 31, 2022, ECMCC, a component unit of the County, has recorded \$2,736,000 as an accrued liability for probable third-party payor settlements. The amount of any other expenses that may be disallowed cannot be determined at this time, although ECMCC expects such other amounts to be immaterial.

Pollution Remediation—The County has identified two pollution remediation sites that trigger the obligating event criteria relating to GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. The County is aware that the New York State Department of Environmental Conservation has classified these sites as Class 2, meaning that remediation action is required due to a significant threat posed to the public health or environment. Although a loss is probable, it is not possible at this time to reasonably estimate the amount of any obligation for remediation that would be material to the County's financial statements because the extent of environmental impact, allocation among the potentially responsible parties, remediation alternatives (which could involve no or minimal efforts), and concurrence of the regulatory authorities have not yet advanced to the stage where a reasonable estimate of any loss that would be material to the County can be made.

18. JOINT VENTURES

Western Regional Off-Track Betting—Pursuant to authority provided by New York State statute, a regional off-track betting corporation was established in 1973 to operate a system of off-track pari-mutuel betting within the Western New York area. This public benefit corporation, known as the Western Regional Off-Track Betting Corporation (“OTB”), is governed by a Board of Directors comprised of one member from each participating county and city. The OTB net revenue is divided among the participating counties, with one-half being distributed based on population and the remainder based on each entity’s share of the total wagering in the region. A county containing an eligible city that has elected to participate in the OTB must relinquish a portion of the revenue to which it would otherwise be entitled to such city in an amount equal to the percentage of the county population attributable to the city. In the case of Erie County, both the County and the City of Buffalo participate in the OTB.

The OTB has the power to issue bonds and notes to carry out the purposes for which it was formed. Such bonds, notes or other, obligations are not a debt of the participating municipalities, and they may only be paid from the OTB’s funds.

OTB total undistributed net revenue increased by \$7,368,597 for the year ended December 31, 2022. The OTB reported net revenue available for distribution to participating municipalities of \$9,008,526. Separate financial statements for this joint venture can be obtained from the OTB Comptroller at 8315 Park Road, Batavia, New York, 14020.

Buffalo Erie Niagara Land Improvement Corporation—The Buffalo Erie Niagara Land Improvement Corporation (“BENLIC”) was established on June 6, 2012 under New York State’s Land Bank Act (Article 16 of the Not-for-Profit Corporation Law). BENLIC’s mission is to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties. BENLIC was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda and is governed by a Board of Directors comprised of 11 members.

BENLIC has the power to incur debt to carry out the purposes for which it was formed. Such debt is not an obligation of the participating municipalities, and may only be paid from BENLIC funds.

BENLIC is eligible to receive financial assistance from federal and state governmental agencies in the form of grants. BENLIC reported revenues and other support totaling \$1,643,388 and expenses totaling \$2,382,432 for year ended December 31, 2022. BENLIC reported net assets of \$3,819,821 at December 31, 2022, all of which was reported as net assets without donor restrictions.

Separate financial statements for this joint venture can be obtained from the BENLIC Executive Director at 403 Main Street, Buffalo, New York, 14203.

19. RESTATEMENT OF NET POSITION

During the year ended December 31, 2022, the County implemented GASB Statement No. 87, *Leases*, as a result of the implementation, the County's capital assets and long-term liabilities were restated as of December 31, 2021. Accordingly, net position for governmental activities at December 31, 2021 has been restated by \$581,000.

During the year ended December 31, 2022, ECMCC adopted GASB Statement No. 87, *Leases*. This change in accounting principles established new requirements for calculating and reporting the Corporation's lease activities. Beginning net position as of January 1, 2022 was restated by \$543,000.

20. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 16, 2023, which is the date the financial statements are available for issuance, and have determined that there are no subsequent events that require disclosure under generally accepted accounting principles.

* * * * *

REQUIRED SUPPLEMENTARY INFORMATION



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COUNTY OF ERIE, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability/(Asset)—
Employees' Retirement System—Primary Government
Last Nine Fiscal Years*
(dollars in thousands)

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2014
County's proportion of the net pension liability/(asset)	1.1102710%	1.0851610%	1.0832760%	1.0962539%	1.0292170%	1.0072770%	0.9999660%	0.9912870%	0.9912870%
County's proportionate share of the net pension liability/(asset)	<u>\$ (90,761)</u>	<u>\$ 1,080</u>	<u>\$ 286,911</u>	<u>\$ 74,100</u>	<u>\$ 33,217</u>	<u>\$ 94,646</u>	<u>\$ 160,497</u>	<u>\$ 33,488</u>	<u>\$ 44,795</u>
County's covered payroll	\$ 301,198	\$ 288,533	\$ 287,023	\$ 276,331	\$ 259,301	\$ 250,626	\$ 244,605	\$ 228,878	\$ 232,489
County's proportionate share of the net pension liability as a percentage of its covered payroll	(30.1%)	0.4%	100.0%	26.8%	12.8%	37.8%	65.6%	14.6%	19.3%
Plan fiduciary net position as a percentage of the total pension liability	103.7%	100.0%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%	97.2%

*Information prior to the year ended December 31, 2014 is not available.

The notes to the Required Supplementary Information is an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of the County's Contributions—
Employees' Retirement System—Primary Government
Last Nine Fiscal Years*
(dollars in thousands)

	Year Ended December 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 24,991	\$ 33,146	\$ 29,509	\$ 28,657	\$ 33,443	\$ 36,452	\$ 35,896	\$ 35,997	\$ 29,608
Contributions in relation to the contractually required contribution	(24,991)	(33,146)	(29,509)	(28,657)	(33,443)	(36,452)	(35,896)	(35,997)	(29,608)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 275,589	\$ 260,318	\$ 257,564	\$ 238,181	\$ 233,337	\$ 232,041	\$ 227,722	\$ 224,514	\$ 220,536
Contributions as a percentage of covered payroll	9.1%	12.7%	11.5%	12.0%	14.3%	15.7%	15.8%	16.0%	13.4%

*Information prior to the year ended December 31, 2014 is not available.

The notes to the Required Supplementary Information is an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of the County's Proportionate Share of the Net Pension Liability/(Asset)—
Teachers' Retirement System—Primary Government
Last Nine Fiscal Years*
(dollars in thousands)

	Year Ended August 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
College's proportion of the net pension liability/(asset)	0.093321%	0.101297%	0.100454%	0.099898%	0.093727%	0.097612%	0.095057%	0.092554%	0.095618%
College's proportionate share of the net pension liability/(asset)	\$ 1,791	\$ (17,554)	\$ 2,776	\$ (2,595)	\$ (712)	\$ 1,045	\$ (9,873)	\$ (10,651)	\$ (609)
College's covered payroll	\$ 14,929	\$ 15,730	\$ 16,557	\$ 16,066	\$ 15,317	\$ 15,568	\$ 14,377	\$ 14,243	\$ 13,674
College's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll	12.0%	(111.6%)	16.8%	(16.2%)	(4.7%)	6.7%	(68.7%)	(74.8%)	(4.5%)
Plan fiduciary net position as a percentage of the total pension liability	98.6%	113.2%	97.8%	102.2%	100.7%	99.0%	110.5%	111.5%	100.7%

*Information prior to the year ended August 31, 2014 is not available.

The notes to the Required Supplementary Information is an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of the County's Contributions—
Teachers' Retirement System—Primary Government
Last Nine Fiscal Years*
(dollars in thousands)

	Year Ended August 31,								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contributions	\$ 1,620	\$ 1,639	\$ 1,511	\$ 1,705	\$ 1,737	\$ 1,997	\$ 2,503	\$ 2,295	\$ 1,605
Contributions in relation to the contractually required contribution	(1,620)	(1,639)	(1,511)	(1,705)	(1,737)	(1,997)	(2,503)	(2,295)	(1,605)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
College's covered payroll	\$ 14,932	\$ 15,784	\$ 16,615	\$ 16,354	\$ 15,591	\$ 14,912	\$ 15,544	\$ 14,483	\$ 14,350
Contributions as a percentage of covered payroll	10.8%	10.4%	9.1%	10.4%	11.1%	13.4%	16.1%	15.8%	11.2%

*Information prior to the year ended August 31, 2014 is not available.

The notes to the Required Supplementary Information is an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Five Fiscal Years*
(dollars in thousands)

	Year Ended December 31,				
	2022	2021	2020	2019	2018
Primary Government—Governmental Activities (the "County")					
Total OPEB liability					
Service cost	\$ 31,264	\$ 25,279	\$ 24,887	\$ 30,702	\$ 25,746
Interest	27,135	32,016	47,915	47,483	48,380
Changes of assumptions or other inputs	25,201	161,270	154,973	(167,270)	116,772
Differences between expected and actual experience	(260,700)	704	(323,707)	1,799	2,736
Changes in benefit terms	-	-	(16)	(17,014)	-
Benefit payments	(33,184)	(32,250)	(31,252)	(34,573)	(33,172)
Net changes in total OPEB liability	(210,284)	187,019	(127,200)	(138,873)	160,462
Total OPEB liability—beginning	1,342,066	1,155,047	1,282,247	1,421,120	1,260,658
Total OPEB liability—ending	<u>\$ 1,131,782</u>	<u>\$ 1,342,066</u>	<u>\$ 1,155,047</u>	<u>\$ 1,282,247</u>	<u>\$ 1,421,120</u>
Plan fiduciary net position					
Contributions—employer	\$ 33,184	\$ 32,250	\$ 31,252	\$ 34,573	\$ 33,172
Benefit payments	(33,184)	(32,250)	(31,252)	(34,573)	(33,172)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's net OPEB liability—ending	<u>\$ 1,131,782</u>	<u>\$ 1,342,066</u>	<u>\$ 1,155,047</u>	<u>\$ 1,282,247</u>	<u>\$ 1,421,120</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 275,589	\$ 260,317	\$ 257,564	\$ 238,181	\$ 209,308
County's net OPEB liability as a percentage of covered-employee payroll	410.7%	515.6%	448.5%	538.3%	679.0%

(continued)

*Information prior to the year ended December 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Five Fiscal Years*
(dollars in thousands)

	Year Ended August 31,				
	2022	2021	2020	2019	2018
Primary Government—Business-type Activities (the "College")					
Total OPEB liability					
Service cost	\$ 6,912	\$ 5,605	\$ 4,987	\$ 5,845	\$ 4,955
Interest	4,486	5,319	7,949	7,644	7,830
Changes of assumptions or other inputs	9,457	23,214	28,714	(25,585)	17,319
Differences between expected and actual experience	(48,156)	74	(58,675)	1,732	666
Benefit payments	(4,342)	(4,897)	(4,000)	(6,918)	(5,500)
Net changes in total OPEB liability	(31,643)	29,315	(21,025)	(17,282)	25,270
Total OPEB liability—beginning	219,563	190,248	211,273	228,555	203,285
Total OPEB liability—ending	<u>\$ 187,920</u>	<u>\$ 219,563</u>	<u>\$ 190,248</u>	<u>\$ 211,273</u>	<u>\$ 228,555</u>
Plan fiduciary net position					
Contributions—employer	\$ 4,342	\$ 4,897	\$ 4,000	\$ 6,918	\$ 5,500
Benefit payments	(4,342)	(4,897)	(4,000)	(6,918)	(5,500)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
College's net OPEB liability—ending	<u>\$ 187,920</u>	<u>\$ 219,563</u>	<u>\$ 190,248</u>	<u>\$ 211,273</u>	<u>\$ 228,555</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 59,549	\$ 61,220	\$ 64,443	\$ 61,609	\$ 58,951
College's net OPEB liability as a percentage of covered-employee payroll	315.6%	358.6%	295.2%	342.9%	387.7%

(continued)

*Information prior to the year ended August 31, 2018 is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Schedule of Changes in the County's Total OPEB Liability and Related Ratios
Last Five Fiscal Years*
(dollars in thousands)

(concluded)

	Year Ended December 31, (August 31,)*				
	2022	2021	2020	2019	2018
Primary Government—Total					
Total OPEB liability					
Service cost	\$ 38,176	\$ 30,884	\$ 29,874	\$ 36,547	\$ 30,701
Interest	31,621	37,335	55,864	55,127	56,210
Changes of assumptions or other inputs	34,658	184,484	183,687	(192,855)	134,091
Differences between expected and actual experience	(308,856)	778	(382,382)	3,531	3,402
Changes in benefit terms	-	-	(16)	(17,014)	-
Benefit payments	(37,526)	(37,147)	(35,252)	(41,491)	(38,672)
Net changes in total OPEB liability	(241,927)	216,334	(148,225)	(156,155)	185,732
Total OPEB liability—beginning	1,561,629	1,345,295	1,493,520	1,649,675	1,463,943
Total OPEB liability—ending	<u>\$ 1,319,702</u>	<u>\$ 1,561,629</u>	<u>\$ 1,345,295</u>	<u>\$ 1,493,520</u>	<u>\$ 1,649,675</u>
Plan fiduciary net position					
Contributions—employer	\$ 37,526	\$ 37,147	\$ 35,252	\$ 41,491	\$ 38,672
Benefit payments	(37,526)	(37,147)	(35,252)	(41,491)	(38,672)
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position—beginning	-	-	-	-	-
Plan fiduciary net position—ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government's net OPEB liability—ending	<u>\$ 1,319,702</u>	<u>\$ 1,561,629</u>	<u>\$ 1,345,295</u>	<u>\$ 1,493,520</u>	<u>\$ 1,649,675</u>
Plan's fiduciary net position as a percentage of the total OPEB liability	0.0%	0.0%	0.0%	0.0%	0.0%
Covered-employee payroll	\$ 335,138	\$ 321,537	\$ 322,007	\$ 299,790	\$ 268,259
Primary Government's net OPEB liability as a percentage of covered-employee payroll	393.8%	485.7%	417.8%	498.2%	615.0%

*Information prior to the year ended December 31, 2018 (August 31, 2018 as to the College) is not available.

The notes to the required supplementary information are an integral part of this schedule.

COUNTY OF ERIE, NEW YORK
Notes to the Required Supplementary Information
Year Ended December 31, 2022

1. NET PENSION LIABILITY/(ASSET)

The schedules of local government's proportionate share of the net pension liability/(asset) and local government's contributions presents trend information of the components of the net pension liability/(asset) and related ratios for each retirement system the County participates in, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the contributions as a percentage of covered-employee payroll.

2. OPEB LIABILITY

Changes of Assumptions—Changes of assumptions reflect the effects of changes in the discount rate and the medical healthcare cost trend rate. The following summarizes the changes of assumptions for the governmental activities and business-type activities:

The discount rate was 1.84% as of December 31, 2021, as compared to 2.00% as of January 1, 2020. The salary scale assumed to increase at 2.25% per year. The sex-distinct and job category-specific headcount weighted Pub-2010 Public Retirement Plans Mortality Tables for employees and health retirees, adjusted for mortality improvements with Scale MP-2021 mortality improvement scale on a generational basis, were used for mortality rates. In order to estimate the change in the cost of healthcare, the valuation assumes healthcare cost trends as follows: pre-65 medical, 7.00%; post-65 medical, 4.50% and prescription, 7.00%. Healthcare trends are reduced by decrements to reach a rate of 3.78% in 2075. An inflation rate of 2.25% was assumed for developing the rate of increase in healthcare costs. Business-type activities utilizes an initial health initial healthcare cost trend rate used is 7.00% while the ultimate healthcare cost trend rate is 3.78%.

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COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

These financial statements and schedules provide more detailed information than is presented in the basic financial statements.

Combining statements are presented for the nonmajor governmental funds.

Individual fund statements and schedules present the following:

- Comparisons of budgetary and actual data for certain Special Revenue Funds and the Debt Service Fund.
- Fund financial statements for the discretely presented Library component unit.

Combining statements are presented for the discretely presented Other Component Units.



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, Grants, Community Development Funds, and the Pharmaceutical Litigation Settlements Fund. In addition, the Erie Tobacco Asset Securitization Corporation (“ETASC”) General Fund is presented as a nonmajor Special Revenue Fund.

- **Road 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 Fund**

Used to account for the activities of the various sewer districts currently in operation within the County.

- **Downtown Mall 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 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.

- **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.

- **ETASC General Fund**

Used to account for all financial resources associated with ETASC except for those required to be accounted for in another fund.

- **Community Development Fund**

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

- **Pharmaceutical Litigation Settlements Fund**

Used to account for the County’s receipt and spending of pharmaceutical litigation settlement funds from national, state and County litigation against pharmaceutical companies. The County started receiving revenue from the Office of the New York State Attorney General in 2022. Much of the settlement funding is restricted and has to be spent on specific public health measures to combat opioid abuse. The Fund reports separate breakdowns for the usages of restricted funds and unrestricted funds.



DEBT SERVICE FUNDS

Debt Service Funds are 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.

- **Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the County.

- **ETASC Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the ETASC.

- **ECFSA Debt Service Fund**

Used to account for the accumulation of resources for, and for the payment of, long-term bond principal, interest and related costs of the ECFSA.

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.



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COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2022
(dollars in thousands)

	Special Revenue								
	Road	Sewer	Downtown Mall	E-911	Grants	ETASC General	Community Development	Pharmaceutical Litigation Settlements	Total
ASSETS									
Cash and cash equivalents	\$ 22,301	\$ 41,644	\$ 2	\$ 1,473	\$ -	\$ 6	\$ -	\$ -	\$ 65,426
Restricted investments	-	-	-	-	-	-	-	-	-
Restricted cash and cash equivalents	-	-	-	-	64	-	-	7,223	7,287
Receivables (net of allowance):									
Real property taxes, interest, penalties and liens	-	-	38	-	-	-	-	-	38
Other	-	3	-	152	577	-	27,385	-	28,117
Due from other funds	-	1,848	-	-	-	200	-	-	2,048
Due from component units	1	-	-	-	-	-	-	-	1
Intergovernmental receivables	9,038	-	-	990	25,527	-	2,486	-	38,041
Prepaid items	327	2,689	-	173	374	15	22	-	3,600
Total assets	<u>\$ 31,667</u>	<u>\$ 46,184</u>	<u>\$ 40</u>	<u>\$ 2,788</u>	<u>\$ 26,542</u>	<u>\$ 221</u>	<u>\$ 29,893</u>	<u>\$ 7,223</u>	<u>\$ 144,558</u>
LIABILITIES									
Accounts payable	\$ 946	\$ 978	\$ -	\$ 28	\$ 5,574	\$ 2	\$ 832	\$ -	\$ 8,360
Accrued liabilities	897	662	40	335	1,765	-	35	19	3,753
Due to other funds	-	-	-	-	14,141	-	456	-	14,597
Due to component units	-	-	-	-	-	20	-	-	20
Due to other governments	-	-	-	-	23	-	1	-	24
Retained percentages payable	-	58	-	-	-	-	-	-	58
Unearned revenue	-	-	-	-	5,039	-	1,218	-	6,257
Total liabilities	<u>1,843</u>	<u>1,698</u>	<u>40</u>	<u>363</u>	<u>26,542</u>	<u>22</u>	<u>2,542</u>	<u>19</u>	<u>33,069</u>
FUND BALANCES									
Nonspendable	327	2,689	-	173	374	15	22	-	3,600
Restricted	-	-	-	-	-	-	27,351	7,204	34,555
Assigned	29,497	41,797	-	2,252	-	184	-	-	73,730
Unassigned	-	-	-	-	(374)	-	(22)	-	(396)
Total fund balances	<u>29,824</u>	<u>44,486</u>	<u>-</u>	<u>2,425</u>	<u>-</u>	<u>199</u>	<u>27,351</u>	<u>7,204</u>	<u>111,489</u>
Total liabilities and fund balances	<u>\$ 31,667</u>	<u>\$ 46,184</u>	<u>\$ 40</u>	<u>\$ 2,788</u>	<u>\$ 26,542</u>	<u>\$ 221</u>	<u>\$ 29,893</u>	<u>\$ 7,223</u>	<u>\$ 144,558</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2022
(dollars in thousands)

	Debt Service			
	Debt Service	ETASC Debt Service	ECFSA Debt Service	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Restricted investments	-	19,286	-	19,286
Restricted cash and cash equivalents	-	1,683	24,320	26,003
Receivables (net of allowance):				
Real property taxes, interest, penalties and liens	-	-	-	-
Other	-	-	-	-
Due from other funds	22,871	-	-	22,871
Due from component units	-	-	-	-
Intergovernmental receivables	-	-	-	-
Prepaid items	-	-	-	-
Total assets	<u>\$ 22,871</u>	<u>\$ 20,969</u>	<u>\$ 24,320</u>	<u>\$ 68,160</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	73	-	7	80
Due to other funds	4,098	200	23,028	27,326
Due to component units	-	-	-	-
Due to other governments	-	-	-	-
Retained percentages payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	<u>4,171</u>	<u>200</u>	<u>23,035</u>	<u>27,406</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	18,700	20,769	1,285	40,754
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>18,700</u>	<u>20,769</u>	<u>1,285</u>	<u>40,754</u>
Total liabilities and fund balances	<u>\$ 22,871</u>	<u>\$ 20,969</u>	<u>\$ 24,320</u>	<u>\$ 68,160</u>

(continued)

COUNTY OF ERIE, NEW YORK
Combining Balance Sheet—Nonmajor Governmental Funds
December 31, 2022
(dollars in thousands)

(concluded)

	Capital Projects						
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities, Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	Total	Total Nonmajor Funds
ASSETS							
Cash and cash equivalents	\$ 38,920	\$ 3,763	\$ 20,409	\$ -	\$ -	\$ 63,092	\$ 128,518
Restricted investments	-	-	-	200	-	200	19,486
Restricted cash and cash equivalents	125,524	63,263	33,850	16	12,357	235,010	268,300
Receivables (net of allowance):							
Real property taxes, interest, penalties and liens	-	-	-	-	-	-	38
Other	4,024	-	-	-	-	4,024	32,141
Due from other funds	-	-	-	-	-	-	24,919
Due from component units	-	-	-	-	-	-	1
Intergovernmental receivables	450	3,220	1,554	-	874	6,098	44,139
Prepaid items	-	-	-	-	-	-	3,600
Total assets	<u>\$ 168,918</u>	<u>\$ 70,246</u>	<u>\$ 55,813</u>	<u>\$ 216</u>	<u>\$ 13,231</u>	<u>\$ 308,424</u>	<u>\$ 521,142</u>
LIABILITIES							
Accounts payable	\$ 7,853	\$ 3,181	\$ 2,340	\$ -	\$ 92	\$ 13,466	\$ 21,826
Accrued liabilities	1,024	453	49	-	336	1,862	5,695
Due to other funds	33,633	2,751	19,441	-	1,290	57,115	99,038
Due to component units	-	-	-	-	-	-	20
Due to other governments	-	-	-	-	-	-	24
Retained percentages payable	884	598	133	-	542	2,157	2,215
Unearned revenue	-	-	-	-	-	-	6,257
Total liabilities	<u>43,394</u>	<u>6,983</u>	<u>21,963</u>	<u>-</u>	<u>2,260</u>	<u>74,600</u>	<u>135,075</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	3,600
Restricted	125,524	63,263	33,850	216	10,971	233,824	309,133
Assigned	-	-	-	-	-	-	73,730
Unassigned	-	-	-	-	-	-	(396)
Total fund balances	<u>125,524</u>	<u>63,263</u>	<u>33,850</u>	<u>216</u>	<u>10,971</u>	<u>233,824</u>	<u>386,067</u>
Total liabilities and fund balances	<u>\$ 168,918</u>	<u>\$ 70,246</u>	<u>\$ 55,813</u>	<u>\$ 216</u>	<u>\$ 13,231</u>	<u>\$ 308,424</u>	<u>\$ 521,142</u>

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2022
(dollars in thousands)

	Special Revenue								
			Downtown			ETASC	Community	Pharmaceutical	
	Road	Sewer	Mall	E-911	Grants	General	Development	Litigation	Total
								Settlements	
REVENUES									
Real property taxes and tax items	\$ -	\$ 22,342	\$ 1,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,154
Sales and use taxes	-	-	-	4,044	-	-	-	-	4,044
Transfer and other taxes	21,777	-	-	-	-	-	-	-	21,777
Intergovernmental	17,367	-	-	32	57,821	-	7,654	7,364	90,238
Departmental	150	31,842	-	-	4,549	-	-	-	36,541
Interest	-	174	-	-	-	-	-	24	198
Miscellaneous	-	1,016	-	-	288	-	-	-	1,304
Total revenues	39,294	55,374	1,812	4,076	62,658	-	7,654	7,388	178,256
EXPENDITURES									
Current:									
General government support	-	-	1,812	-	22,420	94	-	-	24,326
Public safety	-	-	-	7,638	14,805	-	-	52	22,495
Health	-	-	-	1,502	12,487	-	-	105	14,094
Transportation	35,848	-	-	-	-	-	-	-	35,848
Economic assistance and opportunity	-	-	-	-	17,980	-	467	27	18,474
Culture and recreation	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-
Home and community services	-	44,608	-	-	1,420	-	7,022	-	53,050
Debt service:									
Principal retirement	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-
Total expenditures	35,848	44,608	1,812	9,140	69,112	94	7,489	184	168,287
Excess (deficiency) of revenues over expenditures	3,446	10,766	-	(5,064)	(6,454)	(94)	165	7,204	9,969
OTHER FINANCING SOURCES (USES)									
Issuance of general obligation debt	-	-	-	-	-	-	-	-	-
Premium on bond issuance	-	-	-	-	-	-	-	-	-
Transfers in	20,740	-	-	5,636	6,454	200	154	-	33,184
Transfers out	(16,423)	(12,228)	-	-	-	-	-	-	(28,651)
Total other financing sources and (uses)	4,317	(12,228)	-	5,636	6,454	200	154	-	4,533
Net change in fund balances	7,763	(1,462)	-	572	-	106	319	7,204	14,502
Fund balances—beginning	22,061	45,948	-	1,853	-	93	27,032	-	96,987
Fund balances—ending	\$ 29,824	\$ 44,486	\$ -	\$ 2,425	\$ -	\$ 199	\$ 27,351	\$ 7,204	\$ 111,489

(continued)

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2022
(dollars in thousands)

	Debt Service			
	Debt Service	ETASC Debt Service	ECFSA Debt Service	Total
REVENUES				
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Transfer and other taxes	-	-	-	-
Intergovernmental	94	17,201	-	17,295
Departmental	-	-	-	-
Interest	6,430	292	-	6,722
Miscellaneous	6,976	-	-	6,976
Total revenues	13,500	17,493	-	30,993
EXPENDITURES				
Current:				
General government support	197	-	-	197
Public safety	-	-	-	-
Health	-	-	-	-
Transportation	-	-	-	-
Economic assistance and opportunity	-	-	-	-
Culture and recreation	-	-	-	-
Education	-	-	-	-
Home and community services	-	-	-	-
Debt service:				
Principal retirement	23,479	6,640	31,430	61,549
Interest and fiscal charges	11,301	10,412	10,441	32,154
Capital outlay	-	-	-	-
Total expenditures	34,977	17,052	41,871	93,900
Excess (deficiency) of revenues over expenditures	(21,477)	441	(41,871)	(62,907)
OTHER FINANCING SOURCES (USES)				
Issuance of general obligation debt	-	-	-	-
Premium on bond issuance	228	-	-	228
Transfers in	63,378	-	43,156	106,534
Transfers out	(43,156)	(200)	-	(43,356)
Total other financing sources and (uses)	20,450	(200)	43,156	63,406
Net change in fund balances	(1,027)	241	1,285	499
Fund balances—beginning	19,727	20,528	-	40,255
Fund balances—ending	\$ 18,700	\$ 20,769	\$ 1,285	\$ 40,754

(continued)

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenditures and Changes in Fund Balances—Nonmajor Governmental Funds
Year Ended December 31, 2022
(dollars in thousands)

(concluded)

	Capital Projects						
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities, Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	Total	Total Nonmajor Funds
REVENUES							
Real property taxes and tax items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,154
Sales and use taxes	-	-	-	-	-	-	4,044
Transfer and other taxes	-	-	-	-	-	-	21,777
Intergovernmental	4,722	3,888	-	-	3,363	11,973	119,506
Departmental	-	842	-	-	-	842	37,383
Interest	13	-	228	-	-	241	7,161
Miscellaneous	101	-	-	-	-	101	8,381
Total revenues	<u>4,836</u>	<u>4,730</u>	<u>228</u>	<u>-</u>	<u>3,363</u>	<u>13,157</u>	<u>222,406</u>
EXPENDITURES							
Current:							
General government support	-	-	-	-	-	-	24,523
Public safety	-	-	-	-	-	-	22,495
Health	-	-	-	-	-	-	14,094
Transportation	-	-	-	-	-	-	35,848
Economic assistance and opportunity	-	-	-	-	-	-	18,474
Culture and recreation	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Home and community services	-	-	-	-	-	-	53,050
Debt service:							
Principal retirement	-	-	-	-	-	-	61,549
Interest and fiscal charges	-	-	-	-	-	-	32,154
Capital outlay	<u>36,412</u>	<u>33,050</u>	<u>14,273</u>	<u>-</u>	<u>8,561</u>	<u>92,296</u>	<u>92,296</u>
Total expenditures	<u>36,412</u>	<u>33,050</u>	<u>14,273</u>	<u>-</u>	<u>8,561</u>	<u>92,296</u>	<u>354,483</u>
Excess (deficiency) of revenues over expenditures	<u>(31,576)</u>	<u>(28,320)</u>	<u>(14,045)</u>	<u>-</u>	<u>(5,198)</u>	<u>(79,139)</u>	<u>(132,077)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of general obligation debt	11,106	14,700	1,095	-	1,289	28,190	28,190
Premium on bond issuance	1,813	2,400	176	-	211	4,600	4,828
Transfers in	69,884	27,896	18,629	-	90	116,499	256,217
Transfers out	-	(310)	(1,340)	-	-	(1,650)	(73,657)
Total other financing sources and (uses)	<u>82,803</u>	<u>44,686</u>	<u>18,560</u>	<u>-</u>	<u>1,590</u>	<u>147,639</u>	<u>215,578</u>
Net change in fund balances	51,227	16,366	4,515	-	(3,608)	68,500	83,501
Fund balances—beginning	<u>74,297</u>	<u>46,897</u>	<u>29,335</u>	<u>216</u>	<u>14,579</u>	<u>165,324</u>	<u>302,566</u>
Fund balances—ending	<u>\$ 125,524</u>	<u>\$ 63,263</u>	<u>\$ 33,850</u>	<u>\$ 216</u>	<u>\$ 10,971</u>	<u>\$ 233,824</u>	<u>\$ 386,067</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Road Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Transfer and other taxes	\$ 14,300	\$ 14,300	\$ 21,777	\$ 7,477
Intergovernmental	12,000	12,000	17,367	5,367
Departmental	<u>180</u>	<u>180</u>	<u>150</u>	<u>(30)</u>
Total revenues	<u>26,480</u>	<u>26,480</u>	<u>39,294</u>	<u>12,814</u>
EXPENDITURES				
Current:				
Transportation	<u>35,962</u>	<u>36,797</u>	<u>36,154</u>	<u>643</u>
Total expenditures	<u>35,962</u>	<u>36,797</u>	<u>36,154</u>	<u>643</u>
Excess (deficiency) of revenues over expenditures	<u>(9,482)</u>	<u>(10,317)</u>	<u>3,140</u>	<u>13,457</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	20,055	20,740	20,740	-
Transfers out	<u>(10,573)</u>	<u>(16,423)</u>	<u>(16,423)</u>	<u>-</u>
Total other financing sources (uses)	<u>9,482</u>	<u>4,317</u>	<u>4,317</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (6,000)</u>	<u>\$ 7,457</u>	<u>\$ 13,457</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Sewer Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes and tax items	\$ 22,343	\$ 22,343	\$ 22,342	\$ (1)
Departmental	32,864	32,864	31,842	(1,022)
Interest	36	36	174	138
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,016</u>	<u>1,016</u>
Total revenues	<u>55,243</u>	<u>55,243</u>	<u>55,374</u>	<u>131</u>
EXPENDITURES				
Current:				
Home and community service	54,908	54,898	40,294	14,604
Debt service:				
Interest and fiscal charges	<u>10</u>	<u>10</u>	<u>-</u>	<u>10</u>
Total expenditures	<u>54,918</u>	<u>54,908</u>	<u>40,294</u>	<u>14,614</u>
Excess of revenues over expenditures	<u>325</u>	<u>335</u>	<u>15,080</u>	<u>14,745</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(12,505)</u>	<u>(12,515)</u>	<u>(12,228)</u>	<u>287</u>
Total other financing sources (uses)	<u>(12,505)</u>	<u>(12,515)</u>	<u>(12,228)</u>	<u>287</u>
Net change in fund balances *	<u>\$ (12,180)</u>	<u>\$ (12,180)</u>	<u>\$ 2,852</u>	<u>\$ 15,032</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Downtown Mall Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Real property taxes and tax items	\$ 1,807	\$ 1,812	\$ 1,812	\$ -
Total revenues	<u>1,807</u>	<u>1,812</u>	<u>1,812</u>	<u>-</u>
EXPENDITURES				
Current:				
General government support	<u>1,807</u>	<u>1,812</u>	<u>1,812</u>	<u>-</u>
Total expenditures	<u>1,807</u>	<u>1,812</u>	<u>1,812</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—E-911 Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Sales and use taxes	\$ 4,050	\$ 4,050	\$ 4,044	\$ (6)
Intergovernmental	<u>25</u>	<u>25</u>	<u>32</u>	<u>7</u>
Total revenues	<u>4,075</u>	<u>4,075</u>	<u>4,076</u>	<u>1</u>
EXPENDITURES				
Current:				
Public safety	7,894	8,026	7,638	388
Health	<u>1,643</u>	<u>1,685</u>	<u>1,502</u>	<u>183</u>
Total expenditures	<u>9,537</u>	<u>9,711</u>	<u>9,140</u>	<u>571</u>
(Deficiency) of revenues over expenditures	<u>(5,462)</u>	<u>(5,636)</u>	<u>(5,064)</u>	<u>572</u>
OTHER FINANCING SOURCES				
Transfers in	<u>5,462</u>	<u>5,636</u>	<u>5,636</u>	<u>-</u>
Total other financing sources	<u>5,462</u>	<u>5,636</u>	<u>5,636</u>	<u>-</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 572</u>	<u>\$ 572</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Pharmaceutical Litigation Settlements Special Revenue Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES:				
Intergovernmental	\$ -	\$ 427	\$ 7,364	\$ 6,937
Interest	-	-	24	24
Total revenues	-	427	7,388	6,961
EXPENDITURES				
Current:				
Public safety	-	173	52	121
Health	-	254	105	149
Economic assistance and opportunity	-	-	27	(27)
Total expenditures	-	427	184	243
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,204</u>	<u>\$ 6,718</u>

COUNTY OF ERIE, NEW YORK
Schedule of Revenues, Expenditures, and Changes in Fund Balances—
Budget and Actual—Debt Service Fund
Non-GAAP Basis of Accounting
For the Year Ended December 31, 2022
(dollars in thousands)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Budgetary Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Intergovernmental	\$ 94	\$ 94	\$ 94	\$ -
Interest	866	10,443	6,430	(4,013)
Miscellaneous	<u>-</u>	<u>13,951</u>	<u>6,976</u>	<u>(6,975)</u>
Total revenues	<u>960</u>	<u>24,488</u>	<u>13,500</u>	<u>(10,988)</u>
EXPENDITURES				
Current:				
General government support	-	393	197	196
Debt service:				
Principal retirement	52,946	31,144	23,479	7,665
Interest and fiscal charges	<u>15,721</u>	<u>18,523</u>	<u>11,301</u>	<u>7,222</u>
Total expenditures	<u>68,667</u>	<u>50,060</u>	<u>34,977</u>	<u>15,083</u>
(Deficiency) of revenues over expenditures	<u>(67,707)</u>	<u>(25,572)</u>	<u>(21,477)</u>	<u>4,095</u>
OTHER FINANCING SOURCES (USES)				
Premium on bond issuance	-	418	228	(190)
Transfers in	63,394	63,404	63,378	(26)
Transfers out	<u>-</u>	<u>(42,563)</u>	<u>(43,156)</u>	<u>(593)</u>
Total other financing sources (uses)	<u>63,394</u>	<u>21,259</u>	<u>20,450</u>	<u>(809)</u>
Net change in fund balances *	<u>\$ (4,313)</u>	<u>\$ (4,313)</u>	<u>\$ (1,027)</u>	<u>\$ 3,285</u>

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

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LIBRARY COMPONENT UNIT

The financial data shown for the Buffalo and Erie County Public Library (the “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 basic financial statements reflects the County’s financial accountability for this legally separate entity.



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COUNTY OF ERIE, NEW YORK
Balance Sheet—Library Component Unit
December 31, 2022
(dollars in thousands)

	<u>Library</u>
ASSETS	
Cash and cash equivalents	\$ 19,317
Receivables (net of allowances)	271
Intergovernmental receivables	283
Prepaid items	<u>532</u>
Total assets	<u><u>\$ 20,403</u></u>
LIABILITIES	
Accounts payable	\$ 1,009
Accrued liabilities	851
Retainaged percentages payable	23
Unearned revenue	<u>3,063</u>
Total liabilities	<u><u>4,946</u></u>
FUND BALANCES	
Nonspendable	532
Committed	3,597
Assigned	<u>11,328</u>
Total fund balances	<u><u>15,457</u></u>
Total liabilities and fund balances	<u><u>\$ 20,403</u></u>

COUNTY OF ERIE, NEW YORK
Reconciliation of the Balance Sheet—Library Component Unit to the
Government-wide Statement of Net Position
December 31, 2022
(dollars in thousands)

	<u>Library</u>
Total fund balance - Library component unit	\$ 15,457
Amounts reported for governmental activities in the statement of net position are different because:	
Net pension assets are not current financial resources and, therefore, are not reported in the funds.	3,701
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	16,777
Deferred outflows and inflows of resources related to pensions and other postemployment benefits ("OPEB") are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows related to employer contribution, experience, changes of assumptions, investment earnings and changes in proportion	\$ 8,214
Deferred outflows related to OPEB	13,717
Deferred inflows related to pension plans	(13,109)
Deferred inflows related to OPEB	<u>(29,131)</u> (20,309)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds	<u>(79,324)</u>
Net position of Library component unit	<u><u>\$ (63,698)</u></u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance—
Library Component Unit
Year Ended December 31, 2022
(dollars in thousands)

	<u>Library</u>
REVENUES	
Real property taxes and tax items	\$ 26,436
Intergovernmental	3,807
Departmental	214
Interest	25
Miscellaneous	<u>301</u>
Total revenues	<u>30,783</u>
 EXPENDITURES	
Culture and recreation	<u>30,522</u>
Total expenditures	<u>30,522</u>
 Excess of revenues over expenditures	<u>261</u>
 OTHER FINANCING SOURCES	
Transfers in	<u>227</u>
Total other financing sources	<u>227</u>
 Net change in fund balance	488
 Fund balances—beginning	<u>14,969</u>
Fund balances—ending	<u><u>\$ 15,457</u></u>

COUNTY OF ERIE, NEW YORK
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance—Library Component Unit to the
Government-wide Statement of Activities
Year Ended December 31, 2022
(dollars in thousands)

	<u>Library</u>
Net change in fund balance - Library component unit	\$ 488
Amounts reported for library component unit in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and depreciated. This is the amount by which capital outlays exceeded depreciation expense in the current period.	
Capital outlays, net of disposals of \$164	\$ 1,833
Depreciation expense	<u>(2,526)</u> (693)
Net differences between pension contributions recognized on the fund financial statements and the government-wide statements are as follows:	
Direct pension contributions	\$ (1,397)
Cost of benefits earned net of employee contributions	(586)
Changes in OPEB assumptions	<u>(11,766)</u> (13,749)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>17,497</u>
Change in net position of Library component unit	<u><u>\$ 3,543</u></u>

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OTHER COMPONENT UNITS

Other Component Units of Erie County include:

The financial data shown for the Erie Community College Foundation, Inc. and the Auxiliary Services Corporation of Erie Community College, Inc. is derived from their separately issued financial statements. Both of these entities are included as component units in the County's basic financial statements, based on the fact that they are legally separate entities for which the College and County are financially accountable.



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COUNTY OF ERIE, NEW YORK
Combining Statement of Net Position—
Other Component Units
December 31, 2022
(dollars in thousands)

	Other Component Units		
	College Foundation (August 31, 2022)	Auxiliary Services Corporation (August 31, 2022)	Total Other Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 268	\$ 1,617	\$ 1,885
Investments	5,515	-	5,515
Other receivables	94	42	136
Inventories	-	16	16
Prepaid items	54	-	54
Total current assets	5,931	1,675	7,606
Noncurrent assets:			
Capital assets	-	1,029	1,029
Less: accumulated depreciation	-	(806)	(806)
Net assets held on behalf of others	-	1,004	1,004
Total noncurrent assets	-	1,227	1,227
Total assets	5,931	2,902	8,833
LIABILITIES			
Current liabilities:			
Accounts payable	17	16	33
Accrued liabilities	-	60	60
Unearned revenue	-	93	93
Total current liabilities	17	169	186
Noncurrent liabilities:			
Net assets held on behalf of others	-	1,004	1,004
Total noncurrent liabilities	-	1,004	1,004
Total liabilities	17	1,173	1,190
NET POSITION			
Restricted:			
With donor restrictions	3,719	6	3,725
Without donor restrictions	2,195	1,723	3,918
Total net position	\$ 5,914	\$ 1,729	\$ 7,643

COUNTY OF ERIE, NEW YORK
Combining Statement of Revenues, Expenses, and Changes in Net Position—
Other Component Units
Year Ended December 31, 2022
(dollars in thousands)

	Other Component Units		
	College Foundation (August 31, 2022)	Auxiliary Services Corporation (August 31, 2022)	Total Other Component Units
OPERATING REVENUES			
Other sources	\$ 125	\$ 331	\$ 456
Contributions	960	-	960
Support from Erie Community College	5	-	5
Food service revenue, net	-	128	128
Bookstore revenue	-	138	138
Childcare service revenue	-	760	760
Loan forgiveness	-	147	147
Total operating revenues	<u>1,090</u>	<u>1,504</u>	<u>2,594</u>
OPERATING EXPENSES			
Scholarships	335	-	335
Supplies, services and general	807	368	1,175
Depreciation	-	45	45
Food service	-	252	252
Childcare service	-	753	753
Total operating expenses	<u>1,142</u>	<u>1,418</u>	<u>2,560</u>
Operating income (loss)	(52)	86	34
NONOPERATING REVENUES			
Miscellaneous revenue	-	67	67
Net realized and unrealized loss	<u>(1,016)</u>	<u>-</u>	<u>(1,016)</u>
Total nonoperating revenues	<u>(1,016)</u>	<u>67</u>	<u>(949)</u>
Change in net position	(1,068)	153	(915)
Net position—beginning	<u>6,982</u>	<u>1,576</u>	<u>8,558</u>
Net position—ending	<u>\$ 5,914</u>	<u>\$ 1,729</u>	<u>\$ 7,643</u>

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STATISTICAL SECTION

This part of Erie County’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County’s overall financial health.

<u>Contents</u>	<u>Page</u>
------------------------	--------------------

Financial Trends.....	113
------------------------------	------------

These schedules contain trend information to help the reader understand how the County’s financial performance and well-being have changed over time.

Revenue Capacity.....	120
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These schedules contain information to help the reader assess two of the County’s most significant revenue sources; sales and use taxes and property taxes.

Debt Capacity.....	125
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These schedules present information to help the reader assess the affordability of the County’s current levels of outstanding debt and the County’s ability to issue additional debt in the future.

Demographic and Economic Information.....	130
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These schedules offer demographic and economic indicators to help the reader understand the environment within which the County’s financial activities take place.

Operating Information.....	132
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These schedules contain service and infrastructure data to help the reader understand how the information in the County’s financial report relates to the services the County provides and the activities it performs.



COUNTY OF ERIE, NEW YORK
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017 (1)	2018	2019	2020	2021 (2)	2022
Governmental activities:										
Net investment in capital assets	\$ 395,657	\$ 411,226	\$ 443,834	\$ 455,145	\$ 451,024	\$ 454,464	\$ 475,918	\$ 480,108	\$ 486,065	\$ 500,682
Restricted	40,914	45,924	75,151	64,928	84,055	82,025	80,411	111,876	139,114	228,974
Unrestricted (deficit)	(472,024)	(493,690)	(523,858)	(574,135)	(1,421,468)	(1,424,284)	(1,439,738)	(1,540,872)	(1,332,693)	(1,175,919)
Total governmental activities net position	\$ (35,453)	\$ (36,540)	\$ (4,873)	\$ (54,062)	\$ (886,389)	\$ (887,795)	\$ (883,409)	\$ (948,888)	\$ (707,514)	\$ (446,263)
Business-type activities:										
Net investment in capital assets	\$ 23,349	\$ 27,069	\$ 32,148	\$ 32,809	\$ 37,520	\$ 32,342	\$ 31,004	\$ 28,560	\$ 26,327	\$ 24,488
Restricted	-	-	-	-	208	205	221	206	652	608
Unrestricted (deficit)	(34,406)	(39,058)	(43,798)	(52,059)	(173,278)	(179,612)	(190,046)	(208,362)	(205,261)	(194,870)
Total business-type activities net position	\$ (11,057)	\$ (11,989)	\$ (11,650)	\$ (19,250)	\$ (135,550)	\$ (147,065)	\$ (158,821)	\$ (179,596)	\$ (178,282)	\$ (169,774)
Primary government:										
Net investment in capital assets	\$ 419,006	\$ 438,295	\$ 475,982	\$ 487,954	\$ 488,544	\$ 486,806	\$ 506,922	\$ 508,668	\$ 512,392	\$ 525,170
Restricted	40,914	45,924	75,151	64,928	84,263	82,230	80,632	112,082	139,766	229,582
Unrestricted (deficit)	(506,430)	(532,748)	(567,656)	(626,194)	(1,594,746)	(1,603,896)	(1,629,784)	(1,749,234)	(1,537,954)	(1,370,789)
Total primary government net position	\$ (46,510)	\$ (48,529)	\$ (16,523)	\$ (73,312)	\$ (1,021,939)	\$ (1,034,860)	\$ (1,042,230)	\$ (1,128,484)	\$ (885,796)	\$ (616,037)

(1) During the year ended December 31, 2018, the County implemented GASB Statement No.75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions. As a result, net position as of December 31, 2017 was restated to be \$(886,389) and \$(135,550) for governmental activities and business-type activities, respectively.

(1) During the year ended December 31, 2022, the County implemented GASB Statement No.87, Leases. As a result, net position as of December 31, 2021 was restated to be \$(707,514) for governmental activities.

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accumul basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES:										
Primary government:										
Governmental activities:										
General government	\$ 426,627	\$ 444,564	\$ 424,884	\$ 432,365	\$ 444,172	\$ 461,861	\$ 474,170	\$ 493,026	\$ 545,831	\$ 563,319
Public safety	157,278	158,867	170,293	183,969	179,735	176,129	178,216	181,426	180,322	193,748
Health	72,137	73,687	78,789	86,713	97,574	92,076	94,365	170,829	104,764	108,537
Transportation	71,592	83,361	79,804	82,061	101,601	92,075	97,446	91,030	95,994	112,044
Economic assistance and opportunity	594,354	616,548	609,415	620,669	629,158	612,324	621,673	644,893	538,427	568,411
Culture and recreation	18,156	22,516	19,828	20,002	22,674	24,907	21,351	29,576	25,317	28,671
Education	68,208	67,907	72,947	72,784	69,060	70,572	84,592	73,839	73,019	80,687
Home and community service	53,704	52,410	51,506	59,475	62,452	60,981	61,465	90,835	68,503	101,460
Interest and fiscal charges	39,515	36,859	36,115	45,001	33,870	35,425	37,189	38,486	37,123	36,103
Total governmental activities expenses	1,501,571	1,556,719	1,543,581	1,603,039	1,640,296	1,626,350	1,670,467	1,813,940	1,669,300	1,792,980
Business-type activities:										
College (fiscal year ending August 31,)	132,318	131,991	129,053	138,975	134,468	140,049	134,427	139,415	115,785	117,960
ILDC	-	-	-	475	524	274	1,521	769	1,006	2,755
Purchase and resale of utilities aggregation	25,398	29,199	18,758	15,105	16,114	18,972	17,275	15,973	23,464	35,022
Total business-type activities expenses	157,716	161,190	147,811	154,555	151,106	159,295	153,223	156,157	140,255	155,737
Total primary government expenses	\$ 1,659,287	\$ 1,717,909	\$ 1,691,392	\$ 1,757,594	\$ 1,791,402	\$ 1,785,645	\$ 1,823,690	\$ 1,970,097	\$ 1,809,555	\$ 1,948,717
PROGRAM REVENUES:										
Primary government:										
Governmental activities:										
Charges for services:										
General government	\$ 26,702	\$ 26,684	\$ 25,624	\$ 27,143	\$ 30,649	\$ 28,474	\$ 28,345	\$ 26,664	\$ 30,594	\$ 28,362
Public safety	7,239	6,591	6,065	5,059	5,002	4,739	4,846	3,368	5,085	8,154
Health	2,192	2,103	2,237	2,302	2,597	2,514	2,207	2,004	2,221	2,236
Economic assistance and opportunity	23,723	22,037	23,431	28,857	25,636	22,296	21,261	25,869	22,210	19,536
Culture and recreation	1,322	1,350	1,406	1,456	1,453	1,525	1,483	1,156	1,718	1,824
Education	95	95	95	95	95	95	95	95	739	666
Home and community service	9,630	10,521	10,381	17,961	29,797	31,776	31,783	32,566	33,479	31,894
Operating grants and contributions	395,047	419,988	418,078	403,575	396,823	399,656	399,873	486,180	477,946	559,271
Capital grants and contributions	17,185	21,276	14,274	9,177	23,807	14,600	14,160	16,561	12,049	12,814
Total governmental activities program revenues	483,135	510,645	501,591	495,625	515,859	505,675	504,053	594,463	586,041	664,757

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for services:										
College (fiscal year ending August 31,)	36,868	35,807	35,914	35,726	36,246	37,342	36,626	28,409	27,593	22,617
ILDC	-	-	-	445	484	84	71	390	11	204
Purchase and resale of utilities aggregation	25,438	29,409	18,867	14,342	16,077	18,673	17,231	15,987	22,732	34,964
Operating grants and contributions	5,282	5,707	6,002	9,982	15,457	7,563	6,469	13,077	22,220	35,003
Total business-type activities program revenues	67,588	70,923	60,783	60,495	68,264	63,662	60,397	57,863	72,556	92,788
Total primary government program revenues	\$ 550,723	\$ 581,568	\$ 562,374	\$ 556,120	\$ 584,123	\$ 569,337	\$ 564,450	\$ 652,326	\$ 658,597	\$ 757,545
NET (EXPENSE) / REVENUE:										
Governmental activities	\$ (1,018,436)	\$ (1,046,074)	\$ (1,041,990)	\$ (1,107,414)	\$ (1,124,437)	\$ (1,120,675)	\$ (1,166,414)	\$ (1,219,477)	\$ (1,083,259)	\$ (1,128,223)
Business-type activities	(90,128)	(90,267)	(87,028)	(94,060)	(82,842)	(95,633)	(92,826)	(98,294)	(67,699)	(62,949)
Total primary government net expense	\$ (1,108,564)	\$ (1,136,341)	\$ (1,129,018)	\$ (1,201,474)	\$ (1,207,279)	\$ (1,216,308)	\$ (1,259,240)	\$ (1,317,771)	\$ (1,150,958)	\$ (1,191,172)

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES										
IN NET POSITION:										
Governmental activities:										
Taxes										
Property taxes levied for mall, sewer, and general purposes	\$ 269,809	\$ 274,900	\$ 277,889	\$ 283,647	\$ 290,884	\$ 299,933	\$ 309,801	\$ 320,608	\$ 329,267	\$ 333,107
Sales and use taxes	724,680	743,220	754,966	756,591	779,855	813,134	846,543	819,939	963,524	1,032,034
Transfer and other taxes	9,719	12,010	11,888	14,054	13,167	15,059	15,522	14,632	20,177	22,026
Unrestricted interest earnings	1,352	810	632	694	1,373	2,223	7,899	3,551	2,574	9,831
Gain on sale of capital assets	152	482	253	168	274	157	520	1,103	640	567
Miscellaneous	11,287	30,994	24,206	21,125	27,525	7,317	9,199	12,969	27,981	13,566
Transfers	(17,343)	(17,429)	(17,554)	(18,054)	(18,054)	(18,554)	(18,684)	(18,804)	(18,949)	(21,657)
Total governmental activities	999,656	1,044,987	1,052,280	1,058,225	1,095,024	1,119,269	1,170,800	1,153,998	1,325,214	1,389,474
Business-type activities:										
Unrestricted state and local appropriations	32,590	33,343	32,867	32,760	32,098	31,640	31,863	30,344	29,977	29,203
Federal and state student financial aid	38,690	38,511	38,172	35,585	33,699	33,764	30,136	28,270	20,216	20,813
Unrestricted interest earnings	75	52	30	31	71	160	267	101	11	11
Miscellaneous	491	-	-	-	-	-	-	-	-	-
Transfers	17,343	17,429	17,554	18,054	18,054	18,554	18,804	18,804	18,809	21,430
Total business-type activities	89,189	89,335	88,623	86,430	83,922	84,118	81,070	77,519	69,013	71,457
Total primary government	\$ 1,088,845	\$ 1,134,322	\$ 1,140,903	\$ 1,144,655	\$ 1,178,946	\$ 1,203,387	\$ 1,251,870	\$ 1,231,517	\$ 1,394,227	\$ 1,460,931
CHANGE IN NET POSITION:										
Governmental activities	\$ (18,780)	\$ (1,087)	\$ 10,290	\$ (49,189)	\$ (29,413)	\$ (1,406)	\$ 4,386	\$ (65,479)	\$ 241,955	\$ 261,251
Business-type activities	(939)	(932)	1,595	(7,630)	1,080	(11,515)	(11,756)	(20,775)	1,314	8,508
Total change in net position	\$ (19,719)	\$ (2,019)	\$ 11,885	\$ (56,819)	\$ (28,333)	\$ (12,921)	\$ (7,370)	\$ (86,254)	\$ 243,269	\$ 269,759

(Concluded)

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund:										
Nondisposable	\$ 10,292	\$ 10,231	\$ 9,087	\$ 8,595	\$ 8,603	\$ 8,301	\$ 1,320	\$ 9,725	\$ 11,028	\$ 16,996
Restricted	138	140	154	171	162	160	160	155	156	155
Assigned	20,289	26,576	20,400	11,192	28,072	53,933	69,370	20,095	183,094	260,489
Unassigned	89,650	92,218	99,859	100,154	101,939	102,490	102,898	104,050	113,395	136,463
Total general fund	\$ 120,369	\$ 129,165	\$ 129,500	\$ 120,112	\$ 138,776	\$ 164,884	\$ 173,748	\$ 134,025	\$ 307,673	\$ 414,103
All Other Governmental Funds:										
Nondisposable	\$ 3,539	\$ 3,408	\$ 34,774	\$ 3,295	\$ 3,648	\$ 3,476	\$ 1,844	\$ 3,549	\$ 3,589	\$ 3,603
Restricted	152,860	121,468	119,522	148,734	173,264	175,524	186,708	214,643	232,611	309,133
Assigned	31,933	37,272	38,026	44,347	42,840	49,266	54,261	58,037	68,868	89,511
Unassigned	(543)	(654)	(548)	(6,868)	(444)	(400)	-	(460)	(508)	(396)
Total all other governmental funds	\$ 187,789	\$ 161,494	\$ 191,774	\$ 189,508	\$ 219,308	\$ 227,866	\$ 242,813	\$ 275,769	\$ 304,560	\$ 401,851

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES:										
Real property taxes and tax items	\$ 271,757	\$ 274,742	\$ 280,406	\$ 283,732	\$ 291,149	\$ 300,193	\$ 308,781	\$ 314,527	\$ 325,043	\$ 343,700
Sales and use taxes	724,680	743,220	754,966	756,591	779,855	813,134	846,543	819,939	963,524	1,032,034
Transfer and other taxes	9,719	12,010	11,888	14,054	13,167	15,059	15,522	14,632	20,177	22,026
Intergovernmental	405,194	434,138	416,188	423,586	409,571	408,427	411,147	500,621	485,455	566,001
Interfund revenues	310	228	206	730	299	920	241	402	644	-
Departmental	72,756	70,012	69,247	83,086	96,226	91,876	90,165	92,314	95,388	92,930
Interest	6,334	5,336	4,900	4,965	12,195	6,326	8,351	7,906	6,486	13,842
Miscellaneous	15,337	35,425	28,372	22,678	28,141	10,926	12,411	16,885	18,796	20,557
Total revenues	1,506,087	1,575,111	1,566,173	1,589,422	1,630,603	1,646,861	1,693,161	1,767,226	1,915,513	2,091,090
EXPENDITURES:										
Current:										
General government support	384,065	393,501	402,264	407,302	418,945	437,215	454,028	459,446	533,845	560,727
Public safety	150,138	151,308	157,404	158,624	155,063	160,533	170,714	168,992	176,631	192,481
Health	71,832	72,696	73,569	76,812	87,306	89,235	92,725	164,136	105,051	111,808
Transportation	45,527	50,227	50,534	52,425	53,172	55,133	58,048	54,368	60,912	75,403
Economic assistance and opportunity	588,819	616,018	603,687	602,921	609,499	595,888	612,228	620,368	539,284	572,948
Culture and recreation	16,497	16,954	17,722	17,333	18,411	19,406	20,886	26,461	22,775	26,806
Education	65,867	66,159	71,177	70,846	69,886	72,153	79,570	69,990	70,903	79,830
Home and community service	46,685	45,267	45,733	50,360	50,330	52,193	51,480	75,420	56,297	91,394
Capital outlay	58,042	98,279	66,645	72,025	66,081	60,854	67,023	61,733	67,531	92,296
Debt service:										
Principal retirement	50,359	57,915	88,040	76,913	58,070	59,952	58,280	64,076	55,854	68,039
Other - advance refunding escrow	-	-	-	-	5,517	-	-	-	-	-
Interest and fiscal charges	39,426	39,230	37,971	43,418	34,100	39,061	38,642	35,281	37,297	33,075
Total expenditures	1,517,257	1,607,554	1,614,746	1,628,979	1,626,380	1,641,623	1,703,624	1,800,271	1,726,380	1,904,807
Excess (deficiency) of revenues over expenditures	(11,170)	(32,443)	(48,573)	(39,557)	4,223	5,238	(10,463)	(33,045)	189,133	186,283

(Continued)

COUNTY OF ERIE, NEW YORK
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(dollars in thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
OTHER FINANCING SOURCES (USES):										
Issuance of general obligation debt	61,470	27,405	32,000	32,765	15,331	42,420	42,990	34,785	25,655	28,190
Refunding bonds issued	31,135	-	24,615	44,335	62,745	-	-	16,181	10,185	-
Payments to refunded bond escrow agent	(35,895)	-	-	(46,295)	(86,938)	-	-	(16,545)	(10,185)	-
Premium on bond issuance	14,430	4,486	8,822	14,984	19,545	5,405	9,448	9,558	5,960	4,828
Payment from Erie County - advance loan refunding	-	-	-	-	79,491	-	-	-	-	-
Purchase of loan by Erie County - advance loan refunding	-	-	-	-	(73,974)	-	-	-	-	-
Proceeds on bond issuance	-	-	-	-	135,780	-	-	-	-	-
Premium on obligations	-	-	-	-	23,984	-	-	-	-	-
Discount on purchase of mirror bonds	-	-	-	-	(6,718)	-	-	-	-	-
Purchase of loan by Erie County	-	-	-	-	(92,115)	-	-	-	-	-
Discount on loan to Erie County	-	-	-	-	(6,829)	-	-	-	-	-
Issuance of leases	-	-	-	-	-	-	-	-	-	5,510
Sale of property	152	482	253	168	274	157	520	1,103	640	567
Transfer to Trustee - debt service reserve	-	-	-	-	(8,281)	-	-	-	-	-
Transfers in	663,321	589,751	607,492	613,113	654,881	629,551	650,325	668,778	734,765	864,043
Transfers out	(680,664)	(607,180)	(625,046)	(631,167)	(672,935)	(648,105)	(669,009)	(687,582)	(753,714)	(885,700)
Total other financing sources (uses)	53,949	14,944	48,136	27,903	44,241	29,428	34,274	26,278	13,306	17,438
Net change in fund balances	\$ 42,779	\$ (17,499)	\$ (437)	\$ (11,654)	\$ 48,464	\$ 34,666	\$ 23,811	\$ (6,767)	\$ 202,439	\$ 203,721
Debt service as a percentage of non-capital expenditures	6.1%	6.4%	8.1%	7.7%	6.2%	6.3%	5.9%	5.5%	5.6%	5.5%

(Concluded)

Source: Erie County Basic Financial Statements

COUNTY OF ERIE, NEW YORK
Taxable Sales by Category (1)
Last Ten Fiscal Years
(dollars in thousands)

Category (2)	Fiscal Year									
	2013	2014 (3)	2015 (3)	2016 (3)	2017 (3)	2018 (3)	2019 (3)	2020 (3)	2021 (3)	2022 (3)(4)
Utilities (excluding residential energy)	\$ 215,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	263,192	302,282	312,989	350,168	338,751	420,593	431,169	552,186	598,685	687,214
Manufacturing	507,377	505,746	513,112	539,075	536,291	891,419	965,244	1,059,120	1,153,933	1,331,521
Wholesale trade	603,582	823,460	821,596	815,940	798,842	850,041	894,517	958,423	909,336	1,134,410
Retail trade total	5,990,508	8,105,009	8,195,701	8,060,594	8,131,763	8,017,519	8,192,013	8,642,121	9,055,193	10,266,241
Information	670,161	714,504	725,298	716,610	755,901	661,059	647,610	646,687	617,395	649,922
Professional, scientific, and technical	215,302	237,551	245,129	273,361	268,948	280,312	302,471	350,371	374,465	432,368
Administrative/support services	297,761	327,805	354,062	408,457	402,667	422,294	450,717	536,376	438,444	492,544
Health care	14,594	22,568	23,697	25,069	13,393	15,329	17,269	2,026	16,731	23,137
Arts, entertainment, and recreation	138,331	169,495	178,011	187,551	200,990	205,739	199,206	212,969	69,965	215,057
Accommodation and food services	1,693,772	1,751,920	1,823,917	1,954,805	2,021,714	2,086,351	2,145,300	2,227,780	1,531,143	2,261,801
Other services total	395,122	426,800	437,025	608,815	591,115	611,889	685,289	693,918	590,583	770,680
Agriculture, mining, transportation, fire, education, government	534,342	-	-	-	-	-	-	-	-	-
Agriculture, forestry, fishing, and hunting	-	16,507	16,673	18,312	19,290	20,071	21,957	23,143	29,840	33,390
Mining, quarry, and oil and gas extraction	-	14,913	21,313	23,875	18,291	19,857	19,236	22,370	25,069	28,850
Transportation and warehousing	-	73,093	74,908	77,221	70,135	75,603	74,866	85,172	55,571	82,197
Finance and insurance	-	54,827	46,565	53,800	68,458	70,381	75,158	84,937	100,657	118,652
Real estate and rental and leasing	-	375,059	349,303	361,075	370,141	377,875	417,905	441,412	368,707	430,603
Management of companies and enterprises	-	27,611	26,188	26,853	21,974	23,462	19,768	23,779	15,952	25,017
Educational services	-	12,734	13,051	13,421	14,934	13,468	14,440	13,704	9,646	11,195
Public administration	-	2,302	2,466	2,159	2,168	160,623	167,256	194,586	251,559	311,698
Utilities	-	918,704	938,766	779,985	749,502	850,599	915,192	938,392	979,428	1,151,533
Unclassified by industry	11,432	49,823	50,980	62,314	18,744	56,785	4,973	7,546	7,433	11,998
Total	\$ 11,550,613	\$ 14,932,713	\$ 15,170,750	\$ 15,359,460	\$ 15,414,012	\$ 16,131,269	\$ 16,661,556	\$ 17,717,018	\$ 17,199,735	\$ 20,470,028
County Direct Sales Tax Rate	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%	2.81%

Source: New York State Department of Taxation and Finance

Notes:

(1) NYS Department of Taxation & Finance's reporting period is March to February. Data represents the reporting periods beginning March 1, 2012 and ending February 28, 2022.

(2) Detailed information regarding payers or remitters is not available. Prior to the 2014 reporting period, utilities sales excluded residential energy purchases.

(3) As of the 2013-2014 tax period (the County's 2014 Fiscal Year), the NYS Department of Taxation and Finance re-registered all sales tax vendors, which resulted in a change in total sales and sales distribution by industry. The new reporting system contains more up-to-date and accurate information.

(4) Taxable Sales for fiscal year 2022 are preliminary.

COUNTY OF ERIE, NEW YORK
Assessed and Equalized Full Value of Taxable Property (1)
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Residential Property	Commercial Property	Total Assessed Property Value	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Total Actual Taxable Equalized Full Value	Assessed Value as a Percentage of Equalized Full Value (1)
2013	\$ 28,269,007	\$ 9,684,510	\$ 37,953,517	\$ 2,193,126	\$ 35,760,391	\$ 6.57	\$ 47,138,287	75.86%
2014	29,011,563	10,174,472	39,186,035	2,147,709	37,038,326	6.59	47,996,864	77.17%
2015	30,634,675	10,693,215	41,327,890	2,088,451	39,239,439	6.59	49,214,694	79.73%
2016	31,420,866	10,956,886	42,377,752	2,088,451	40,289,301	6.50	51,961,517	77.54%
2017	31,874,701	11,091,876	42,966,577	1,974,692	40,991,885	6.44	54,929,481	74.63%
2018	33,265,365	11,630,059	44,895,424	1,914,651	42,980,773	6.33	58,098,574	73.98%
2019	33,931,405	11,759,913	45,691,318	1,880,078	43,811,240	6.13	60,970,410	71.86%
2020	33,453,607	12,527,487	45,981,094	2,016,575	43,964,519	5.98	64,771,315	67.88%
2021	38,786,015	14,123,537	52,909,552	2,098,309	50,811,243	5.57	70,645,602	71.92%
2022	41,278,295	14,639,061	55,917,356	2,096,839	53,820,517	5.43	74,148,295	72.58%

Source: Erie County Department of Real Property Tax Services

Notes:

(1) Equalization rates are provided by New York State and applied by the County to the assessed valuation of taxable real estate to arrive at equalized full value which is comparable to estimated actual value.

(2) Per \$1,000 of assessed value.

COUNTY OF ERIE, NEW YORK
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

<u>Fiscal Year</u>	<u>Erie County Direct Rates</u>			<u>Overlapping Rates</u>			
	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Total Direct</u>	<u>Cities, Towns & Villages</u>	<u>School Districts</u>	<u>Special Districts</u>	<u>City of Buffalo (1)</u>
2013	\$ 5.03	\$ 1.54	\$ 6.57	\$ 3.92	\$ 18.53	\$ 5.03	\$ 21.58
2014	5.04	1.55	6.59	3.89	18.81	4.91	21.17
2015	5.00	1.59	6.59	3.85	18.87	4.85	20.52
2016	4.96	1.54	6.50	3.74	18.55	4.77	18.26
2017	4.95	1.49	6.44	3.68	17.91	4.63	16.84
2018	4.95	1.38	6.33	3.66	17.48	4.54	14.89
2019	4.84	1.29	6.13	3.65	17.19	4.52	14.48
2020	4.71	1.27	5.98	3.54	16.60	4.31	13.85
2021	4.42	1.15	5.57	3.52	16.15	4.15	10.98
2022	4.32	1.11	5.43	3.27	15.60	4.03	10.86

Source: Erie County Department of Real Property Tax Services

Note:

(1) City of Buffalo is presented separately and is, therefore, not included in the column for cities, towns, and villages. The rate shown for the City of Buffalo includes the levy for the Buffalo Public School District, which receives funding from the City and is unable to levy taxes.

COUNTY OF ERIE, NEW YORK
Principal Taxpayers
Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Equalized Full Value	Rank	Percentage of Equalized Full Value (1)	Equalized Full Value	Rank	Percentage of Equalized Full Value (1)
National Grid / Niagara Mohawk	\$ 1,187,922,393	1	1.60%	\$ 695,541,671	2	1.48%
Benderson Development Company	896,405,875	2	1.21%	486,137,175	3	1.03%
National Fuel Gas	853,288,192	3	1.15%	697,625,214	1	1.48%
Ellicott Group LLC	380,068,321	4	0.51%	100,129,428	10	0.21%
Uniland Development	330,466,987	5	0.45%	108,097,805	9	0.23%
NY State Electric & Gas Corporation	315,215,222	6	0.43%	249,103,215	5	0.53%
Norfolk/Conrail/CSX	252,801,779	7	0.34%	147,453,929	8	0.31%
Ciminelli International	203,273,543	8	0.27%	n/a	n/a	n/a
MJ Peterson Real Estate	182,539,983	9	0.25%	n/a	n/a	n/a
Verizon New York Inc	181,810,240	10	0.25%	301,489,437	4	0.64%
DDR MDT LLC	n/a	n/a	n/a	177,389,714	7	0.38%
Pyramid Company of Buffalo	n/a	n/a	n/a	180,928,487	6	0.38%
Totals	\$ 4,783,792,535		6.45%	\$ 3,143,896,075		6.67%

Source: Erie County 2022 & 2013 Annual Reports published by the Department of Real Property Tax Services

Note:

(1) Percentage of equalized full value is calculated by dividing the valuation shown for each of the listed taxpayers by the County's total equalized full value (excluding exemptions).

COUNTY OF ERIE, NEW YORK
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	County Property Taxes Levied (1)	All Other Property Taxes Levied (2)	Total Property Taxes Levied	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 237,270,828	\$ 418,170,150	\$ 655,440,978	\$ 637,052,431	97.19%	\$ 17,039,089	\$ 654,091,520	99.79%
2014	241,721,087	420,052,940	661,774,027	644,024,505	97.32%	16,443,937	660,468,442	99.80%
2015	245,876,811	428,290,819	674,167,630	655,940,466	97.30%	16,828,546	672,769,012	99.79%
2016	257,638,097	437,982,920	695,621,017	677,125,859	97.34%	16,743,654	693,869,513	99.75%
2017	272,002,597	447,195,930	719,198,527	700,924,354	97.46%	16,098,693	717,023,047	99.70%
2018	287,386,093	457,147,623	744,533,716	725,368,656	97.43%	16,126,604	741,495,260	99.59%
2019	295,096,353	469,825,980	764,922,333	745,093,535	97.41%	15,824,456	760,917,991	99.48%
2020	305,272,912	481,191,141	786,464,053	765,776,625	97.37%	13,082,056	778,858,681	99.03%
2021	312,095,683	492,768,043	804,863,726	785,705,522	97.62%	8,108,812	793,814,334	98.63%
2022	319,959,718	498,290,359	818,250,077	800,581,184	97.84%	N/A	800,581,184	97.84%

Sources:

Erie County Department of Real Property Tax Services

Erie County Govern Tax Collection System

Notes:

(1) Totals shown exclude amounts levied in accordance with State law to recover election expenditures from the municipalities that were incurred by the County.

(2) Totals shown are primarily comprised of taxes levied for the benefit of County towns, re-levy of uncollected school and village taxes, and sewer district taxes and user charges. See Note 4 - Property Taxes beginning on page 46 for more information on the annual property tax levy process.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities			Business-type Activities			
	General Obligation Bonds (1)	General Obligation Bonds - Sewer & ECMCC (2)	ETASC Tobacco Securitization Asset Backed Bonds	Capital Leases	Total Primary Government	Percentage of Personal Income (3)(4)	Per Capita (3)(4)
2013	\$ 454,789	\$ 156,801	\$ 338,715	\$ 5,907	\$ 956,212	1.09%	494
2014	429,288	151,826	339,938	4,430	925,482	1.04%	465
2015	405,903	146,051	344,218	2,954	899,126	0.94%	440
2016	390,827	139,928	333,159	1,477	865,391	0.89%	424
2017	390,238	235,244	338,649	-	964,131	0.85%	422
2018	376,799	230,072	343,419	-	950,290	0.79%	410
2019	369,588	224,567	349,555	-	943,710	0.75%	402
2020	349,588	219,087	354,718	-	923,393	0.67%	381
2021	332,154	210,660	357,420	-	900,234	0.61%	349
2022	311,493	201,444	361,217	-	874,154	N/A	328

Source: Erie County Basic Financial Statements 2013-2022

Notes:

(1) Amounts shown are net of related premiums, discounts and adjustments. Amounts exclude sewer bonds and ECMCC facility and capital bonds.

(2) Includes self-supporting sewer district bonds for the years 2013 to 2022 and bonds issued by the ECFSA in 2011 to assist ECMCC in the construction of a new residential health care facility. Loan agreements were executed whereby ECMCC will fund the repayment of the bonds in future years (\$82,505 was outstanding at December 31, 2013; \$78,615 was outstanding December 31, 2014; \$74,565 was outstanding December 31, 2015; and \$70,355 was outstanding December 31, 2016). In 2017, the 2011 bonds issued by ECFSA for ECMCC's health care facility were refunded. ECFSA also issued bonds to assist ECMCC's capital projects in 2017. Similar loan agreements were executed, as mentioned above. As of December 31, 2022, \$48,905 was outstanding for the ECMCC facility bonds and \$86,610 was outstanding for the ECMCC capital projects bonds.

(3) Calculation excludes self-supporting debt (i.e., ETASC tobacco settlement bonds, sewer district bonds, ECMCC related bonds and ECC capital leases). ETASC bonds are not legal obligations of the County. The County operates sewer districts in select areas of the County only. ECMCC related debt and ECC capital leases are repaid solely by ECMCC and ECC, respectively.

(4) See the "Demographic and Economic Statistics" schedule on page 130 for personal income and population data.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	General Net Bonded Debt Outstanding (1,2,3)	Percentage of Actual Taxable Value (4) of Property	Per Capita (5)
2013	\$ 445,928	1.25%	\$ 485
2014	422,687	1.14%	458
2015	397,283	1.01%	431
2016	380,066	0.94%	412
2017	369,884	0.90%	400
2018	361,994	0.84%	394
2019	359,459	0.82%	391
2020	338,638	0.77%	369
2021	332,154	0.53%	339
2022	311,493	0.56%	316

Source: Erie County Basic Financial Statements 2013-2022

Notes:

(1) Does not include sewer bonds which are considered self-supporting debt.

(2) Excludes ECMCC bond guaranty of \$90,085 for 2013, \$87,500 for 2014, \$84,790 for 2015, \$81,930 for 2016, \$78,910 for 2017, \$75,725 for 2018, \$72,365 for 2019, \$68,820 for 2020, \$65,080 for 2021, and \$61,135 for 2022.

(3) Net of resources restricted for principal repayment of general bonded debt of \$11,624 at December 31, 2022.

(4) See the "Assessed and Equalized Full Value of Taxable Property" schedule on page 121 for property value data.

(5) See the "Demographic and Economic Statistics" schedule on page 130 for population data.

COUNTY OF ERIE, NEW YORK
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

Legal Debt Margin Calculation for Fiscal Year 2022 (1)

Full value (average five-year valuation) (2)	\$ 70,898,164
Debt limit (7% of assessed value) (3)	<u>\$ 4,962,871</u>
Debt applicable to limit:	
General obligation bonds and guaranty	\$ 385,359
Less: sewer bond exclusions	<u>(65,929)</u>
Total net debt applicable to limit	319,430
Legal debt margin	<u>\$ 4,643,441</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 3,242,613	\$ 3,293,213	\$ 3,336,526	\$ 3,409,653	\$ 3,517,372	\$ 3,670,816	\$ 3,852,445	\$ 4,070,748	\$ 4,331,815	\$ 4,962,871
Total net debt applicable to limit	<u>576,666</u>	<u>552,316</u>	<u>524,451</u>	<u>499,668</u>	<u>486,699</u>	<u>393,960</u>	<u>383,195</u>	<u>360,625</u>	<u>341,530</u>	<u>319,430</u>
Legal debt margin	<u>\$ 2,665,947</u>	<u>\$ 2,740,897</u>	<u>\$ 2,812,075</u>	<u>\$ 2,909,985</u>	<u>\$ 3,030,673</u>	<u>\$ 3,276,856</u>	<u>\$ 3,469,250</u>	<u>\$ 3,710,123</u>	<u>\$ 3,990,285</u>	<u>\$ 4,643,441</u>
Total net debt applicable to the limit as a percentage of debt limit	17.78%	16.77%	15.72%	14.65%	13.84%	10.73%	9.95%	8.86%	7.88%	6.44%

Sources:

Property value - NYS Office of the State Comptroller - Data Management Unit

Indebtedness and exclusions - Erie County Comptroller's Office

Erie County Basic Financial Statements

Notes:

(1) The computation of net debt-contracting margin performed by municipalities in New York State is akin to the computation of legal debt margin performed by municipalities in other states.

(2) Equalization rates are provided by New York State and applied by the County to the assessed valuations of taxable real estate to arrive at equalized full value.

(3) Per New York State constitution, the County's outstanding general obligation debt should not exceed 7 percent of total average five-year assessed property value.

COUNTY OF ERIE, NEW YORK
Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Tobacco Securitization Asset Backed Bonds (1)									
Carry-forward of									
Prior Year									
Fiscal Year	Tobacco Settlement Revenue	Interest Earnings	Operating Transfer-Out	Fund Balance Restricted for Future Debt Service	Less: Operating Expenses	Net Available Resources	Debt Service		Coverage
							Principal	Interest	
2013	\$ 15,388	\$ 42	\$ -	\$ 19,991	\$ (1)	\$ 35,420	\$ 1,785	\$ 12,901	2.41
2014	17,409	12	-	20,734	(1)	38,154	4,855	12,697	2.17
2015	14,898	12	(400)	20,602	-	35,112	2,220	12,520	2.38
2016	30,091	166	-	20,372	-	50,629	18,015	12,053	1.68
2017	13,176	271	-	20,561	-	34,008	1,950	11,553	2.52
2018	14,267	459	(200)	20,505	-	35,031	3,190	11,656	2.36
2019	13,518	617	-	20,185	-	34,320	2,380	11,649	2.45
2020	15,508	365	(100)	20,291	-	36,064	3,950	10,794	2.45
2021	16,771	17	(95)	21,320	-	38,013	7,050	10,435	2.17
2022	17,201	292	(200)	20,528	-	37,821	6,640	10,412	2.22

Source: ETASC Financial Statements

Note:

(1) Tobacco settlement bonds are payable only from the assets of ETASC and are not legal obligations of the County.

COUNTY OF ERIE, NEW YORK
Direct And Overlapping Governmental Activities Debt (1)
As of December 31, 2022
(dollars in thousands)

<u>Governmental Unit</u>	<u>Fiscal Year Ended</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Cities	06/30/21	\$ 341,263	100%	\$ 341,263
Towns	12/31/21	547,495	100%	547,495
Villages	05/31/21	100,682	100%	100,682
School districts	06/30/21	1,482,207	100%	1,482,207
Fire districts	12/31/21	17,534	100%	17,534
Subtotal, overlapping debt				<u>2,489,181</u>
County direct debt				512,937
ETASC direct debt				<u>361,216</u>
County and ETASC direct debt				<u>874,153</u>
Total direct and overlapping debt				<u>\$ 3,363,334</u>

Sources:

Net debt outstanding of Erie County - Erie County Comptroller's Office

All other information - Latest available from the New York State Office of the State Comptroller

Note:

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Erie County. This process recognizes that, when considering the County's ability to issue and re-pay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

COUNTY OF ERIE, NEW YORK
Demographic and Economic Statistics
Last Ten Calendar Years

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment (Grades K-12)	Unemployment Rate
2013	919,866	\$ 41,850,059	\$ 45,496	144,334	7.4%
2014	922,835	41,287,539	44,740	137,617	6.1%
2015	922,578	43,164,184	46,786	138,391	5.3%
2016	921,046	43,804,180	47,559	140,620	4.9%
2017	925,528	45,656,251	49,330	137,587	5.1%
2018	919,719	47,401,067	51,539	138,055	4.4%
2019	918,702	49,148,494	53,498	137,067	4.3%
2020	917,241	52,051,398	56,748	135,527	9.1%
2021	950,683	54,783,277	57,625	130,183	5.5%
2022	950,312	N/A	N/A	N/A	3.6%

Sources:

Population: The 2013 to 2021 estimates were compiled by the NYS Department of Commerce and the NYS Department of Economic Development, respectively, using data provided by the United States Bureau of the Census. 2022 is the estimated population provided by the United States Bureau of the Census.

Personal Income: United States Department of Commerce, Bureau of Economic Analysis; material compiled by NYS Department of Commerce.

School Enrollment: NYS Education Department, Information Center on Education. School enrollment data represents the 2012-2013 to 2021-2022 school years.

Unemployment Rate: NYS Department of Labor.

Note:

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Principal Employers
Current Year and Nine Years Ago

<u>Employer</u>	<u>2022</u>			<u>2013</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
State of New York	23,497	1	5.48%	15,123	1	3.54%
U.S. Government	9,725	2	2.27%	11,183	2	2.62%
Kaleida Health	8,191	4	1.91%	10,000	3	2.34%
M&T Bank	8,000	5	1.87%	5,140	8	1.20%
City of Buffalo (1)	7,961	3	1.86%	7,945	4	1.86%
Catholic Health System	7,256	6	1.69%	6,628	6	1.55%
University at Buffalo	6,368	7	1.49%	6,733	5	1.57%
Tops Markets LLC	5,300	8	1.24%	5,058	9	1.18%
Walmart	5,100	9	1.19%	n/a	n/a	n/a
County of Erie	4,179	10	0.98%	3,906	10	0.91%
Employer Services Corp	n/a		n/a	6,363	7	1.49%
Total	<u>85,577</u>		<u>19.97%</u>	<u>78,079</u>		<u>18.26%</u>

Sources:

Total Employed Within Erie County: NYS Department of Labor.

All Other Employer Data: Business First - Book of Lists

Notes:

(1) Includes Buffalo Public School District.

COUNTY OF ERIE, NEW YORK
Full-time County Government Employees by Function (1)
Last Ten Fiscal Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government support	610	606	615	637	637	674	653	682	691	719
Public safety	1,213	1,235	1,243	1,264	1,326	1,267	1,283	1,301	1,264	1,287
Health	210	215	219	295	230	298	297	316	328	329
Transportation	141	151	173	175	170	166	181	175	183	185
Economic assistance and opportunity	1,353	1,388	1,386	1,392	1,394	1,386	1,253	1,273	1,300	1,314
Culture and recreation	50	53	57	60	64	66	68	66	78	82
Education	84	86	98	27	27	27	25	27	26	27
Home and community service	245	240	229	241	236	229	242	247	229	236
Total	3,906	3,974	4,020	4,091	4,084	4,113	4,002	4,087	4,099	4,179

Source: Erie County Comptroller's Office

Note:

(1) Excludes SUNY Erie Community College.

COUNTY OF ERIE, NEW YORK
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government support:										
Major construction projects successfully completed	8	15	14	12	12	3	17	19	8	10
Motor vehicle registrations processed by County Clerk	278,409	274,936	286,500	283,895	279,172	255,736	263,119	197,345	209,315	240,133
Cases prosecuted or arraigned by the District Attorney's Office	29,605	31,172	32,225	24,798	22,838	28,928	27,609	15,146	17,173	17,304
Public safety:										
Sheriff's calls for service	88,659	88,944	89,941	98,881	105,384	101,788	101,788	86,341	92,603	96,036
Vehicle and traffic arrests	10,988	9,406	11,446	10,900	11,112	7,573	6,897	2,135	2,437	2,469
Inmate population-Holding Center (average per day)	517	497	544	493	426	414	417	243	345	339
Inmate population-Correctional Facility (average per day)	852	742	712	690	644	543	433	296	337	394
Probation cases-supervised	7,092	6,245	5,799	5,424	4,938	5,239	5,185	4,400	4,187	4,091
Fire personnel trained	7,782	7,657	7,266	8,357	7,815	8,246	7,750	6,153	6,394	6,394
Health:										
Persons served by Mental Health agencies (per month)	2,325	2,901	3,023	3,341	3,949	2,352	2,729	3,145	3,195	3,890
Transportation:										
Bridges inspected	78	234	77	231	76	213	126	254	74	224
Miles of roads receiving surface treatment	12	114	147	199	158	131	178	39	78	54
Economic assistance and opportunity:										
Home Energy Assistance Program payments administered	174,777	206,518	122,938	157,902	105,892	141,132	181,245	82,733	148,472	145,263
Number of clients enrolled in Medicaid Managed Care programs	125,580	160,983	171,752	170,189	173,550	170,001	168,836	199,798	213,464	225,197
Senior services home care to frail elderly (hours)	67,450	71,566	86,969	74,982	80,405	58,244	79,705	77,002	61,415	76,883
Culture and recreation:										
Park attendance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Rounds of golf played	N/A	N/A	56,339	54,627	47,748	46,971	44,734	45,709	52,035	54,373
Education:										
Children with special needs receiving service	3,835	3,821	3,933	3,833	3,907	3,982	4,039	4,133	3,899	4,333
Erie Community College full-time student headcount (1)	9,116	8,514	7,862	7,422	7,077	6,702	6,168	5,768	4,593	4,316
Home and community service:										
Sewer flow per day (millions of gallons)	49	48	46	45	52	51	52	52	52	49

Source: Various County Departments

Notes:

(1) Average per semester.

N/A = Not Available

COUNTY OF ERIE, NEW YORK
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function (1)	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety:										
Emergency communication stations	1	1	1	1	1	1	1	1	1	1
Training centers operated by the County	3	3	3	3	3	3	3	3	3	3
Correctional facilities	1	1	1	1	1	1	1	1	1	1
Holding centers	1	1	1	1	1	1	1	1	1	1
Health:										
Health Department clinics / in County-owned buildings	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 1	4 / 4	4 / 4	4 / 4	4 / 4
Transportation:										
Miles of roads	1,187	1,187	1,187	1,187	1,187	1,179	1,177	1,177	1,177	1,177
Highway maintenance facilities	5	5	5	5	5	5	5	5	5	5
Culture and recreation:										
Parks	23	23	23	23	23	23	23	23	23	23
Park and forest acreage	10,247	10,247	10,247	10,486	10,486	10,486	9,875	9,875	9,875	9,875
Golf courses	2	2	2	2	2	2	2	2	2	2
Education:										
SUNY Erie Community College campuses	3	3	3	3	3	3	3	3	3	3
SUNY Erie Community College library volumes	112,651	109,198	110,945	107,702	104,453	102,613	97,304	92,971	92,358	94,309
Home and community service:										
Miles of sanitary sewer	1,071	1,071	1,074	1,074	1,080	1,082	1,085	1,141	1,140	1,140
Miles of storm sewer	48	48	48	48	48	48	48	53	53	53
Pumping stations	96	96	96	93	93	93	95	96	96	96
Grinder pumps	452	452	466	466	458	458	459	459	461	473

Source: Various County Departments

Note:

(1) No capital asset indicators are available for general government support and economic assistance and opportunity functions.