



# County of Erie

MARK C. POLONCARZ  
COMPTROLLER

April 30, 2008

Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, New York 14202

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

Dear Honorable Members and County Executive Collins:

We have prepared a financial report of the County of Erie, New York ("County") as of and for the three (3) months ended March 31, 2008 (the "Report").

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

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

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

Erie County Legislature  
Honorable Christopher C. Collins  
April 30, 2008  
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Please note that the 2007 information contained within this Report (e.g. 2008 beginning fund balance) is subject to change pending the results of the County's annual independent audit that is currently underway.

If you have any questions, please contact me or Gregory Gach, Deputy Comptroller, at 858-8400.

Sincerely yours,



Mark C. Poloncarz, Esq.  
Erie County Comptroller

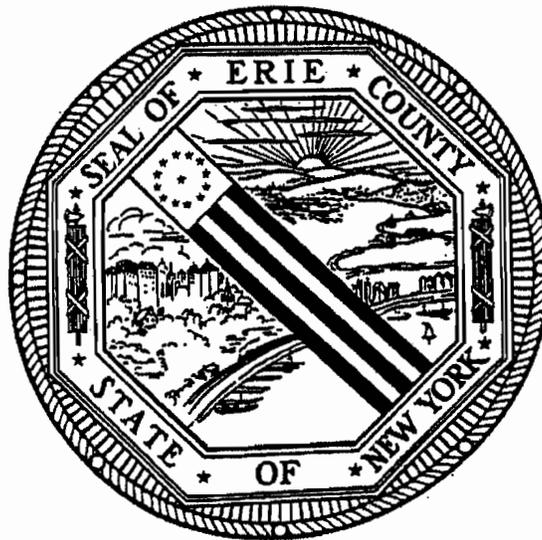
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Enclosure

c: Erie County Fiscal Stability Authority  
Beth Kornbrekke, Director of Budget and Management

**COUNTY OF ERIE, NEW YORK**  
**INTERIM FINANCIAL REPORT**

**FOR THE THREE MONTHS ENDED MARCH 31, 2008**



**Erie County Comptroller's Office**

**MARK C. POLONCARZ**

**Erie County Comptroller**

**APRIL 30, 2008**

**COUNTY OF ERIE, NEW YORK**

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# FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK  
Balance Sheet  
Governmental Funds  
March 31, 2008  
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 94,882	\$ 84,581	\$ 179,463
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	82,255	952	83,207
Other	5,240	25,309	30,549
Due from other funds	39,726	35,421	75,147
Due from component unit	1,933		1,933
Due from other governments	195,552	29,346	224,898
Prepaid items	164		164
Loan receivable	1,550		1,550
Restricted cash	40,800		40,800
<b>Total assets</b>	<b>\$ 462,102</b>	<b>\$ 175,609</b>	<b>\$ 637,711</b>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 5,843	\$ 1,102	\$ 6,945
Accrued liabilities	68,859	9,023	77,882
Due to other funds		35,233	35,233
Due to component unit	40,914		40,914
Due to other governments	5,846	28	5,874
Retained percentages payable	14	1,349	1,363
Unearned revenue	29,061	27,765	56,826
Deferred revenue	27,506		27,506
Short-term debt	75,000		75,000
<b>Total liabilities</b>	<b>253,043</b>	<b>74,500</b>	<b>327,543</b>
<b>Fund Balances</b>			
<b>Reserved for:</b>			
Encumbrances	64,930	22,928	87,858
Debt service		20,123	20,123
Loan receivable	1,550		1,550
Prepaid items	164		164
Repairs		3,383	3,383
E-911 system costs		1,627	1,627
Handicapped parking	118		118
Law enforcement	337		337
<b>Unreserved, reported in:</b>			
<b>General fund</b>			
Undesignated	141,960		141,960
<b>Special revenue funds</b>			
Undesignated		35,880	35,880
<b>Capital projects funds</b>			
Undesignated		17,168	17,168
<b>Total fund balances</b>	<b>209,059</b>	<b>101,109</b>	<b>310,168</b>
<b>Total liabilities and fund balances</b>	<b>\$ 462,102</b>	<b>\$ 175,609</b>	<b>\$ 637,711</b>

COUNTY OF ERIE, NEW YORK

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Three Months Ended March 31, 2008

(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Real property taxes and tax items	\$ 194,990	\$ 30,988	\$ 225,978
Sales and use taxes	171,025	751	171,776
Transfer taxes		2,013	2,013
Intergovernmental	91,393	17,693	109,086
Interfund revenues		123	123
Departmental	22,705	7,279	29,984
Interest	1,219	730	1,949
Miscellaneous	382	103	485
Total revenues	<u>481,714</u>	<u>59,680</u>	<u>541,394</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government support	108,056	1,216	109,272
Public safety	26,535	2,317	28,852
Health	22,181	7,235	29,416
Transportation	5,727	5,114	10,841
Economic assistance and opportunity	125,900	3,357	129,257
Culture and recreation	3,640	59	3,699
Education	16,101	18	16,119
Home and community service	454	6,324	6,778
Capital outlay		9,928	9,928
<b>Debt service:</b>			
Principal retirement		6,327	6,327
Interest and fiscal charges		3,908	3,908
Total expenditures	<u>308,594</u>	<u>45,803</u>	<u>354,397</u>
Excess of revenues over expenditures	<u>173,120</u>	<u>13,877</u>	<u>186,997</u>
<b>Other financing sources (uses) :</b>			
Sale of property	9		9
Transfers in		13,048	13,048
Transfers out	(12,282)	(766)	(13,048)
Total other financing sources (uses)	<u>(12,273)</u>	<u>12,282</u>	<u>9</u>
Net change in fund balances	160,847	26,159	187,006
Fund balances at beginning of year	<u>48,212</u>	<u>74,950</u>	<u>123,162</u>
Fund balances at end of three months	<u>\$ 209,059</u>	<u>\$ 101,109</u>	<u>\$ 310,168</u>

COUNTY OF ERIE, NEW YORK  
Statement of Net Assets  
Proprietary Funds  
March 31, 2008  
(amounts expressed in thousands)

	<u>Business - Type Activities Enterprise Funds</u>
	<u>Utility Fund</u>
<b>Assets</b>	
<b>Current Assets</b>	
Receivables (net of allowances)	\$ 2,063
Due from component unit	2,415
Due from other governments	8,841
<b>Total assets</b>	<u>13,319</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	7
Accrued liabilities	6,010
Due to other funds	5,483
<b>Total current liabilities</b>	<u>11,500</u>
<b>Net Assets</b>	
Unrestricted, reported in:	
Nonmajor Fund	<u>1,819</u>
<b>Total net assets</b>	<u>\$ 1,819</u>

COUNTY OF ERIE, NEW YORK  
Statement of Revenues, Expenses and Changes in Fund Net Assets  
Proprietary Funds  
Three Months Ended March 31, 2008  
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 2,035
Other operating revenue	15,766
Total operating revenue	<u>17,801</u>
Operating Expenses:	
Employee wages	12
Employee benefits	4
Utilities and telephone	17,728
Total operating expenses	<u>17,744</u>
Change in net assets	57
Total net assets at beginning of year	1,762
Total net assets at end of three months	<u>\$ 1,819</u>

COUNTY OF ERIE, NEW YORK  
Statement of Fiduciary Net Assets  
Fiduciary Fund  
March 31, 2008  
(amounts expressed in thousands)

	<u>Agency Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 30,002
Receivables:	
Other receivables	504
Bonds and securities held in custody	155
<b>Total assets</b>	<u><u>\$ 30,661</u></u>
<b>Liabilities</b>	
Accrued liabilities	\$ 4,592
Held in custody for others	26,069
<b>Total liabilities</b>	<u><u>\$ 30,661</u></u>

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

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

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

### **DEBT SERVICE FUND**

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

## NONMAJOR GOVERNMENTAL FUNDS (Continued)

### **CAPITAL PROJECTS FUNDS**

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

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

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

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

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

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

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

- **Tobacco Proceeds Fund**

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

- **Special Capital Projects Fund**

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

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

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

COUNTY OF ERIE, NEW YORK  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 March 31, 2008  
 (amounts expressed in thousands)

	Road	Sewer	Downtown Mail	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
<b>Assets</b>									
Cash and cash equivalents	\$ 661	\$ 13,603	\$ 45	\$ 1,377	\$	\$ 2	\$ 109	\$ 15,797	\$ 18,781
Receivables (net of allowances)									
Real property taxes, interest, penalties and liens			952					952	
Other		1		350		178	24,776	25,305	3
Due from other funds	2,408	35,285						35,285	136
Due from other governments		645			4,857	14,122	104	22,136	1,225
<b>Total assets</b>	<b>\$ 3,069</b>	<b>\$ 49,534</b>	<b>\$ 997</b>	<b>\$ 1,727</b>	<b>\$ 4,857</b>	<b>\$ 14,302</b>	<b>\$ 24,989</b>	<b>\$ 99,475</b>	<b>\$ 20,145</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities:</b>									
Accounts payable	\$ 58	\$ 31	\$	\$ 2	\$ 200	\$ 546	\$ 109	\$ 946	\$
Accrued liabilities	1,708	756	466	62		3,784	100	6,876	22
Due to other funds	5,778				3,692	7,531		17,001	
Due to other governments							26	26	
Retained percentages payable		5						5	
Unearned revenue									
<b>Total liabilities</b>	<b>7,544</b>	<b>792</b>	<b>466</b>	<b>64</b>	<b>3,892</b>	<b>14,302</b>	<b>24,754</b>	<b>52,049</b>	<b>22</b>
<b>Fund balances:</b>									
Reserved for:									
Encumbrances	585	5,893		36	22			6,536	
Debt service									20,123
Repairs	3,383							3,383	
E-911 system costs				1,627				1,627	
Unreserved, reported in:									
Special revenue funds									
Undesignated	(6,443)	42,849	531		943			35,880	
Capital projects funds									
Undesignated									
<b>Total fund balances</b>	<b>(4,475)</b>	<b>48,742</b>	<b>531</b>	<b>1,663</b>	<b>965</b>	<b>0</b>	<b>0</b>	<b>47,426</b>	<b>20,123</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,069</b>	<b>\$ 49,534</b>	<b>\$ 997</b>	<b>\$ 1,727</b>	<b>\$ 4,857</b>	<b>\$ 14,302</b>	<b>\$ 24,989</b>	<b>\$ 99,475</b>	<b>\$ 20,145</b>

COUNTY OF ERIE, NEW YORK  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 March 31, 2008  
 (amounts expressed in thousands)

	Capital Projects						Total	Total
	General	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects	Total	Nonmajor Governmental Funds
<b>Assets</b>								
Cash and cash equivalents	\$ 23,491	\$ 6,467	\$ 10,528	\$ 852	\$ 2,354	\$ 6,311	\$ 50,003	\$ 84,581
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens	1						1	952
Other								25,309
Due from other funds	182	5,269						35,421
Due from other governments		11,736						29,346
Total assets	\$ 23,674	\$ 11,736	\$ 10,528	\$ 852	\$ 2,888	\$ 6,311	\$ 55,989	\$ 175,609
<b>Liabilities and Fund Balances</b>								
<b>Liabilities:</b>								
Accounts payable	\$ 111	\$ 19	\$ 26	\$	\$	\$	\$ 156	\$ 1,102
Accrued liabilities	576	966	111		72	400	2,125	9,023
Due to other funds	7,305	6,321	1,110	2	3,494		18,232	35,233
Due to other governments						2	2	28
Retained percentages payable	697	76	421		125	25	1,344	1,349
Unearned revenue		570					570	27,765
Total liabilities	8,689	7,952	1,668	2	3,691	427	22,429	74,500
<b>Fund balances:</b>								
Reserved for:								
Encumbrances	3,927	3,794	4,041		3,817	813	16,392	22,928
Debt service								20,123
Repairs								3,383
E-911 system costs								1,627
Unreserved, reported in:								
Special revenue funds								
Undesignated	11,058	(10)	4,819	850	(4,620)	5,071	17,168	17,168
Capital projects funds	14,985	3,784	8,860	850	(803)	5,884	33,560	101,109
Undesignated								
Total fund balances	\$ 23,674	\$ 11,736	\$ 10,528	\$ 852	\$ 2,888	\$ 6,311	\$ 55,989	\$ 175,609
Total liabilities and fund balances								

COUNTY OF ERIE, NEW YORK  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Three Months Ended March 31, 2008  
 (amounts expressed in thousands)

	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
<b>Revenues:</b>									
Road property taxes and tax items		\$ 29,776	\$ 1,212	\$ 751				\$ 30,988	\$
Sales and use taxes								751	
Transfer taxes	2,013							2,013	
Intergovernmental	1,650				1,039	11,304	740	14,733	1,225
Interfund revenues	123							123	
Departmental	18	6,157			80	781	180	7,216	534
Interest		137						137	
Miscellaneous		103						103	
<b>Total Revenues</b>	<b>3,804</b>	<b>36,173</b>	<b>1,212</b>	<b>751</b>	<b>1,119</b>	<b>12,085</b>	<b>920</b>	<b>56,064</b>	<b>1,759</b>
<b>Expenditures:</b>									
<b>Current:</b>									
General government support			681	856		535		1,216	
Public safety						1,461		2,317	
Health						7,235		7,235	
Transportation	5,114							5,114	
Economic assistance and opportunity						2,939	418	3,357	
Culture and recreation						59		59	
Education						18		18	
Home and community service		5,463			154	205	502	6,324	
Capital outlay									
Debt service:									6,327
Principal retirement									3,908
Interest and fiscal charges									
<b>Total Expenditures</b>	<b>5,114</b>	<b>5,463</b>	<b>681</b>	<b>856</b>	<b>154</b>	<b>12,452</b>	<b>920</b>	<b>25,640</b>	<b>10,235</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,310)</b>	<b>30,710</b>	<b>531</b>	<b>(105)</b>	<b>965</b>	<b>(367)</b>	<b>0</b>	<b>30,424</b>	<b>(8,476)</b>
<b>Other financing sources (uses):</b>									
Transfers in									12,247
Transfers out		(332)						(332)	
<b>Total other financing sources (uses)</b>	<b>0</b>	<b>(332)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>367</b>	<b>0</b>	<b>35</b>	<b>12,247</b>
<b>Net change in fund balances</b>	<b>(1,310)</b>	<b>30,378</b>	<b>531</b>	<b>(105)</b>	<b>965</b>	<b>0</b>	<b>0</b>	<b>30,459</b>	<b>3,771</b>
<b>Fund balances at beginning of year</b>	<b>(3,165)</b>	<b>18,364</b>		<b>1,768</b>				<b>16,967</b>	<b>16,352</b>
<b>Fund balances at end of three months</b>	<b>(4,475)</b>	<b>48,742</b>	<b>531</b>	<b>1,663</b>	<b>965</b>	<b>0</b>	<b>0</b>	<b>47,426</b>	<b>20,123</b>

COUNTY OF ERIE, NEW YORK  
 Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 Three Months Ended March 31, 2008  
 (amounts expressed in thousands)

	Capital Projects						Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects	
<b>Revenues:</b>							
Real property taxes and tax items							\$ 30,988
Sales and use taxes							751
Transfer taxes							2,013
Intergovernmental	1,201				534	1,735	17,663
Interfund revenues							123
Departmental	5		54		63	59	7,279
Interest							730
Miscellaneous							103
<b>Total Revenues</b>	<u>1,206</u>	<u>0</u>	<u>54</u>	<u>0</u>	<u>597</u>	<u>0</u>	<u>59,680</u>
<b>Expenditures:</b>							
Current:							
General government support							1,216
Public safety							2,317
Health							7,235
Transportation							5,114
Economic assistance and opportunity							3,357
Culture and recreation							59
Education							18
Home and community service							6,324
Capital outlay	7,798	133	206		1,260	531	9,928
Debt service:							
Principal retirement							6,327
Interest and fiscal charges							3,908
<b>Total Expenditures</b>	<u>7,798</u>	<u>133</u>	<u>206</u>	<u>0</u>	<u>1,260</u>	<u>531</u>	<u>45,803</u>
Excess (deficiency) of revenues over expenditures	<u>(6,592)</u>	<u>(133)</u>	<u>(152)</u>	<u>0</u>	<u>(663)</u>	<u>(531)</u>	<u>(8,071)</u>
Other financing sources (uses):							
Transfers in	434						434
Transfers out				(434)			(766)
<b>Total other financing sources (uses)</b>	<u>434</u>	<u>0</u>	<u>0</u>	<u>(434)</u>	<u>0</u>	<u>0</u>	<u>12,282</u>
<b>Net change in fund balances</b>	<u>(6,158)</u>	<u>(133)</u>	<u>(152)</u>	<u>(434)</u>	<u>(663)</u>	<u>(531)</u>	<u>(8,071)</u>
<b>Fund balances at beginning of year</b>	<u>21,143</u>	<u>3,917</u>	<u>9,012</u>	<u>1,284</u>	<u>(140)</u>	<u>6,415</u>	<u>74,950</u>
<b>Fund balances at end of three months</b>	<u>\$ 14,985</u>	<u>\$ 3,784</u>	<u>\$ 8,860</u>	<u>\$ 850</u>	<u>\$ (803)</u>	<u>\$ 5,884</u>	<u>\$ 101,109</u>

## **LIBRARY COMPONENT UNIT**

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

COUNTY OF ERIE, NEW YORK  
 Balance Sheet  
 Component Unit  
 March 31, 2008  
 (amounts expressed in thousands)

	<u>Library</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 19,359
Receivables (net of allowances)	
Other	
Due from primary government	4,601
Due from other governments	420
<b>Total assets</b>	<u><u>\$ 24,380</u></u>
<b>Liabilities and Fund Balances</b>	
<b>Liabilities:</b>	
Accounts payable	\$ 249
Accrued liabilities	684
Deferred revenue	1,326
<b>Total liabilities</b>	<u>2,259</u>
<b>Fund Balances</b>	
<b>Reserved for:</b>	
Encumbrances	1,374
<b>Unreserved, reported in:</b>	
Designated	2,835
Undesignated	17,912
<b>Total fund balances</b>	<u>22,121</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 24,380</u></u>

COUNTY OF ERIE, NEW YORK  
Statement of Revenues, Expenditures and Changes in Fund Balance  
Component Unit  
Three Months Ended March 31, 2008  
(amounts expressed in thousands)

	<u>Library</u>
<b>Revenues:</b>	
Real property taxes and tax items	\$ 22,172
Intergovernmental	152
Departmental	101
Interest	24
Miscellaneous	24
	<hr/>
Total revenues	<u>22,473</u>
<b>Expenditures:</b>	
Current:	
Culture and recreation	6,633
	<hr/>
Total expenditures	<u>6,633</u>
	<hr/>
Net change in fund balances	15,840
	<hr/>
Fund balance at beginning of year	6,281
	<hr/>
Fund balances at end of three months	<u>\$ 22,121</u>

# INVESTMENT REPORT

COUNTY OF ERIE  
 Quarterly Investment Report  
 January 1, 2008 through March 31, 2008

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first three months of 2008 is hereby submitted. The primary objectives of the investment program, as set out in established guidelines, are as follows in order of importance:

- compliance with legal requirements
- safeguarding of principal
- ensuring sufficient liquidity
- obtaining a reasonable rate of return

Our cash management program offers the County a good return on its investments without assuming unnecessary risks. A total of 893 investments were made during the first three months, resulting in \$1,558,232 in total interest earnings for all funds. The weighted average yield for the first three months was 3.39%. For comparison, during the first three months of 2007, 675 investments were effectuated which generated \$2,938,461 in total interest earnings for all funds at an average weighted yield of 5.28%. As we cautioned in our November 2007 review of the proposed 2008 County Budget, we project that 2008 interest earnings will continue to be lower than 2007 due to significantly lower interest rates and market conditions.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan - March		Average Investment (in millions) Jan - March		Average Length of Investment (days) Jan - March	
	2008	2007	2008	2007	2008	2007
JP Morgan Chase, N.A.	429	61	7.8	2.0	4	5
Citizens Bank	113	141	4.0	6.4	5	8
Bank of America	109	13	5.0	8.1	3	16
HSBC Bank USA, N.A.	13	45	0.2	2.9	13	6
Key Bank, N.A.	229	415	5.1	5.7	4	3
<b>Totals</b>	<b>893</b>	<b>675</b>				

COUNTY OF ERIE  
 Quarterly Investment Report  
 January 1, 2008 through March 31, 2008

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1st Quarter	\$772,477	\$197,064	\$450,036	\$138,655	\$1,558,232
Year to date	\$772,477	\$197,064	\$450,036	\$138,655	\$1,558,232

Please note the 2008 Adopted Budget General Fund interest earnings is \$5,250,000.00. The actual year to date earnings for the General Fund as of March 31, 2008 is \$772,477.00. For comparison, as of March 31, 2007, the General Fund interest earnings were \$1,184,041.00.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2008	2007
January	4.19%	5.28%
February	3.13%	5.30%
March	2.84%	5.27%
Weighted Average for Quarter	3.39%	5.28%

## CASH FLOW STATEMENT

The Comptroller's Office does not as a matter of course make public projections as to future cash flows, or other results. However, the Comptroller's Office has prepared the projected cash flow information set forth in the following schedule to present the projected cumulative cash flow of Erie County for the year ending December 31, 2008. The projected financial information was not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Comptroller's Office and the Division of Budget, Management and Finance, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of the Comptroller's Office's knowledge and belief, the expected future cash flow of the County. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this document are cautioned not to place undue reliance on this prospective information.

**NEITHER THE COUNTY'S INDEPENDENT AUDITORS, NOR ANY OTHER INDEPENDENT ACCOUNTANTS, HAVE COMPILED, EXAMINED, OR PERFORMED ANY PROCEDURES WITH RESPECT TO THE PROSPECTIVE CASH FLOW INFORMATION CONTAINED HEREIN, NOR HAVE THEY EXPRESSED ANY OPINION OR ANY OTHER FORM OF ASSURANCE ON SUCH INFORMATION OR ITS ACHIEVABILITY, AND ASSUME NO RESPONSIBILITY FOR, AND DISCLAIM ANY ASSOCIATION WITH, THE PROSPECTIVE FINANCIAL INFORMATION.**

County Of Erie  
Cash Flow Statement  
2008

Description	Actual January	Actual February	Actual March	Estimated April	Estimated May	Estimated June	Estimated July	Estimated August	Estimated September	Estimated October	Estimated November	Estimated December	TOTAL
Opening Balance	21,493,790												
<b>** Receipts **</b>													
DSS	18,912,928	23,379,166	29,637,921	6,129,165	26,787,598	22,082,014	7,919,119	29,979,463	24,818,307	13,391,155	30,632,864	31,043,482	284,713,182
Sales Tax	50,649,269	52,802,292	45,393,159	61,872,856	45,114,204	45,632,915	70,024,384	48,931,625	46,465,999	64,115,718	45,647,210	46,662,880	623,102,511
Real Property Tax	6,800,849	38,927,769	175,113,554	22,295,545	4,246,403	3,735,257	3,137,200	2,577,103	1,930,628	1,792,172	2,804,981	2,132,253	265,293,714
Other	26,747,313	21,811,105	39,209,045	3,234,560	19,845,769	24,010,783	30,685,257	26,567,959	17,711,732	19,211,054	9,220,115	14,401,011	252,655,703
RAN Proceeds											75,000,000		75,000,000
<b>Total Receipts</b>	124,604,149	136,920,332	289,353,679	93,332,126	95,983,974	95,480,969	111,765,960	108,056,150	90,918,666	98,510,099	163,105,170	94,239,626	1,480,765,110
<b>** Disbursements **</b>													
DSS	31,226,789	31,062,400	29,250,400	53,247,463	39,197,718	34,805,448	37,210,643	30,322,994	30,461,583	33,834,639	40,552,407	34,906,840	426,079,324
Payroll	24,892,331	48,480,607	24,091,780	24,826,081	37,288,962	23,505,257	23,436,734	26,073,677	25,080,273	35,297,469	24,643,445	49,337,588	366,954,194
Vendor	20,523,923	63,861,884	91,655,175	41,956,852	27,710,468	68,554,604	30,074,129	26,931,975	59,544,299	31,369,184	27,603,035	66,942,710	556,728,238
Debt Service	3,092,589	155,696	6,859,709	8,591,681	1,692,479	9,426,772	2,577,465	2,466,642	6,883,522	6,488,508	12,502,687	14,044,511	74,782,261
RANs Set Asides June 07		26,800,000	14,000,000	700,000	21,000,000	12,500,000							75,000,000
<b>Total Disbursements</b>	79,735,632	170,360,587	165,857,064	129,322,077	126,889,617	148,792,081	93,298,971	85,795,288	121,969,677	106,989,800	105,301,574	165,231,649	1,499,544,017
<b>Monthly Cash Flow</b>	44,868,517	-33,440,255	123,496,615	-35,989,951	-30,895,643	-53,331,112	18,466,989	22,260,862	-31,053,011	-8,479,701	57,803,596	-70,992,023	-18,778,907
<b>Cumulative Cash Flow</b>	44,868,517	11,428,262	134,924,877	98,934,926	68,039,283	14,708,171	33,175,160	55,435,022	24,383,011	15,903,310	73,706,906	2,714,883	

## PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK  
 Property Tax Collections  
 Three Months Ended March 31, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Gross Levy	\$ 590,816,323	\$ 569,219,471
Less: Amount Retained by Towns	(317,148,178)	(314,868,342)
Net To Be Collected by County	<u>273,668,145</u>	<u>254,351,129</u>
Less: January - March Collections	(217,726,928)	(201,664,245)
Net Outstanding at March 31st	<u>\$ 55,941,217</u>	<u>\$ 52,686,884</u>
Percentage Collected at March 31st	<u>79.6%</u>	<u>79.3%</u>

COUNTY OF ERIE, NEW YORK  
Sales Tax Revenue  
Three Months Ended March 31, 2008 and 2007

	(1) <u>2008 Budget</u>	March 2008 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>	<u>2007 Budget</u>	March 2007 <u>Y-T-D Revenue</u>	% of Budget <u>Realized</u>
Sales And Use Tax	\$ 143,341,565	\$ 35,130,927	24.5%	\$ 139,218,155	\$ 33,619,248	24.1%
1 % Sales Tax - Erie County Purposes	135,307,984	33,165,903	24.5%	131,427,548	31,734,862	24.1%
0.25 % Sales Tax	33,826,996	8,265,206	24.4%	32,856,887	8,112,543	24.7%
0.50 % Sales Tax	<u>67,653,993</u>	<u>16,530,413</u>	24.4%	<u>65,713,775</u>	<u>16,225,087</u>	24.7%
Totals	<u>\$ 380,130,538</u>	<u>\$ 93,092,449</u>	24.5%	<u>\$ 369,216,365</u>	<u>\$ 89,691,740</u>	24.3%

Note:

(1) Effective January 1, 2007 and in accordance with guidance received from the New York State Comptroller's Office, the County began to budget and recognize sales tax revenue on a gross basis and budget and record an expenditure for the amount of sales tax revenue shared with local municipalities. Previously, this activity was reported in the Agency Fund. Through March 31, 2008 year to date, \$76,905,636 was recorded as both a revenue and an expenditure in the County's General Fund for sales tax shared with local municipalities. This revenue amount is excluded from the table above.

## DEBT SCHEDULES

COUNTY OF ERIE, NEW YORK  
 Annual Debt Service Requirements for Long-Term General Obligation  
 Indebtedness of the County  
 As of March 31, 2008

<u>Fiscal Year Ending December 31</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>
2008	\$40,682,693.73	\$19,217,184.16	\$59,899,877.89
2009	44,948,785.33	20,943,982.63	65,892,767.96
2010	44,335,607.11	18,867,690.83	63,203,297.94
2011	45,478,591.26	16,759,476.05	62,238,067.31
2012	37,084,962.49	14,610,464.87	51,695,427.36
2013	32,321,544.56	12,738,669.95	45,060,214.51
2014	32,561,667.00	11,185,844.88	43,747,511.88
2015	33,110,285.99	9,624,537.11	42,734,823.10
2016	31,524,099.02	8,056,257.74	39,580,356.76
2017	32,426,341.01	6,493,492.72	38,919,833.73
2018	26,208,583.94	4,878,385.88	31,086,969.82
2019	19,464,727.01	3,755,410.83	23,220,137.84
2020	19,276,970.01	2,832,729.43	22,109,699.44
2021	4,974,213.01	2,055,136.58	7,029,349.59
2022	5,091,456.01	1,812,696.67	6,904,152.68
2023	5,238,699.01	1,566,504.21	6,805,203.22
2024	5,200,941.92	1,322,815.37	6,523,757.29
2025	4,943,185.00	1,077,175.48	6,020,360.48
2026	2,590,428.00	880,177.56	3,470,605.56
2027	2,642,671.00	766,009.88	3,408,680.88
2028	2,709,913.00	648,894.29	3,358,807.29
2029	2,777,156.00	528,478.50	3,305,634.50
2030	1,884,399.00	429,676.73	2,314,075.73
2031	1,946,642.00	352,840.34	2,299,482.34
2032	1,591,497.00	276,157.38	1,867,654.38
2033	1,505,000.00	206,635.26	1,711,635.26
2034	1,385,000.00	139,025.99	1,524,025.99
2035	1,270,000.00	79,668.82	1,349,668.82
2036	480,000.00	21,666.66	501,666.66
	<u>\$ 485,656,059.41</u>	<u>\$ 162,127,686.80</u>	<u>\$ 647,783,746.21</u>

Note:

(1) Amount is net of debt service payments of \$10,235,230.02 made from January 1, 2008 to March 31, 2008.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK  
 Direct General Obligation Indebtedness Outstanding  
 As of March 31, 2008

Bonds:		
Buildings and other Improvements	\$128,030,898.09	
Highway Improvements	85,322,984.53	
Court House Facilities	77,213,087.27	
Sewer District Facilities	68,300,925.45	
Hospital	53,688,974.50	(1)
HSBC Arena	19,400,000.00	
Computer System	16,950,612.57	
Ralph Wilson Stadium	16,157,918.27	
Community College	10,846,826.64	
Convention Center	4,311,725.41	
Pension	2,900,000.00	
Prison Facilities	2,156,438.33	
Nursing Home	<u>375,668.35</u>	(1)
<b>Total Long-Term Debt</b>		<b>\$485,656,059.41</b>
Revenue Anticipation Notes	<u>75,000,000.00</u>	
<b>Total Short-Term Debt</b>		<b><u>75,000,000.00</u></b>
<b>Gross Direct Debt</b>		<b>560,656,059.41</b>
Exclusions :		
Sewer District Debt	68,300,925.45	
Budgeted Appropriations	38,065,541.76	
Revenue Anticipation Notes	<u>75,000,000.00</u>	
<b>Total Deductions</b>		<b><u>181,366,467.21</u></b>
<b>Net Direct Debt (2)</b>		<b><u>\$379,289,592.20</u></b>

Note:

- (1) Pursuant to the agreement governing the sale of the County hospital and nursing home to Erie County Medical Center Corporation, the County continues to be directly responsible for the payment of certain bonded debt for these facilities. Bonded debt in the amount of \$101,375,000 of Erie County Medical Center Corporation for which the County has indirect responsibility as guarantor is not included above.
- (2) This schedule reflects remaining principal for bonds issued from 1983 to 2006 by the County. There were no bonds issued by the County in 2007.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK  
 Calculation of Constitutional Debt Limit  
 As of March 31, 2008

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2003	33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	38,102,215,587
2007	<u>40,477,680,885</u>
 Total five year full valuation	 \$ <u><u>182,615,862,409</u></u>
 5 Year Average full valuation	 \$ <u><u>36,523,172,482</u></u>
 Debt limit - 7% of average full valuation	 \$ <u><u>2,556,622,074</u></u>

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Source: Property valuation - Erie County Division of Budget and Management.



## MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK  
Property Tax Collections  
1998 - 2007

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Collected in Year of Levy	Percentage Collected
1998	\$ 493,970,979	\$ 224,177,492	\$ 16,218,263	\$ 476,020,723	96.37 %
1999	490,692,273	225,934,027	15,637,655	472,702,077	96.33
2000	446,019,358	222,449,694	13,953,109	430,122,427	96.44
2001	424,554,739	231,109,689	13,104,632	411,135,430	96.84
2002	430,565,663	235,033,457	13,899,502	416,506,625	96.73
2003	447,035,372	250,233,121	14,124,489	446,461,743	99.87
2004	464,433,235	265,812,020	14,152,464	463,669,059	99.84
2005	493,517,706	289,697,275	13,788,438	492,180,009	99.73
2006	540,580,523	303,202,950	14,103,478	528,350,674	97.74
2007	569,219,471	314,868,342	16,162,844	555,858,355	97.65

Notes:

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

SOURCE: Erie County Division of Budget and Management.

COUNTY OF ERIE, NEW YORK  
Short-Term Borrowing History  
1995 - 2008

<u>Year</u>	<u>Amount</u>	<u>Type (1)</u>	<u>Issue Date</u>	<u>Maturity Date</u>
1995 .....	\$ 80,000,000	RAN	09/21/95	09/20/96
1996 .....	40,000,000	RAN	04/18/96	04/17/97
.....	40,000,000	RAN	11/20/96	11/19/97
1997 .....	40,000,000	RAN	06/26/97	06/25/98
.....	40,000,000	RAN	10/30/97	10/29/98
1998 .....	60,000,000	RAN	10/14/98	10/13/99
1999 .....	-	N/A	N/A	N/A
2000 .....	-	N/A	N/A	N/A
2001 .....	-	N/A	N/A	N/A
2002 .....	43,000,000	RAN	09/18/02	09/17/03
2003 .....	90,000,000	RAN	06/24/03	06/23/04
2004 .....	82,500,000	RAN	07/14/04	07/13/05
2005 .....	80,000,000	RAN	03/11/05	03/10/06
.....	80,000,000	RAN	07/14/05	07/13/06
2006 .....	110,000,000	RAN	06/13/06	06/13/07
2007 .....	75,000,000	RAN	06/27/07	06/27/08

Note:

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

At March 31, 2008 the County had \$75,000,000 of revenue anticipation notes outstanding. These notes mature on June 27, 2008 as noted above and bear interest at the rate of 3.945%.

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

COUNTY OF ERIE, NEW YORK  
 Outstanding Long-Term Direct Indebtedness  
 1998 - 2007

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

<u>Fiscal</u> <u>Year</u>	<u>Amount</u>	<u>Fiscal</u> <u>Year</u>	<u>Amount</u>
1998	\$215,240,994	2003	\$327,032,146
1999	210,988,752	2004	384,124,771
2000	214,890,782	2005	446,656,115
2001	221,209,139	2006	460,910,906
2002	256,295,578	2007	423,582,245

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

SOURCES: Erie County General Purpose Financial Statements – 1998-2001 (Audited)  
 Erie County Basic Financial Statements – 2002-2006 (Audited)  
 Erie County Basic Financial Statements – 2007 (Unaudited)

COUNTY OF ERIE, NEW YORK  
 Valuations, Tax Levies and Rates  
 2004 - 2008

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Assessed Valuation \$	32,158,167,722	\$31,165,324,890	\$30,165,315,955	\$28,276,734,647	\$27,557,186,821
Equalized Full Valuation	42,866,825,529	40,477,680,885	38,102,215,587	35,980,745,078	34,479,046,511
Levied for County Purposes (a)	211,837,793	206,176,541	194,655,585	164,052,166	159,436,984
Rates for \$1,000 of Equalized Full Valuation	\$4.94	\$5.09	\$5.11	\$4.56	\$4.62

Note:

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

SOURCE: Erie County Division of Budget and Management.

COUNTY OF ERIE, NEW YORK  
 Computation of Constitutional Taxing Power for 2008

<u>Tax Year</u>	<u>Full Valuation</u>
2004 .....	\$ 34,479,046,511
2005 .....	35,980,745,078
2006 .....	38,102,215,587
2007 .....	40,477,680,885
2008 .....	<u>42,866,825,529</u>
 Total .....	 <u>\$ 191,906,513,590</u>
 Five-Year Average Full Valuation .....	 \$ 38,381,302,718
Tax Limit (1.5%) (b) .....	575,719,541
Total Exclusions .....	<u>51,122,956</u>
Total Taxing Power .....	<u>626,842,497</u>
Total Levy for 2008 (c).....	<u>220,179,266</u>
Tax Margin (b) .....	<u><u>\$ 406,663,231</u></u>

Notes:

- (a) Data excerpted from the County's Constitutional Tax Limit Report, which is filed with the State Comptroller.
- (b) New York State Constitutional Tax Limit equals 1.5% of Five-Year Average Full Valuation. By Amendment to the County Charter, the County has limited its annual property tax levy to one per centum (1.0%) of the five year average of full valuation. The County's 2008 total taxing power under this local law is \$434,935,983 leaving a tax margin of \$214,756,717.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.