



County of Erie

MARK C. POLONCARZ
COMPTROLLER

July 30, 2007

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

Honorable Joel A. Giambra
Erie County Executive
95 Franklin Street, 16th Floor
Buffalo, New York 14202

Dear Honorable Members and County Executive Giambra:

We have prepared a financial report of the County of Erie, New York ("County") as of and for the six (6) months ended June 30, 2007 (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)

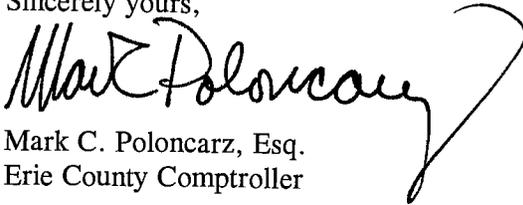
The financial statements and other information contained within this Report have been compiled largely from the official accounting records maintained on the County's SAP system. The financial statements for the Erie County Medical Center Corporation, the Erie Community College, the Erie County Tobacco 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 Joel A. Giambra
July 30, 2007
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Please note that the 2006 information contained within this Report (e.g. 2007 beginning fund balance) has been finalized as the County's annual independent audit has been completed and the 2006 Comprehensive Annual Financial Report has been released.

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

Sincerely yours,

A handwritten signature in black ink, appearing to read "Mark C. Poloncarz". The signature is written in a cursive style with a large, sweeping flourish at the end.

Mark C. Poloncarz, Esq.
Erie County Comptroller

MCP/nr

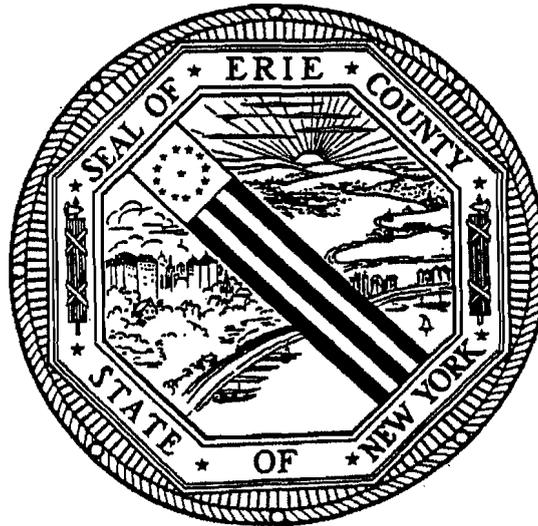
Enclosure

c: Erie County Fiscal Stability Authority

James Hartman, Director of Budget, Management & Finance

COUNTY OF ERIE, NEW YORK
INTERIM FINANCIAL REPORT

FOR THE SIX MONTHS ENDED JUNE 30, 2007



Erie County Comptroller's Office

MARK C. POLONCARZ

Erie County Comptroller

July 30, 2007

COUNTY OF ERIE, NEW YORK

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FINANCIAL STATEMENTS

COUNTY OF ERIE, NEW YORK
Balance Sheet
Governmental Funds
June 30, 2007
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 37,300	\$ 120,538	\$ 157,838
Receivables (net of allowances)			
Real property taxes, interest, penalties and liens	38,430	678	39,108
Other	38,911	27,235	66,146
Due from other funds	28,584	4,606	33,190
Due from component unit	4,800	84	4,884
Due from other governments	156,501	32,906	189,407
Prepaid items	156		156
Loan receivable	1,550		1,550
Total assets	\$ 306,232	\$ 186,047	\$ 492,279
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	\$ 7,503	\$ 2,189	\$ 9,692
Accrued liabilities	38,568	4,960	43,528
Due to other funds	4,016	27,058	31,074
Due to component unit	5,233		5,233
Due to other governments	5,997	11	6,008
Retained percentages payable	11	1,404	1,415
Unearned revenue	30,329	25,365	55,694
Deferred revenue	16,407		16,407
Short-term debt	75,000	3,712	78,712
Total liabilities	183,064	64,699	247,763
Fund Balances			
Reserved for:			
Encumbrances	56,392	29,025	85,417
Debt service		17,295	17,295
Loan receivable	1,550		1,550
Prepaid items	156		156
Repairs		2,657	2,657
E-911 system costs		1,478	1,478
Handicapped parking	119		119
Unreserved, reported in:			
General fund			
Undesignated	64,951		64,951
Special revenue funds			
Undesignated		25,864	25,864
Capital projects funds			
Undesignated		45,029	45,029
Total fund balances	123,168	121,348	244,516
Total liabilities and fund balances	\$ 306,232	\$ 186,047	\$ 492,279

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Six Months Ended June 30, 2007
(amounts expressed in thousands)

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Real property taxes and tax items	\$ 185,908	\$ 27,376	\$ 213,284
Sales and use taxes	318,868	1,684	320,552
Transfer taxes		5,757	5,757
Intergovernmental	159,241	70,657	229,898
Departmental	34,096	9,082	43,178
Interest	4,208	3,075	7,283
Miscellaneous	4,076	163	4,239
Total revenues	<u>706,397</u>	<u>117,794</u>	<u>824,191</u>
Expenditures:			
Current:			
General government support	191,250	2,721	193,971
Public safety	50,098	9,143	59,241
Health	28,514	6,069	34,583
Transportation	9,732	10,267	19,999
Economic assistance and opportunity	256,213	42,494	298,707
Culture and recreation	10,463	224	10,687
Education	31,617	187	31,804
Home and community service	1,295	18,785	20,080
Capital outlay		12,448	12,448
Debt service:			
Principal retirement	4,279	15,375	19,654
Interest and fiscal charges		12,281	12,281
Total expenditures	<u>583,461</u>	<u>129,994</u>	<u>713,455</u>
(Deficiency) / excess of revenues over expenditures	<u>122,936</u>	<u>(12,200)</u>	<u>110,736</u>
Other financing sources (uses) :			
Sale of property	105		105
Transfers in		28,246	28,246
Transfers out	(38,106)	(3,711)	(41,817)
Total other financing sources (uses)	<u>(38,001)</u>	<u>24,535</u>	<u>(13,466)</u>
Net change in fund balances	84,935	12,335	97,270
Fund balances at beginning of year	38,233	109,013	147,246
Fund balances at end of six months	<u>\$ 123,168</u>	<u>\$ 121,348</u>	<u>\$ 244,516</u>

COUNTY OF ERIE, NEW YORK
Statement of Net Assets
Proprietary Funds
June 30, 2007
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Assets	
Current Assets	
Due from other funds	\$ 213
Due from component unit	2,452
Due from other governments	5,217
Prepaid items	116
Total assets	<u>7,998</u>
Liabilities	
Current Liabilities:	
Accounts payable	1,398
Accrued liabilities	3,582
Due to other funds	1,788
Total liabilities	<u>6,768</u>
Net Assets	
Unrestricted, reported in:	
Nonmajor Fund	1,229
Total net assets	<u>\$ 1,229</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Six Months Ended June 30, 2007
(amounts expressed in thousands)

	Business - Type Activities Enterprise Funds
	Utility Fund
Operating Revenues:	
Interfund revenues	\$ 3,678
Other operating revenue	22,704
Total operating revenue	<u>26,382</u>
Operating Expenses:	
Employee wages	23
Employee benefits	8
Utilities and telephone	26,726
Total operating expenses	<u>26,757</u>
Change in net assets	(375)
Total net assets at beginning of year	1,604
Total net assets at end of six months	<u>\$ 1,229</u>

COUNTY OF ERIE, NEW YORK
Statement of Fiduciary Net Assets
Fiduciary Fund
June 30, 2007
(amounts expressed in thousands)

	<u>Agency Fund</u>
Assets	
Cash and cash equivalents	\$ 34,514
Receivables:	
Other receivables	419
Bonds and securities held in custody	155
Total assets	<u>\$ 35,088</u>
Liabilities	
Accrued liabilities	\$ 3,615
Held in custody for others	31,473
Total liabilities	<u>\$ 35,088</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

DEBT SERVICE FUND

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

NONMAJOR GOVERNMENTAL FUNDS (Continued)

CAPITAL PROJECTS FUNDS

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

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

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

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

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

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

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

- **Tobacco Proceeds Fund**

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

- **Special Capital Projects Fund**

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

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

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

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007
 (amounts expressed in thousands)

		Special Revenue								
		Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Assets										
Cash and cash equivalents	\$	3	\$ 29,863	\$ 36	\$ 1,338	\$	\$	\$	\$ 31,240	\$ 16,283
Receivables (net of allowances)										
Real property taxes, interest, penalties and liens				678					678	
Other		2,385	17		320		171	24,291	27,184	
Due from other funds			4,470						4,470	136
Due from component unit		1	83						84	
Due from other governments		3,305	3			5,973	16,177	270	25,728	973
Total assets	\$	5,694	\$ 34,436	\$ 714	\$ 1,658	\$ 5,973	\$ 16,348	\$ 24,561	\$ 89,384	\$ 17,392
Liabilities and Fund Balances										
Liabilities:										
Accounts payable	\$	2	\$ 54	\$	\$ 77	\$ 227	\$ 1,528	\$ 62	\$ 1,950	\$
Accrued liabilities		690	466	137	6	254	1,906	60	3,519	97
Due to other funds		9,515	17	1		721	12,001	201	22,456	
Due to other governments							8	3	11	
Retained percentages payable			8						8	
Unearned revenue						225	905	24,235	25,365	
Short-term debt										
Total liabilities		10,207	545	138	83	1,427	16,348	24,561	53,309	97
Fund balances:										
Reserved for:										
Encumbrances		1,126	4,818		97	35			6,076	
Debt service										17,295
Repairs		2,657							2,657	
E-911 system costs					1,478				1,478	
Unreserved, reported in:										
Special revenue funds										
Undesignated		(8,296)	29,073	576		4,511			25,864	
Capital projects funds										
Undesignated										
Total fund balances		(4,513)	33,891	576	1,575	4,546			36,075	17,295
Total liabilities and fund balances	\$	5,694	\$ 34,436	\$ 714	\$ 1,658	\$ 5,973	\$ 16,348	\$ 24,561	\$ 89,384	\$ 17,392

COUNTY OF ERIE, NEW YORK
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2007
 (amounts expressed in thousands)

	Capital Projects						Total	Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects		
Assets								
Cash and cash equivalents	\$ 36,718	\$ 10,077	\$ 9,761	\$ 2,267	\$ 2,560	\$ 11,632	\$ 73,015	\$ 120,538
Receivables (net of allowances)								
Real property taxes, interest, penalties and liens								678
Other	51						51	27,235
Due from other funds								4,606
Due from component unit								84
Due from other governments	782	5,171			252		6,205	32,906
Total assets	<u>\$ 37,551</u>	<u>\$ 15,248</u>	<u>\$ 9,761</u>	<u>\$ 2,267</u>	<u>\$ 2,812</u>	<u>\$ 11,632</u>	<u>\$ 79,271</u>	<u>\$ 186,047</u>
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 185	\$ 45	\$ 7	\$ 1	\$ 1	\$	\$ 239	\$ 2,189
Accrued liabilities	273	404	139		31	497	1,344	4,960
Due to other funds	1,504	1,765	590	8	733	2	4,602	27,058
Due to other governments								11
Retained percentages payable	758	69	503		1	65	1,396	1,404
Unearned revenue								25,365
Short-term debt			3,712				3,712	3,712
Total liabilities	<u>2,720</u>	<u>2,283</u>	<u>4,951</u>	<u>9</u>	<u>766</u>	<u>564</u>	<u>11,293</u>	<u>64,699</u>
Fund balances:								
Reserved for:								
Encumbrances	9,810	6,991	4,337		111	1,700	22,949	29,025
Debt service								17,295
Repairs								2,657
E-911 system costs								1,478
Unreserved, reported in:								
Special revenue funds								
Undesignated								25,864
Capital projects funds								
Undesignated	25,021	5,974	473	2,258	1,935	9,368	45,029	45,029
Total fund balances	<u>34,831</u>	<u>12,965</u>	<u>4,810</u>	<u>2,258</u>	<u>2,046</u>	<u>11,068</u>	<u>67,978</u>	<u>121,348</u>
Total liabilities and fund balances	<u>\$ 37,551</u>	<u>\$ 15,248</u>	<u>\$ 9,761</u>	<u>\$ 2,267</u>	<u>\$ 2,812</u>	<u>\$ 11,632</u>	<u>\$ 79,271</u>	<u>\$ 186,047</u>

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Six Months Ended June 30, 2007
 (amounts expressed in thousands)

	Special Revenue								
	Road	Sewer	Downtown Mall	E-911	Emergency Response	Grants	Community Development	Total	Debt Service
Revenues:									
Real property taxes and tax items	\$	\$ 26,164	\$ 1,212	\$	\$	\$	\$	27,376	\$
Sales and use taxes				1,684				1,684	
Transfer taxes	5,757							5,757	
Intergovernmental	3,300			1,246	5,657	55,676	1,643	67,522	1,939
Departmental	39	7,447				814	639	8,939	
Interest		632						632	2,310
Miscellaneous	8	112				42	1	163	
Total Revenues	9,104	34,355	1,212	2,930	5,657	56,532	2,283	112,073	4,249
Expenditures:									
Current:									
General government support			636			2,085		2,721	
Public safety				1,684		7,459		9,143	
Health						6,069		6,069	
Transportation	10,267							10,267	
Economic assistance and opportunity						41,280	1,214	42,494	
Culture and recreation						224		224	
Education						187		187	
Home and community service		16,539			1,111	66	1,069	18,785	
Capital outlay									
Debt service:									
Principal retirement									15,375
Interest and fiscal charges									12,281
Total Expenditures	10,267	16,539	636	1,684	1,111	57,370	2,283	89,890	27,656
Excess (deficiency) of revenues over expenditures	(1,163)	17,816	576	1,246	4,546	(838)		22,183	(23,407)
Other financing sources (uses):									
Transfers in						838		838	24,907
Transfers out	(600)	(1,210)						(1,810)	
Total other financing sources (uses)	(600)	(1,210)	0	0	0	838	0	(972)	24,907
Net change in fund balances	(1,763)	16,606	576	1,246	4,546			21,211	1,500
Fund balances at beginning of year	(2,750)	17,285		329				14,864	15,795
Fund balances at end of six months	\$ (4,513)	\$ 33,891	\$ 576	\$ 1,575	\$ 4,546	\$ 0	\$ 0	\$ 36,075	\$ 17,295

COUNTY OF ERIE, NEW YORK
 Combining Statement of Revenues, Expenditures
 and Changes in Fund Balances
 Nonmajor Governmental Funds
 Six Months Ended June 30, 2007
 (amounts expressed in thousands)

	Capital Projects						Total	Total Nonmajor Governmental Funds
	General Government Buildings, Equipment and Improvements	Highways, Roads, Bridges and Equipment	Sewers, Facilities Equipment and Improvements	Tobacco Proceeds	Special Capital Projects	ECMC Capital Projects		
Revenues:								
Real property taxes and tax items	\$	\$	\$	\$	\$	\$	\$	\$ 27,376
Sales and use taxes								1,684
Transfer taxes								5,757
Intergovernmental	1,196						1,196	70,657
Departmental		143					143	9,082
Interest			133				133	3,075
Miscellaneous								163
Total Revenues	<u>1,196</u>	<u>143</u>	<u>133</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,472</u>	<u>117,794</u>
Expenditures:								
Current:								
General government support								2,721
Public safety								9,143
Health								6,069
Transportation								10,267
Economic assistance and opportunity								42,494
Culture and recreation								224
Education								187
Home and community service								18,785
Capital outlay	3,869	781	2,962		59	4,777	12,448	12,448
Debt service:								
Principal retirement								15,375
Interest and fiscal charges								12,281
Total Expenditures	<u>3,869</u>	<u>781</u>	<u>2,962</u>	<u>0</u>	<u>59</u>	<u>4,777</u>	<u>12,448</u>	<u>129,994</u>
Excess (deficiency) of revenues over expenditures	<u>(2,673)</u>	<u>(638)</u>	<u>(2,829)</u>	<u>0</u>	<u>(59)</u>	<u>(4,777)</u>	<u>(10,976)</u>	<u>(12,200)</u>
Other financing sources (uses) :								
Transfers in	1,901	600					2,501	28,246
Transfers out				(1,901)			(1,901)	(3,711)
Total other financing sources (uses)	<u>1,901</u>	<u>600</u>	<u>0</u>	<u>(1,901)</u>	<u>0</u>	<u>0</u>	<u>600</u>	<u>24,535</u>
Net change in fund balances	<u>(772)</u>	<u>(38)</u>	<u>(2,829)</u>	<u>(1,901)</u>	<u>(59)</u>	<u>(4,777)</u>	<u>(10,376)</u>	<u>12,335</u>
Fund balances at beginning of year	35,603	13,003	7,639	4,159	2,105	15,845	78,354	109,013
Fund balances at end of six months	<u>\$ 34,831</u>	<u>\$ 12,965</u>	<u>\$ 4,810</u>	<u>\$ 2,258</u>	<u>\$ 2,046</u>	<u>\$ 11,068</u>	<u>\$ 67,978</u>	<u>\$ 121,348</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
 June 30, 2007
 (amounts expressed in thousands)

	<u>Library</u>
Assets	
Cash and cash equivalents	\$ 14,771
Due from primary government	2,128
Due from other governments	282
Total assets	<u>\$ 17,181</u>
Liabilities and Fund Balances	
Liabilities:	
Accounts payable	\$ 157
Accrued liabilities	588
Deferred revenue	684
Total liabilities	<u>1,429</u>
Fund Balances	
Reserved for:	
Encumbrances	1,079
Unreserved, reported in:	
Designated	1,350
Undesignated	13,323
Total fund balances	<u>15,752</u>
Total liabilities and fund balances	<u>\$ 17,181</u>

COUNTY OF ERIE, NEW YORK
Statement of Revenues, Expenditures and Changes in Fund Balance
Component Unit
Six Months Ended June 30, 2007
(amounts expressed in thousands)

	<u>Library</u>
Revenues:	
Real property taxes and tax items	\$ 22,172
Intergovernmental	429
Departmental	233
Interest	36
Miscellaneous	27
Total revenues	<u>22,897</u>
Expenditures:	
Current:	
Culture and recreation	12,109
Total expenditures	<u>12,109</u>
Excess (deficiency) of revenues over expenditures	<u>10,788</u>
Net change in fund balances	10,788
Fund balance at beginning of year	4,964
Fund balances at end of six months	<u>\$ 15,752</u>

INVESTMENT REPORT

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2007 through June 30, 2007

In accordance with the Comptroller's Investment Guidelines, the Investment Report for the first six months of 2007 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 1,348 investments were made during the first six months, resulting in \$6,402,146 in total interest earnings for all funds. The weighted average yield for the first six months was 5.25%. For comparison, during the first six months of 2006, 1,487 investments were effectuated which generated \$5,646,069 in total interest earnings for all funds at an average weighted yield of 4.65%.

SUMMARY OF INVESTMENTS PURCHASED

	Number of Investments Jan-June		Average Investment (in millions) Jan-June		Average Length of Investment (days) Jan-June	
	2007	2006	2007	2006	2007	2006
JP Morgan Chase, N.A.	119	191	2.1	3.1	6	6
Citizens Bank	212	384	5.4	7.5	9	7
Bank of America	33	755	11.2	5.0	11	3
HSBC Bank USA, N.A.	114	157	2.8	10.3	4	7
Key Bank, N.A.	870	0	6.4	0	4	0
M&T Bank	0	0	0	0	0	0
Totals	1348	1487				

COUNTY OF ERIE
 Quarterly Investment Report
 January 1, 2007 through June 30, 2007

SUMMARY OF INTEREST EARNINGS BY FUND

	General Fund	Trust Fund	Capital Fund	Sewer Fund	Total
1 st Quarter	\$1,184,041	\$476,486	\$1,070,172	\$207,762	\$2,938,461
2 nd Quarter	1,679,754	392,838	974,990	416,103	3,463,685
Year to date	\$2,863,795	\$869,324	\$2,045,162	\$623,865	\$6,402,146

Please note the 2007 Adopted Budget General Fund interest earnings are projected to be \$4,890,000. The actual year to date earnings for the General Fund as of June 30, 2007 is \$2,863,795. For comparison, as of June 30, 2006 the General Fund interest earnings were \$1,738,325.

SUMMARY OF WEIGHTED AVERAGE YIELD (ALL FUNDS)

Month	Weighted Average Yield	
	2007	2006
January	5.28%	4.35%
February	5.30%	4.42%
March	5.27%	4.55%
April	5.22%	4.79%
May	5.22%	4.93%
June	5.22%	4.88%
Weighted Average Jan. - June	5.25%	4.65%

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, 2007. 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
2007

Description	Actual January	Actual February	Actual March	Actual April	Actual May	Actual June	Projected July	Projected August	Projected September	Projected October	Projected November	Projected December	TOTAL
Opening Balance	11,648,729												
** Receipts **													
DSS	21,448,168	19,587,839	35,122,294	5,995,663	16,421,939	31,383,220	7,456,789	32,443,572	24,568,156	19,620,485	19,489,664	15,565,037	249,102,826
Sales Tax	38,725,332	29,832,655	90,270,041	60,633,220	46,681,323	67,255,547	42,349,488	57,324,183	32,734,158	42,034,232	40,615,576	57,744,526	606,200,281
Real Property Tax	6,346,870	39,745,137	157,402,626	21,456,082	5,035,968	4,429,781	2,975,928	2,975,928	2,092,450	1,441,465	2,534,189	2,673,686	249,110,110
Other	38,093,479	23,607,143	38,657,140	3,803,967	23,339,391	28,237,608	25,602,583	17,011,081	18,476,563	19,706,321	23,326,801	7,970,902	267,832,979
RAN Proceeds						75,000,000			25,000,000				100,000,000
Total Receipts	116,262,578	112,772,774	321,452,101	91,888,932	91,478,621	206,306,156	78,384,788	109,754,764	102,871,327	82,802,503	85,966,230	83,954,151	1,472,246,196
** Disbursements **													
DSS	51,189,023	31,839,943	42,599,759	34,009,783	34,926,671	30,688,631	32,671,264	31,962,831	35,171,616	34,088,131	29,920,877	37,171,899	426,240,428
Payroll	26,599,550	23,116,227	22,743,188	23,613,910	22,357,577	35,546,588	22,603,949	22,839,101	23,456,374	21,722,130	21,722,130	61,681,898	328,002,622
Vendor	20,862,088	32,459,509	128,823,748	60,632,977	31,810,987	78,699,126	18,093,825	12,307,637	56,869,493	19,628,284	21,706,196	56,525,639	538,419,509
Debt Service	3,847,108	944,276	6,881,067	8,410,774	1,911,667	9,548,628	2,657,077	6,317,410	6,637,023	6,718,093	3,023,564	15,830,965	72,727,652
RANs Set Asides Jun 06		26,800,000	49,000,000	700,000	21,000,000	12,500,000	0	(0)	0	0	0	0	110,000,000
Total Disbursements	102,497,769	115,159,955	250,047,762	127,367,444	112,006,902	166,982,973	76,026,115	73,426,979	122,134,506	82,156,638	76,372,767	171,210,401	1,475,390,211
Monthly Cash Flow	13,764,809	(2,387,181)	71,404,339	(35,478,512)	(20,528,281)	39,323,183	2,358,673	36,327,785	(19,263,179)	645,865	9,593,463	(87,256,250)	(3,144,015)
Cumulative Cash Flow	13,764,809	11,377,628	82,781,967	47,303,455	26,775,174	66,098,357	68,457,030	104,784,815	85,521,636	86,167,501	95,760,964	8,504,714	

PROPERTY AND SALES TAX SUMMARY

COUNTY OF ERIE, NEW YORK
 Property Tax Collections
 Six Months Ended June 30, 2007 and 2006

	<u>2007</u>	<u>2006</u>
Gross Levy	\$ 569,219,471	\$ 540,580,523
Less: Amount Retained by Towns	(314,868,342)	(303,202,950)
Net To Be Collected by County	<u>254,351,129</u>	<u>237,377,573</u>
Less: January - June Collections	(229,987,534)	(214,994,274)
Net Outstanding at June 30th	<u>\$ 24,363,595</u>	<u>\$ 22,383,299</u>
Percentage Collected at June 30th	<u>90.4%</u>	<u>90.6%</u>

COUNTY OF ERIE, NEW YORK
Sales Tax Revenue
Six Months Ended June 30, 2007 and 2006

	(1) (4) <u>2007 Budget</u>	June 2007 YTD <u>Revenue</u>	% of Budget <u>Realized</u>	<u>2006 Budget</u>	June 2006 YTD <u>Revenue</u>	% of Budget <u>Realized</u>
Sales And Use Tax	\$ 139,218,155	\$ 70,356,414	50.5%	\$ 134,021,204	\$ 66,183,589	49.4%
1 % Sales Tax - Erie County Purposes (2)	131,427,548	66,416,673	50.5%	126,433,027	62,474,070	49.4%
0.25 % Sales Tax	32,856,887	16,723,915	50.9%	31,600,000	15,439,731	48.9%
0.50 % Sales Tax (3)	65,713,775	33,447,831	50.9%	63,200,000	29,796,627	47.1%
Totals	<u>\$ 369,216,365</u>	<u>\$ 186,944,833</u>	50.6%	<u>\$ 355,254,231</u>	<u>\$ 173,894,017</u>	48.9%

Notes:

- (1) The 2007 Budget column includes technical adjustments made by the Division of Budget, Management and Finance after the 2007 budget was adopted.
- (2) Pursuant to the 2006 reauthorization of the 1% sales and compensating use tax, \$12,500,000 of sales tax revenue reported in the above table was paid to local municipalities and recorded as a 2007 expenditure of the County's General Fund.
- (3) The 0.50% Sales Tax went into effect on January 15, 2006.
- (4) 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 June 30, 2007 year to date, \$128,922,797 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 June 30, 2007

<u>Fiscal Year Ending December 31</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Debt Service</u>
2007	24,487,360.19	12,151,816.01	36,639,176.20 (1)
2008	46,884,804.97	22,899,108.82	69,783,913.79
2009	44,824,345.33	20,722,326.01	65,546,671.34
2010	44,205,607.11	18,650,663.37	62,856,270.48
2011	45,343,591.26	16,547,401.59	61,890,992.85
2012	36,944,962.49	14,403,614.91	51,348,577.40
2013	32,176,544.56	12,537,335.99	44,713,880.55
2014	32,416,667.00	10,990,310.92	43,406,977.92
2015	32,960,285.99	9,434,861.15	42,395,147.14
2016	31,374,099.02	7,872,701.78	39,246,800.80
2017	32,271,341.01	6,316,131.76	38,587,472.77
2018	26,053,583.94	4,707,503.92	30,761,087.86
2019	19,304,727.01	3,591,142.73	22,895,869.74
2020	19,111,970.01	2,675,469.33	21,787,439.34
2021	4,809,213.01	1,905,139.78	6,714,352.79
2022	4,921,456.01	1,670,123.21	6,591,579.22
2023	5,063,699.01	1,431,655.55	6,495,354.56
2024	5,020,941.92	1,195,990.47	6,216,932.39
2025	4,758,185.00	958,668.38	5,716,853.38
2026	2,405,428.00	770,332.16	3,175,760.16
2027	2,452,671.00	664,826.18	3,117,497.18
2028	2,514,913.00	556,606.39	3,071,519.39
2029	2,577,156.00	445,457.00	3,022,613.00
2030	1,679,399.00	356,159.23	2,035,558.23
2031	1,736,642.00	289,064.44	2,025,706.44
2032	1,376,497.00	222,360.68	1,598,857.68
2033	1,285,000.00	163,055.36	1,448,055.36
2034	1,160,000.00	105,981.89	1,265,981.89
2035	1,040,000.00	57,399.96	1,097,399.96
2036	245,000.00	10,412.50	255,412.50
	<u>\$ 511,406,090.84</u>	<u>\$ 174,303,621.47</u>	<u>\$ 685,709,712.31</u>

Note:

(1) Amount is net of debt service payments of \$27,655,542.00 made from January 1, 2007 to June 30, 2007.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Direct General Obligation Indebtedness Outstanding
 As of June 30, 2007

Bonds :		
Buildings and other Improvements	\$134,977,335.67	
Highway Improvements	91,281,128.16	
Court House Facilities	81,477,722.15	
Sewer District Facilities	65,367,217.10	
Hospital	56,928,314.59	(1)
HSBC Arena	19,400,000.00	
Computer System	17,475,828.59	
Ralph Wilson Stadium	17,353,558.66	
Pension	7,625,000.00	
Community College	12,154,826.32	
Convention Center	4,615,733.41	
Prison Facilities	2,323,097.93	
Nursing Home	426,328.26	(1)
Total Long-Term Debt		\$511,406,090.84
Bond Anticipation Notes - Sewer District Facilities	3,711,614.00	
Revenue Anticipation Notes	75,000,000.00	
Total Short-Term Debt		78,711,614.00
Gross Direct Debt		590,117,704.84
Exclusions :		
Sewer District Debt	69,078,831.10	
Budgeted Appropriations	22,392,718.61	
Revenue Anticipation Notes	75,000,000.00	
Total Deductions		166,471,549.71
Net Direct Debt		\$423,646,155.13

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.

SOURCE: Erie County Comptroller's Office

COUNTY OF ERIE, NEW YORK
 Calculation of Constitutional Debt Limit
 As of June 30, 2007

<u>For Fiscal Year Ended December 31</u>	<u>Full Valuation of Taxable Real Property</u>
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	<u>38,102,215,587</u>
Total five year full valuation	\$ <u>174,283,437,224</u>
5 Year Average full valuation	\$ <u>34,856,687,445</u>
Debt limit - 7% of average full valuation	\$ <u>2,439,968,121</u>

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

MISCELLANEOUS FINANCIAL DATA

COUNTY OF ERIE, NEW YORK
Property Tax Collections
1997 - 2006

Fiscal Year Ending 12/31	Total General Property Tax Levy All Purposes (a)	Towns Levy (b)	Returned School Tax (c)	Uncollected as of Tax Sale Date in Year of Levy	Percentage Uncollected
1997	\$ 488,941,336	\$ 221,691,609	\$ 14,522,360	\$ 24,413,550	4.99 %
1998	493,970,979	224,177,492	16,218,263	26,740,503	5.41
1999	490,692,273	225,934,027	15,637,655	26,191,669	5.34
2000	446,019,358	222,449,694	13,953,109	20,432,799	4.58
2001	424,554,739	231,109,689	13,104,632	18,282,851	4.31
2002	430,565,663	235,033,457	13,899,502	18,661,558	4.33
2003	447,035,372	250,233,121	14,124,489	15,371,308	3.44
2004	464,433,235	265,812,020	14,152,464	13,713,364	2.95
2005	493,517,706	289,697,275	13,788,438	13,832,736	2.80
2006	540,580,523	303,202,950	14,103,478	15,297,145	2.83

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, Management and Finance

COUNTY OF ERIE, NEW YORK
Short-Term Borrowing History
1995 - 2007

<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 June 30, 2007 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 reimbursement for the non-local share.

COUNTY OF ERIE, NEW YORK
 Outstanding Long-Term Direct Indebtedness
 1997 - 2006

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>
1997	\$219,344,538	2002	\$256,295,578
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

Note:

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

SOURCES: Erie County General Purpose Financial Statements – 1996-2001 (Audited)
 Erie County Basic Financial Statements – 2002-2006 (Audited)

COUNTY OF ERIE, NEW YORK
 Valuations, Tax Levies and Rates
 2003 - 2007

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Assessed Valuation	\$31,165,324,890	\$30,165,315,955	\$28,276,734,647	\$27,557,186,821	\$27,026,638,924
Equalized Full Valuation	41,956,007,685	38,102,215,587	35,980,745,078	34,479,046,511	33,576,174,348
Levied for County Purposes (a)	206,176,541	194,655,585	164,052,166	159,436,984	159,348,027
Rates for \$1,000 of Equalized Full Valuation	\$4.91	\$5.11	\$4.56	\$4.62	\$4.75

Note:

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

SOURCE: Erie County Division of Budget, Management and Finance

COUNTY OF ERIE, NEW YORK
 Computation of Constitutional Taxing Power for 2007

<u>Assessment Year</u>	<u>Full Valuation</u>
2002	32,145,255,700
2003	33,576,174,348
2004	34,479,046,511
2005	35,980,745,078
2006	<u>38,102,215,587</u>
 Total	 <u>174,283,437,224</u>
 Five-Year Average Full Valuation	 \$34,856,687,445
Tax Limit (1.5%) (b)	522,850,312
Total Exclusions	53,268,818
Total Taxing Power	576,119,130
Total Levy for 2007 (c).....	206,176,541
Tax Margin (b)	369,942,589

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 2007 total taxing power under this local law is \$401,835,692 leaving a tax margin of \$195,659,151.
- (c) Includes County and Library property taxes, taxes for election expenses and Community College chargebacks.