

**ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Table of Contents

December 31, 2024

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Statement of Net Position

Statement of Activities

Balance Sheet – Governmental Funds

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

Notes to Financial Statements

Required Supplementary Information (Unaudited)

Schedule of the Authority's Proportionate Share of the Net Pension Position – New York State and Local Employees' Retirement System

Schedule of Authority Contributions – New York State and Local Employees' Retirement System

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Erie County Fiscal Stability Authority

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and each major fund of Erie County Fiscal Stability Authority (the Authority), a component unit of the County of Erie, New York, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority as of December 31, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP 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 Authority's ability to continue as a going concern for one year 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 Authority'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 Authority'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

GAAP requires that management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the financial statements. Such information, 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 financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Symaden & McCormick, LLP". The signature is written in a cursive, flowing style.

March 21, 2025

Management's Discussion and Analysis

December 31, 2024

Introduction

This section of Erie County Fiscal Stability Authority's (the Authority) annual financial report presents its discussion and analysis of the Authority's financial performance during the year ended December 31, 2024. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

The Authority is a corporate governmental agency and instrumentality of the State of New York constituting a public benefit corporation. Although legally separate and independent of the County of Erie, New York (the County), the Authority is incorporated into the financial statements of the County as a blended component unit (see notes to financial statements).

Overview of the Financial Statements

The annual financial statements of the Authority consist of the following components: management's discussion and analysis (this section), financial statements, and notes to financial statements.

Management's discussion and analysis of the Authority's financial performance provides an overview of the Authority's financial activities for the years ended December 31, 2024 and 2023. This overview, which covers important financial events of the period, should be read in conjunction with the Authority's financial statements, including the notes to the financial statements.

Government-wide financial statements of the Authority are presented in accordance with Governmental Accounting Standards Board ("GASB") Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments." The government-wide financial statements use the economic resources measurement focus and accrual basis of accounting. These statements are presented to display information about the reporting entity as a whole. The Statement of Net Position presents information on all of the Authority's assets and deferred outflows of resources less its liabilities and deferred inflows of resources, with the difference reported as net position. The Statement of Activities presents information showing how the Authority's net position changed during the 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 the related cash flows; thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future periods. All of the activities of the Authority are considered to be governmental activities.

Governmental fund financial statements are presented using the current financial resources measurement focus and the modified accrual basis of accounting. Government fund financial statements are the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. Under the modified accrual basis, revenue is recognized when it becomes both measurable and available to finance expenditures in the current fiscal period.

In addition to these two types of statements, the financial statements include a reconciliation between the government-wide and governmental fund statements. Accompanying notes to the financial statements are an integral part of the financial statements.

Financial Highlights

The Erie County Fiscal Stability Authority's 2024 fiscal year was again highlighted by controlling spending to 83% of its allocated budget. With a 2024 general fund operating budget of general and administrative expenditures of \$510,000 and actual expenditures of \$423,000, the Authority achieved a savings of \$87,000 or 17%. For the eighteenth consecutive year, the Authority has expended less than its annual operating budget by at least 5% or more, year over year.

The Authority remains committed to conducting its oversight functions of the County of Erie’s finances using the lowest level of resources it needs to meet its State-mandated responsibilities and reporting requirements.

Financial Analysis of the Authority as a Whole

Condensed Statements of Net Position	2024	2023	Change	
			\$	%
Assets				
Cash and cash equivalents	\$ 398,000	\$ 618,000	\$ (220,000)	(35.6%)
Restricted cash and cash equivalents	7,818,000	10,772,000	(2,954,000)	(27.4%)
Due from other governments	67,389,000	70,749,000	(3,360,000)	(4.7%)
Long-term receivables from County of Erie	165,897,000	179,028,000	(13,131,000)	(7.3%)
Prepaid expenses	11,000	9,000	2,000	22.2%
Total assets	241,513,000	261,176,000	(19,663,000)	(7.5%)
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	63,000	72,000	(9,000)	(12.5%)
Defeasance loss	1,256,000	1,595,000	(339,000)	(21.3%)
Total deferred outflows of resources	1,319,000	1,667,000	(348,000)	(20.9%)
Liabilities				
Accounts payable and accrued liabilities	52,000	60,000	(8,000)	(13.3%)
Accrued interest on bonds	2,021,000	2,153,000	(132,000)	(6.1%)
Due to County of Erie	71,220,000	77,402,000	(6,182,000)	(8.0%)
Unearned revenues	-	10,000	(10,000)	(100.0%)
Bonds payable	165,845,000	179,794,000	(13,949,000)	(7.8%)
Net pension liability	29,000	46,000	(17,000)	(37.0%)
Total liabilities	239,167,000	259,465,000	(20,298,000)	(7.8%)
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	25,000	15,000	10,000	66.7%
Defeasance gain	222,000	282,000	(60,000)	(21.3%)
Total deferred inflows of resources	247,000	297,000	(50,000)	(16.8%)
Net Position				
Unrestricted	\$ 3,418,000	\$ 3,081,000	\$ 337,000	10.9%

The Authority’s overall total net position increased 10.9% in 2024 (decrease of 6.8% in 2023) mainly due to timing of bond premium amortizations for long-term receivables compared to bonds payable.

Cash and cash equivalents decreased 35.6% (increase of 5.1% in 2023) due to the timing and amount of monthly allocations of sales tax revenues for operating purposes.

Since the Authority has an arrangement with the County of Erie to issue bonds on its behalf and then use the funds to purchase mirror bond “notes” from the County, the Authority accrues interest receivable from the County on those mirror bonds and reduces the receivable when payment is received from the County of Erie and payments are made to the Authority’s bondholders. The Authority has an ongoing requirement to set aside the County of Erie’s funds through the interception of sales tax revenues from New York State to make the periodic interest and principal payments on its outstanding bonds issued.

Accrued interest payable, unamortized bond premiums, bonds payable, debt set-asides, due to the County of Erie, and residual accrued interest due to the County of Erie all relate as liability components to the Authority’s bonds.

Condensed Statements of Activities	2024	2023	Change	%
			\$	%
General Revenues				
Sales tax	\$ 601,243,000	\$ 601,637,000	\$ (394,000)	(0.1%)
Interest and other income	5,568,000	5,605,000	(37,000)	(0.7%)
	606,811,000	607,242,000	(431,000)	(0.1%)
Less: distributions to the County of Erie and New York State	601,033,000	601,637,000	(604,000)	(0.1%)
Total net revenues	5,778,000	5,605,000	173,000	3.1%
Expenses				
General and administrative	426,000	422,000	4,000	0.9%
Interest and amortization	5,015,000	5,408,000	(393,000)	(7.3%)
Total expenses	5,441,000	5,830,000	(389,000)	(6.7%)
Change in net position	337,000	(225,000)	562,000	(249.8%)
Net position – beginning	3,081,000	3,306,000	(225,000)	(6.8%)
Net position – ending	\$ 3,418,000	\$ 3,081,000	\$ 337,000	10.9%

The decrease in sales tax revenues of 0.1% (increase of 2.5% in 2023) is attributable to consistent economic conditions throughout 2024. General and administrative expenses increased by 0.9% in 2024 (increase of 4.5% in 2023). The decrease in interest and other income is due to the impact of amortization of premiums and collection on long-term receivables. Interest and amortization expense continued to decrease due to ongoing repayments and no new debt.

Financial Analysis of the Authority's Funds

General and Administrative Expenses

For the year ended December 31, 2024, the Authority's general and administrative expenses reported in the governmental fund statements totaled \$423,000 versus \$412,000 in 2023. Total general and administrative expenses were higher in 2024 compared to 2023 primarily due to an increase in employee benefits expenses.

General and Administrative Expenses	2024	2023	Change	%
			\$	%
Wages and employee-related expenses	\$ 360,000	\$ 350,000	\$ 10,000	2.9%
Professional fees	25,000	23,000	2,000	8.7%
Office-related	33,000	34,000	(1,000)	(2.9%)
Miscellaneous	5,000	5,000	-	-
Total	\$ 423,000	\$ 412,000	\$ 11,000	2.7%

Wages and employee-related expenses include salaries, payroll taxes, health insurance (net of employee contributions), and New York State and Local Retirement System (NYSLRS) contributions. As of both December 31, 2024 and 2023, there were three Authority employees.

Wages and Employee-Related Expenses	2024	2023	Change	%
			\$	%
Salaries	\$ 253,000	\$ 254,000	\$ (1,000)	(0.4%)
Payroll taxes	20,000	20,000	-	-
Benefits	87,000	76,000	11,000	14.5%
Total	\$ 360,000	\$ 350,000	\$ 10,000	2.9%

Professional fees are paid for independent audit, legal, financial advisory, payroll, investment management, and banking services. Audit expenses increased \$6,000 in 2024 compared to 2023 offset by a reduction of \$4,000 in trustee fees in 2024 compared to 2023.

Professional Fees			Change	
	2024	2023	\$	%
Audit and fiscal advisor	\$ 17,000	\$ 11,000	\$ 6,000	54.5%
Payroll and banking services	8,000	12,000	(4,000)	(33.3%)
Total	\$ 25,000	\$ 23,000	\$ 2,000	8.7%

On November 1, 2010, the Authority agreed to continue its tenancy on a month-to-month basis at the same monthly rate as the original lease. The month-to-month arrangement is still in effect through 2024. Office expenses decreased mainly due to a decrease in overall office supplies in 2024.

Office-Related Expenses			Change	
	2024	2023	\$	%
Lease and utilities	\$ 23,000	\$ 22,000	\$ 1,000	4.5%
Office supplies	10,000	12,000	(2,000)	(16.7%)
Total	\$ 33,000	\$ 34,000	\$ (1,000)	(2.9%)

Factors Bearing on the Authority’s Future

The Authority was created on July 12, 2005 by Chapter 182 of the Laws of 2005, and amended by Chapter 183 of the Laws of 2005, to monitor and oversee the finances of the County. The Authority is enacted to operate through December 31, 2039.

Revenues and Sales Tax Distribution

Revenues of the Authority include the County’s share of sales tax revenue and interest income earned on cash held by the Authority, granted to the County. The Authority’s enabling legislation grants the Authority a first lien and perfected security interest in net collections from sales and compensating use tax authorized by the State and levied by the County.

The current sales and compensation use tax rate in the County is 4.75% consisting of a 3.00% base rate and a 1.75% additional rate, which is subject to periodic renewals. The Authority receives all sales tax revenue imposed by the County except for the component that is allocable to the towns, cities, school districts, and villages within the County. Sales tax revenue is dependent upon various factors including economic conditions in the County, which has experienced numerous cycles of growth and recession.

Sales tax revenue of the Authority for the year ended December 31, 2024 amounted to \$601,243,000. The Authority received \$1,375,000 in interest on sales tax transferred to the Authority by the New York State Office of the State Comptroller. In addition, the Authority received interest income on notes receivable from the County amounting to \$7,586,000.

Revenue of the Authority must be applied first to pay debt service on the Authority bonds, then for Authority operating expenses, and finally, subject to agreements with the County, the balance is transferred to the County. The Authority transferred \$601,033,000 in net sales tax and state aid revenues to the County.

Contacting the Authority's Financial Management

This financial report is designed to provide the County’s citizens, taxpayers, customers, investors, and creditors with a general overview of the Authority’s finances and to demonstrate the Authority’s accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority by phone at (716) 608-2271, by email at info@ecfsa.ny.gov, or by mail at Erie County Fiscal Stability Authority, 295 Main Street, Suite 946, Buffalo, New York 14203.

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Statement of Net Position

December 31, 2024

Assets

Cash and cash equivalents	\$ 398,453
Restricted cash and cash equivalents	7,818,101
Long-term receivables - County of Erie due within one year	8,780,000
Due from other governments	67,389,253
Prepaid expenses	10,604
Long-term receivables - County of Erie	157,116,990
Total assets	241,513,401

Deferred Outflows of Resources

Deferred outflows of resources related to pensions	62,701
Defeasance loss	1,255,880
Total deferred outflows of resources	1,318,581

Liabilities

Accounts payable and accrued liabilities	51,887
Accrued interest on bonds	2,021,006
Due to County of Erie	71,219,924
Long-term liabilities	
Due within one year:	
Bonds	8,780,000
Due beyond one year:	
Bonds and related premiums	157,065,652
Net pension liability	29,397
Total liabilities	239,167,866

Deferred Inflows of Resources

Deferred inflows of resources related to pensions	24,368
Defeasance gain	222,342
Total deferred inflows of resources	246,710

Net Position

Unrestricted	\$ 3,417,406
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ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Statement of Activities

For the year ended December 31, 2024

Expenses

General and administrative	\$ 425,823
Distributions	
County of Erie - sales tax	584,820,784
County of Erie - debt service set-asides	16,212,348
Interest expense	5,015,532
Total expenses	606,474,487

General revenues

Sales tax	601,243,132
Interest and other income	13,123
Interest earned on long-term receivables	5,554,652
Total general revenues	606,810,907

Change in net position 336,420

Net position - beginning 3,080,986

Net position - ending \$ 3,417,406

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Balance Sheet - Governmental Funds

December 31, 2024

	General	Debt Service	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 398,453	\$ -	\$ 398,453
Restricted cash and cash equivalents	969,820	6,848,281	7,818,101
Due from other governments - sales tax	65,368,247	-	65,368,247
Due from other funds	8,245	-	8,245
Prepaid expenses	10,604	-	10,604
Total assets	\$ 66,755,369	\$ 6,848,281	\$ 73,603,650
Liabilities and Fund Balances			
Liabilities			
Accounts payable and accrued liabilities	\$ 44,875	\$ 7,012	\$ 51,887
Due to County of Erie	66,346,900	4,873,024	71,219,924
Due to other funds	-	8,245	8,245
Total liabilities	66,391,775	4,888,281	71,280,056
Fund Balances			
Nonspendable:			
Prepaid expenses	10,604	-	10,604
Restricted	-	1,960,000	1,960,000
Unassigned	352,990	-	352,990
Total fund balances	363,594	1,960,000	2,323,594
Total liabilities and fund balances	\$ 66,755,369	\$ 6,848,281	\$ 73,603,650

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position**

December 31, 2024

Total fund balances - governmental funds \$ 2,323,594

Amounts reported for governmental activities in the statement of net position are different because:

The Authority's proportionate share of the net pension position as well as pension-related deferred outflows and deferred inflows of resources are recognized on the government-wide statements and include:

Deferred outflows of resources related to pensions	62,701	
Net pension liability	(29,397)	
Deferred inflows of resources related to pensions	(24,368)	8,936

Defeasance gains and losses associated with bond refundings are recognized as deferred outflows and deferred inflows of resources in the government-wide statements.	1,033,538
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Certain assets are not currently available and therefore are not reported as assets of the governmental funds. These assets are:

Long-term receivables - County of Erie	165,896,990	
Due from other governments - accrued interest	2,021,006	167,917,996

Certain liabilities are not due and payable currently and therefore are not reported as liabilities of the governmental funds. These liabilities are:

Bonds and related premiums	(165,845,652)	
Accrued interest	(2,021,006)	(167,866,658)

Net position - governmental activities \$ 3,417,406

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

**Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds**

For the year ended December 31, 2024

	General	Debt Service	Total Governmental Funds
Revenues			
Sales tax	\$ 601,243,132	\$ -	\$ 601,243,132
Interest and other income	13,123	-	13,123
Principal payments on long-term receivables	-	11,570,000	11,570,000
Interest received on long-term receivables	-	7,586,369	7,586,369
Total revenues	601,256,255	19,156,369	620,412,624
Expenditures			
General and administrative	423,149	-	423,149
Distributions			
County of Erie - sales tax	584,820,784	-	584,820,784
County of Erie - debt service set-asides	16,212,348	-	16,212,348
Debt service			
Principal	-	11,570,000	11,570,000
Interest	-	7,586,369	7,586,369
Total expenditures	601,456,281	19,156,369	620,612,650
Net change in fund balances	(200,026)	-	(200,026)
Fund balances - beginning	563,620	1,960,000	2,523,620
Fund balances - ending	\$ 363,594	\$ 1,960,000	\$ 2,323,594

ERIE COUNTY FISCAL STABILITY AUTHORITY
 (A Component Unit of the County of Erie, New York)

**Reconciliation of the Governmental Funds Statement of Revenues,
 Expenditures, and Changes in Fund Balances to the Statement of Activities**

For the year ended December 31, 2024

Total net change in fund balances - governmental funds		\$ (200,026)
Amounts reported for governmental activities in the statement of activities are different because:		
Payments on long-term receivables are reported as revenue in the governmental funds and as a reduction of receivables in the statement of net position.		(11,570,000)
In the statement of activities, certain revenues are measured by the amounts earned during the year. In the governmental funds these revenues are reported when available. These differences are:		
Amortization of bond premiums and defeasance loss	(1,899,624)	
Interest	<u>(132,093)</u>	(2,031,717)
Pension expense is recognized when paid on the fund statement of revenues, expenditures, and changes in fund balances and actuarially determined on the statement of activities.		(2,674)
Payments of long-term liabilities are reported as expenditures in the governmental funds and as a reduction of debt in the statement of net position.		11,570,000
In the statement of activities, certain expenses are measured by the amounts incurred during the year. In the governmental funds these expenditures are reported when paid. These differences are:		
Amortization of bond premiums and defeasance gain	2,438,744	
Interest	<u>132,093</u>	<u>2,570,837</u>
Change in net position - governmental activities		\$ 336,420

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Reporting Entity

The Erie County Fiscal Stability Authority (the Authority) 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 (the Act), Chapter 182 of the Laws of 2005. The Authority is incorporated into the financial statements of the County of Erie, New York (the County) as a blended component unit. The Authority was created on July 12, 2005, to monitor and oversee the finances of the County. Agencies and departments covered by the Authority's activities include all departments of the County of Erie, Erie Community College, the Buffalo & Erie County Public Library, and the County of Erie Sewer Districts.

The business of the Authority is carried out by the Authority's Board of Directors at public meetings, which are required to be held not less than quarterly during a control period and not less than annually during an advisory period. Board meetings are typically held monthly. No action may be taken by the Authority without a favorable vote of at least four directors. The Authority is governed by seven directors, each appointed by the Governor, including one each appointed on the written recommendation of the President Pro Tempore of the State Senate, the Speaker of the State Assembly, and the State Comptroller. The Governor designates a chair and a vice chair from among the directors. One director appointed by the Governor and the directors appointed by the recommendation of the Temporary President of the State Senate, the Speaker of the State Assembly, and the State Comptroller must be residents of the County of Erie. All directors of the Authority serve without salary.

In its oversight capacity, the Authority is vested with control and advisory powers to review County financial plans submitted to it and make recommendations, or if necessary, adverse findings thereon. Annually, the Authority is required to review and approve a budget and four-year financial plan submitted by the County, which details expenditures, revenues, and gap closing measures. The Authority may impose a control period, make one of several statutory findings concerning the County's financial position and, if necessary, develop financial plans on behalf of the County, if the County is unwilling or unable to take the required steps toward fiscal stability. The Authority is also empowered to make appropriated State aid available as it determines necessary in the form of efficiency grants.

On November 3, 2006, the Authority imposed a control period on the County in accordance with Section 3959(1)(e) of New York Public Authorities Law through resolution 06-49. The resolution empowered the Authority to operate with its maximum authorized complement of control and oversight powers over County finances. On that date, the Board also imposed a hiring freeze and a contract review process.

On June 2, 2009, the Authority elected to revert from control status to advisory status.

The Authority is required to comment on proposed borrowings by the County and it may issue bonds or other obligations to achieve budgetary savings through debt restructuring, deficit financing, or by financing short-term cash flow or capital needs. The aggregate principal amount of long-term general obligation or revenue borrowing by the Authority on behalf of the County shall not exceed \$700 million at any one time excluding any cost of issuance, debt reserve funding, or refunding of bonds net of unearned bond accretion. In addition, the aggregate principal amount of short-term cash flow borrowing by the Authority on behalf of the County shall not exceed \$250 million at any one time.

The Authority's revenue consists of sales tax revenue, defined as net collections from sales and compensating use taxes, penalties and interest authorized by the State and imposed by the County on the sale and use of tangible personal property and services in the County, and investment earnings on funds deposited in Authority bank accounts. Sales tax revenue collected by the New York State Office of the State Comptroller (the State Comptroller) for transfer to the Authority is not subject to appropriation by the State or County. Revenues of the Authority that are not required to pay operating expenses and other costs of the Authority are payable to the County as frequently as practicable.

Basis of Presentation

Government-Wide Statements: The statement of net position and the statement of activities display financial activities of the overall Authority. These statements are required to distinguish between *governmental* and *business-type* activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Authority does not maintain any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Authority's governmental activities. Given the specific nature of the Authority's purpose, its only function is displayed as monitoring of County finances.

Fund Financial Statements: The fund financial statements provide information about the Authority's funds. The emphasis of the fund financial statements is on major governmental funds, each displayed in a separate column.

The Authority reports the following major funds:

- *General fund.* This is the Authority's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
- *Debt service fund.* This fund is used to account for resources that are restricted, committed, or assigned to expenditure for principal and interest payments on long-term debt obligations of governmental activities on behalf of the County. Financial resources that are being accumulated for principal and interest payments maturing in future years are also included in this fund, including sales tax set-asides.

Basis of Accounting and Measurement Focus

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Authority receives value directly without giving equal value in exchange, include sales taxes. Revenue is recognized in the fiscal year for which taxes are earned or designated. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Authority considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and claims and judgments, which are recognized as expenditures to the extent that they have matured. Capital asset purchases are reported as expenditures in governmental funds. Proceeds of long-term liabilities and financed equipment are reported as other financing sources.

Interest expense is recognized on the accrual basis in the government-wide financial statements. In the governmental fund statements, interest expenditures are recognized when due.

The Authority receives sales tax revenue several times each month and receives interest earnings from time to time as investments mature. Funds for debt service are required to be set aside from revenues on a monthly basis. The Authority also withholds, as necessary, amounts which in its judgment are required for operations and operating reserves. Residual sales tax revenue and investment earnings are then transferred to the County.

No revenues are generated from program activities of the Authority; therefore, all revenues are defined by the Authority as general revenues. Revenues are received in the general and debt service funds. Expenditures of the Authority that arise in the course of providing the Authority's oversight and debt issuance services, such as payroll and administrative expenses, are accounted for in the general fund. Expenditures related to debt issuance are accounted for in the debt service fund.

Estimates

The preparation of 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 amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash, Cash Equivalents, and Investments

Investment management is governed by State laws in accordance with the Act and as established in the Authority's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Authority's policies permit the Executive Director to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that in the event of a bank failure the Authority's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2024, the Authority's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's trust department or through a perfected security interest in the pledged assets in the Authority's name.

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Authority's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Cash and cash equivalents include cash on hand, demand deposits, and money market funds.

Restricted cash and cash equivalents consist of money market funds held for set-aside sales tax revenue for the payment of the Authority's debt service requirements. These set-asides are held on behalf of the County of Erie for its payment of mirror serial bonds/loans payable to the Authority in a segregated trust account and not commingled with the assets of the bank. The balance in these accounts at December 31, 2024 is \$7,818,101.

Bond Premiums

Premiums received upon the issuance of debt are included as other financing sources in the governmental fund statements when issued. In the government-wide statements, premiums are recognized with the related debt issue and amortized on a straight-line basis as a component of interest expense over the life of the related obligation.

Bond Defeasances

In the government-wide financial statements, gains or losses on bond refundings represent the difference between the price required to repay previously issued debt and the net carrying amount of the retired debt, and are recorded as either a deferred outflow or deferred inflow of resources. In subsequent years, these amounts are amortized on a straight-line basis as a component of interest expense over the shorter of the life of the old or new debt.

Pension

The Authority participates in the New York State and Local Employees' Retirement System (ERS) as mandated by State law. ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. On the government-wide statements, the Authority recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position on the same basis as reported by the defined benefit pension plan.

Equity Classifications

Government-Wide Statements

Net position may consist of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations that are attributable to the acquisition, construction, or improvement of those assets. The Authority does not currently maintain any capital assets.
- *Restricted* – consists of restricted assets reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or by the terms of the Authority’s bonds.
- *Unrestricted* – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and, therefore, are available for general use by the Authority.

Governmental Fund Statements

The Authority considers restricted resources to have been spent first when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available. Because the Authority has not adopted a formal spending policy, it is assumed that committed funds will be reduced first, followed by assigned, then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

Restricted fund balances result from reserves created primarily by enabling legislation to preserve resources for future expenditures as required by budgetary regulations or bond instruments. Earnings on invested resources are required to be added to the reserves. Nonspendable fund balances represent resources that cannot be spent because they are not expected to be converted to cash and include prepaid expenses.

Fund balance restrictions at times may consist of residual amounts in the debt service fund to accumulate resources for a sinking fund in connection with the requirements of the related bond agreements.

Interfund Balances

The operations of the Authority at times include transactions between funds. These transactions may be temporary in nature such as with interfund borrowings. Permanent transfers of funds include resources required for debt service payments.

2. Transactions with and on Behalf of the County and New York State

The Act and other legal documents of the Authority establish various financial relationships between the Authority and the County that correspond to the organizational structure discussed in Note 1. The resulting financial transactions between the Authority and the County include the receipt and use of revenues as well as Authority debt issuances to fund financeable costs of the County. In addition, certain payments to the Office of the Comptroller of the State of New York (the Comptroller) are required by law.

The receipt and remittance of revenues in 2024 include:

- The receipt and remittance to the County of sales tax revenues. Revenues of \$601,243,132 were recorded and subsequently paid to the County, with \$16,212,348 designated to provide for a debt service sinking fund.
- Loans of \$124,650,000, serial bonds of \$27,750,000, and accrued interest of \$2,021,006 were owed to the Authority by the County at December 31, 2024.

3. Due from Other Governments

New York State - December sales tax receipts	\$ 65,368,247
Accrued interest due from the County	2,021,006
	<u>\$ 67,389,253</u>

4. Long-Term Receivables

	January 1, 2024	Increases	Decreases	December 31, 2024	Amount Due in One Year
Mirror bonds receivable:					
Mirror bond 2013A (03/2024), interest ranging from 2.00% to 5.00%	\$ 3,105,000	\$ -	\$ 3,105,000	\$ -	\$ -
Mirror bond 2013B (01/2024), interest ranging from 2.00% to 5.00%	80,000	-	80,000	-	-
Mirror bond 2017A (06/2031), interest ranging from 4.00% to 5.00%	22,120,000	-	2,305,000	19,815,000	2,425,000
Mirror bond 2017B (11/2036), interest ranging from 2.00% to 5.00%	8,460,000	-	525,000	7,935,000	550,000
Loans receivable:					
Series 2017C refunding loan (09/2034), interest ranging from 3.00% to 5.00%	45,710,000	-	3,355,000	42,355,000	3,525,000
Series 2017D loan (09/2039), interest ranging from 2.00% to 5.00%	84,495,000	-	2,200,000	82,295,000	2,280,000
	<u>163,970,000</u>	-	<u>11,570,000</u>	<u>152,400,000</u>	<u>8,780,000</u>
Premiums:					
2017A	3,225,518	-	466,340	2,759,178	-
2017B	914,359	-	74,137	840,222	-
2017C	6,582,450	-	663,776	5,918,674	-
2017D	4,335,237	-	356,321	3,978,916	-
	<u>15,057,564</u>	-	<u>1,560,574</u>	<u>13,496,990</u>	-
	<u>\$ 179,027,564</u>	<u>\$ -</u>	<u>\$ 13,130,574</u>	<u>\$ 165,896,990</u>	<u>\$ 8,780,000</u>

Amounts to be received from the County, net of premiums of \$13,496,990 are as follows:

Years ending December 31,	Principal	Interest
2025	\$ 8,780,000	\$ 7,084,494
2026	9,205,000	6,642,369
2027	9,645,000	6,178,869
2028	10,095,000	5,693,244
2029	10,580,000	5,184,869
2030-2034	50,295,000	18,444,069
2035-2039	53,800,000	7,751,437
	<u>\$ 152,400,000</u>	<u>\$ 56,979,351</u>

5. Long-Term Liabilities

	January 1, 2024	Increases	Decreases	December 31, 2024	Amount Due in One Year
Series 2013A bond maturing March 2024 with interest ranging from 2.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	\$ 3,105,000	\$ -	\$ 3,105,000	\$ -	\$ -
Series 2013B bond maturing January 2024 with interest ranging from 2.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	80,000	-	80,000	-	-
Series 2017A bond maturing June 2031 with interest ranging from 4.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	22,120,000	-	2,305,000	19,815,000	2,425,000
Series 2017B bond maturing November 2036 with interest ranging from 2.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	8,460,000	-	525,000	7,935,000	550,000
Series 2017C refunding bond maturing September 2034 with interest ranging from 3.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	45,710,000	-	3,355,000	42,355,000	3,525,000
Series 2017D bond maturing September 2039 with interest ranging from 3.00% to 5.00% over the life of the bond. Secured by future sales tax and state aid revenues.	84,495,000	-	2,200,000	82,295,000	2,280,000
	<u>163,970,000</u>	<u>-</u>	<u>11,570,000</u>	<u>152,400,000</u>	<u>8,780,000</u>
Premiums:					
2013A	7,747	-	7,747	-	-
2013B	3,336	-	3,336	-	-
2017A	1,946,235	-	504,255	1,441,980	-
2017B	472,235	-	115,461	356,774	-
2017C	4,239,134	-	845,738	3,393,396	-
2017D	9,155,683	-	902,181	8,253,502	-
	<u>15,824,370</u>	<u>-</u>	<u>2,378,718</u>	<u>13,445,652</u>	<u>-</u>
	<u>\$ 179,794,370</u>	<u>\$ -</u>	<u>\$ 13,948,718</u>	<u>\$ 165,845,652</u>	<u>\$ 8,780,000</u>

Debt Service Requirements

Years ending December 31,	Principal	Interest
2025	\$ 8,780,000	\$ 7,084,494
2026	9,205,000	6,642,369
2027	9,645,000	6,178,869
2028	10,095,000	5,693,244
2029	10,580,000	5,184,869
2030-2034	50,295,000	18,444,069
2035-2039	53,800,000	7,751,437
	<u>\$ 152,400,000</u>	<u>\$ 56,979,351</u>

6. Pension Plan

The Authority participates in ERS, which is a cost-sharing, multiple employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

Benefits: ERS provides retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution Requirements: No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined from July 1976 through December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Authority to the pension accumulation fund. For 2024, the rate was 17.6%.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources

At December 31, 2024, the Authority reported a liability of \$29,397 for its proportionate share of the net pension position.

The total pension liability at the March 31, 2024 measurement date was determined by an actuarial valuation as of April 1, 2023, with update procedures applied to roll forward the total pension liability to March 31, 2024. The Authority's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2024, the Authority's proportion was 0.0001997%, a decrease of 0.0000123 from its proportion measured as of March 31, 2023.

For the year ended December 31, 2024, the Authority recognized pension expense of \$22,121 on the government-wide statements. At December 31, 2024, the Authority reported deferred outflows and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,469	\$ 802
Changes of assumptions	11,114	-
Net difference between projected and actual earnings on pension plan investments	-	14,360
Changes in proportion and differences between Authority contributions and proportionate share of contributions	22,671	9,206
Authority contributions subsequent to the measurement date	19,447	-
	<u>\$ 62,701</u>	<u>\$ 24,368</u>

Authority contributions subsequent to the measurement date will be recognized as an addition to (reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Years ending December 31,	
2025	\$ 712
2026	8,969
2027	10,937
2028	(1,732)
	<u>\$ 18,886</u>

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2023 valuation, with update procedures used to roll forward the total pension liability to March 31, 2024, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation – 2.9%

Salary increases – 4.4%

Cost of living adjustments – 1.5% annually

Investment rate of return – 5.9% compounded annually, net of investment expense, including inflation

Mortality – Society of Actuaries’ Scale MP-2021

Discount rate – 5.9%

The long-term expected rate of return on ERS pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and ERS’s target asset allocations as of the applicable valuation dates are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	32%	4.0%
Global and international equities	15%	6.7%
Private equities	10%	7.3%
Real estate equities	9%	4.6%
Domestic fixed income securities	23%	1.5%
Short-term	1%	0.3%
Other	10%	5.3%-5.8%
	100%	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS’s 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.

The following presents the Authority’s proportionate share of its net pension position calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate.

	1.0% Decrease	At Current Discount Rate	1.0% Increase
Authority’s proportionate share of the ERS net pension asset (liability)	\$ (92,426)	\$ (29,397)	\$ 23,246

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Required Supplementary Information (Unaudited)
Schedule of the Authority's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System

As of the measurement date of March 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension position	0.0001997%	0.0002120%	0.0002259%	0.0003976%	0.0004540%	0.0004689%	0.0005180%	0.0008542%	0.0009175%	0.0009212%
Authority's proportionate share of the net pension asset (liability)	\$ (29,397)	\$ (45,454)	\$ 18,464	\$ (396)	\$ (120,231)	\$ (33,225)	\$ (16,717)	\$ (80,262)	\$ (147,269)	\$ (31,120)
Authority's covered payroll	\$ 110,129	\$ 100,238	\$ 175,216	\$ 228,976	\$ 225,592	\$ 222,258	\$ 219,709	\$ 271,693	\$ 266,365	\$ 247,805
Authority's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(26.69%)	(45.35%)	10.54%	(0.17%)	(53.30%)	(14.95%)	(7.61%)	(29.54%)	(55.29%)	(12.56%)
Plan fiduciary net position as a percentage of the total pension liability	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%	2.7%
Salary increases	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%	4.9%
Cost of living adjustments	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%	1.4%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Discount rate	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%	7.5%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014	MP-2014

ERIE COUNTY FISCAL STABILITY AUTHORITY
(A Component Unit of the County of Erie, New York)

Required Supplementary Information (Unaudited)
Schedule of Authority Contributions
New York State and Local Employees' Retirement System

For the years ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 19,447	\$ 16,183	\$ 12,839	\$ 31,281	\$ 36,336	\$ 35,120	\$ 34,600	\$ 34,422	\$ 42,566	\$ 53,070
Contribution in relation to the contractually required contribution	(19,447)	(16,183)	(12,839)	(31,281)	(36,336)	(35,120)	(34,600)	(34,422)	(42,566)	(53,070)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 111,288	\$ 110,129	\$ 100,238	\$ 175,216	\$ 228,976	\$ 225,592	\$ 222,258	\$ 219,709	\$ 271,693	\$ 266,365
Contributions as a percentage of covered payroll	17.47%	14.69%	12.81%	17.85%	15.87%	15.57%	15.57%	15.67%	15.67%	19.92%

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Erie County Fiscal Stability Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Erie County Fiscal Stability Authority (the Authority), a component unit of the County of Erie, New York, as of December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated March 21, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Lynden & McCormick, LLP". The signature is written in a cursive, flowing style.

March 21, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Erie County Fiscal Stability Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the governmental activities and each major fund of Erie County Fiscal Stability Authority (the Authority), a component unit of the County of Erie, New York, as of December 31, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and we have issued our report thereon dated March 21, 2025.

In connection with our audit, nothing came to our attention that caused us to believe that the Authority failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2024. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Authority's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.


March 21, 2025