

Montgomery County Quarterly Financial Update
2014, Fourth Quarter (through December 31, 2014)

SUMMARY PAGE

	2012 Actual	2013 Actual	2014 Adopted	2014 Actual (cash basis)	2014 Difference between Actual and Adopted
<u>Revenues</u>					
Taxes	181,178,189	183,314,453	183,266,187	184,666,660	1,400,473
Parkhouse and HSC Facilities	44,969,303	44,917,781	10,046,837	13,956,201	3,909,364
Departmental and Other Local non-Tax Revenues	44,613,750	47,649,022	49,660,984	48,775,947	(885,037)
Grant Revenue	138,275,760	128,475,356	132,811,248	134,110,198	1,298,950
Total Revenues	409,037,002	404,356,612	375,785,256	381,509,006	5,723,750
Fund Balance January 1	24,001,353	17,064,488	41,111,727	23,980,278	(17,131,449)
Total Revenues and Fund Balance	433,038,355	421,421,100	416,896,983	405,489,284	(11,407,699)
Total Expenditures	409,582,073	401,405,706	375,753,298	378,452,178	2,698,880
End of Year Adjustments	(6,391,794)	(1,035,116)	-	(1,900,000)	
Net Asset Sale Proceeds	-	5,000,000		15,018,899	15,018,899
Unappropriated Balance (Year end)	17,064,488	23,980,278	41,143,685	40,156,005	(987,680)
Fund Balance as a % of Revenues	4.17%	5.93%	10.95%	10.53%	
Annual Operating Surplus/(Deficit)	(6,936,865)	1,915,790	31,958	1,156,828	

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		<u>2012</u>	<u>2013</u>	<u>2014</u>		
		Full Year	Full Year	Adopted Budget	Q4 Actual	Difference between Adopted and Actual
REAL ESTATE TAXES						
	Current	176,833,646	178,107,747	178,266,187	179,765,119	1,498,932
	Prior	4,344,543	5,206,706	5,000,000	4,901,541	(98,459)
Total		181,178,189	183,314,453	183,266,187	184,666,660	1,400,473
PARKHOUSE AND HSC FACILITIES						
		44,969,303	44,917,781	10,046,837	13,956,201	3,909,364 ¹
DEPARTMENTAL REVENUE						
Adult Probation		1,562,089	1,537,727	1,592,640	1,589,822	(2,818)
Aging and Adult Services		327,084	1,447,525	1,875,500	2,241,985	366,485
Assets and Infrastructure			2,309,297	1,912,331	2,022,894	110,563
Board of Assessment		244,390	146,260	96,500	126,870	30,370
Children and Youth		369,443	325,506	346,500	423,129	76,629
Clerk of Courts		4,461,096	4,549,389	5,270,000	4,621,366	(648,634)
Conservation District		303,994	280,862	344,469	207,419	(137,050)
Coroner		243,403	281,576	310,000	295,720	(14,280)
Correction Facility		2,561,935	2,304,676	2,202,200	2,708,626	506,426
Courts		49,232	55,423	65,000	40,085	(24,915)
District Attorney		346,578	279,789	130,000	136,857	6,857
District Justices		3,637,140	3,490,424	3,700,000	2,968,503	(731,497)
Domestic Relations		5,948,424	5,606,060	6,388,274	5,567,774	(820,500)
Drug and Alcohol Programs		197,798	237,780	230,000	225,941	(4,059)
DUI Administration		682,125	709,213	712,975	854,115	141,140
Health Department		1,204,143	1,533,125	1,276,950	1,535,436	258,486
Information Technology		59,136	90,870	88,000	345,581	257,581 ²
Juvenile Probation		480,112	433,937	460,000	420,743	(39,257)
Law Library		-	-	15,000	27,460	12,460

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	<u>2012</u>	<u>2013</u>		<u>2014</u>	
Mental Health Programs (2)	622,299	672,165	500,000	711,693	211,693
Planning Commission	675,407	834,649	767,297	815,842	48,545
Prothonotary	4,085,088	4,083,104	3,823,918	4,077,297	253,379
Public Defender	42,400	17,175	35,000	19,350	(15,650)
Public Safety	933,430	1,043,224	1,093,500	1,152,307	58,807
Purchasing	3,221	3,219	2,000	2,003	3
Recorder of Deeds	6,294,906	6,723,502	7,635,050	5,514,226	(2,120,824) ³
Register of Wills	2,019,280	2,549,412	2,580,000	2,285,339	(294,661)
Sheriff	2,083,083	2,363,682	2,426,730	2,448,204	21,474
Tax Claim Bureau	1,737,282	2,654,956	2,525,000	2,823,066	298,066
Treasurer	90,564	84,550	91,000	96,285	5,285
Youth Centers 2	84,926	58,340	45,150	83,404	38,254
Other Department Revenue	-	86,386	-	398,679	398,679
Total Departmental Revenue	43,690,265	46,793,803	48,540,984	46,788,021	(1,752,963)
OTHER REVENUE					
Interest	113,530	137,926	120,000	145,771	25,771
Recoverable Expenditures	809,955	601,304	900,000	1,805,749	905,749
Bail Recovery	-	115,989	100,000	36,406	(63,594)
Total Other Revenue	923,485	855,219	1,120,000	1,987,926	867,926
TOTAL DEPARTMENT AND OTHER REVENUE	44,613,750	47,649,022	49,660,984	48,775,947	(885,037)

1. The sale of Parkhouse was completed later than contemplated by the 2014 budget, resulting in additional revenues and expenditures associated with the operation of the facility through March 6, 2014.

2. Information Technology revenues are increasing due primarily to a contract to provide ongoing technology services and support at the Parkhouse facility until technology linkages can be discontinued.

3. Recorder of Deeds revenues are down significantly due to a reduction in property sales and mortgage refinancings. 2014 ended with a shortfall of \$2.1 million.

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GRANT REVENUE DETAIL

	<u>2012</u>	<u>2013</u>	<u>2014</u>		
	Full Year	Full Year	Adopted	4th Quarter (actual)	Difference between Adopted and Actual
DEPARTMENTAL GRANT REVENUE					
Adult Probation	190,464	234,026	218,698	156,458	(62,240)
Aging and Adult Services	17,272,170	14,070,357	15,208,000	16,054,177	846,177
Assets and Infrastructure	699,120	673,442	675,000	776,739	101,739
Children and Youth	22,112,872	19,537,824	20,250,500	20,751,134	500,634
Community Connections	0	0	648,894	359,435	(289,459)
Coroner	29,795	44,528	71,000	0	(71,000) ¹
Courts Administration	1,576,803	1,627,114	1,578,755	1,625,263	46,508
Day Care	25,355,472	24,329,707	24,621,607	25,519,534	897,927
District Attorney	355,991	575,156	244,500	404,485	159,985
Drug and Alcohol Programs	5,417,707	5,394,357	5,768,609	5,231,243	(537,366)
Health Department	5,615,016	5,088,879	5,422,041	6,265,564	843,523
Juvenile Probation	8,409,161	6,434,119	6,537,500	6,767,507	230,007
Mental Health Programs	46,854,790	46,524,068	47,246,007	46,252,027	(993,980)
Public Safety	596,604	496,723	1,112,170	668,626	(443,544)
Planning	23,494	24,344	12,967	19,388	6,421
Register of Wills	26,064	49,206	30,000	68,903	38,903
Sheriff	1,326	1,514	1,500	3,509	2,009
PURTA	214,115	226,181	200,000	232,075	32,075
Youth Centers	3,524,796	3,094,426	2,963,500	2,747,570	(215,930)
Other Grant Revenue	<u>0</u>	<u>49,385</u>	-	206,561	206,561 ²
Total Departmental Revenue	138,275,760	128,475,356	132,811,248	134,110,198	1,298,950

1. The Coroner's Office is in the process of setting up an account outside the General Fund for proceeds from the Vital Statistics fees.

2. Other Grant Revenue includes over \$206,000 in federal grant funds for voting machines

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	2014				
	2012 Actual	2013 Actual	Adopted Budget	Q4 Actual	Difference Between Adopted and Current Projection
COUNTY ADMINISTRATION					
Commissioners	2,804,341	2,576,708	2,724,514	2,642,097	(82,417)
Assets and Infrastructure	6,595,970	3,966,383	6,438,227	6,051,175	(387,052)
Board of Assessment Appeals	2,699,090	2,742,398	3,297,845	3,052,573	(245,272)
Controller	1,683,363	1,504,245	1,869,467	1,657,131	(212,336)
Security	992,699	908,977	897,993	910,190	12,197
Economic/Workforce Development	236,919	27,625	26,627	340,701	314,074
Human Resources	860,371	779,399	865,055	824,794	(40,261)
Information Technology Solutions	6,048,349	5,614,158	6,654,711	5,125,676	(1,529,035)
Planning Commission	3,144,928	3,110,420	3,364,082	3,290,870	(73,212)
Public Defender	3,277,100	3,727,164	4,035,708	3,945,844	(89,864)
Purchasing	715,339	735,781	828,259	807,123	(21,136)
Recorder of Deeds	1,606,855	1,539,533	1,701,677	1,514,236	(187,441)
Tax Collector's Fees	1,615,095	1,478,026	1,440,000	1,625,418	185,418
Tax Claim Bureau	57,631	749,785	695,405	428,459	(266,946)
Treasurer	604,659	638,721	670,601	636,627	(33,974)
Voter Services	<u>2,135,421</u>	<u>1,842,951</u>	2,074,459	<u>2,010,474</u>	(63,985)
Total County Administration	30,260,054	31,914,660	37,584,630	34,863,388	(2,721,242)
			-		
JUDICIAL					
Clerk of Courts	1,815,605	2,090,095	2,377,908	2,225,237	(152,671)
Coroner	1,210,529	1,358,876	1,366,492	1,343,581	(22,911)
Courts/Drug Court	13,692,081	15,499,765	15,403,741	15,287,066	(116,675)
Court Appointed Fees			575,000	882,726	307,726
District Attorney	14,845,365	13,896,555	14,386,905	14,073,042	(313,863)

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	2012 Actual	2013 Actual	2014		Difference Between Adopted and Current Projection
			Adopted Budget	Q4 Actual	
District Justices	9,582,807	9,588,515	9,910,527	9,672,585	(237,942)
Domestic Relations	8,044,220	7,609,935	8,274,552	7,720,488	(554,064)
Jury Board	421,214	476,626	533,678	515,416	(18,262)
Law Library	708,281	514,863	620,694	540,770	(79,924)
Prothonotary	1,909,104	2,312,451	2,406,506	2,333,822	(72,684)
Register of Wills	1,085,090	1,096,854	1,206,674	1,111,999	(94,675)
Sheriff/Central Processing	7,291,179	8,180,247	8,786,437	8,469,246	(317,191)
Total Judicial	60,605,475	62,624,782	65,849,114	64,175,978	(1,673,136)
CORRECTIONS					
Adult Probation	6,752,328	7,141,554	7,530,819	7,358,578	(172,241)
Juvenile Probation	4,915,995	4,956,134	4,997,363	5,084,374	87,011
Child Care - Delinquent	10,219,260	8,864,348	10,207,000	9,920,394	(286,606)
Driving Under the Influence	397,177	400,740	451,563	456,078	4,515
Correction Facility	31,819,560	31,774,981	32,174,133	33,300,821	1,126,688
Youth Detention Center	3,653,194	3,646,468	4,007,879	3,749,993	(257,886)
Total Corrections	57,757,514	56,784,225	59,368,757	59,870,238	501,481
GENERAL WELFARE					
Drug and Alcohol Programs	5,402,529	5,998,413	6,147,241	6,108,674	(38,567)
Behavioral Health Programs	53,065,165	49,282,838	49,132,413	48,087,521	(1,044,892)
Health Department	8,736,377	8,492,366	9,274,712	8,743,566	(531,146)
Community Connections	250	-	635,634	277,925	(357,709)
Total General Welfare	67,204,321	63,773,617	65,190,000	63,217,686	(1,972,314)

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	2014				
	2012 Actual	2013 Actual	Adopted Budget	Q4 Actual	Difference Between Adopted and Current Projection
ADULT WELFARE					
Aging and Adult Services	18,199,252	16,343,188	18,711,481	19,074,874	363,393
Parkhouse and Assisted Living	46,587,208	47,435,886	7,280,684	12,741,432	5,460,748
Total Adult Welfare	64,786,460	63,779,074	25,992,165	31,816,306	5,824,141
CHILD WELFARE					
Youth Shelter Center	1,253,451	1,245,233	1,334,567	1,186,953	(147,614)
Children and Youth Administration	9,651,462	9,963,072	11,729,575	10,494,804	(1,234,771)
Child Care - Dependent	11,520,411	13,392,661	14,050,000	14,045,290	(4,710)
Day Care	25,519,875	24,820,618	24,619,658	24,755,381	135,723
Total Child Welfare	47,945,199	49,421,584	51,733,800	50,482,428	(1,251,372)
PUBLIC SAFETY	3,100,478	3,551,723	3,810,835	3,608,374	(202,461)
OTHER					
Veterans Affairs	352,841	388,558	482,513	349,800	(132,713)
Insurance	1,719,805	1,764,193	1,903,297	1,786,665	(116,632)
Debt Service	39,015,410	39,971,132	38,750,000	38,996,227	246,227
Reduction in Staff Complement			(2,900,000)		2,900,000
Tax Refunds and Appraisals	1,478,584	1,007,555	1,000,000	1,333,452	333,452
Legal and Professional Fees	269,252	244,594	300,000	211,102	(88,898)
Merit Based Bonus			1,171,750	258,151	(913,599)
Miscellaneous	125,077	261,877		100,142	100,142
Total Other	42,960,969	43,637,909	40,707,560	42,777,388	2,069,828

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	2014				
	2012 Actual	2013 Actual	Adopted Budget	Q4 Actual	Difference Between Adopted and Current Projection
TRANSFERS TO OTHER FUNDS					
Emergency Communications	300,000	2,502,143	500,000	2,567,393	2,067,393
Liquid Fuels	350,000	-	-	-	-
Recycling			100,000	153,965	53,965
Total Transfers	650,000	2,502,143	600,000	2,721,358	2,121,358
SUBSIDIES					
Conservation District	511,126	481,802	544,469	471,556	(72,913)
Cooperative Extension	323,871	328,614	333,630	336,341	2,711
Appropriation Summary	28,827,458	22,610,115	24,038,338	24,111,137	72,799
Total Subsidies	29,662,455	23,420,531	24,916,437	24,919,034	2,597
TOTAL EXPENDITURES	409,751,001	401,410,248	375,753,298	378,452,178	2,698,880

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EXPENDITURES NOTES

1. Expenditures for Corrections are projecting higher primarily due to costs related to the severe winter weather and the number of days the County was closed.
2. The sale of Parkhouse was completed later than contemplated by the 2014 budget, resulting in additional revenues and expenditures associated with the operation of the facility through March 6, 2014.
3. The adopted 2014 budget included a line-item related to anticipated staffing reductions and vacancy rates. Throughout the year, this figure is absorbed into the appropriate lines across the County budget.
4. There were 440 merit awards in 2014.
5. Due to the failure of the Commonwealth to provide adequate funding for 9-1-1 operations, the County was required to transfer an additional \$2 million to Emergency Communications.

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2014 TAX REVENUE ANTICIPATION NOTES

The approved budget for 2014 did not anticipate that the County would require a short-term borrowing to ensure that the County would have a sufficient cash flow to meet County obligation levels during the first quarter of the year. As a result of the due diligence period related to the sale of Parkhouse, the County issued a short-term Tax Revenue Anticipation Note (TRAN) for approximately \$9.75 million.

The interest rate on the one year note is .61%, the expected total interest cost for the year is approximately \$9,912.50.

The TRAN is a two-month borrowing. Once the proceeds from the sale of Parkhouse were received, the County invested the TRAN principal and earned interest to offset the TRAN repayment interest and fee obligations. Interest earned is reflected below.

Date	Action	TRAN Funds Utilized	Year-to-date TRAN funds Utilized	Available TRAN funds
24-Feb-14	TRAN net funds received			\$ 9,750,000
26-Feb-14	TRAN funds drawdown	6,000,000	6,000,000	\$ 3,750,000
28-Feb-14	TRAN funds drawdown	2,500,000	8,500,000	\$ 1,250,000
10-Mar-14	TRAN funds recapture	<u>(8,500,000)</u>	<u>-</u>	<u>\$ 9,750,000</u>

2014 TRAN Revenues and Expenditures

TRAN Borrowing Costs - fees	\$ 31,184.00
TRAN Borrowing Costs - net interest	\$ 9,912.50
Total TRAN costs	\$ 41,096.50

2014 Interest earned on TRAN principal: 4,548.97

NET TRAN COSTS \$ 36,547.53

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OVERTIME USAGE ANALYSIS

<u>Department</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Budget</u>	<u>2014 Through Q4 Actual</u>	<u>4rd quarter as % of full-year</u>	
Aging - Administration	1,137	4,118	-	1,540		
Assets and Infrastructure	84,376	74,824	117,456	143,574	122%	2, 3
Security	20,614	17,032	12,000	26,880	224%	2
Voter Services	146,530	63,421	75,000	88,192		
Domestic Relations	18,756	13,073	15,996	3,123	20%	
Sheriff	321,887	370,334	354,000	373,840	106%	
Coroner	16,461	22,290	24,996	20,313	81%	
Prothonotary	(1,684)	535		-		
Clerk of Courts	36,393	9,658	9,996	9,742	97%	
District Attorney	688,114	627,938	800,004	656,981	82%	
Correctional Facility	794,691	670,921	492,000	1,632,403	332%	2, 4
Youth Shelter Center	16,139	18,155	20,004	11,761	59%	
Youth Detention Center	60,006	38,902	54,996	29,619	54%	
DUI	21,035	33,300	47,700	36,787	77%	
Adult Probation	91,851	93,870	92,808	92,719	100%	
Juvenile Probation	8,823	9,583	10,368	8,760	84%	
Drug Court	57,082	54,134	51,996	59,108	114%	5
Public Safety	0	348	4,889	4,774	98%	2
Parkhouse	724,285	720,960	-	236,934		2
Emergency Communications	1,349,502	1,345,689	1,000,000	1,327,640	133%	2
Other	¹ 6,039	1,942	-	3,340	0%	
TOTALS	4,462,037	4,191,027	3,184,209	4,768,030	150%	

Overtime Notes:

1. Other includes departments which average less than \$1,000 a year in OT costs plus Conservation District
2. Several Departments (Assets and Infrastructure, Security, Corrections, Public Safety, Parkhouse, and Emergency Communications) experienced significant overtime expenditures due to the many severe storms during the first quarter.
3. Assets and Infrastructure overtime figures are higher due in part to a decision to utilize overtime rather than comp time for special events.
4. Corrections overtime usage is higher due in part to a higher than usual number of vacancies and an increase in the number of medical visits.
5. Drug Court related overtime usage was higher due primarily to a temporary relocation of the courtroom housing the Drug Court.

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COMP TIME REPORT

<u>DepartmentName</u>	<u>Jan/09</u>	<u>Jan/10</u>	<u>Jan/11</u>	<u>Jan/12</u>	<u>Jan/13</u>	<u>Jan/14</u>	<u>12/31/14</u>	<u>Change from</u>
	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Balance</u>	<u>Jan/14 to</u> <u>12/31/14</u>
Court House Security	837	1,057	950	1,188	1,004	682	610	(72)
Voter Services	1,913	2,117	2,262	2,378	2,630	1,275	1	(1,274)
Controller	81	3	-	-	-	-	-	-
Planning Commission	3,453	3,001	2,533	2,349	1,516	1,609	1,059	(550)
Recorder of Deeds	247	247	247	240	240	-	-	-
Purchasing	91	59	38	29	0	-	0	-
Domestic Relations	604	528	408	343	377	401	467	66
Sheriff	5,224	5,980	6,368	6,787	7,279	7,077	7,540	463 ¹
Coroner	1,022	1,087	818	658	654	241	214	(27)
Prothonotary	353	367	293	242	199	69	48	(21)
Clerk of Courts	289	184	106	55	125	229	197	(32)
District Attorney	10,472	11,316	11,388	12,516	12,950	11,757	12,853	1,096 ²
Courts	847	977	532	510	509	-	6	6
District Justices	36	36	36	36	36	-	34	34
Correctional Facility	8,495	9,533	14,377	15,336	15,262	17,529	20,183	2,654 ¹
Youth Center Shelter	37	30	39	42	80	53	116	63 ¹
Youth Center	392	370	315	407	520	452	704	252 ¹
Adult Probation	1,864	1,941	1,684	1,558	1,269	1,423	1,221	(202)
Juvenile Probation	4,934	4,811	4,449	3,691	3,483	3,100	2,883	(217)
Drug Court	40	23	12	16	16	-	2	2
Information Technology	310	359	333	398	453	642	667	25
Human Resources	-	1	19	41	-	-	-	-
Public Safety	1,002	880	972	1,412	2,114	1,474	1,154	(320) ¹
Assets & Infrastructure	6,757	5,980	6,715	6,114	6,011	5,073	4,416	(657) ³
Health Department	378	776	675	829	816	619	886	267
Aging & Adult Services	801	766	687	728	574	646	554	(92)

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COMP TIME REPORT

<u>DepartmentName</u>	<u>Jan/09</u> <u>Balance</u>	<u>Jan/10</u> <u>Balance</u>	<u>Jan/11</u> <u>Balance</u>	<u>Jan/12</u> <u>Balance</u>	<u>Jan/13</u> <u>Balance</u>	<u>Jan/14</u> <u>Balance</u>	<u>12/31/14</u> <u>Balance</u>	<u>Change from</u> <u>Jan/14 to</u> <u>12/31/14</u>
Children & Youth	548	810	723	1,248	1,502	1,766	1,210	(556)
Day Care	183	151	168	132	116	71	42	(29)
Day Care - Court Care	33	33	33	18	18	18	17	(1)
Waste System Authority	120	136	233	167	162	149	15	(134)
Emergency Dispatch Services	1,380	1,542	2,288	2,728	2,626	2,723	3,660	937 ¹
Parkhouse	3,164	3,000	2,918	2,531	3,100	644	-	(644)
Career Development	43	67	48	28	28	28	15	(13)
Other	346	233	273	182	160	91	43	(48)
Total	55,123	57,199	62,218	64,246	65,220	59,796	60,816	1,020

1. Several Departments (Sherrif, Corrections, Youth Center, Public Safety and Emergency Dispatch) saw significant comp time accruals during Q1 due to the many severe storms during the quarter.

2. Significant comp time accruals in the Office of the District Attorney resulted from special training for two employees which took place on Saturdays for the entire first quarter, a large NET investigation, additional file folder processing volume, a homicide trial, and undercover investigative assignments.

3. Comp Time in Assets and Infrastructure has gone down as the department has utilized overtime rather than Comp Time when special events require additional staff time.