



# NEWS

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**FOR IMMEDIATE RELEASE: February 21, 2013**

## **Montco Releases 4<sup>th</sup> Quarter Budget Update**

**Norristown, PA (February 21, 2013)** – How much has the budget situation improved in Montgomery County in the past year? Consider:

- Despite the previous administration ending 2011 with an operating deficit of more than \$27 million...
- Despite inheriting a 2012 budget from the previous administration that had a \$10 million initial deficit...
- Despite a projected \$3.9 million deficit as late as the third quarter of 2012...
- Despite 2012 tax revenues being \$2.8 million below what the previous administration projected in the 2012 budget...
- Despite departmental revenues being approximately \$800,000 below what the previous administration projected in its 2012 budget...
- Despite grant revenues finishing the year more than \$4.7 million below the adopted 2012 budget estimate primarily because of major reductions in human services funding by the Commonwealth. Overall, the county received \$5.7 million less than budgeted from the Commonwealth for human services related programs.

Despite all of those factors, the county:

- Ended 2012 with an operating deficit of just under \$750,000, a significant improvement over the 2011 operating deficit of over \$27 million, the \$10 million gap identified in January 2012 and the \$3.9 million projected deficit at the end of the third quarter of 2012.
- Ended the year with a \$23.2 million fund balance, more than \$3 million better than both the 2012 adopted budget, and the projected 2013 opening fund balance assumption.
- Was able to reduce projected total expenditures by nearly \$8 million relative to the 2012 adopted budget despite a large number of leave payouts to eligible employees separating from

the workforce. For instance, the 2012 budget estimated total payouts of \$609,000. Actual payouts amounted to over \$2 million.

The 4<sup>th</sup> Quarter budget summary was presented by Chief Financial Officer Uri Monson at Thursday's meeting of the Montgomery County Board of Commissioners.