



MONTHLY REPORT

ALLEGHENY COUNTY, PENNSYLVANIA

WITH FINANCIAL STATEMENTS

As Of May 31, 2014

CHELSA WAGNER, CONTROLLER



County of Allegheny:



Controller's Message, May 2014

I am pleased to provide an overview of the financial status of Allegheny County operations as of May 31, 2014. The report compares revenues and expenditures to the current year's budget and to the same period in 2013, providing two ways to view the County's financial activity.

Through the first five months of 2014, operating revenues and other financing sources totaled \$491.2 million, \$21.7 million more than 2013. Real Estate tax collections were \$8.4 million higher than 2013. Miscellaneous Revenues are up \$5.0 million from last year due to the sale of the Health Department building located at 3333 Forbes Ave for \$4.8 million. Sales and Use Tax is greater by \$7.9 million as a result of a \$7.6 million accrual. Federal Revenues increased \$14.5 million but offsetting these increases was a decrease in State Revenues of \$13.8 million.

Compared with last year, expenditures have increased by \$37.2 million or 13.3%. Increases include General Government (\$28.3 million), Public Safety (\$6.7 million), Health and Welfare (\$2.2 million), and Economic Development (\$113,000) offset by a decrease in Debt Service (\$907,000). Public Safety's increase of \$6.7 million over last year is due to one half of the budgeted match of \$3.1 million being expensed for the Enhanced 9-1-1 system and a \$3.3 million increase at the Jail resulted from residential arrangements and utilities. The increase in General Government of \$28.3 million is mainly due to \$27.2 million for four months of health insurance being recorded in 2014, as well as, a \$1.0 million in the Custodial Maintenance Division Services.

Pension Fund's Actuarial Funded Ratio increased from 59.5% to 62.4% as of January 1, 2014, and the Total Funded Ratio increased slightly to 82.1%. In addition, during the first four months of 2014 the Plan's Net Assets have increased \$9.0 million.

Chelsa Wagner
Controller

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REVENUE ANALYSIS

Schedule of Operating Fund Revenues - Budget and Actual (Unaudited)
For Five Months Ended May 31, 2014
With Comparative Actual Amounts For Five Months Ended May 31, 2013

Revenue Source	2014 Budget	YTD Actual 05/31/14	Unrealized Revenues	Percentage Received Target=41%	Prior Year Actual 05/31/13	Difference From Prior Year
Taxes - Property	\$341,620,000	326,606,990	15,013,010	95.61%	\$318,190,750	8,416,240
Tax Refunds-Real Estate	(6,460,000)	(2,663,237)	(3,796,763)	41.23%	(3,029,484)	366,247
Non-profit In Lieu of Taxes	400,000	347,094	52,906	86.77%	174,115	172,979
Taxes - Sales and Use	44,800,000	17,786,608	27,013,392	39.70%	9,895,394	7,891,214
Taxes - Rental Vehicles	6,800,500	2,039,340	4,761,160	29.99%	1,940,590	98,750
Taxes - Alcoholic Beverage	34,711,000	11,034,292	23,676,708	31.79%	11,346,477	(312,185)
2% Gaming Local Share Tax	5,675,000	1,409,959	4,265,041	24.85%	1,042,961	366,998
Federal Revenues	87,452,853	41,640,368	45,812,485	47.61%	27,134,873	14,505,496
State Revenues	179,025,767	50,227,609	128,798,158	28.06%	64,009,741	(13,782,132)
Local Government Revenue	19,213,000	7,155,785	12,057,215	37.24%	7,030,507	125,278
Charges for Services and Facilities	84,617,483	26,662,565	57,954,918	31.51%	28,026,364	(1,363,799)
Fines and Forfeitures	4,673,500	1,335,932	3,337,568	28.59%	1,476,866	(140,934)
Interest Earnings	294,000	111,774	182,226	38.02%	41,492	70,282
Licenses and Permits	2,865,128	1,236,148	1,628,980	43.14%	972,400	263,748
Miscellaneous	6,158,891	6,272,994	(114,103)	101.85%	1,267,535	5,005,459
Total Operating Revenues	811,847,122	491,204,221	320,642,901	60.50%	469,520,580	21,683,641
Use of Fund Balance	2,050,890	-	2,050,890	0.00%	-	-
Net Other Financing Sources	3,406,988	-	3,406,988	0.00%	-	-
Total Revenue & Other Financing Sources	\$817,305,000	491,204,221	326,100,779	60.10%	\$469,520,580	21,683,641

This Schedule presents 2014 Budget to Actual and 2014 Actual to Prior Year Actual followed by detailed analysis.

Revenues compared to prior year:

- Total operating revenues to date are \$21.7 million more than last year at this time. The budget was raised by 2.2%. The County is at 60.5% of budgeted operating revenue received with 59% of the year remaining.
- **Property Taxes** collected are \$326.6 million, \$8.4 million more than last year. The millage rate remained unchanged from 2013 to 2014 at 4.73.
- **Tax Refunds-Real Estate** are \$366,000 less than 2013 with additional tax appeals still pending.
- **Sales and Use Tax** for 2014 is higher by \$7.9 million because it includes \$7.6 million in accrued revenue.
- The **Rental Vehicle Taxes** 2014 revenues recorded are \$2.0 million or \$99,000 more than May 2013.
- **Alcoholic Beverage Taxes** recorded are \$11.0 million. This is \$312,000 less than last year.
- The **2% Gaming Local Share Tax** is \$1.4 million or \$367,000 more than 2013.
- **Federal Revenues** increased \$14.5 million from the prior year at this time. Foster Care Title IV-E increased \$13.5 million due to a Child Welfare Demonstration Project revenue adjustment for July 2013 thru April 2014 and three quarterly revenue adjustments of indirect costs totaling \$13.8 million.
- **State Revenues** decreased \$13.8 million from the prior year, as the PA Department of Public Welfare CYF revenue decreased by \$10.7 million from last year. This is mainly due to a change making Federal revenue available through the Child Welfare Demonstration Project. State revenue from Act 148 decreased \$4.4 million from May 2013. Kane's 309-C revenue increased \$1.9 million compared to last year at this time.
- **Charges for Services and Facilities** decreased \$1.3 million from the prior year. The decrease in revenue of \$1.9 million in Recording and Filing Fees resulting from less mortgage and other filings were offset by an increase of \$429,000 in Collections from Parents and Guardians.
- **Licenses and Permits** increased \$247,000 due to Health License/Permit Food increasing \$226,000.
- **Miscellaneous Revenue** increased \$5 million compared to the prior year, due to the sale of the Health Department building located in Oakland for \$4.8 million.

Revenues compared to target of 41% of Budget:

- The **Property Tax** collections are \$326.6 million or 95.6% of annual budget, offset by Tax Refunds of \$2.7 million. The unrealized Property Tax revenue is \$8.4 million.
- **Non-profit in Lieu of Taxes** have received revenue of \$347,000 as of May 31, 2014 which is 86.8% of the \$400,000 2014 budget.
- **Rental Vehicles Tax** revenue received is \$2.0 million or 30.0% of it's overall 2014 budget amount. A comparable 28.8% of the 2013 budget was received as of May 2013.
- **Alcoholic Beverage tax** budget increased \$1.9 million or 5.9% from last year and had \$11.0 million collected or 31.8% as of May 31, 2014. Last year at this time revenue collected was also under budget at 34.6%.
- **Federal Revenue** collected is \$41.6 million or 47.6% of budget. The budget increased \$3.3 million or 4.0% from 2013. Foster Care Title IV-E received \$18.8 million or 74.6% of the \$25.2 million budget. Adoption assistance has 32.3% of their \$10.3 million budget. Kane's Federal Revenue 309-C Medical Assistance with a budget of \$30.6 million received 39.8% of the yearly budget as of May 31. Kane's Medicare Part A and Part B collections were \$1.2 million and \$736,000, respectively or 30.4% and 29.5% of budget.
- **State Revenues** collected are \$50.2 million or 28.1% of budget. No State revenues for Act 315 and Act 12 have been received as of May 31, pending the submission of final year end audited reports. Act 315 and Act 12 have a yearly budget of \$7.1 million and \$1.6 million, respectively. Revenue received for the Department of Public Welfare CYF as of May 31 is \$3.0 million or 20.8% of the budget. As of May 31 revenue from Act 148 stands at \$33.8 million received which is 29.9% of the \$113.0 million budget. Kane's State Revenue for MA pharmacy is at \$2.2 million or 36.4% of budget, and 39.7% of the 309-C Medical Assistance budget of \$25.0 million has been received as of May 31.
- The 2014 **Charges for Services and Facilities** budget anticipated more revenue and increased \$5.2 million or 6.5% from last year. Revenues are \$26.7 million or 31.6% of budget. Recording and Filing fees received are \$9.2 million or 30.9%, of budget. Kane's Private Pay and Patient Maintenance revenues are budgeted to be \$4.3 million and \$7.8 million, respectively with collections of \$1.7 million (40.2% of budget) and \$2.8 million (35.8% of budget).
- 2014 **Miscellaneous Revenues** are \$6.3 million or 101.9% collected as of May 31, 2014. This can be attributed by the sale of property in the amount of \$4.8 million or 79% of the 2014 budget. The sale was not included in the 2014 budget. The property sold was the Health Department building in Oakland.
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**EXPENDITURE ANALYSIS
AND
BUDGET ADJUSTMENTS**

**Summarized Operating Fund Expenditures By General Functional Area (Unaudited)
For Five Months Ended May 31, 2014
With Comparative Actual Amounts For Five Months Ended May 31, 2013**

Expenditure Function	2014 Budget	YTD Actual and Encumbrances 05/31/14	2014 Unencumbered Appropriation	Percentage Expended Target=41%	Prior Year Actual and Encumbrances	Difference From Prior Year
General Government	\$204,250,581	77,169,511	127,081,070	37.78%	\$48,866,252	28,303,259
Public Safety	108,858,988	45,634,443	63,224,545	41.92%	38,941,181	6,693,262
Public Works	26,187,228	11,716,539	14,470,689	44.74%	11,271,966	444,573
Transportation	35,062,390	22,195,800	12,866,590	63.30%	22,195,798	2
Health and Welfare	338,560,728	123,508,284	215,052,444	36.48%	121,322,072	2,186,212
Culture and Recreation	9,703,919	3,787,133	5,916,786	39.03%	3,395,938	391,195
Education	23,840,264	9,105,000	14,735,264	38.19%	9,080,000	25,000
Debt Service	68,739,549	19,250,036	49,489,513	28.00%	20,157,052	(907,016)
Economic Development	2,661,836	4,258,511	(1,596,675)	159.98%	4,145,288	113,223
Total Operating Expenditures	\$817,865,483	316,625,257	501,240,226	38.71%	\$279,375,547	37,249,710

YTD Actual & Encumbrances - Actual expenditures, certain accruals and encumbrances as of the date of the report.

2014 Unencumbered Appropriations - The result of subtracting the YTD Actual & Encumbrances from the Budget.

Percentage Expended - The YTD Actual & Encumbrances divided by the Budget. The target represents the percentage expected based on the month of the year. However, not all expenditures are distributed evenly throughout the year.

Budget Adjustments (see page 8-9)

The 2014 budget passed by Council was increased \$560,483 due to 2013 obligations (encumbrances) which are recorded as 2014 expenditures. The increase represents appropriations from 2013 to cover these costs and are categorized as prior year reappropriations. There have no budget amendments or transfers through the first four months of 2014.

DEPARTMENTAL BUDGET ADJUSTMENTS
For Five Months Ended May 31, 2014

	Adopted	Prior Year	Budget	2014
	Budget	Reappropriations	Amendments/ Transfers	Budget
General Government				
10 - County Executive	\$ 415,032	-	-	415,032
11 - County Manager	1,083,368	-	-	1,083,368
12 - County Solicitor	2,022,574	-	-	2,022,574
13 - Budget & Finance	889,448	-	-	889,448
14 - Public Defender	9,233,117	-	-	9,233,117
15 - Human Resources	1,659,015	493	-	1,659,508
16 - MBE/DBE/WBE	507,611	-	-	507,611
17 - Medical Examiner	8,982,921	4,762	-	8,987,683
18 - Court Records	8,036,964	70	-	8,037,034
20 - Administrative Services-Administration	2,089,133	7,377	-	2,096,510
20 - Administrative Services-Prop. Assess.	5,787,252	-	-	5,787,252
20 - Administrative Services-MIS	6,920,451	68,071	-	6,988,522
20 - Administrative Services-Purchasing	624,972	-	-	624,972
20 - Administrative Services-Elections	5,163,325	-	-	5,163,325
20 - Administrative Services-Prop & Supplies	-	-	-	-
21 - Real Estate Registry and Deeds	2,952,544	-	-	2,952,544
38 - Facilities Management	15,735,043	700	-	15,735,743
46 - Non-departmental	16,287,174	-	-	16,287,174
49 - Misc Agencies - Duquesne Law	485,000	-	-	485,000
55 - County Council	1,096,715	-	-	1,096,715
60 - Court of Common Pleas	67,805,876	30,623	-	67,836,499
70 - Controller	6,201,175	119,871	-	6,321,046
71 - Sheriff	17,261,371	16,216	-	17,277,587
72 - Treasurer	6,506,341	55,976	-	6,562,317
73 - District Attorney	16,200,000	-	-	16,200,000
Total General Government	203,946,422	304,159	-	204,250,581
Public Safety				
30 - Jail	71,061,171	4,595	-	71,065,766
31 - County Police	28,949,737	43,022	-	28,992,759
33 - Emergency Services	8,791,831	8,632	-	8,800,463
Total Public Safety	108,802,739	56,249	-	108,858,988
Public Works				
35 - Public Works	26,178,353	8,875	-	26,187,228
Total Public Works	26,178,353	8,875	-	26,187,228
Transportation				
49 - Misc Agencies - PAT	29,168,700	-	-	29,168,700
Total Transportation	29,168,700	-	-	29,168,700

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DEPARTMENTAL BUDGET ADJUSTMENTS (cont.)
For Five Months Ended May 31, 2014

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	Adopted Budget	Prior Year Reappropriations	Budget Amendments/ Transfers	2014 Budget
Health and Welfare				
20 - Administrative Services - Veterans Services	716,723	-	-	716,723
25 - Human Services - Mental Health	4,700,000	-	-	4,700,000
25 - Human Services - Child Welfare	229,100,539	24,307	-	229,124,846
25 - Human Services - Dept of Aging	400,000	-	-	400,000
25 - Human Services - Expenditure Recovery	(56,679,344)	-	-	(56,679,344)
26 - John J. Kane Regional Centers	100,806,323	104,151	-	100,910,474
27 - Health Department	17,439,699	14,738	-	17,454,437
32 - Shuman Center	10,929,115	31,041	-	10,960,156
48 - Juvenile Court Placement	30,973,436	-	-	30,973,436
Total Health and Welfare	338,386,491	174,237	-	338,560,728
Culture and Recreation				
37 - Parks	8,812,854	16,963	-	8,829,817
49 - Misc Agencies - Memorial Hall	572,064	-	-	572,064
49 - Misc Agencies - Coop Extension	302,038	-	-	302,038
Total Culture and Recreation	9,686,956	16,963	-	9,703,919
Education				
49 - Misc Agencies - CCAC	23,705,264	-	-	23,705,264
49 - Misc Agencies - AC Library Association	35,000	-	-	35,000
49 - Misc Agencies - Local Govn't Academy	100,000	-	-	100,000
Total Education	23,840,264	-	-	23,840,264
Debt Services				
47 - Debt Service	68,739,549	-	-	68,739,549
Total Debt Services	68,739,549	-	-	68,739,549
Economic Development				
49 - Misc Agencies - RAAC - Economic Dev	2,276,836	-	-	2,276,836
49 - Misc Agencies - Allegheny COGs	60,000	-	-	60,000
49 - Misc Agencies - Vacant Prop Revit	200,000	-	-	200,000
49 - Misc Agencies - Allegheny Places Proj	-	-	-	-
49 - Misc Agencies - Allegh League of Muni	125,000	-	-	125,000
Total Economic Development	2,661,836	-	-	2,661,836
Total Operating Budget	817,305,000	560,483	-	817,865,483
Operating Transfers	-	-	-	-
2014 Operating Budget & Transfers	\$817,305,000	560,483	-	817,865,483

Schedule of Operating Fund Expenditures and Encumbrances - Budget and Actual (Unaudited)							
Department by Function							
For Five Months Ended May 31, 2014							
With Comparative Actual Amounts For Five Months Ended May 31, 2013							
	2014 Budget	YTD Actual and Encumbrances 05/31/14	2014 Unencumbered Appropriation	Percentage Expended Target=41%	Prior Year Actual and Encumbrances	Difference From Prior Year	
General Government							
10 - County Executive	\$ 415,032	153,008	262,024	36.87%	\$ 145,017	7,991	
11 - County Manager	1,083,368	444,923	638,445	41.07%	425,373	19,550	
12 - County Solicitor	2,022,574	777,885	1,244,689	38.46%	930,748	(152,863)	
13 - Budget & Finance	889,448	353,065	536,383	39.69%	293,283	59,782	
14 - Public Defender	9,233,117	3,676,722	5,556,395	39.82%	3,630,051	46,671	
15 - Human Resources	1,659,508	509,925	1,149,583	30.73%	497,808	12,117	
16 - MBE/DBE/WBE	507,611	211,890	295,721	41.74%	207,281	4,609	
17 - Medical Examiner	8,987,683	3,613,801	5,373,882	40.21%	3,596,202	17,599	
18 - Court Records	8,037,034	2,987,587	5,049,447	37.17%	2,987,883	(296)	
20 - Administrative Services-Administration	2,096,510	613,476	1,483,034	29.26%	1,061,869	(448,393)	
20 - Administrative Services-Prop. Assess.	5,787,252	2,201,943	3,585,309	38.05%	2,382,262	(180,319)	
20 - Administrative Services-MIS	6,988,522	2,473,314	4,515,208	35.39%	2,385,569	87,745	
20 - Administrative Services-Purchasing	624,972	237,005	387,967	37.92%	223,694	13,311	
20 - Administrative Services-Elections	5,163,325	2,021,988	3,141,337	39.16%	2,204,074	(182,086)	
20 - Administrative Services-Prop & Supplies	-	-	-	-	(3,741)	3,741	
21 - Real Estate Registry and Deeds	2,952,544	1,069,616	1,882,928	36.23%	1,139,061	(69,445)	
38 - Facilities Management	15,735,743	8,159,738	7,576,005	51.85%	6,289,773	1,869,965	
46 - Non-departmental	16,287,174	1,866,908	14,420,266	11.46%	(24,557,627)	26,424,535	
49 - Misc Agencies - Duquesne Law	485,000	242,500	242,500	50.00%	232,500	10,000	
55 - County Council	1,096,715	367,183	729,532	33.48%	356,037	11,146	
60 - Court of Common Pleas	67,836,499	25,588,905	42,247,594	37.72%	25,585,290	3,615	
70 - Controller	6,321,046	2,549,346	3,771,700	40.33%	2,400,984	148,362	
71 - Sheriff	17,277,587	7,610,199	9,667,388	44.05%	7,415,417	194,782	
72 - Treasurer	6,562,317	2,721,716	3,840,601	41.47%	2,686,618	35,098	
73 - District Attorney	16,200,000	6,716,868	9,483,132	41.46%	6,350,826	366,042	
Total General Government	204,250,581	77,169,511	127,081,070	37.78%	48,866,252	28,303,259	
Public Safety							
30 - Jail	71,065,766	29,899,102	41,166,664	42.07%	26,800,678	3,098,424	
31 - County Police	28,992,759	11,648,344	17,344,415	40.18%	11,186,700	461,644	
33 - Emergency Services	8,800,463	4,086,997	4,713,466	46.44%	953,803	3,133,194	
Total Public Safety	108,858,988	45,634,443	63,224,545	41.92%	38,941,181	6,693,262	
Public Works							
35 - Public Works	26,187,228	11,716,539	14,470,689	44.74%	11,271,966	444,573	
Total Public Works	26,187,228	11,716,539	14,470,689	44.74%	11,271,966	444,573	
Transportation							
49 - Misc Agencies - PAT	5,893,690	-	5,893,690	0.00%	-	-	
49 - Misc Agencies - PAT	29,168,700	22,195,800	6,972,900	76.09%	22,195,798	2	
Total Transportation	35,062,390	22,195,800	12,866,590	63.30%	22,195,798	2	

Operating departments exceeding "target benchmark" of 41% by more than 1% (i.e. 42%) are shaded

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Schedule of Operating Expenditures and Encumbrances - Budget and Actual (Unaudited) (cont.)
Departments by Function
For Five Months Ended May 31, 2014
With Comparative Actual Amounts For Five Months Ended May 31, 2013

	2014 Budget	YTD Actual and Encumbrances 05/31/14	2014 Unencumbered Appropriation	Percentage Expended Target=41%	Prior Year Actual and Encumbrances	Difference From Prior Year
Health and Welfare						
20 - Administrative Services - Veteran Services	716,723	363,423	353,300	50.71%	383,177	(19,754)
25 - Human Services - Mental Health	4,700,000	(394,630)	5,094,630	-8.40%	(2,270,803)	1,876,173
25 - Human Services - Child Welfare	229,124,846	76,356,269	152,768,577	33.33%	86,745,611	(10,389,342)
25 - Human Services - Dept of Aging	400,000	147,227	252,773	36.81%	129,400	17,827
25 - Human Services - Expenditure Recovery	(56,679,344)	(17,346,244)	(39,333,100)	30.60%	(22,178,852)	4,832,608
26 - John J. Kane Regional Centers	100,910,474	42,578,440	58,332,034	42.19%	40,459,997	2,118,443
27 - Health Department	17,454,437	6,745,291	10,709,146	38.65%	4,884,127	1,861,164
32 - Shuman Center	10,960,156	4,294,768	6,665,388	39.19%	4,221,398	73,370
48 - Juvenile Court Placement	30,973,436	10,763,740	20,209,696	34.75%	8,948,017	1,815,723
Total Health and Welfare	338,560,728	123,508,284	215,052,444	36.48%	121,322,072	2,186,212
Culture and Recreation						
37 - Parks	8,829,817	3,486,570	5,343,247	39.49%	3,102,058	384,512
49 - Misc Agencies - Memorial Hall	572,064	200,000	372,064	34.96%	200,000	-
49 - Misc Agencies - Coop Extension	302,038	100,563	201,475	33.29%	93,880	6,683
Total Culture and Recreation	9,703,919	3,787,133	5,916,786	39.03%	3,395,938	391,195
Education						
49 - Misc Agencies - CCAC	23,705,264	8,970,000	14,735,264	37.84%	8,970,000	-
49 - Misc Agencies - AC Library Association	35,000	35,000	-	100.00%	30,000	5,000
49 - Misc Agencies - Local Govn't Academy	100,000	100,000	-	100.00%	80,000	20,000
Total Education	23,840,264	9,105,000	14,735,264	38.19%	9,080,000	25,000
Debt Services						
47 - Debt Service	68,739,549	19,250,036	49,489,513	28.00%	20,157,052	(907,016)
Total Debt Services	68,739,549	19,250,036	49,489,513	28.00%	20,157,052	(907,016)
Economic Development						
49 - Misc Agencies - RAAC - Economic Dev	2,276,836	4,289,192	(2,012,356)	188.38%	4,160,679	128,513
49 - Misc Agencies - Allegheny COGs	60,000	7,500	52,500	12.50%	13,500	(6,000)
49 - Misc Agencies - Allegh League of Municipal	125,000	-	125,000	0.00%	-	-
49 - Misc Agencies - Vacant Property Project	200,000	(38,181)	238,181	-19.09%	(28,891)	(9,290)
Total Economic Development	2,661,836	4,258,511	(1,596,675)	159.98%	4,145,288	113,223
Total Operating Expenditures	\$ 817,865,483	316,625,257	501,240,226	38.71%	\$ 279,375,547	37,249,710
Operating Transfers	-					
Less: Reappropriation	560,483					
2014 Operating Budget & Transfer	\$ 817,305,000					

Operating departments exceeding "target benchmark" of 41% by more than 1% (i.e. 42%) are shaded

Expenditures compared to prior years:

- Expenditures and encumbrances of \$316.6.9 million are \$37.2 million higher than last year at this time. Increases occurred in General Government (\$28.3 million), Public Safety (\$6.7 million), Health and Welfare (\$2.2 million), and Economic Development (\$113,000) offset by a decrease in Debt Service of \$903,000. The 2014 adopted operating budget is \$17.4 million or 2.2% more than the 2013 operating budget.
- Total **General Government** expenditures are \$28.3 million more than through the first five months of last year. **Facilities Management** had an increase in expenditures in the amount of \$1.9 million which was primarily due to an increase of \$1 million in the Custodial Maintenance Division Services, for a energy saving project at Kane, Shuman and the Jail that requires a lease purchase of \$550,800. In addition, a new contract at Boyce Park ski area of \$337,000 and Heating costs increase \$241,000 from Pittsburgh Allegheny County Thermal occurred. In Building Maintenance Division Contracted Services elevator maintenance increased \$205,000. Also in the Facilities Management Division Contracted Services increase \$101,500 for a land rental in the for a parking lot. **Non-departmental** increase by \$26.4 million from last year due to 2014 having 4 months of health insurance (\$27.2 million) recorded, offset by an increase of \$1.4 million in fringe benefit recovery
- **Public Safety** increased from last year by \$6.7 million. The **Jail** Services increased by \$3.3 million, as Residential Arrangement increased \$738,000 mainly due to May accruals being recorded. Heating, Electricity and Water increased \$325,000, \$305,000 and 232,000, respectively, from May accruals being recorded. Also, Contracted Services increased \$275,000 due to the food services. Last year, Jail Medical was understated by \$868,000 due to invoices not being recorded until June. **Emergency Services** increased \$3.1 million due to one half of the budgeted match for the Enhanced 9-1-1 account.
- **Health and Welfare** increased by \$2.1 million in comparison to last year. **Kane Regional Centers** had an increase of \$2.1 million from this time last May due to an increase in Salaries and Fringe Benefits of \$507,000, Supplies in the Pharmacy of \$1.0 million. **Juvenile Court Placement** increased \$1.8 million in Contracted Services. Expenditures in **Human Services** also include \$1.8 million of County Match from **Mental Health** Division offset by \$2.3 million decrease in Services, a \$6.6 million decrease in Contributed Services and a \$4.8 million decrease in Expenditure Recovery related to **Child Welfare** Division.

Expenditures compared to target of 41% of Budget:

- **Administrative Services—Administration** is under the 41% target at 29.26% or \$330,000 with more Telephone Recovery recorded than Telephone expense since May's invoices have not been recorded. Also, no expenditures have been recorded against Contracted Services or Computer Software License with budgets of \$25,000 and \$45,000, respectively. Administration is at 69% of budget mostly in Supplies and Weights and Measures is under target at 37.6% mainly due to Salaries.
- The **Facilities Management** expenditures and encumbrances are currently at \$8.2 million or 51.9% of the annual budget. This is \$1.2 million over target budget. This is primarily due to Services in Custodial Maintenance being \$1.2 million over target due to an energy saving Equipment Lease-Purchase for \$550,800 that was not included in the budget.
- **Non-departmental** is at 11.5% or \$4.8 million under expected target. Fringe Benefits-Cost Recovery is \$5.0 million under target which increases expenditures offset by Fringe Benefits being under target by \$8.2 million since one months health insurance is not recorded.
- **Miscellaneous Agencies—Duquesne Law** expenditures currently stand at \$252,500 or exactly 50% of the annual budget of \$485,000. This is consistent with last year.
- The **Sheriff Department** is at 44.1% and over target by \$526,000 due to Salaries and Fringe Benefits. It is expected that Salaries and Fringe Benefits over budget will be cross charged to the Sheriff's Special Account.
- The **Jail** is over target by 1% or \$762,000 due to Services being over target by \$1.1 million and Salaries and Fringe Benefits being under target by \$686,000.
- **Emergency Services** is at 46.4% of annual budget and over target by \$479,000 due to Services.
- **Public Works** is over target at 44.7% or over target spending by \$1.0 million mainly due to Materials.
- **Administrative Services—Veteran Services** is \$70,000 over target and 50.7% of the annual budget. Materials are \$84,000 over target and Services are \$15,000 under target. Expenditures for Materials include the annual flag purchase for Memorial Day.
- **Human Services-Department of Mental Health** is under target by \$2.3 million in County Cash Match.
- **Human Services-Department of Aging** is under target by \$16,000 in Services which is the County Cash Match.
- **John J. Kane Regional Centers** expenditures currently stand at \$42.6 million or 42.2% of the annual budget of \$100.9 million This is \$1.2 million over target. Services is \$1.6 million over target offset by Salaries and Fringe Benefits being under target by \$482,000.

**Summarized Operating and Risk Management Fund Fringe Benefits
By General Benefit Category
For Five Months Ended May 31, 2014
With Comparative Actual Amounts For Five Months Ended May 31, 2013**

	2014 Total Budget	Current YTD Actual 05/31/14	2014 Budget Available	Percentage Expended Target=41%	Prior Year Actual 05/31/13	Difference From Prior Year
Medical Benefits	\$ 66,362,375	24,303,664	42,058,711	36.62%	23,361,707	941,957
Workers Comp Benefits	5,357,150	1,754,278	3,602,872	32.75%	2,047,674	(293,396)
All Other Fringe Benefits	40,433,427	13,679,492	26,753,935	33.83%	13,053,893	625,599
Total Fringe Benefit Expenditures	\$ 112,152,952	39,737,434	72,415,518	35.43%	38,463,274	1,274,160

Other Fringe Benefits consists of Retirement, FICA, Life Insurance, and Unemployment Compensation

Includes County General, Human Services, Kane Regional Centers, Liquid Fuel Funds along with Risk Management Fund.

Total Fringe Benefit Expenditures are at 35.4% of budget and \$1.3 million more than last year. Medical benefits increased by \$942,000 more than last year due to a \$1.0 million increase in Health Insurance.

Workers Compensation benefits are less than last year by \$293,000 due to a decrease from last year of \$210,000 in administration and a \$103,000 in employee medical.

Other Fringe Benefit costs increased \$626,000. The County Pension match and FICA and Medicare increased by \$557,000 and \$115,000, respectively. The County's pension match increased by .5% in 2014.

Cash							
Balances							
At May 31, 2014 and 2013							
Unrestricted Operating Cash				Restricted Cash			
Bank	Description	YTD Balance	YTD Balance	Bank	Description	YTD Balance	YTD Balance
		2014	2013			2014	2013
11151	General Fund	\$248,766,658	245,658,480	11151	Capital	89,177,604	89,357,130
11151	Human Service	(\$94,419,224)	(98,219,660)	11102	Debt Service	38,864,386	44,334,194
11151	Kane Regional	<u>(\$24,019,455)</u>	<u>(17,878,540)</u>	11103	Liquid Fuels	<u>612,331</u>	<u>1,138,671</u>
						128,654,322	134,829,995
				All Other Restricted Cash		<u>149,606,678</u>	<u>129,043,965</u>
Net Unrestricted				Total Restricted Cash		<u>278,261,000</u>	<u>263,873,960</u>
Operating Cash		<u>\$130,327,979</u>	<u>129,560,279</u>	Total Operating and Restricted		<u>408,588,979</u>	<u>393,434,239</u>

Unrestricted Operating Cash - Cash not restricted for a specific use and is available to pay the general obligations of the County.

Bank Account 11151 - A pooled cash account which includes unrestricted and restricted cash not required to be maintained in a separate bank account.

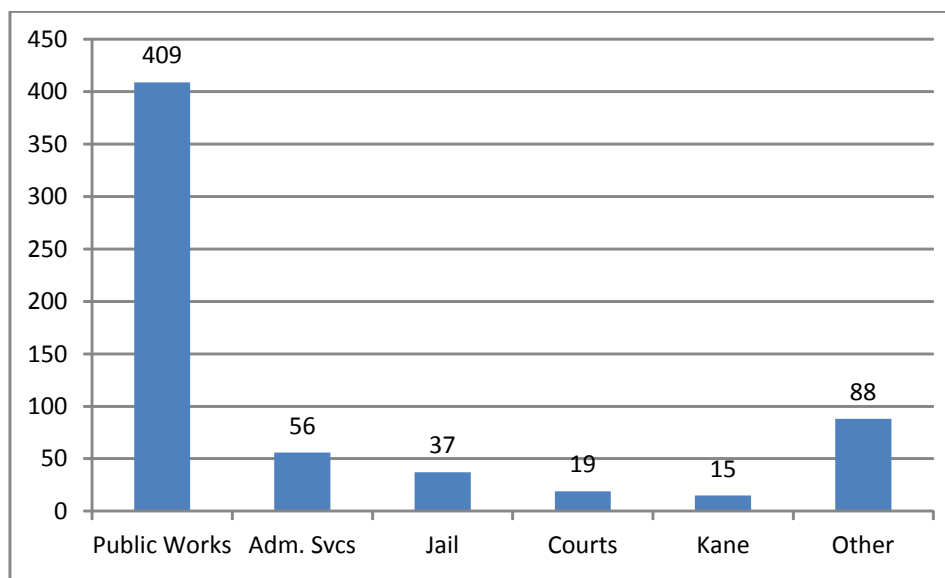
Net unrestricted operating cash as of the end of May 31, 2014 is \$130.3 million vs. the \$129.5 million at May 31, 2013. Total cash as of May 31, 2014 is \$408.6 vs. \$393.4 million a year earlier.



REPORT CARD ON CAPITAL, GRANTS AND OTHER SPECIAL REVENUE FUNDS

NUMBER OF OPEN PROJECTS / GRANTS**May 31, 2014**

FUND	NUMBER OF OPEN PROJECTS / GRANTS
Capital Projects Fund	624
Human Service Grants Fund	389
County Grants Fund	262
Trust & Agency Fund	38

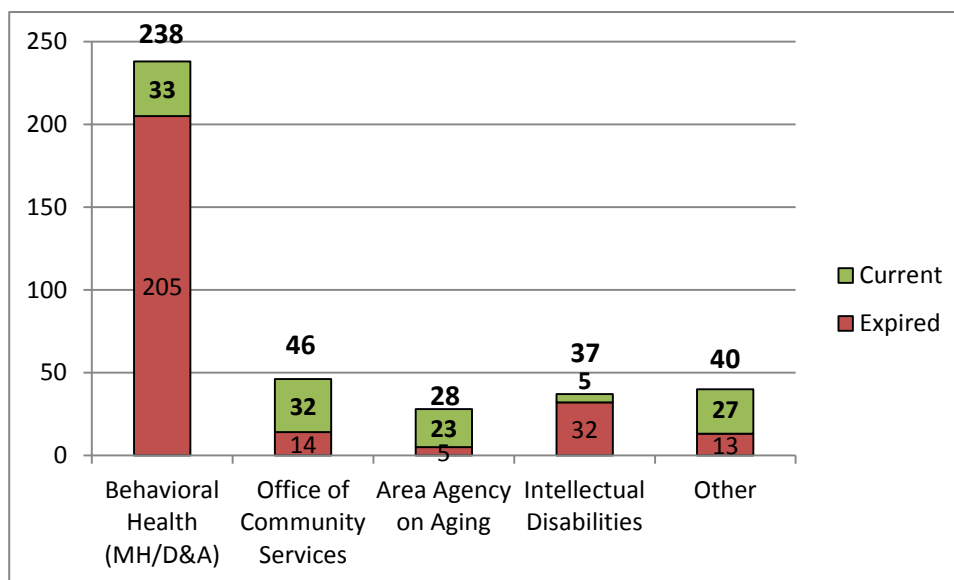
CAPITAL PROJECTS FUND BY DEPARTMENTS**TOTAL 624 OPEN PROJECTS / GRANTS**

Public Works projects include activities related to roads, bridges, buildings, parks, feasibility studies etc. Administrative Services projects include funds to support activities such as significant hardware upgrades performed by the Division of Computer Services, upgrades to Print Shop equipment, and the Countywide reassessment. Jail projects include equipment purchases for the kitchen, laundry, training and cleaning processes, locking systems, other system upgrades, and various other projects.

Of currently open projects, only sixty-two represent projects included in the 2014 Capital Budget. The majority of open projects are from the 2008 – 2013 Capital Budgets. However a significant number of open Capital Projects relate to activities approved in 2007 or earlier Capital Budgets.

HUMAN SERVICE GRANTS FUND BY DIVISION

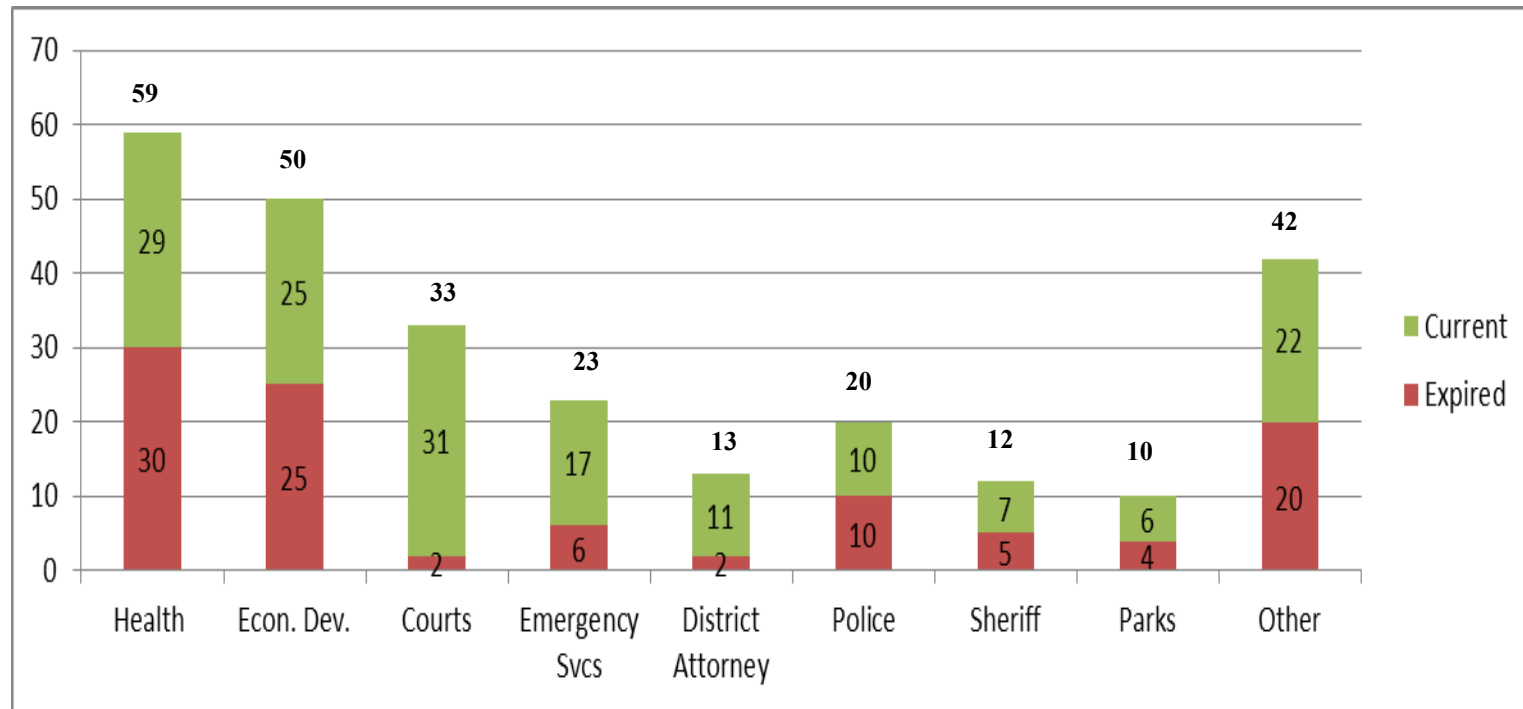
TOTAL 389 OPEN PROJECTS / GRANTS



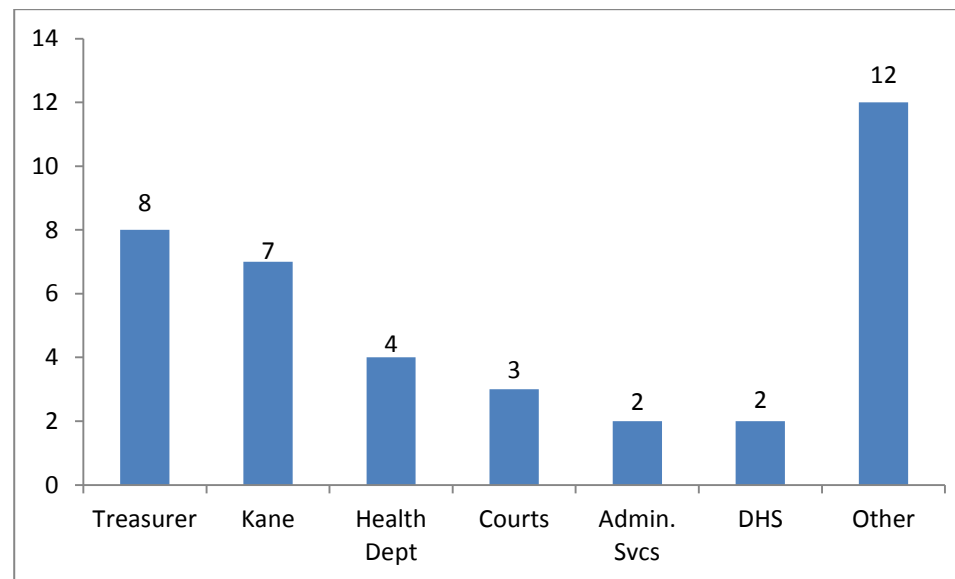
Expired grants are those with a planned end equal to or lesser than May 31, 2014. Current grants are those with a planned end date after May 31, 2014 or on-going grants, with no planned end date.

COUNTY GRANTS FUND

TOTAL 262 OPEN PROJECTS / GRANTS



Expired grants are those with a planned end date equal to or lesser than April 30, 2014.

TRUST & AGENCY FUND BY DEPARTMENT**TOTAL 38 OPEN PROJECTS / GRANTS**

Examples of Trust & Agency projects include

- Treasurer - Hotel Tax funds due to various other entities and Hunting, Fishing, and Boat license fees due to the state
- Kane - Funds held in trust for Kane patients
- Other - Prisoner welfare funds, Tax refund accounts, Landfill trust funds

Most of these projects are on-going with no planned end date.



PERFORMANCE OF PENSION FUND

STATEMENT OF CHANGES IN PLAN ASSETS		
FOR FOUR MONTHS ENDED APRIL 30, 2014 AND DECEMBER 31, 2013		
	4 Months Ended 4/30/2014	Year Ended 12/31/2013
Additions:		
Contributions:		
Employee	\$9,729,243	\$27,888,016
Employer	9,650,753	27,587,089
Total contributions	19,379,995	55,475,105
Investment income:		
Realized gain on sale of investments*	12,415,857	34,719,226
Unrealized gain (loss) in fair value of investments	1,257,790	47,961,994
Other Investment Income	3,928,280	12,996,268
Less: Investment Management Fees	745,156	3,367,296
Total Investment gain – net	16,856,772	92,310,192
Miscellaneous Income	56,492	76,876
Total additions - net	36,293,259	147,862,173
Deductions:		
Benefit payments	25,765,945	74,610,381
Refunds of employee contributions	1,138,324	4,716,139
Administrative expenses	395,339	1,138,048
Total deductions	27,299,608	80,464,568
Net increase (decrease) in Net Position	8,993,651	67,397,605
Net Position at beginning of year	825,844,080	758,446,475
Net Position at end of the period	\$834,837,731	\$825,844,080

*Some management fees are deducted from gains.

	Plan Participants		Cost Per Participant of Management and Administrative Fees	
	As of 4/30/14	As of 12/31/13	Cost for 4 Months Ended 4/30/14	Annual Cost as of 12/31/13
Retirees**	4,114	4,077	\$99.80	\$390.17
Employees***	7,314	7,183		
Total Participants	11,428	11,260		

**Source: Retirement Office

***Source: Estimate based on Retirement Office & Controller's Office data.

Annual Pension Cost and Net Pension Obligation as of December 31, 2013

Annual required contribution	\$59,191,000
Interest (7.75%) on net pension obligation	13,819,728
Adjustment to annual required contribution	<u>-20,520,031</u>
Annual pension cost	52,490,697
Contributions made	<u>-27,587,089</u>
Increase in net pension obligation	24,903,608
Net pension obligation, beginning of year	<u>178,319,070</u>
Net pension obligation, end of year	<u>\$203,222,678</u>

(1) Actuarial Valuation Date	(2) Actuarial Value of Assets	(3) Actuarial Accrued Liability – Entry Age	(4) Overfunded/ (Unfunded) Actuarial Accrued Liability	(5) Actuarial Funded Ratio* [2/3]	(6) Total Funded Ratio**	(7) Covered Payroll	(8) Overfunded/ (Unfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll [4/7]
January 1, 2014	\$ 825,844	1,324,313	(498,469)	62.4%	82.1%	337,016	(147.9%)
January 1, 2013	758,446	1,273,872	(514,426)	59.5	77.8	339,905	(151.6)
January 1, 2012	685,100	1,235,830	(550,730)	55.4	75.0	340,881	(161.6)

***The Actuarial Funded Ratio** is the oldest measurement of funding progress and solvency and is the relationship between the Actuarial Liabilities and the Actuarial Value of existing assets. The Actuarial Liability is determined by the Entry Age Normal Actuarial Method and other assumptions used by the Fund's Actuary. It should be noted the Allegheny County's Actuarial Liability is amortized over a 15 year period, whereas many other pension funds use a 30 year amortization period. The actuarial liability is higher when shorter amortization period is used.

****The Total Funded Ratio** reflects not only existing assets and liabilities, but considers the value of future contributions, future benefit accruals and future expenses. The ratio formed between the Value of Total Assets (Market Value) and the Value of Total Liabilities represents the Funds' ability to meet long-range funding commitment demanded by the plan's benefit structure. It is possible for a fund to exhibit strong funding factors when limited to accrued benefits and assets and, at the same time, be in funding jeopardy going forward.