

**COUNTY OF MONTGOMERY, PENNSYLVANIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020**



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INTRODUCTORY SECTION



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February 9, 2022

To the Citizens of Montgomery County, Pennsylvania:

I am pleased to provide the Annual Financial Report of the County of Montgomery, Pennsylvania, ("County"), for the fiscal year ended December 31, 2020.

The Office of the Controller has prepared this report with assistance from numerous County officials. The County's management assumes full responsibility for the completeness and reliability of the information contained in the report. I believe this enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the County in accordance with generally accepted accounting principles. All disclosures necessary to enable the reader to gain an understating of the County's financial activities have been included.

A three member Board of Commissioners performs all of the County's legislative and executive functions, and is responsible for the management and administration of the County's fiscal affairs. The Controller is the elected financial officer of the County and, as such, supervises the County's fiscal affairs including the accounts, transactions, and official acts relating thereto of all officers and persons entrusted with the public monies of the County.

This report is designed to make the financial position of the County readily available to taxpayers, bond rating firms, underwriters, budget planners, government officials, investors, creditors and the general public. The County's financial statements have been audited by the certified public accounting firm of Clifford Larson Allen LLP to ensure that the financial reporting is of the highest quality and compliant with national standards. The information contained in this report provides a comprehensive picture of the financial position of the County.

Long-Term Financial Planning

The Board of Commissioners and County staff are committed to providing value to the taxpayers by maintaining quality service levels and offering new benefits whenever the opportunity presents itself and the County's fiscal position permits. To accomplish this, the County regularly evaluates its

revenue generating strategy. The County has also developed and maintains multi-year financing plans for replacement of capital assets and infrastructure improvements.

Also, as a part of sound fiscal planning, the County has adopted a fund balance policy that is compliant with GASB 54 for determining fund balance categories and based on recommendations from the Government Finance Officers Association for maintaining a fund balance in the General Fund of approximately two months of expenditures, or a range of fifteen to twenty percent of General Fund appropriations.

Internal Controls

The management of the County is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the County are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled and maintained to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that the County's objectives are met. The concept of reasonable assurance recognized that:

1. The cost of a control should not exceed its benefits, and
2. The evaluation of cost and benefits requires estimates and judgments by management.

All internal accounting control evaluations occur within the above framework. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of transactions and maintenance of asset accountability.

Please see Management's Discussion and Analysis for additional information on the County.

I also wish to express my personal appreciation and respect to the professional staff of the County Controller's Office for their contribution to this report and their dedication to the mission of this office.

Each of us continues to be committed to maintaining the highest professional standards and practices, and to monitoring the financial performance of the County in the best interest of the citizens of the County.

Sincerely,



Karen Sanchez, Esq.
Controller, County of Montgomery

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROFILE OF MONTGOMERY COUNTY
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

INTRODUCTION

Management's Discussion and Analysis (MD&A) includes an introduction to the basic financial statements for governments and an analytical overview of Montgomery County's financial activities for the year ended December 31, 2020. It is best understood if read in conjunction with the Letter of Transmittal, the basic financial statements, and the supplementary information.

Location and Character

The County of Montgomery (the "County" or "Montgomery County") is situated in the southeastern corner of the Commonwealth of Pennsylvania (the "Commonwealth"), bounded by Bucks County to the northeast, Lehigh and Berks Counties to the northwest, Chester and Delaware Counties to the southwest and the City of Philadelphia to the southeast. With a land area of 482.4 square miles, the County has 62 political subdivisions, including boroughs, first-class townships, second-class townships, and home-rule municipalities. The western section of the County contains significant farmland and rural landscapes with rapid growth occurring in the corridor between King of Prussia/Valley Forge and Pottstown. The remainder of the County is primarily residential, with numerous large employment centers of offices, high-tech, research, light industry, and service-oriented firms throughout. The County also contains numerous regional malls and major retail centers.

The County falls within the "Philadelphia Region," a region defined by the Delaware Valley Planning Commission to include Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties, in Pennsylvania, and Burlington, Camden, Gloucester and Mercer Counties in New Jersey. The population of the Philadelphia Region as a whole increased from 5,024,453 in 1980 to 5,182,705 in 1990, to 5,387,407 in 2000, and to 5,626,186 in 2010, as determined by the United States Department of Commerce, Bureau of the Census (the United States Census).

History of the County

The land which is now known as "Montgomery County" was originally inhabited by the Lenni-Lenape Indians. In the late 17th Century, Welsh and English immigrants became the first Europeans to settle in the region. The area is well known for George Washington's winter encampment of 1777-78 at Valley Forge, which is now a national park and a nationally known historic site and tourist attraction.

On September 10, 1784, an Act of the Pennsylvania Assembly formally created Montgomery County. The Municipality of Norristown became, and remains today, the county seat.

By the beginning of the 19th century, industry spread rapidly throughout the County, in particular along the Schuylkill River. Steel mills and heavy manufacturing industries eventually became the leading industries in the County. Since the end of World War II, the County has experienced a shift away from heavy industry towards high technology and service industries, including several world-wide pharmaceutical firms. It has a diverse mix of employers and is a major employment center in the Philadelphia area.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 PROFILE OF MONTGOMERY COUNTY
 YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)**

Government

The County is a County of the Second Class A, a classification established on the basis of population by the State Legislature on October 20, 1967. Counties of the Second Class A have populations between 500,000 and 800,000. Bucks County and Delaware County are the only other Second Class A counties in the Commonwealth.

The County functions under the Second Class County Code which delegates various duties to the County Commissioners, including administration of elections and registration of voters; assessment of property for tax purposes; care of prisoners; maintenance of roads and bridges; care of the aged, dependent, and indigent ill; planning; civil defense; sewage disposal; parks and recreation. There are three Commissioners elected at-large for four-year terms, one of whom is elected to be chair by vote of the three Commissioners. Commissioners Arkoosh, Gale, and Lawrence are currently serving on the Board of Commissioners with terms that expire December 31, 2019. Provision is made for minority party representation through a statutory requirement that no party may place more than two candidates on the ballot for the three positions. Other elected officers in the County include Controller, Coroner, Clerk of Courts, District Attorney, Jury Commissioners, Prothonotary, Recorder of Deeds, Register of Wills, Sheriff, Treasurer and Court of Common Pleas Judgeships.

Population

The County's population has increased from 750,097 in 2000 to 799,874 in 2010, according to the United States Census. The County's population continued to rise to 830,915 in the most recent estimate by the US Census made for 2020.

The following tables summarize the population increases in the County, the Philadelphia Region and the Commonwealth, population by age group for the County and the Commonwealth and age characteristics, population density and persons per household for the County, the Philadelphia Region, and the Commonwealth.

Population Trends

	<u>1980</u>	<u>1990</u>	<u>2000</u>	<u>2010</u>	<u>2020</u>
Montgomery County	643,621	678,111	750,097	799,874	830,915
Philadelphia Region ⁽¹⁾	4,716,818	4,856,881	5,100,931	5,626,186	5,745,861
Commonwealth of Pennsylvania	11,863,895	11,881,640	12,281,054	12,702,379	12,801,989

Source: U.S. Department of Commerce, Bureau of Census.

(1) Includes the nine counties in the Philadelphia Region as defined by the Delaware Valley Planning Commission.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 PROFILE OF MONTGOMERY COUNTY
 YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)**

Income

Based upon the most recent Bureau of Economic Administration figures (2019), the County is the 56th wealthiest as measured by personal income per capita of \$82,037 among the more than 3,000 counties in the United States. Excluding counties having a population less than 25,000, the County’s rank would improve and, if cost-of-living differentials were considered, the County would be ranked even higher since many of the top counties are located in the New York, Washington, and San Francisco Bay areas with higher cost of living.

The percentage of residents in poverty in the County is 6% which is half of the statewide average. (2019 American Community Survey Data). The County has the second highest percentage holding a bachelor’s degree or higher in the state (Chester County is the highest) and is tied with Allegheny County for the lowest percentage of residents lacking a high school education (Statistical Atlas, Census Bureau as of 2018).

The following tables indicate that disposable income in the County has increased from \$12.8 billion in 1991 to \$34.0 billion in 2010. Additionally, disposable income per household has increased from \$46,750 in 1991 to \$112,103 in 2010.

Montgomery County Effective Buying Income (“EBI”) Per Household

	Disposable Personal Income (EBI) (\$000)	No. of Households (Thousands)	Per Household (EBI)
1991	\$12,752,342	272.8	\$46,750
2000	25,615,158	282.5	90,685
2006	33,735,267	306.5	110,070
2010	34,014,399	300.2	112,103

Source: *Editor and Publisher Market Guide*.

Comparative Income Statistics – 2010

	Disposable Personal Income (\$000)	Income Per Capita	Income Per Household
Montgomery County	\$34,014,399	\$43,317	\$112,103
Philadelphia Region	193,245,587	32,687	86,332
Commonwealth of Pennsylvania	358,864,616	28,629	72,999

Source: *Editor and Publisher Market Guide*.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 PROFILE OF MONTGOMERY COUNTY
 YEAR ENDED DECEMBER 31, 2020
 (UNAUDITED)**

Land Use Characteristics

Over the last three decades, the County has transformed from primarily residential in the southeast and rural in the northwest to an area with a mixture of uses. It has stable and growing residential neighborhoods, many new employment centers, numerous malls and shopping centers, and supporting institutional and recreational uses. Overall, it can be characterized as a desirable and dynamic suburban and semi-rural environment. Generalized land use characteristics, as of 2015, are shown in the following table.

Residential	40.0%
Industrial	3.2%
Commercial	4.4%
Transportation	6.1%
Institutional	4.3%
Recreational	5.4%
Woodlands	18.3%
Agricultural/Vacant	16.3%
Other	<u>2.0%</u>
Total	<u>100.0%</u>

Employers

The following table shows the ten (10) largest employers in the County as of June 2020.

<u>Company</u>	<u>Location</u>	<u>Industry</u>
Merck & Co., Inc.	West Point	Pharmaceuticals
Abington Memorial Hospital	Abington	Health Care
Main Line Hospitals	Lower Merion	Health Care
PA State Government	Various	Government
Glaxo SmithKline	Swedeland	Pharmaceuticals
Einstein Medical Center	Norristown	Health Care
Giant Stores LLC	Various	Retail Trade
SEI Investments Company	Oaks	Finance and Insurance
Lockheed Martin Corp	Upper Merion	Aerospace
County of Montgomery	Norristown	Government

Source: PA Center for Workforce Information and Analysis, June 2020.

The County's work force consists of residents employed throughout the Philadelphia Region in virtually every category of employment. The workforce is highly skilled and educated, resulting in an average annual wage of \$61,570, approximately 20% above the Commonwealth average of \$51,340 (PA Department of Labor and Industry, as of 2019).

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROFILE OF MONTGOMERY COUNTY
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Today, the County is a major regional employment center. Development and job growth has concentrated around the Pennsylvania Turnpike interchanges of King of Prussia, Plymouth Meeting, Fort Washington, and Willow Grove. In addition, significant new office development has occurred in Conshohocken and West Conshohocken Boroughs at the interchange of I-476 and the Schuylkill Expressway. Major pharmaceutical facilities and new residential construction has occurred along the Route 422 Expressway from King of Prussia to Pottstown. The County continues to maintain a diverse economic base, with the primary job growth coming from the expansion of small and mid-sized companies.

Economic Development

The County's economic and workforce development efforts focus on initiatives, partnerships, and programs designed to highlight Montgomery County as the place to live, work, learn, and invest. The Montgomery County Commerce Department coordinates these functions by strategic alignment of multiple entities engaged in critical work to strengthen the County and accentuate its competitive advantages. A variety of resources & assistance is provided and facilitated, including entrepreneurial technical assistance, County data & information, economic development & redevelopment financing, job-placement assistance, and job-training programs.

The Commerce Department is comprised of three entities: a redevelopment authority (MCRDA), an industrial development authority (MCIDA), and MontcoWorks (the workforce development board for Montgomery County). Support and assistance for individuals, businesses, institutions, and communities comes from one or more of these entities depending on the specific scope of work and need. Notably, the Commerce Department has engaged in a restructuring over the past 18 months that has added additional economic development programs to the redevelopment authority including a county supported economic development loan program, a Commonwealth of Pennsylvania supported economic development loan program, and the authorization of the C-PACE financing program. The Commerce Department has also begun to take on a greater role regional and is looking to be more forward facing to raise the County's profile nationally and internationally in the years to come.

In 2019 and in 2020, the MCIDA approved approximately \$239 million in financing for projects and also instituted a start-up co-investment initiative with the Ben Franklin Technology Partners of Southeast Pennsylvania that has thus far led to \$110,000 in start-up funding. In the 2019-2020 timeframe, the MCRDA secured over \$3.2 million in loans and administered approximately \$20 million in grant funds for redevelopment and revitalization projects.

Funding for the workforce development system during program year 2018 (07/2018-06/2019) was just under \$6 million dollars for MontcoWorks with another \$1 million in workforce grant dollars administered as fiscal agent. The workforce development system supported 635 enrollments across multiple WIOA and related programs during program year 2018, assisting another 4,469 through onsite employment-related activities. For program year 2019, total funding was just over \$10 million supporting 556 enrollments and 7,623 onsite and virtual activities. By furthering economic and workforce development throughout the County, the Commerce Department has successfully assisted businesses and communities to adapt to changing workforce and industry demands, allowing for the flexibility and innovation needed to stay in touch with the County's growing sectors while assisting Montgomery County residents to pursue economic empowerment and career opportunities.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROFILE OF MONTGOMERY COUNTY
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

The County's economic development efforts focus on initiatives, partnerships, and programs designed to highlight Montgomery County as the place to live, work, learn, and invest. The Montgomery County Department of Commerce coordinates these functions. The Commerce Department actively promotes the County's competitive advantages. A variety of resources & assistance is provided and facilitated, including entrepreneurial technical assistance, County data & information, economic development & redevelopment financing, job-placement assistance, and job-training programs.

The Commerce Department is comprised of four entities: a redevelopment authority (MCRDA), an industrial development authority (MCIDA), an economic development corporation, and MontcoWorks (the workforce development board for Montgomery County). Support and assistance for individuals, businesses, institutions, and communities comes from one or more of these entities depending on the specific scope of work and need.

In 2017 and 2018, the MCIDA approved approximately \$215 million in financing for eight projects. Additionally, entities of the Commerce Department supported six projects in 2017 and 2018 with approximately \$3.2 million in public sector economic development loans. In the 2017-2018 timeframe, the MCRDA secured over \$2.8 million in loans & grants for environmental remediation projects throughout the County. During the same time horizon, the MCRDA helped administered approximately \$25.8 million in funds for redevelopment and revitalization projects.

Funding for the workforce development system during program year 2017 (07/2017-06/2018) was just over \$6 million dollars for MontcoWorks with another approximately \$634,000 in workforce grant dollars administered as fiscal agent. The workforce development system supported 770 enrollments across multiple WIOA and related programs during program year 2017. By furthering economic development across the County, the Department of Commerce has successfully assisted businesses and communities to adapt to changing workforce and industry demands, allowing for the flexibility and innovation needed to stay in touch with the County's growing sectors while assisting Montgomery County residents to pursue economic empowerment and career opportunities.

Long-Term Financial Planning

In years immediately following the Great Recession, the County experienced turbulence within the local economy; this negatively impacted the County's financial position. Under the current administration, prudent fiscal management principals have been implemented to provide a framework for planning proper service levels, funding those services, and providing accountability for achieving service goals. In 2018, the County received a Aaa bond credit rating from Moody's Investor Services that was reaffirmed in January 2021. Over the past six years, the County has built up General Fund reserves of \$98.5 million (offset by \$21.5 million fund balance deficit in the other governmental funds) to protect against economic downturns, unfunded legislated mandates, and unanticipated emergency events. The current reserve amount is double the County's budget practice of maintaining General Fund reserves at a minimum of 10% of the current year General Fund Revenues. Although at healthy levels, this is still narrow compared to national medians (33%) for Aaa Counties.

The County's Five-Year Capital Improvement Program (CIP) is updated annually and provides the long-term outlook and projected funding needs to support capital construction of facilities, reconstruction of County owned roads and bridges, land acquisition, vehicle and equipment replacements and support economic development initiatives. The CIP is primarily funded with General Obligation bond proceeds, state and federal grant funding and other outside sources of funding. In recent years, the County has maintained relatively low total outstanding debt to assessed taxable property and total outstanding debt to state legal limit ratios.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROFILE OF MONTGOMERY COUNTY
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Impact of COVID-19 on the County

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic” or “COVID-19”) by the World Health Organization and is currently affecting all nations of the world, including the United States and the Commonwealth of Pennsylvania. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency.

In Pennsylvania, on March 23, 2020, the Governor of Pennsylvania initially enacted a “stay at home order” (the “Order”) for all individuals residing in Allegheny, Bucks, Chester, Delaware, Monroe, Montgomery, and Philadelphia counties for a period of two weeks until April 6, 2020. This Order was subsequently amended and updated several times, and on April 1, 2020 was expanded to all individuals residing in the entire Commonwealth. After Governor Wolf announced the beginning of the phased reopening of businesses and easing of restrictions in certain Pennsylvania counties, on Friday, June 5, 2020, Montgomery County began a measured reopening process in which some restrictions on work and social interaction were eased while others, such as closures of schools, gyms, and other indoor recreation centers, hair and nail salons, as well as limitations around large gatherings, remained in place. Governor Wolf announced that Montgomery County was one of the counties that was approved to move into the “green phase” reopening phase beginning on Friday, June 26, 2020. Montgomery County and all neighboring counties have remained in the “green phase.” On December 10, 2020, Governor Wolf announced additional temporary COVID-19 protective mitigation measures throughout the Commonwealth, including the prohibition of all in-person indoor dining, indoor gatherings and events of more than 10 persons (excluding churches, synagogues, temples, mosques, and other places of congregated worship), outdoor gatherings and events of more than 50 persons, indoor operations at gyms and fitness facilities, as well as many other restrictions or prohibitions aimed at reducing the spread of COVID-19. These orders went into effect at 12:01 am on December 12, 2020 and remained in effect until 8:00 am on January 4, 2021.

In 2020, the Pandemic negatively affected travel, commerce, and financial markets globally. It is widely expected to continue negatively affecting economic growth and financial markets worldwide. Because of the evolving nature of the outbreak and federal, Commonwealth and local responses thereto, the County cannot predict how the outbreak will impact its financial condition or operations. To date, the County has taken significant operational steps to ensure continuity of services for its residents and the functioning of government. On March 14, 2020, the County activated its Continuity of Operations Plan, which closed County facilities to all nonessential personnel and included a requirement for County employees to work from home. Since June 2020, the County court system has operated under a limited capacity and some County staff returned to work June 26, 2020, with many continuing to work from home where possible.

The County received approximately \$145 million of direct Federal CARES Act funding in April 2020. Approximately \$60 million was appropriated by the Board of Commissioners to provide the following programs:

- **MontcoStrong Small Business Grant Program (\$16 million)** provided relief grants to 1,440 businesses across most business sectors in the County.
- **Montgomery County School District COVID-19 Support Program (\$15 million)** provided public schools with funding for distant learning and other COVID-19 operating expenses.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROFILE OF MONTGOMERY COUNTY
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- **Montco Cares Program (\$12 million)** provided over 300 County certified child care centers with grants up to \$48,000 and over 200 children qualified for a \$40 per day child care subsidy.
- **The Emergency Rent and Utility Relief Program (\$5.8 million)** provided rent and utility relief up to \$1,500 per month to almost 1,000 households in Montgomery County.
- **MontcoStrong Nonprofit Resiliency and Restoration Grant Program (\$5 million)** provided relief grants up to \$40,000 for 1,440 not for profit entities in Montgomery County.
- **Montco Food Pantry Program (\$2 million)** provides for residents in need to access basic food and necessities throughout the COVID-19 pandemic.
- **Montgomery County Community College Assistance (\$1.1 million)** provides the College with assistance for increased costs as a result of the COVID-19 pandemic. With over 1,000 manufacturing businesses in Montgomery County, the College provides a direct placement program for businesses and students in Montgomery County.
- **Montco Food Security Assistance and Workforce Development Program (\$1 million)** will provide food security and bolster workforce development for Montgomery County residents impacted by the COVID-19 pandemic.
- **Elmwood Park Zoo Grant Program (\$500,000)** provided funding to help ensure the long-term economic viability for a major driver of tourism in the County that has seen increased costs and a significant decrease in revenues as a result of the COVID-19 pandemic.
- **Make it Main Street Marketing Initiative (\$300,000)** aims to restart business activity and reinvigorate communities in Montgomery County and focuses on recovery of small businesses and local communities. Through this initiative the County is working to develop promotional content that increase tourism and business throughout the County.

The County continues to monitor the spread of COVID-19 and work with federal, state, and local agencies to address the potential impact of the pandemic upon the County and its residents. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on Commonwealth websites, including but not limited to the Governor's office (<http://www.pa.gov>) and the Pennsylvania Department of Health (<http://www.health.pa.gov>). The County has not incorporated by reference the information on such websites and the County does not assume any responsibility for the accuracy of the information on such websites.

Montco 2040: A Shared Vision is Montgomery County's comprehensive plan. The long-range plan, required by state law, provides goals and implementation steps for managing the County's built environment. It is structured around three main themes:

- **Connected Communities**
People want to be connected and part of a broader community. A key role for the County is to help these connections occur beyond local municipal boundaries
- **Sustainable Places**
The County is full of wonderful neighborhoods and communities. These places need to be sustained and enhanced in a long-lasting and effective way.
- **Vibrant Economy**
A strong economy is critical for all places. With a vibrant economy, residents can earn and spend more, governing can make needed infrastructure improvements, and business can grow.

The plan also provides a vision for the County's future and includes overall transportation vision, a land use vision, and a strategic vision.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

MAJOR INITIATIVES AND ACCOMPLISHMENTS

CONNECTED COMMUNITIES

Encourage collaboration and partnerships among governments, businesses, institutions, schools, higher education, and other stakeholders.

2020 ACHIEVEMENTS:

- Maintained 35 municipal planning and 4 regional planning contracts - with projects including comprehensive plan writing, zoning ordinance rewrites, open space plan updates, and land use assumptions reports.
- Continued the implementation of the county's GIS strategic plan, including refinement and consolidation of countywide authoritative data layer features.
- Completed year five of the Montco 2040 Implementation Grant program, with funding to 15 local projects. Projects from rounds one through four continue to be completed. Demand for funding continues to be high.
- Contributed to efforts within the county to study and incorporate diversity, equity, and inclusion principles into our departmental practices through participation in the county's Diversity, Equity, and Inclusion Committee.
- Field Assessment and Support Teams were developed to offer support and guidance to long term care and other facilities experiencing COVID-19 outbreaks.
- Expanded community gardens at the Montgomery County Opportunities Industrialization Center (OIC) in Norristown with the construction of three raised garden beds.
- Continued support and involvement in the Interfaith Coalition's work as it developed its mission and core principles, providing faith organizations from all traditions with opportunities to build partnerships and collaborations, culminating in a fall conference with over 70 participants.
- Continued work on plans to implement a special, limited funding program to provide childcare funding for populations within Montgomery County.
- Collaborated with the Office of Child Development and Early Learning (OCDEL)/Bureau of Certification to build stronger communication to support early learning providers in continuing their efforts to build quality early learning programs.
- Implemented special COVID eligibility regulations to stabilize childcare providers and financially assist families with childcare costs from 3/13/20 to 8/31/20.
- Continued a partnership with local colleges by utilizing students to assist with well calls to isolated seniors during COVID lockdown.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

2021 IMPLEMENTATION:

- Assist municipalities with their ongoing planning, trail building, and transportation work.
- Continue to work with community partners to implement COVID-19 testing and immunizations through regional sites/ partnerships.
- Continue COVID-19 contact tracing through community partnerships.
- Continue working alongside the Department of Public Safety and other internal partners to post public and accurate COVID-19 data to ensure that the public is informed.
- Continue to implement a fruit and vegetable prescription program at Lansdale Children’s Health Clinic where health care providers write a prescription voucher for food insecure patients to receive fruits and vegetables from Living Hope Farm by June 2021.
- Continue to develop programs to assist with social isolation in seniors by partnering with school districts and higher education institutions to create intergenerational relationships.
- Provide education on alternatives for pain management in order to combat opioid addiction.
- Promote expanded access to Navicates via the “TeleNavigate” service as an additional way of receiving “in- person” assistance from a Navicate, which is critical for those who want to remain safe in their homes or who lack access to affordable transportation.
- Continue the implementation of a special, limited funding program to provide childcare funding for unserved populations within Montgomery County.
- Strengthen collaborations with stakeholders and community organizations including SEPECC (First Up); PA Health Access Network; Child Care Professional Network; PA Early Learning Investment Commission; Parenting, Childcare and Natural Supports Action Team for Montgomery County Reentry Initiative Group; PACCA.

CONNECTED COMMUNITIES

Improve transportation quality and expand options for County residents and workers.

2020 ACHIEVEMENTS:

- Bridge projects continued to move forward. In 2020, 6 bridge construction projects went to construction and two of those were completed. The Butler Pike sinkhole was remediated, and the road was opened to vehicular traffic in December. An additional 23 bridges are in various stages of design, engineering, or permitting.
- The county repaved 3.08 miles of park entrance roadways and 6.7 miles of county-owned roadways.
- Completed the Transportation Improvement Program (TIP) update with our planning partners.

COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)

- PennDOT awarded \$1.27 million from the state’s Automated Red Light Enforcement program for traffic and safety projects in four municipalities.
- The county’s transportation grant program (CTP) used revenues from the \$5 county vehicle registration fee to reallocate just under \$1 million this past year to local transportation projects. In 2020, 6 projects in 7 municipalities received funding.
- Completed PA Turnpike Interchange Study with DVRPC (a result of the Turnpike Corridor Reinvestment Project from 2015), publicly promoted the traffic modeling results, and engaged the PA Turnpike Commission staff on a future strategy to fund and construct remaining interchanges.
- PennDOT began construction on US 202 Section 65S (Morris Road to Hancock Road) in Whitpain and Lower Gwynedd Townships.
- PennDOT began construction on early action efforts under the I-76 ICM project to activate variable speed limit signs along the Schuylkill Expressway.
- The PennDOT Multimodal Transportation Fund awarded \$1.4 million to Horsham Township for 87 15-foot tall high efficiency streetlights in the Pennsylvania Business Park.

2021 IMPLEMENTATION:

- Continue the county’s bridge reconstruction work.
- Oversee the Montco Pikes study, which will provide recommendations for future improvements to six of the busiest county owned roads.
- Begin construction for the Ridge Pike Improvement Project for the segments in Plymouth, Whitemarsh, and Springfield Townships.
- Implement Bike Montco to guide future on-road and roadway-adjacent bicycle facilities including: bicycle tourism routes in cooperation with the Valley Forge Tourism and Convention Board, potential partnerships with PennDOT’s resurfacing program, and neighborhood bike amenities in underserved communities.

CONNECTED COMMUNITIES

Expand and connect County trails, local trails, greenways, natural areas, and parks.

2020 ACHIEVEMENTS:

- Began construction of the Chester Valley Trail Extension.
- Completed the Montgomery County Trail Access, Diversity, & Awareness Plan, which was adopted by the Montgomery County Board of Commissioners.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Advanced several trail projects in the county. Awarded the contract for an advanced feasibility study of the Cross County Trail East. Awarded the contract to construct the final portion of the Pennypack Trail between Byberry and County Line Roads. Awarded and commenced feasibility study for the Wissahickon Trail segment between Forbidden Drive and Morris Arboretum. Awarded the design contract for the Schuylkill River Trail segment between Industrial Drive and US 422. Awarded the contract for the Germantown Pike bridge feasibility study in Plymouth Township. Advanced the design for the Cross County and Wissahickon Trails in Whitemarsh Township at Erdenheim Farm.
- Awarded Montco 2040 grant funds to local trail projects in Bridgeport, the Perkiomen region, Towamencin, and Upper Providence

2021 IMPLEMENTATION:

- Complete the final Montgomery County segment (northern) of the Pennypack Trail.
- Continue construction of the Chester Valley Trail Extension and begin constructing the Erdenheim Farm portions of the Cross County and Wissahickon Trails.
- Complete design of the Schuylkill River Trail 422 Connector.
- Initiate architectural and engineering design for the Trail Junction Center in Norristown.
- Complete the 10-Year Open Space and Trails Strategic Plan.
- Continue the conservation of key properties as identified in the county's open space priorities report.

CONNECTED COMMUNITIES

Support strong downtowns and community destinations, including mixed use areas, arts and culture focal points, libraries, and other gathering places

2020 ACHIEVEMENTS:

- Collaborated with internal and external partners as well as multiple sector groups to give pandemic-related support, guidance, and technical assistance. Specific sectors include schools, long-term care facilities, businesses and venues, restaurants, and others. In collaboration with the county's Commerce Department, over 8000 Care Kits were distributed through local Chambers of Commerce to local businesses. Care Kits included items such as signage, hand sanitizer, digital thermometers, and more.
- Developed (and distributed to key municipal and nonprofit staff) a one-page weekly data analysis of Norristown COVID-19 cases, positivity rate, and demographics so that all are informed and unified in an effort to bring down the number of cases in the county's most densely populated region.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Continued to pursue comprehensive planning efforts to guide future growth and development in our municipalities, including plan adoption in Upper Moreland, Lansdale, and Hatboro. New comprehensive plans were started in Lower Providence, Cheltenham, and Worcester.
- Began improvements to the Conshohocken SEPTA rail station. This project includes high level platforms, new station building, and an extension to Oak Street.

2021 IMPLEMENTATION:

- Continue to support the short-term needs of downtowns and businesses through the pandemic with Care Kits and grant funding as available.
- Continue the Ardmore SEPTA/Amtrak Station and Loop Improvement, with proposed completion in late 2022.
- Complete comprehensive plans for Upper Gwynedd, New Hanover, and Bridgeport.
- Continue to develop and distribute the one-page weekly data analysis of Norristown COVID-19 cases, positivity rate, and demographics so that all are informed and unified in an effort to bring down the number of cases in the county's most densely populated region.
- Continue to work closely with businesses and venues to give guidance and support regarding best practices during COVID-19.
- Use CDBG funds to support street improvements in Bridgeport, Cheltenham, East Greenville, Royersford, and Schwenksville, and sanitary sewer improvements in West Pottsgrove. CDBG funds will also be used to support accessibility improvements at a neighborhood park in Springfield.

SUSTAINABLE PLACES

Support a modern, resilient, green, and energy-efficient infrastructure network.

2020 ACHIEVEMENTS:

- Sponsored 6 household hazardous waste collection events and the campaign sign recycling program, as well as management of the recycling hotline and website. These are all actions outlined in the county's municipal waste management plan.
- Supported municipal Sol Smart work and explored solar power purchasing agreement options.
- Encouraged energy conservation, greenhouse gas reduction, and climate change resiliency in the ongoing justice center construction.

2021 IMPLEMENTATION:

- Coordinate, support, and promote the county's energy, resiliency, and sustainability program.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Continue to pursue a location and funding for a permanent recycling facility.
- Work with DVRPC on an analysis of disadvantaged populations and disproportionate flood and heat island impacts.

SUSTAINABLE PLACES

Improve stormwater management and reduce the impact of flooding.

2020 ACHIEVEMENTS:

- Facilitated the Wissahickon Creek Water Quality Improvement Plan process and the response to the EPA and DEP comments on the plan (to be completed in early 2021).
- Implemented the county's MS4 stormwater permit. This year, county staff created several maps to facilitate inspection and maintenance of facilities. The county also continued to meet with the in-house implementation committee to oversee MS4 activities.

2021 IMPLEMENTATION:

- Hold a Planning Smarter event to address how businesses and homeowners can tackle stormwater runoff on their own properties.
- Continue implementing the requirements of the county's MS4 permit.
- Continue facilitating the Wissahickon Creek TMDL planning process and see the plan through to adoption.
- Update the County Hazard Mitigation Plan

SUSTAINABLE PLACES

Conserve natural resources, environmentally-sensitive areas, and farmland.

2020 ACHIEVEMENTS:

- Formally assisted with the reopening (in conjunction with Upper Providence Township) of a segment of the Schuylkill River East Trail from Lock 60 to Upper Schuylkill Valley Park.
- Completed a challenging and scenic disc golf course at Green Lane Park and finalized campground improvements.
- Continued significant external mill and barn restorations at Sunrise Mill.
- Repaved Towpath Road that leads to Lock 60.
- Added a new ranger building at Lower Perkiomen Valley Park.
- Restored large Upper Schuylkill Valley Park historic barn; improved four animal exhibit spaces; and welcomed new animal residents.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Resurfaced (w/ stone) or paved problematic sections of the Perkiomen Trail (approximately 1 mile).
- Two historic houses were re-roofed with cedar shingles at the Norristown Farm Park.
- Nearing completion of design rehabilitation to Old Neiffer Road Bridge at Sunrise Mill and Bridge 99 (Perkiomen Trail bridge) near Green Lane Park.
- Preserved 6 farms under the county's Farmland Preservation Program. Over the last 30 years, the county has preserved more than 10,000 acres of farmland.
- Held two virtual agricultural education events on pasture management topics.
- Assisted Perkiomen Valley Trout Unlimited to install native riparian forest buffers along Perkiomen Creek as well as streambank stabilization and fish habitat improvements along the Hosensack Creek.
- Completed twelve riparian buffer enhancement projects across ten acres of land.
- Participated in spotted lanternfly control work and education through state grant funding.

2021 IMPLEMENTATION:

- Continue to leverage county and state funds to preserve new farms under the Farmland Preservation Program.
- Resume planning for the postponed 6th Keep Farming Conference, to be held in 2022.
- Finalize plans to develop a regional maintenance facility at Lower Perkiomen Valley Park.
- Improve access and parking at Norristown Farm Park while also rehabilitating the historical office building (milk house/barn).
- Implement Green Lane Park lake study recommendations to improve water quality while simultaneously commencing dam repairs.
- Restore portions of the interior of Sunrise Mill; commence Old Neiffer Road Bridge restoration; and repave the old internal road for improved access.
- Restore (portions) of Peter Wentz barn and restore house balcony.
- Add a permanent restroom facility to Upper Schuylkill Valley Park.
- Replace and improve kiosks that convey historic information about park sites.
- Continue to build capacity and expand partnerships to protect and improve local water quality.
- Continue outreach and education on spotted lanternfly control and eradication.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

SUSTAINABLE PLACES

Provide more opportunities for residents to exercise and have healthy lifestyles.

2020 ACHIEVEMENTS:

- Developed cross-sector COVID-19 guidance for the Montcopa.org website, Facebook page, and to support multiple stakeholder groups.
- Created messaging around COVID-19 precautions, testing, and flu immunizations with the cooperation of internal and external partners.
- Distributed approximately \$19 million in CARES Act funds from OCDEL to childcare providers in the county.
- Administered the Montco Cares Program Provider and Family grants to support Montgomery County families and child care providers during the COVID-19 pandemic. The Montco Cares Program will ensure the financial viability of child care centers in the county.
- Adapted prevention trainings to an online format, offering virtual task force meetings, and consulted with community partners in ways to continue their suicide prevention efforts throughout the year. Continued to partner with the Coroner's office to share real time data, to monitor the impact of the year's incredible challenges on suicide loss.
- Physical activity with a comprehensive walking program at the Elmwood Park Zoo through the Junior Inspector Program. In late August, an alternate version of the Junior Inspector Program was released using smart phones and QR codes so that zoo attendees could still learn and participate in the program.
- Continued the Montgomery County Trail Challenge with a goal of having more than 100 people complete all 15 trails, even though it didn't begin until August. As of November 18, 2020, 1,573 people registered and 173 people completed 5 trails, 79 completed 10 trails, and 2 people completed 15 trails.
- Implemented the Coordinated Approach to Child Health program (CATCH) at Eisenhower Technology and Leadership Academy in Norristown and will reach grades 5-8. So far, the CATCH team has representatives from food services, physical education, administration, classroom teachers, and support staff.
- Continued to serve those with Opioid Use Disorder (OUD) at Resources for Human Development, Montgomery County Recovery Center, currently serving 140 members. MCRC has expanded their outreach efforts into the community even throughout the pandemic.
- League of American Bicyclists awarded the Montgomery County government the bronze-level Bicycle Friendly Business status to the Courthouse and One Montgomery Plaza buildings.
- Built and released the Get Out And Go streets web app, which enables residents to find low stress streets for bicycling and exercising near their homes.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

2021 IMPLEMENTATION:

- Continue to create and share guidance and best practices to an array of stakeholders regarding COVID-19, including messaging for individuals and families.
- Continue to educate residents on COVID-19 testing and eventually COVID-19 immunizations and subsequent follow-up regarding quarantine and isolation.
- Continue, through community contact tracers, to educate persons who test positive about actions they should take to reduce COVID-19 transmission.
- Provide a series of trainings, through the Developmental Disabilities Council grant, for individuals and their caregivers regarding developing healthy relationships and understanding safe boundaries. There will be 8 individuals and families participating in the initial training series.
- Work to reduce the rate of suicide deaths in Montgomery County by conducting a minimum of two Questions, Persuade, and Refer (QPR) trainings by June 30, 2021.
- Increase safe physical activity and transportation through utilization of the Safe Routes to School Program with social media messaging.
- Deliver health and wellness programming to seniors through local senior centers as well as virtual events. Partner and advertise with municipalities to broaden our reach.
- Research and provide information on how to obtain technology, as well as educational opportunities for using technology, to decrease social isolation in our senior community.
- Support seniors facing depression through our Healthy Ideas program by connecting them with local behavioral health programs.
- Focus on employment opportunities for individuals with ID and or Autism with a special emphasis on return to work for individuals who became unemployed relative to COVID-19.
- Collaborate with community partners to continue adapting content and support options to virtual platforms, to allow increased connection to individuals and families unable to attend events in person and make real the promise of flexibility and creativity in how we connect with one another.
- Utilize data analysis to review the curriculum and implementation of the law enforcement Crisis Intervention Specialist training programming, ensuring that the school is employing best practices at the critical intersection of mental health crisis, public safety, and social justice.
- Support teachers and school personnel during the COVID pandemic. To that end, OMH in partnership with Access Services, will develop and provide a self-care training to help educators be resilient during the pandemic.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Sponsor training for staff who are supporting young children in the EI and MH systems and continue to work to increase behavioral health screenings for children aged 0-9 through the Elementary Student Assistance Program in order to connect children and families to resources and intervene early.
- Host virtual Crisis Planning trainings for mental health service providers throughout the county, with a special focus on training mobile services.
- Increase capacity for the veteran's shuttle services to take decorated combat veterans to medical providers, other than VA medical centers.

SUSTAINABLE PLACES

Support housing choices and opportunities to meet the needs of all people.

2020 ACHIEVEMENTS:

- Oversaw a 22% reduction in average shelter length of stay (from 92 days to 72 days) and a 54% reduction in average length of time for Rapid Re-Housing participants to find housing (from 92 days to 42 days).
- Provided 60 Housing Choice Vouchers to families with children experiencing homelessness in partnership with the Montgomery County Housing Authority.
- Began a Rapid Re-Housing program for survivors of domestic violence, dating violence, sexual assault, or stalking in collaboration with Laurel House.
- Provided 5,170 hotel bookings to 110 highly vulnerable individuals to decongest emergency shelters and provide critical health and safety during the COVID-19 pandemic.
- Launched an emergency rent program to serve the Hispanic/ Latino community experiencing housing instability or homelessness in partnership with ACLAMO.
- Launched a joint transitional housing and rapid re- housing program for unaccompanied youth experiencing homelessness in partnership with Valley Youth House.
- Launched an Alternate Care Isolation Site, in collaboration with other Health and Human Service offices, available to those experiencing homelessness who test positive for COVID-19.
- Launched the Your Way Home Emergency Rent & Utility Coalition (ERUC) to raise public and policymaker awareness of the needs of low-income and ALICE (Asset Limited, Income Constrained, Employed) families and individuals in the county on the brink of homelessness due to poverty caused by a health crisis, job loss, pay inequality, underemployment and/or systemic racism. So far, the ERUC program has distributed \$2,354,082 in emergency rent or utility assistance to 697 households impacted by COVID-19.
- Received a \$1.8 million grant from HUD for lead hazard abatement and healthy homes. Three units are projected to receive lead abatement through this grant by the end of the calendar year.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Completed closing and construction for the Susie Clemens House, 60 units of senior housing in Hatfield.

2021 IMPLEMENTATION:

- Continue lead abatement work with HUD grant funding for 10 additional units.
- Finalize a pilot project to provide housing and supportive services to individuals re-entering the community from the Montgomery County Correctional Facility.
- Launch The Sprout Initiative 2.0 in partnership with Norristown School District, which will provide housing stabilization services to students and their families experiencing homelessness.
- Plan strategies for providing housing support to students experiencing homelessness in partnership with Montgomery County Community College and Gwynedd Mercy University.
- Launch a new Community Based Care Management Program (CBCMP) with a focus on housing and partner with Your Way Home to expand the Rapid Re-Housing program. The focus will be on individuals who are psychiatrically admitted to inpatient and are homeless.
- Publish the Homes for All strategic plan and begin its implementation - a collaborative effort of several departments.
- Create an online municipal housing assessment tool to help local governments better understand housing affordability needs.

SUSTAINABLE PLACES

Enhance community character and protect neighborhoods.

2020 ACHIEVEMENTS:

- Engaged internal and external stakeholders to support the work of COVID-19 prevention and containment in their communities. Resident engagement and training will support the ongoing effort to reduce COVID-19 transmission and ultimately support a vaccination campaign.
- Develop and establish a recruitment, education, and training program for county employees that enables them to volunteer at Points of Dispensing and in response to other disasters.
- Completed four Community Development Block Grant municipal projects, which included curb ramp projects in Hatboro, Jenkintown, and West Conshohocken, and a street improvement project in Royersford. These projects provide accessible walkways for the community.
- Completed 3 home rehabs this year under the county's Owner-Occupied Rehab Program. There are an additional 3 rehabs in progress, and 2-3 to be started.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Activated the Emergency Operations Center (EOC) on March 8th to manage the COVID-19 pandemic and remained fully staffed for about three months, during which senior County officials, including the Board of Commissioners, oversaw the execution of the Pandemic Response Plan. Several new positions were created within the Department to support the response, including a Chief Medical Officer and Chief Science Officer.
- Completed the multi-year project to expand and upgrade the county's 700/800 MHz public safety radio system which will provide highly reliable voice, data, and paging communications capabilities for years to come.
- Coordinated the Countywide Records Management System (RMS) with 33 agencies participating (and room for more), including the District Attorney, county detectives, and Sheriff's Office. It provides an opportunity to share critical, standardized information among agencies. The county purchased the RMS and made it available, and the only cost to users is annual service fees.
- Continued to improve our opioid response program to address a rapid increase in overdoses. We dispense naloxone to municipal police departments and other agencies when supplies allow. In addition, a new innovative program, Community Paramedicine, will allow specially trained medics to proactively work to prevent overdoses and assist with COVID-19 testing and vaccine distribution.
- Oversaw training at the Tactical Response Training Center (TRTC), currently utilized by 43 of 50 municipal police departments in the county for free weapons training on a regular basis, discharging about one million rounds every year. Fifteen additional agencies, including state and federal law enforcement, regularly utilize the TRTC, for a fee.
- Added several new interfaces to our Computer Aided Dispatch (CAD) system, including a connection to PECO for instant notification in utility emergencies as well as to other Records Management Systems used by some agencies. This has significantly enhanced our interoperability goals.
- Increased our police training on de-escalation techniques in the face of increased civil unrest and have purchased upgraded firearms virtual reality/simulation training technology. We have converted space at the Public Safety Training Campus to house a firearms simulation prop ("shoot/don't shoot") that covers three sides of a standard classroom. This training is critical to helping officers correctly assess threats to themselves or others.

2021 IMPLEMENTATION:

- Implement the POD plan through the administration of the COVID-19 vaccine to county residents.
- Identify additional locations where CC can provide Navicate services at partner organizations in isolated and underserved areas all across the County.
- Continue to expand the Points of Dispensing program to include all post-acute healthcare facilities, major industry, higher and private education, and government sites in the county.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

- Partner with acute care hospitals and post-acute facilities in the county, continue to incorporate facilities into the Point of Dispensing Program, and encourage facilities to join their respective emergency support zones.
- Coordinate with the Office of Public Safety and the PA Department of Human Services, Division of Emergency Planning and Safety Operations to develop a FAST (Functional Assessment Service Team) which will include other HHS/county offices working with emergency responders to assess and refer people with access and functional needs to local resources during a disaster.
- Identify additional locations where Navicate services can be provided at partner organizations in isolated and underserved areas across the county.

VIBRANT ECONOMY

Improve transportation access to businesses.

2020 ACHIEVEMENTS:

- PennDOT completed construction to replace and widen the US 422 bridge over the Schuylkill River.
- The PA Turnpike Commission completed construction to widen the roadway from milepost 31 (Lansdale Interchange) north to milepost 35 (Creamery Road) along the Northeast Extension.
- Completed construction of Phase 3 of the Lafayette Street Extension Project, which finishes the county's portion of this project.

2021 IMPLEMENTATION:

- The PA Turnpike Commission will design the Lafayette Street highway interchange in an ongoing process.
- Begin construction on the 309 Connector Phase 2 Project.
- Advocate for improved turnpike interchanges per the recommendations of the Turnpike Corridor Reinvestment Study and its 2017 update.
- Complete the King of Prussia Rail Final Environmental Impact Statement and initiate the 30% design phase with SEPTA.
- Support enhancements to public transportation projects that improve quality of life and the attractiveness of communities to business and the workforce looking to locate here, such as the current projects at Willow Grove, Noble, Philmont and Conshohocken stations. Continue to support these efforts with a model transit-oriented development (TOD) zoning ordinance.
- Finish construction of a Pennsylvania Turnpike ramp at the Fort Washington Interchange to create direct access onto Commercial Drive in the Fort Washington Business Park.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

VIBRANT ECONOMY

Encourage development and transformative investment where infrastructure already exists.

2020 ACHIEVEMENTS:

- Continued construction on the new headquarters for AmerisourceBergen at SORA West in Conshohocken, which will shift 1,500 existing jobs and more than 500 new jobs into the county. This project received an \$8 million Redevelopment Assistance Capital Program (RACP) grant from the state in 2019.
- Other entities receiving RACP grants in 2020 include the Central Emergency Services Facility in Upper Providence, Arcadia University, Discovery Labs in Upper Merion, Einstein Medical/Moss Rehab in Cheltenham, the Jeffersonville Golf Club in West Norriton, Laurel House in Upper Gwynedd, and Collegeville's Perkiomen Bridge Hotel (among many others). Pottstown formed a land bank to help control and acquire blighted properties - with the goal of getting them back on the tax rolls.

2021 IMPLEMENTATION:

- Continue to support investments in roads, rails, and other existing infrastructure throughout the county and region.
- Engage in the study of one or more key economic development corridors in the region.
- Develop opportunities to further leverage investments in infrastructure with economic and workforce development programming.

VIBRANT ECONOMY

Attract and retain businesses and vital community assets.

2020 ACHIEVEMENTS:

- Launched the Montco Site Select Initiative, a multi-pronged approach to helping interested parties find suitable locations in the county.
- Selected the Sustainable Energy Fund as the Commercial Program Assessed Cleaning Energy Program, or C-PACE, program administrator for the county.
- Achieved the status of a Certified Economic Development Organization for the Pennsylvania Industrial Development Authority (PIDA) portfolio of economic development loan programs.
- Continued to assist the local workforce. In 2020, more than 800 job seekers registered for virtual employment workshops and recruitment events. The MontcoWorks*NOW program served 77 youth and young adults with career counselling, paid work experiences, internships, training, and high school equivalency programs. And the Employment, Advancement and Retention Network (EARN) program assisted 146 public assistance recipients (TANF and SNAP) through virtual career development, job search activities, and in-depth case management.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

2021 IMPLEMENTATION:

- Meet with county businesses to better understand their (and their workforce's) needs and issues.
- Improve capacity to assist businesses and consultants who make site selection inquiries.
- Continue commitment to meeting with local communities and organizations to provide information, insights, and assistance with economic and workforce development.
- Improve coordination with municipalities to ensure that entrepreneurs and businesses are able to quickly establish relationships and have the necessary information to start or expand a business.

VIBRANT ECONOMY

Flexibly adapt to changing market conditions and demographics.

2020 ACHIEVEMENTS:

- Developed and administered (through the Redevelopment Authority of Montgomery County) the MontcoStrong Small Business Grant Program and the MontcoStrong Non-Profit Restoration and Resiliency Grant Program. Approximately \$20,000,000 in grants were awarded to eligible small businesses and nonprofit entities.
- Continued our participation in the DVRPC Futures Group to discuss scenario planning (and our regional response) around issues like globalization, moving people and goods, and smart cities.
- Helped manage and support the Montgomery County Complete Count Committee including the production and translation of promotional materials for 2020 Census outreach activities.

2021 IMPLEMENTATION:

- Assist with local economic recovery with a grant program aimed at local restaurants.
- Continue to participate in and contribute to regional forums on economic opportunities and demographic changes.
- Evaluate the way data is distributed and publicized with the release of the 2020 Census.
- Create 2050 Long-Range Forecasts with DVRPC for population and employment.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY ACHIEVEMENTS
YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

VIBRANT ECONOMY

Facilitate the marketing of the County and its assets.

2020 ACHIEVEMENTS:

- Developed and released three bicycle tourism routes with the help of the Valley Forge Tourism and Convention Board. These routes include Homes and Gardens of the Main Line, Bridgeport Hills Will Test Your Cycling Skills, and a Valley Forge Tour.
- The Valley Forge Tourism and Convention Board launched the “Make It Main Street” campaign to underscore that there’s lots to enjoy close to home in the downtowns of Montgomery County.
- Through June of 2020, the county lost an estimated \$300 million in visitor spending (compared to the same time period in 2019). This includes hotel room spending, income from lost jobs, and tax revenue. However, many hotels took the opportunity to pivot towards renovations and by the end of this year, the county is anticipated to have 81 hotels and more than 9,400 hotel rooms available for occupancy.

2021 IMPLEMENTATION:

- Continue to grow the county’s share of the state’s tourism industry as the return of big events continues to draw visitors.
- Continue to work with the Valley Forge Tourism & Convention Bureau to promote the county’s regional sports facilities, bicycling amenities, and other attractions.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
OFFICIALS OF THE COUNTY OF MONTGOMERY
DECEMBER 31, 2020**

Effective January 2020

COUNTY COMMISSIONERS

Valerie A. Arkoosh, MD, MPH, Chair

Kenneth E. Lawrence Jr., Vice Chair

Joseph C. Gale, Commissioner

ROW OFFICERS

Clerk of Courts: Lori Schreiber

Controller: Karen Sanchez, Esquire

Coroner: Dr. Michael Milbourne

District Attorney: Kevin R Steele, Esquire

Jury Commissioners: Merry Woods
Joanne C. Olszewski

Prothonotary: Noah Marlier, Esquire

Recorder of Deeds: Jeanne Sorg

Register of Wills: D. Bruce Hanes, Esquire

Sheriff: Sean M. Kilkenny, Esquire

Treasurer: Jason E. Salus

ADMINISTRATION

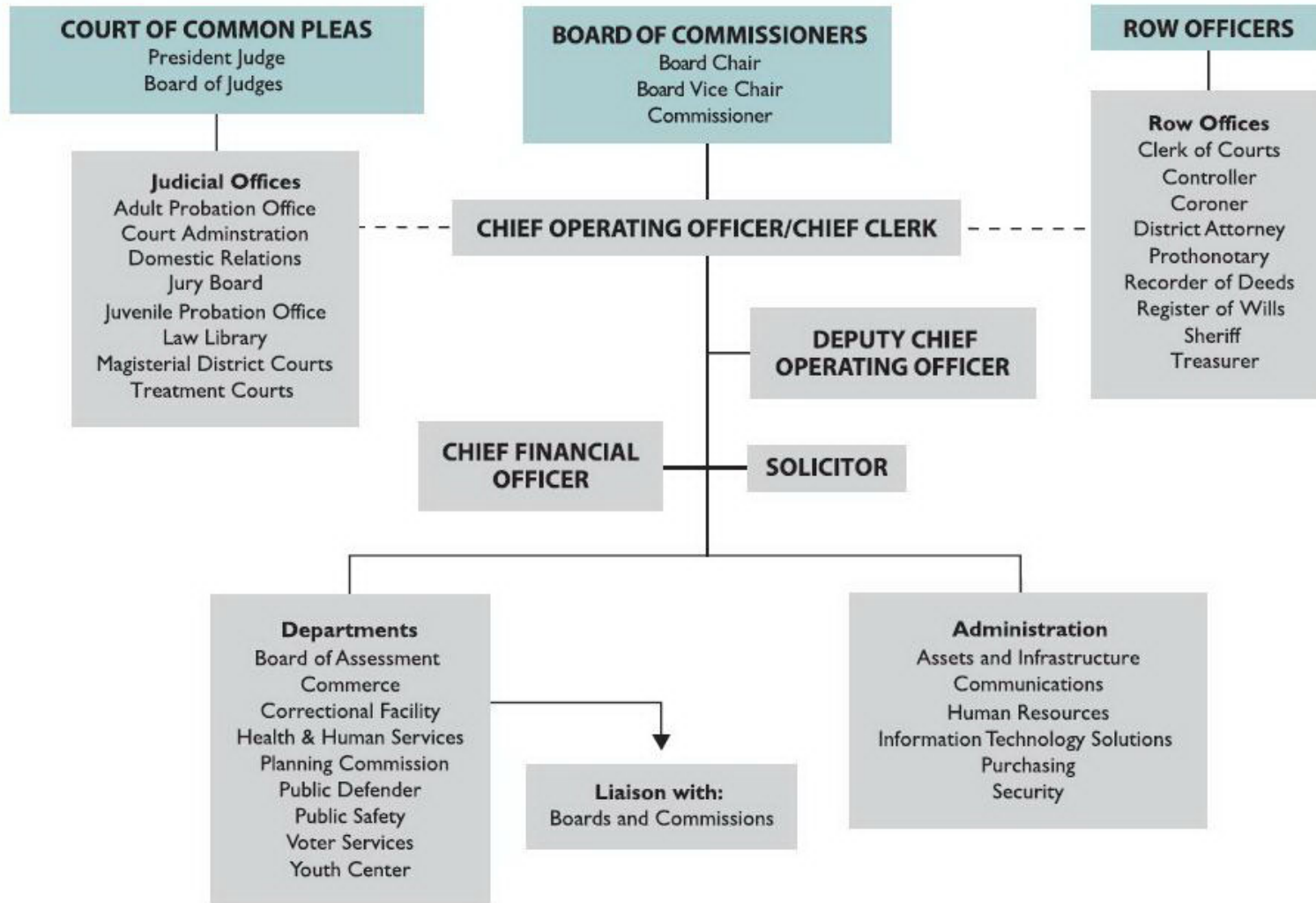
Chief Operating Officer/Chief Clerk: Lee A. Soltysiak

Chief Financial Officer: Dean J. Dortone

Solicitor: Joshua M. Stein, Esquire



MONTGOMERY COUNTY ORGANIZATIONAL CHART



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the Honorable Board of Commissioners
County of Montgomery, Pennsylvania
Norristown, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Montgomery, Pennsylvania (the County) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Montgomery County Community College, Valley Forge Tourism and Convention Board, Montgomery County – Norristown Public Library, Redevelopment Authority of the County of Montgomery, and the Montgomery County Transportation Authority (collectively the Discretely Presented Component Units), which collectively represent 100% of total assets, net position, and total revenues of the Discretely Presented Component Units. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Discretely Presented Component Units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Montgomery, Pennsylvania, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the financial statements, the County has adjusted its 2019 financial statements to retrospectively apply correction of errors related to understatement of liabilities on the government-wide financial statements, overstatement of fiduciary liabilities, understatement of amounts due from other governmental units, the omission of the Regional Task Force other governmental funds and an understatement of discretely presented component unit net position. Our opinion is not modified with respect to that matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the budgetary comparison information, the schedule of changes in the County's net pension liability and related ratios, schedule of County contributions, and schedule of pension plan investment returns be presented to supplement the basic 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 basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Montgomery, Pennsylvania's basic financial statements. The combining and individual nonmajor fund financial statements, the introductory section, and the statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Honorable Board of Commissioners
County of Montgomery, Pennsylvania

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Philadelphia, Pennsylvania
March 15, 2022

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

INTRODUCTION

Montgomery County's 2020 financial performance continues to show the successful implementation of its Comprehensive Plan (MONTCO 2040: A Shared Vision). This report provides accountability to the County's goals and objectives adopted by the County Board of Commissioners in 2015.

This section of the report includes an introduction to the basic financial statements for governments and our discussion and analysis of the County's financial performance during the fiscal year ended December 31, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the County's financial statements, which follow this section.

Management's Discussion and Analysis (MD&A) focuses on the current year's activities and the resulting changes in the County's financial position. Currently known facts, which may have a significant impact on the County's financial position now and in the foreseeable future, are also discussed.

The required elements of general purpose external financial reporting are:

- Management's Discussion and Analysis
- Basic Financial Statements
 - *Government-Wide Financial Statements*
 - *Fund Financial Statements*
 - *Component Units Financial Statements*
 - *Notes to the Basic Financial Statements*
- Required Supplementary Information (other than MD&A)

FINANCIAL HIGHLIGHTS

The following financial highlights are described in more detail in the analysis sections of the MD&A:

- The General Fund reported an ending unassigned fund balance of \$98.5 million, increased from \$92.4 million in 2019, reflecting a 6.6% increase and \$6.1 million operating gain in 2020.
- At the end of 2020, the unassigned fund balance of \$98.5 million in the General Fund represents 20.2% of total General Fund revenues.
- At the end of 2020, the nonspendable fund balance of \$0.9 million in the General Fund represents prepaid items and other assets.
- Government-wide revenues in 2020 increased \$146.3 million over 2019 revenues, and 2020 expenses increased \$71.0 million from 2019.
- Government-wide net position (assets and deferred outflow of resources minus liabilities and deferred inflows of resources) at the end of the year was \$36.1 million; an increase of \$79.8 million from 2019.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

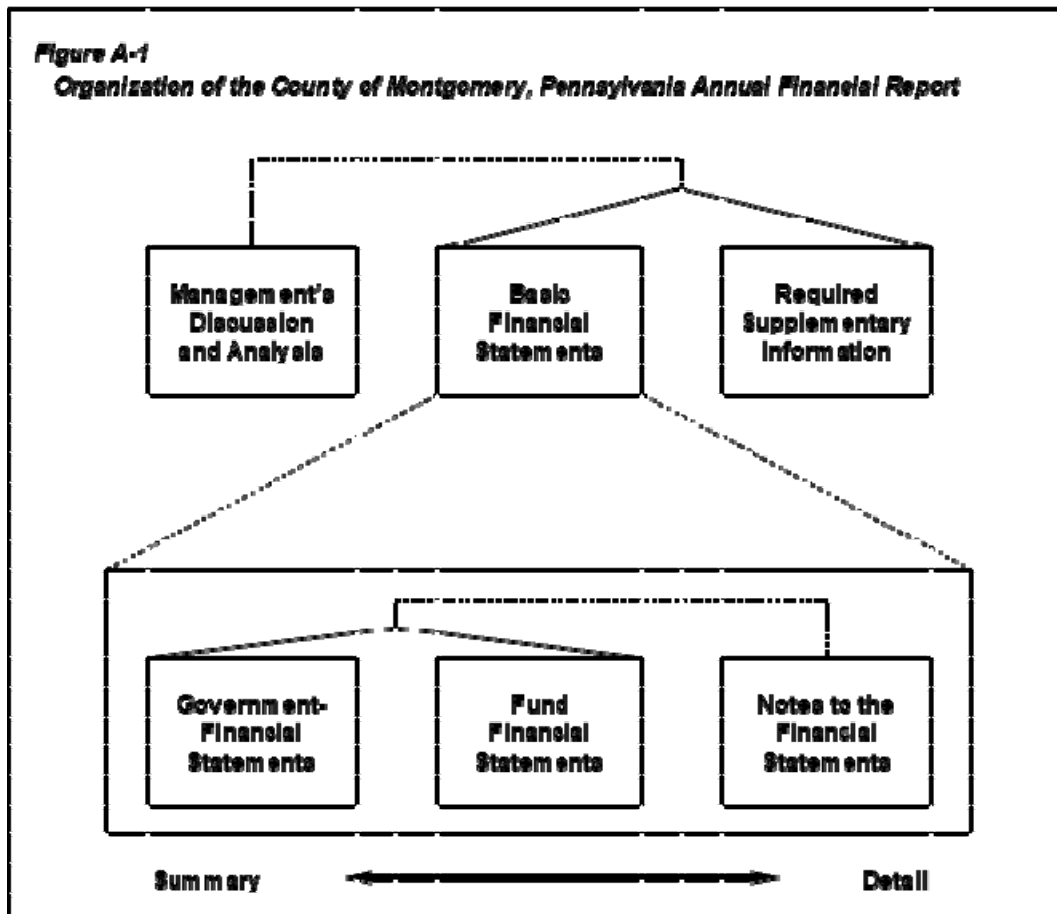
- Government-wide outstanding General Obligation Bonds and Notes Payable were \$448.7 million; a decrease of \$25.0 million or 5.3% from 2019.
- The net position held in trust for pension benefits as of December 31, 2020, was \$606.8 million, an increase of \$48.2 million or 8.6% from 2019.
- The County real property tax rate remained at 3.849 mills in 2020.

OVERVIEW OF THE FINANCIAL REPORT

The County's reporting entity is comprised of the primary government and its component units. Component units are legally separate organizations for which the County is financially accountable or for which there is a significant relationship.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the County's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.



**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Government-Wide Financial Statements

The government-wide financial statements provide information on governmental activities excluding fiduciary activities in a manner similar to the private sector. The statements are prepared using the accrual basis of accounting. Revenues and expenses are taken into account when earned or incurred regardless of when cash is received or paid, for example, uncollected taxes and earned but unused compensated absences.

Governmental activities are reported in a separate column for the primary government. The government-wide financial statements also include segregated information for entities known as component units. Component units are legally separate units for which the County has financial accountability. In 2020, the County had six component units--Montgomery County Community College, Valley Forge Tourism and Convention Board, Montgomery County-Norristown Public Library, Redevelopment Authority of the County of Montgomery, Montgomery County Transportation Authority, and the Employees' Retirement Trust.

The Statement of Net Position reports assets and liabilities, both current and noncurrent, and deferred outflows and inflows of resources, with the difference between these amounts reported as net position. Over time, increases or decreases in net position may serve as one indicator of whether the County's financial position is improving or deteriorating. Additionally, nonfinancial factors, such as changes in the real estate tax base or the condition of County facilities, should be considered to assess the overall financial condition of the County.

The Statement of Activities shows the extent to which program revenues offset the expenses of governmental activities. This is intended to summarize and simplify users' analysis of the cost of various governmental services and/or subsidy to activities. The statement also reports the change in net position as a result of the fiscal year's revenues and expenses. The governmental activities included in the statement reflect the County's basic services, including general administration, judicial administration, corrections, public safety, recreation, adult welfare, child welfare, general welfare, community development, roads and bridges services and interest on long-term debt.

Fund Financial Statements

A fund is a separate fiscal and accounting entity that is used to segregate sources and uses of funding for specific purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the County are divided into three categories--governmental, proprietary, and fiduciary. Each category is reported using the measurement focus and basis of accounting required for that category. In the fund financial statements, the focus is on major funds rather than the County as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation.

Governmental Funds – Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide Statement of Activities. However, unlike the government-wide statements, the Governmental Funds statements focus on current sources and uses of expendable resources and on the balance of expendable resources available at the end of the year.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Governmental Funds information helps the reader to determine whether there are more or fewer financial resources that can be spent in the near future to finance the County's programs. Because this information does not encompass the long-term focus of the government-wide financial statements, a reconciliation of the fund financial statements to the government-wide financial statements is presented immediately after the fund financial statements. For example, the fund financial statements will reflect bond proceeds as other financing sources and capital outlays and bond and note principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations into the governmental activities column in the government-wide statements, among other reconciling items.

The County maintains 38 individual Governmental Funds. Information is presented separately for the General Fund, the Health Choices Fund, the Federal Emergency Relief Fund, and the Capital Fund. These three funds have been identified as major funds based on minimum criteria set forth in Governmental Accounting Standards Board Statement No. 34 (GASB 34). Financial data for the remaining Governmental Funds is combined into a single, aggregated presentation labeled "Nonmajor Governmental Funds." Individual fund financial information for each of these nonmajor Governmental Funds is provided in the form of combining statements in the Supplementary Information section of the report.

Proprietary Funds – Proprietary Funds are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. The County maintains one type of Proprietary Fund that uses the accrual basis of accounting--internal service. Three Internal Service Funds, presented in a single, aggregated column in the Proprietary Fund statements, are used to account for, on a cost reimbursement basis, the provision of employee benefits, workers' compensation benefits and self-insurance to County departments. Although both the fund and government-wide financial statements provide a long-term and short-term focus, reconciliation is still required. This is due to the fact that the excess income or loss for Internal Service Funds has been redistributed to customers in the government-wide statements.

Fiduciary Funds – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. The County is responsible for ensuring that the assets of these funds are used for their intended purposes. The County is the trustee, or fiduciary, for the Employees' Retirement Fund and the McKinlay Trust Fund. Fiduciary activities are reported in a manner similar to Proprietary Funds in a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary Funds are excluded from the government-wide statements because the assets of these funds are not available to support the County's programs.

Notes to the Financial Statements

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes immediately follow the financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, the financial section includes Required Supplementary Information (RSI) and other supplementary information. These statements and schedules can be found immediately following the notes to the financial statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

FINANCIAL ANALYSIS OF THE COUNTY AS A WHOLE

The County is presenting its financial statements as required by the Government Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and MD&A – for State and Local Governments*. The Statement of Net Position and the Statement of Activities report information about the County as a whole and its activities to measure the results of the 2020 activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

For 2020, the government-wide net position increased \$79.8 million to \$36.1 million from (\$43.7) million in 2019. Net position is comprised of (\$27.5) million in net investment in capital assets, \$65.7 million restricted for various grant related purposes; and an unrestricted of (\$2.1) million.

The following table presents the County's change in net position for the years ended December 31, 2020 and 2019:

	Total Primary Government	
	<u>2020</u>	<u>2019</u>
ASSETS		
Current Assets and Other	\$ 316,635,814	\$ 257,835,213
Capital Assets	<u>405,709,376</u>	<u>366,485,753</u>
Total Assets	722,345,190	624,320,966
 DEFERRED OUTFLOWS OF RESOURCES		
Related to Pensions	<u>16,601,924</u>	<u>62,834,397</u>
Total Deferred Outflows of Resources	16,601,924	62,834,397
 LIABILITIES		
Current and Other Liabilities	150,810,099	52,253,354
Long-Term Liabilities	<u>509,275,319</u>	<u>596,263,840</u>
Total Liabilities	660,085,418	648,517,194
 DEFERRED INFLOWS OF RESOURCES		
Related to Pensions	<u>42,769,551</u>	<u>73,949,189</u>
Total Deferred Inflows of Resources	42,769,551	73,949,189
 NET POSITION		
Net Investment in Capital Assets	(27,520,717)	(70,066,676)
Restricted	65,697,415	55,298,028
Unrestricted	<u>(2,084,553)</u>	<u>(20,542,372)</u>
Total Net Position	<u>\$ 36,092,145</u>	<u>\$ (35,311,020)</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

	Total Primary Government	
	2020	2019
REVENUES		
Program Revenues:		
Charges for Services	\$ 83,486,327	\$ 82,618,426
Operating Grants and Contributions	479,387,179	337,859,471
Capital Grants and Contributions	7,772,533	6,676,329
General Revenues:		
Real Estate Taxes	231,893,880	230,714,946
Room Occupancy Tax	4,431,148	-
Grant and Contributions Not Restricted to Specific Programs	-	149,513
Investment Income	1,359,117	3,942,642
Miscellaneous	50,924	122,085
Total Revenues	808,381,108	662,083,412
EXPENSES		
General Administration	77,886,491	39,779,943
Judicial Administration	82,798,666	80,413,232
Corrections	73,104,810	75,899,407
Public Safety	37,522,670	23,207,757
History, Cultural Arts, and Recreation	21,768,983	8,371,619
Adult Welfare	18,756,142	21,516,953
Child Welfare	87,811,413	71,227,408
General Welfare	286,467,131	242,197,258
Community Development and Housing Roads, Bridges, Construction, and Reconstruction	20,540,852	43,572,329
Interest on Long-Term Debt	6,335,019	36,263,598
Total Expenses	15,555,000	14,997,951
CHANGE IN NET ASSETS	79,833,931	4,635,957
Net Position - Beginning	(35,311,020)	(45,471,694)
Prior Period Adjustment	(8,430,766)	5,624,717
Net Position - Beginning, As Restated	(43,741,786)	(39,846,977)
NET POSITION - ENDING	\$ 36,092,145	\$ (35,211,020)

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities Net Position

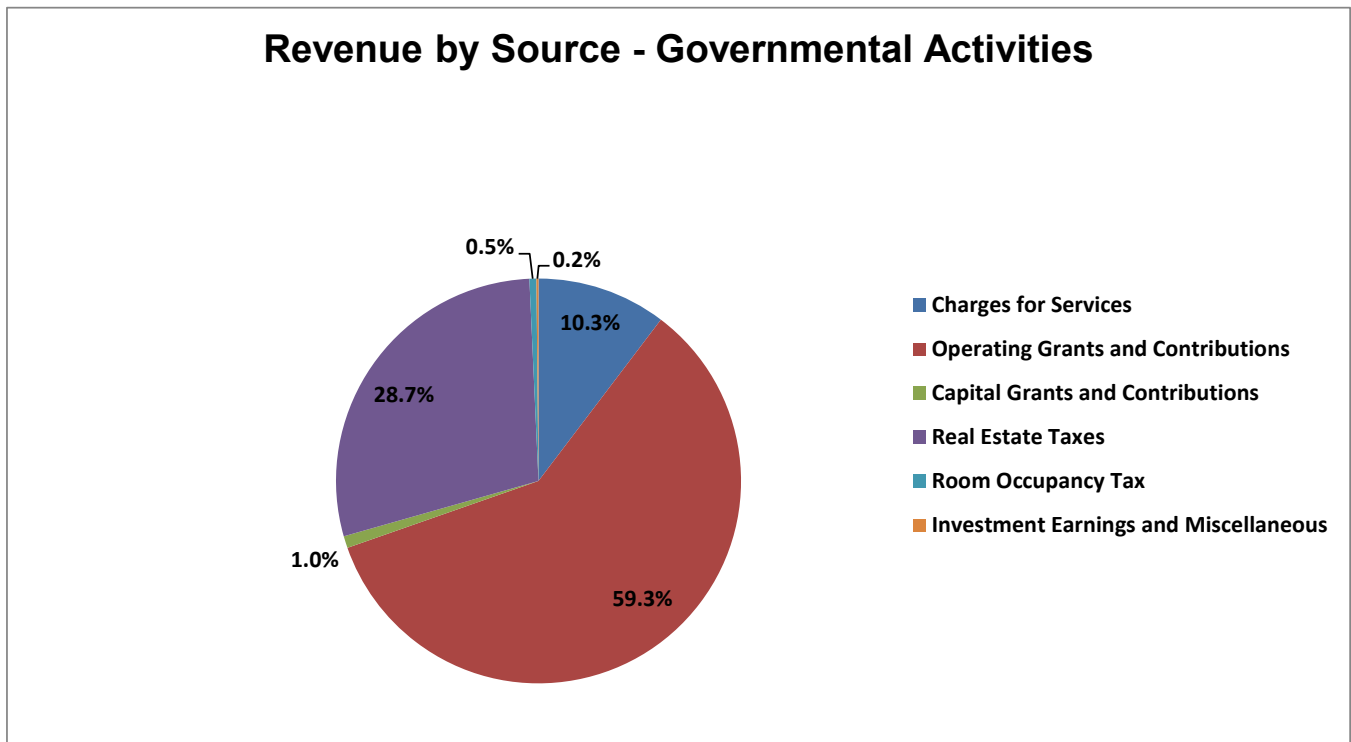
Total governmental activities net position was \$36.1 million, an increase of \$79.8 million from the prior year. Net position is a measure of the difference between all assets and deferred outflows of resources and all liabilities and deferred inflows of resources regardless of their potential relevance for near-term financing decisions. Net investment in capital assets was (\$27.5) million, an increase of \$42.5 million at year-end 2020.

Resources that are subject to various external restrictions on how they may be used in support of programs and services totaled \$65.7 million at the end of the year, an increase of \$10.4 million or 18.8% from the prior year.

Unrestricted governmental net position amounts to (\$2.1) million. Unrestricted net position is net position remaining after removing "net investment in capital assets" and "net position, restricted." Overall, net position increased by \$79.8 million. Cash and investments at year-end increased by \$41.8 million or 17.8% from the prior year and receivables and prepaid expenditures, in the aggregate, increased by \$17.0 million or 76.0% from the prior year. Accounts payables increased by \$20.6 million or 63.3% from the prior year.

Governmental Activities Revenues

Revenues for the County's governmental activities were \$808.4 million for the year ended December 31, 2020. The following chart shows the percentage composition of revenues by source:



**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Operating grants and contributions are the largest source of governmental activities revenues. The 2020 operating grants and contributions revenue of \$479.4 million is 59.3% of total revenues, an increase of \$141.5 million from 2019. This revenue source is primarily represented by human services federal and state grant funding. Included in human services is Health Choices revenue, which is 32.4% of the total and is designated a major fund for financial reporting. Health Choices received \$155.1 million in operating grants, a decrease of \$3.7 million or 2.3% as compared to 2019. In addition, \$113.6 million of direct Federal CARES Act revenue was realized in 2020 and represents 23.7% of the total operating grants revenue.

Real estate taxes comprise the next largest revenue source at \$231.9 million, or 28.7% of governmental revenues. For budget year 2020, the real estate tax millage rate was 3.459 mills per \$1,000 of assessed property for the General Fund operating budget and 0.39 mills for the Montgomery County Community College dedicated funding source. The County's operating real estate tax millage rate remained unchanged in 2020 (from 2019) at 3.459 mills and the third consecutive year, since 2017, without a real estate tax millage rate increase.

For budget year 2017, the County established a new dedicated real estate tax millage rate (0.39 mills) to provide annual funding to the Montgomery County Community College (MCCC) for operational and capital expenditures. The revenues and expenditures are accounted for in the Montgomery County Community College Tax Fund. In 2020, the fund received \$23.5 million of real estate tax revenue, an increase of \$0.3 million compared to 2019. The MCCC real estate tax millage rate remained unchanged in 2020 (from 2019) at 0.39 mills

In addition, the County real estate assessment base experienced a moderate 0.64% natural growth increase in 2020. This increased the assessment base to \$61.100 billion from \$60.700 billion in 2019, adding \$400 million of new real estate base assessment or approximately \$1.3 million of new County real estate tax revenue and \$147,000 for MCCC in 2020. The County's overall estimated market value is estimated at \$136.662 billion, the third largest in the Commonwealth of Pennsylvania, behind the City of Philadelphia and Alleghany County (includes the City of Pittsburgh).

Charges for services amounted to 10.3% of governmental activities funding sources. Charges for services include fees, fines, licenses, permits, and commissions for certain fees collected by County Row Officers on behalf of the Commonwealth of Pennsylvania. Charges for services were \$83.5 million, a moderate increase of \$0.9 million or 1.1% from the prior year. In 2017, the County implemented a new five-dollar Motor Vehicle Registration Fee (MVRF) to fund ongoing road and bridge capital improvements. The MVRF provided \$3.8 million of revenue in 2020 as compared to \$3.9 million in 2019; a decrease of \$0.1 million or 2.4%. Fee revenue received from the Commonwealth of Pennsylvania for emergency communication operations is \$2.1 million higher at \$16.4 million as compared to 2019. Departmental earnings across the organization, including the Row Offices decreased to \$45.8 million or \$3.6 million lower as compared to 2019. This is primarily attributed to fee revenue relating to the County's judicial system and limited operations during the COVID-19 pandemic period of 2020.

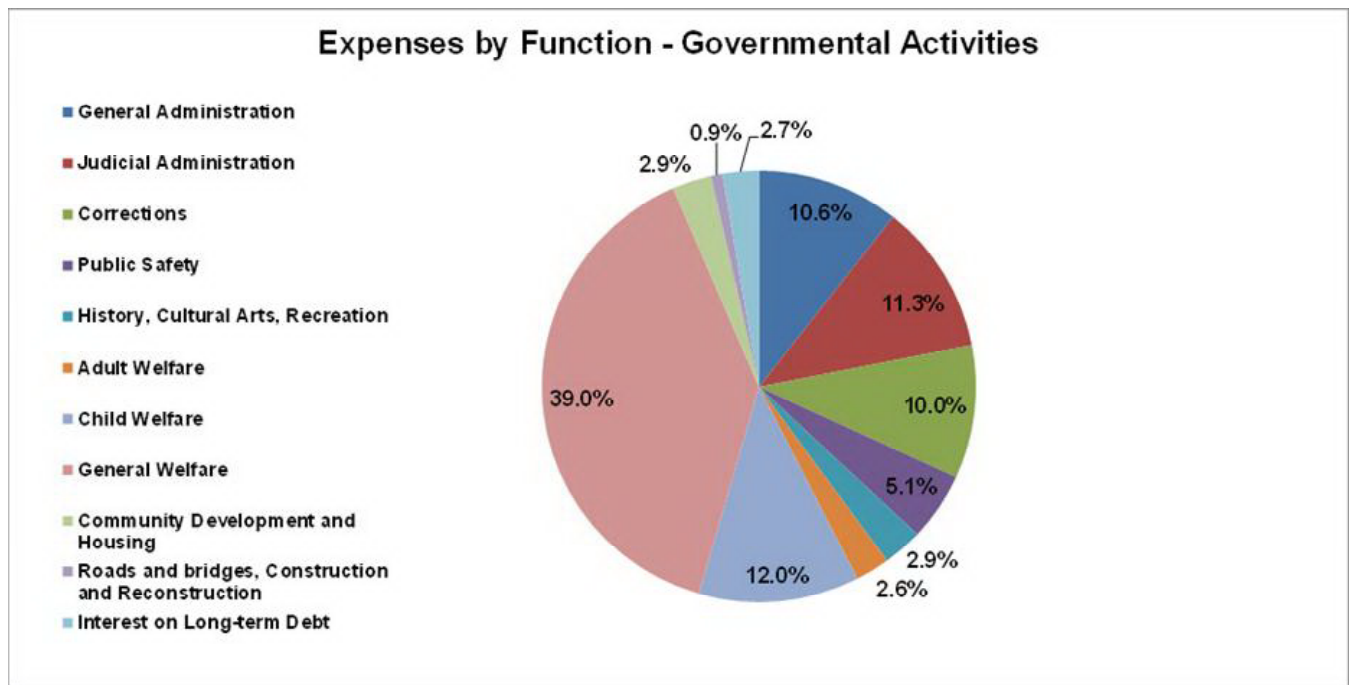
The combination of investment earnings and miscellaneous income amounted to \$1.4 million; a decrease of \$2.7 million from 2019. With the Federal Reserve reducing short-term interest rates to 0.25% (Mar 2020) from 1.5% (Oct 2019); the County's investment income increased significantly in 2020 compared to 2019.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Capital grants and contributions totaled \$7.8 million and were used for various parks and recreation, open space, roads and bridges and County infrastructure programs. This revenue fluctuates annually with funding received from the federal and state governments. As compared to 2019, capital grants and contributions increased \$1.1 million or 16.4%.

Government Activities Expenses

Expenses for governmental activities, excluding community development, roads and bridges and interest expense totaled \$686.1 million, an increase of \$123.5 million or 21.9% from 2019. The following chart shows the percentage composition of expenditures by function:



Human services programs, with cost totaling \$393.0 million, comprised 53.6% of governmental activities expense, an increase of \$58.1 million or 17.3% from 2019. The majority of the funding is received from the Federal Government and Commonwealth of Pennsylvania Department of Human Services and passed through to providers of services from the County. In 2020, the County received new one-time grant funding to manage the COVID-19 pandemic. These expenditures cover a broad range of services, with the largest being health and welfare, including general health, behavioral health, intellectually disability, drug and alcohol, children, youth and family services and aging programs.

Judicial government is comprised of the Court of Common Pleas, the minor judiciary, child support enforcement, and row offices that provide services to the courts. Expenses were \$82.8 million, or 11.3% of the total; an increase of \$2.4 million or 3.0% from the 2019.

General government expenses for the administration of County government were \$77.9 million and represent 10.6% of the total, an increase of \$38.1 million or 95.8% from the prior year.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Correctional expenses were \$73.1 million or 10.0% of the total, a decrease of \$2.8 million or 3.7% from the prior year. Corrections programs include costs for the prison, adult probation, and juvenile probation services. The 2020 expenses include personnel and operating cost increases.

Public safety includes emergency management, operations of the enhanced 9-1-1 communications center, hazardous materials response, and emergency medical services. Expenses totaled \$37.5 million or 5.1% of the total, an increase of \$14.3 million or 61.7% from the prior year.

History, culture arts and recreation expenses which include parks and recreational activities, as well as County historic sites totaled \$21.8 million or 3.0% of total expenses, an increase of \$13.4 million or 160.0% from the prior year.

The remaining balance of program expenses, \$42.4 million, were for community development, roads and bridges reconstruction and interest on long-term debt, a decrease of \$52.5 million or 55.3% from the prior year.

Net Cost of Governmental Activities

Total expenses for 2020 were \$728.5 million. Those who benefited paid \$83.5 million in charges for governmental services. Intergovernmental operating and capital grants subsidized \$487.2 million for certain programs. Net cost of services provided was \$157.9 million, a decrease of \$72.5 million or 31.5% from 2019.

FUNDS FINANCIAL ANALYSIS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The accounting focus of the County's Governmental Funds is to provide information on near term inflows, outflows and balances of expendable resources. Such information is valuable in assessing the County's financing requirements. The governmental funds are comprised of the General Fund, Health Choices Fund, Federal Emergency Relief Fund, Capital Fund and various other Nonmajor Governmental Funds. For the year ended December 31, 2020, Montgomery County Governmental Funds reported combined ending fund balances of \$197.2 million, a decrease of \$1.2 million or 0.6% from 2019. In particular, unassigned fund balances serve as a useful measure of a government's net resources available for spending at the end of the year. Unassigned fund balances decreased \$15.1 million to \$76.9 million, from \$92.0 million in 2019.

The financial results as shown in the governmental funds demonstrate the County's accountability to its major initiatives in the areas of economic development, public safety, human services, higher education, and transportation.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

- In 2020, the County aggressively continued the Five-Year Capital Improvement Program (2020 – 2023) to enhance its County owned bridges, maintain 75 miles of roadway and improve traffic signalization. This supports the County transportation goal of modernizing the network of roads and bridges, improving access to businesses, and enhancing the quality of the transportation system by increasing road connectivity, upgrading traffic signal technology, and eliminating bottlenecks. In 2019, the County issued General Obligation bonds Series A in the amount of \$42.3 million and Series B, \$12.4 million to fund the Capital Improvement Program in 2019 and 2020. The annual debt service will be paid solely through General Fund for Series A and the Liquid Fuels Vehicle Registration Fee Fund for Series B.
- In 2020, the County's dedicated funding source (0.39 real estate tax millage rate) to the Montgomery County Community College increased to \$23.5 million or \$0.3 million higher as compared to 2019. This funding support of higher education aligns with the County's goal of workforce development and business development.
- In 2020, the County continued its investment in public safety with the ongoing capital funding of the County wide radio system upgrade and funding for public safety 911 operations.
- In 2020, the County continued its planning and design for a new Justice Center. Construction of this facility is anticipated to commence in the second quarter of 2022.

General Fund

The General Fund is the primary operating fund of Montgomery County. At the end of 2020, the unassigned fund balance of the General Fund was \$98.4 million, an increase of \$6.1 million from the prior year. This change in fund balance is the net result of expenditures exceeding revenue by \$8.3 million, \$50.3 million in net revenue transferred in from other funds, \$0.8 million in net revenue transferred to other funds and the assignment of \$35.0 million for future General Fund expenditures (Pension, Debt Service and COVID-19 Recovery).

One measure of the County's financial strength is the level of cash reserves for contingencies. The County's new fund balance policy of maintaining a minimum reserve amount equal to 15 percent of the General Fund revenues provides added safeguards against a volatile economy, unfunded legislated mandates, and unforeseen emergency events. The General Fund unassigned fund balance was \$98.4 million, representing 20.2% of total General Fund revenues at year-end 2020. Other fund balance amounts, totaling \$35.9 million, have been dedicated in the General fund. These amounts are reported as nonspendable prepaid expenses and assigned fund balance.

Health Choices Fund

The Health Choices Fund is a special revenue fund used to account for the Medical Assistance Program (Medicaid or MA). Medicaid is a federal and state program which provides payment of medical expenses for eligible persons who meet income or other criteria. At the end of 2020, the fund balance of the Health Choices Fund was \$27.7 million, an increase of \$0.4 million or 1.5% from the prior year. The fund balance is one hundred percent restricted for Medicaid benefits provided by subcontractors and administered by Human Health Services for the County. Revenues totaling \$155.2 million in 2020, decreased \$4.1 million or 2.6%. Expenditures totaling \$154.8 million, decreased \$16.6 million or 9.7% as compared to the prior year. Revenue and expenditures fluctuate annually depending on number of qualified participants receiving benefits.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

Capital Fund

The Capital Fund is used to account for various capital projects contained in the County's Five-Year Capital Improvement Program. At the end of 2020, the fund balance is (\$17.6) million representing a decrease of \$41.1 million from the previous year. Expenditures totaling \$56.9 million, increased \$28.8 million or 102.4% as compared to the prior year. This is primarily attributed to the ongoing construction and improvement of County buildings, bridges, infrastructure, land, and the acquisition of vehicles and equipment, which fluctuates annually with the commencement and completion of capital projects. In 2019, the County issued \$42.3 million of General Obligation Bonds (Series A of 2019) and \$12.4 million (Series B of 2019) to fund the County's ongoing capital improvement plan in 2019 and 2020.

Federal Emergency Relief

The Federal Emergency Relief Fund is used to account for COVID-19 related federal grants and is a new fund in fiscal year 2020. At the end of 2020, the fund balance is \$0.5 million. Expenditures totaled \$61.0 million and revenue totaled \$114.1 million. Transfers out totaled \$52.6 million and were funds transferred to the general fund for expenditures incurred on the general fund related to the COVID-19 grants.

Proprietary Funds

The County maintains three governmental-type Internal Service Proprietary Funds: Medical Self-Insurance Fund, Workers' Compensation Fund and General Liability and Property Damage Fund. Governmental activity Internal Service Funds are reported in the aggregate within the fund financial statements. In the government-wide statements, these costs are allocated to governmental activities.

Internal Service Funds

Net position of the Internal Service Funds as of December 31, 2020, was \$10.7 million, an increase of \$0.7 million or 0.7% from the prior year. In 2020, the Medical Self-Insurance Fund had \$31.5 million in claims, a decrease of \$1.0 million compared to the prior year. The Workers' Compensation Fund had \$0.9 million in claims, a decrease of \$0.3 million or 23.4% compared the prior year.

General Fund Budgetary Highlights

The budgetary process starts with the preparation of requested budgets for the upcoming year being submitted by each of the County's departments and agencies. After the requests are reviewed by the Chief Financial Officer and the Senior Management budget review team, a proposed budget is presented in November of each year, at which time the public is notified that the budget is available for inspection. After the inspection period and one public hearing, but prior to year-end, the Commissioners adopt the final budget.

After the budget is adopted, no department or agency may exceed its allocations without the approval of the Commissioners, who may not grant such approval if funds are not available.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

The County's adopted 2020 General Fund budget included total revenues of \$419.5 million and total expenditures of \$426.2 million and net revenues in excess of expenditures of \$6.7 million before other financing uses of \$2.3 million. For the year ended December 31, 2020, the General Fund budget remained unchanged from the adopted amounts. Financial performance of the General Fund in 2020 was positive when compared to budget. Actual revenues of \$436.3 million were higher than budgetary levels by approximately \$16.8 million or 3.9%, while the County expenditures, including transfer out of \$0.8 million were \$16.9 million or 4.0% higher compared to the budgeted expenditures.

The revenue performance was primarily attributed to additional grant revenue received in 2021 totaling \$26.0 million and 17.2% higher as compared to budget. Real estate taxes, comprising \$207.5 million or 47.6% of total revenues were \$2.4 million lower than the budget. As a result of the COVID-19 pandemic negative impact on operations, departmental earnings were \$5.6 million or 10.9% lower than budget. With the Federal Reserve decreasing the short-term interest rates in 2020, investment income was \$1.2 million or 61.9% lower as compared to budget.

Overall expenditures were \$16.9 million higher than the 2020 Budget. This is primarily attributed to \$17.7 million of higher expenditures in Child Welfare, directly offset by grant revenue. In 2020, the Commonwealth of Pennsylvania provided pass-through Federal funding to assist over 400 certified child care centers through the County. In addition, the County implemented a Rent Utility Assistance program, increasing community development and housing. This resulted in \$5.7 million of higher expenditures. Budgetary savings were realized in judicial administration (\$4.9 million) and corrections (\$2.1 million).

Overall, the adopted 2020 General Fund budget included an \$8.9 million structural deficit and planned drawdown of unassigned fund balance. However, positive budgetary performance resulted in a net operating surplus of \$41.3 million or \$50.2 million higher as compared to budget. In 2020, the County real estate tax rate for General Fund operations was 3.459 mills, unchanged from the previous year. Real estate related taxes are the County's primary source of General Fund revenues and represented 47.6% or \$207.5 million of the total actual revenues in 2020. Grant revenue was \$177.1 million or 40.6% of the total General Fund revenues and departmental earnings were \$45.8 million or 10.5%.

In 2017, the County implemented a new dedicated real estate tax millage (0.39 mills) to provide annual funding to the Montgomery County Community College (MCCC). The real estate tax revenue is accounted for in a separate special revenue fund and transferred out to MCCC throughout the fiscal year. In 2020, the revenue totaled \$23.5 million, which was accounted for in the MCCC Tax Fund and provided to MCCC to fund operational and capital expenditures.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's investment in capital assets as of December 31, 2020, net of accumulated depreciation; amounted to \$405.7 million the following table summarizes the County's investment in capital assets.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

	Total Primary Government	
	2020	2019
Land	\$ 20,825,160	\$ 20,825,160
Land Improvements	27,493,248	28,337,393
Building and Improvements	127,932,344	133,395,317
Artifacts	17,695,165	17,695,165
Equipment and Furniture	16,321,690	15,008,852
Infrastructure	79,667,862	77,212,613
Vehicles	2,235,799	1,287,717
Construction In Progress	113,538,108	72,723,536
Total	\$ 405,709,376	\$ 366,485,753

The increase in total capital assets of \$54.8 million or 9.3% is primarily due to additions in construction in progress, equipment and furniture, infrastructure, vehicles, buildings, and land improvements of \$40.8 million, \$6.2 million, \$4.8 million, \$1.4 million, \$1.1 million, and \$0.4 million respectively. The total capital assets increase of \$54.8 million was offset by the increase in accumulated depreciation of \$15.6 million, resulting in a net increase in capital of \$39.2 million or 10.7% as compared to 2019.

Major Capital Asset Additions

This year's major County capital expenditures included the following:

- As part of the County's ongoing road resurfacing and bridge program, approximately \$14.9 million was expended on resurfacing and reconstruction of roadways and renovation of bridges throughout the County
- The County continued the planning and design for a new Justice Center and the exterior renovation of the One Montgomery Plaza office building at a cost of approximately \$11.9 million
- The County expended \$5.2 million for renovations and improvements to the parks, trail system and cultural sites
- Enhancements were made to the County's Public Safety radio and technology systems and completed at a cost of \$2.6 million
- The County expended \$1.6 million to enhance the County's information technology systems

Long-Term Debt

The Commonwealth of Pennsylvania Local Government Unit Debt Act governs the amount of general obligation bonded indebtedness incurred by the County. Under this Act, the County can legally incur nonelectoral debt equal to 300% of its borrowing base. The borrowing base is calculated as one third of total revenues for the past three years minus certain statutory deductions.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

As of December 31, 2020, the County has outstanding debt of \$437.5 million or approximately 27.7% of the maximum \$1.504 billion as permitted by law. This amount represents 0.4% of the total assessed taxable property value as of the end of the year. Total debt decreased \$25.0 million or 5.3% from the prior year. Additional detailed information on the County's long-term debt can be found in the accompanying independent auditors' report Note 6 Long-Term Obligations.

	Total Primary Government	
	2020	2019
General Obligation Bonds	\$ 361,435,000	\$ 386,450,000
General Obligation Notes	33,650,000	41,517,420
Premiums on Bonds	42,419,796	45,732,789
Total Bonded Debt	\$ 437,504,796	\$ 473,700,209

In 2021, Moody's Investors Service reaffirmed the County's credit rating Aaa (Stable Outlook). This is the highest rating attainable from Moody's Investors Service and reflects the strong financial management, low debt burden, above average wealth indicators and the sizable and diverse tax base of the County. The County's strong management practices, adhering to fiscal policies, multi-year budgeting and long-term capital planning have consistently been recognized by Moody's Investors Service.

This confirms the rating agencies' confidence in the County's financial management and its economic outlook. The County is a select group of just over one hundred counties in the United States that have Aaa ratings from one of largest national rating agency. This rating means the County's general obligation bonds and notes are considered excellent investment quality, allowing the County to borrow at the lowest possible interest rates, which translates to tangible savings for the County taxpayers.

ECONOMIC FACTORS AND 2021 BUDGET

- In 2018, 2019 and 2020 the County Board of Commissioners maintained a real estate millage rate at 3.459 mills for the County operating budget and 0.39 mills for the Montgomery County Community College dedicated funding. The 2021 Budget includes a real estate tax millage rate increase to 3.632 mills with the Montgomery County Community College real estate tax millage remaining at 0.39 mills (unchanged since established in 2017).
- The 2021 General Fund Budget includes \$454.9 million of revenue; \$35.4 million or 8.4% higher than 2020 and \$461.6 million of expenditures; \$33.2 million or 7.7% higher than 2020.
- The 2021 General Fund Budget includes a \$6.7 million planned structural drawdown of fund balance reserves.
- In 2021, the real estate tax assessment base increased to \$61.5 billion from \$61.1 billion, adding approximately \$0.4 million to the real estate tax assessment base.
- The County had an unemployment rate of 3.0% as of December 2021 in comparison to the Commonwealth of Pennsylvania (5.4%) and United States (3.9%).

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2020**

- In 2021, the County received \$161 million of direct American Rescue Plan Act (ARPA) funding. The County established a Recovery Office to oversee the ARPA funding and is in the process of developing a strategic spending plan that complies with treasury eligible uses and other federal requirements.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors, customers, and creditors with a general overview of Montgomery County's finances and to demonstrate the County's accountability for the money it receives. Questions regarding this report or requests for additional financial information should be directed to Karen Sanchez, Esq., Controller, One Montgomery Plaza, Suite 508, PO Box 311, Norristown, PA 19404-0311, or visit the County's website at www.montcopa.org.

BASIC FINANCIAL STATEMENTS

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF NET POSITION
DECEMBER 31, 2020

	Primary Governmental Activities	Component Units
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 168,408,666	\$ 48,877,269
Investments	108,839,891	50,436,989
Accounts Receivable	14,371,672	2,974,206
Taxes Receivable, Net	6,504,678	-
Notes Receivable	-	15,506,531
Interest Receivable on Investments	-	826,038
Due from Other Governmental Units	17,582,725	2,973,243
Prepaid Items and Other Assets	928,182	1,966,249
Inventory	-	25,239
Deposit with Bond Trustee	-	12,852,520
Total Current Assets	316,635,814	136,438,284
NONCURRENT ASSETS		
Capital Assets:		
Nondepreciated Assets	152,058,433	32,102,221
Depreciated Assets, Net	253,650,943	131,153,965
Total Noncurrent Assets	405,709,376	163,256,186
Total Assets	722,345,190	299,694,470
DEFERRED OUTFLOWS OF RESOURCES		
Loss on Bond Refunding	-	1,374,899
Amount Related to OPEB	-	7,757,262
Amount related to Pension	16,601,924	966,195
Program Grants and Contracts	-	150,000
Total Deferred Outflows of Resources	16,601,924	10,248,356
Total Assets and Deferred Outflows of Resources	738,947,114	309,942,826

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2020**

	Primary Governmental Activities	Component Units
CURRENT LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 53,291,491	\$ 15,772,366
Unearned Revenues	38,547,117	4,618,911
Due to Other Governmental Units	7,747,408	830,563
Held for Specified Purpose	5,840,101	-
Accrued Interest	5,763,318	-
Current Portion of Capital Lease Obligation	-	572,133
Current Portion of Compensated Absences	2,067,633	-
Current Portion of OPEB Liability	-	615,940
Current Portion Nonexchange Financial Guarantee	1,009,000	-
Current Portion of Bonds and Notes Payable	36,544,031	8,097,719
Total Current Liabilities	150,810,099	30,507,632
NONCURRENT LIABILITIES		
Capital Lease Obligation, Less Current Portion	-	9,278,253
Compensated Absences, Less Current Portion	14,265,534	254,120
Settlements Payable	500,000	-
Net Pension Liability	83,324,020	3,545,577
OPEB Liability	-	79,883,799
Nonexchange Financial Guarantee	10,225,000	-
Bonds and Notes Payable	400,960,765	88,153,853
Total Noncurrent Liabilities	509,275,319	181,115,602
 Total Liabilities	 660,085,418	 211,623,234
DEFERRED INFLOWS OF RESOURCES		
Incremental Tax Revenues	-	1,060,097
Program Grants and Contracts	-	7,568,073
Amount Related to OPEB	-	2,026,212
Amount Related to Pensions	42,769,551	806,491
Total Deferred Inflows of Resources	42,769,551	11,460,873
NET POSITION		
Net Investment in Capital Assets	(27,520,717)	84,889,155
Restricted for:		
Special Programs	28,236,985	-
Capital Projects	23,144,983	15,987,288
Emergency Communications and Planning	6,968,293	-
Records Improvement	2,568,184	-
District Attorney	2,294,275	-
Other	2,484,695	-
Unrestricted	(2,084,553)	(14,017,724)
 Total Net Position	 \$ 36,092,145	 \$ 86,858,719

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Units
PRIMARY GOVERNMENT						
Governmental Activities:						
General Administration	\$ 77,886,491	\$ 15,161,117	\$ 920,406	\$ -	\$ (61,804,968)	\$ -
Judicial Administration	82,798,666	27,901,130	11,723,066	-	(43,174,470)	-
Corrections	73,104,810	7,396,889	14,484,284	-	(51,223,637)	-
Public Safety	37,522,670	21,990,298	678,194	-	(14,854,178)	-
History, Cultural Arts, and Recreation	21,768,983	801,469	2,470,564	-	(18,496,950)	-
Adult Welfare	18,756,142	2,037,066	26,594,890	-	9,875,814	-
Child Welfare	87,811,413	542,661	82,508,409	-	(4,760,343)	-
General Welfare	286,467,131	2,896,976	327,945,202	-	44,375,047	-
Community Development and Housing	20,540,852	1,486,057	9,010,291	-	(10,044,504)	-
Roads and Bridges, Construction, and Reconstruction	6,335,019	3,272,664	3,051,873	7,772,533	7,762,051	-
Interest on Long-Term Debt	15,555,000	-	-	-	(15,555,000)	-
Total Primary Government	<u>\$ 728,547,177</u>	<u>\$ 83,486,327</u>	<u>\$ 479,387,179</u>	<u>\$ 7,772,533</u>	(157,901,138)	-
COMPONENT UNITS						
Montgomery County Community College	\$ 107,643,277	\$ 39,304,610	\$ 21,606,365	\$ 11,024,298	-	(35,708,004)
Valley Forge Convention and Visitors Bureau, Ltd.	5,187,053	91,635	310,000	-	-	(4,785,418)
Montgomery County - Norristown Public Library	5,285,984	49,417	11,956	-	-	(5,224,611)
Redevelopment Authority of the County of Montgomery	29,053,548	331,050	29,634,057	-	-	911,559
Montgomery Country Transportation Authority	977,412	-	1,014,520	-	-	37,108
Total Component Units	<u>\$ 148,147,274</u>	<u>\$ 39,776,712</u>	<u>\$ 52,576,898</u>	<u>\$ 11,024,298</u>	(157,901,138)	(44,769,366)
GENERAL REVENUES						
Taxes:						
Real Estate Taxes, Net					231,893,880	-
Room Occupancy Tax					4,431,148	3,899,867
Local Appropriations					-	19,810,591
State Appropriations					-	21,624,147
Earnings on Investments					1,359,117	2,536,235
Miscellaneous					50,924	2,434,816
Total General Revenues					<u>237,735,069</u>	<u>50,305,656</u>
CHANGE IN NET POSITION						
Net Position - Beginning of Year - As Previously Reported					(35,311,020)	67,942,304
Prior Period Adjustment					(8,430,766)	13,380,125
Net Position - Beginning of Year - As Restated					<u>(43,741,786)</u>	<u>81,322,429</u>
NET POSITION - END OF YEAR					<u>\$ 36,092,145</u>	<u>\$ 86,858,719</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General Fund	Health Choices Fund	Federal Emergency Relief Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 48,593,941	\$ 37,787,633	\$ 24,045,566	\$ 3,805,429	\$ 52,469,566	\$ 166,702,135
Investments	31,164,221	-	64,260,530	1,885	13,360,565	108,787,201
Accounts Receivable, Net	12,329,798	-	-	-	2,041,874	14,371,672
Taxes Receivable	5,866,814	-	-	-	637,864	6,504,678
Due From:						
Other Funds	59,288,502	-	-	-	4,171,211	63,459,713
Other Governmental Units	7,478,245	-	-	-	10,104,480	17,582,725
Prepaid Items and Other Assets	928,182	-	-	-	-	928,182
Total Assets	<u>\$ 165,649,703</u>	<u>\$ 37,787,633</u>	<u>\$ 88,306,096</u>	<u>\$ 3,807,314</u>	<u>\$ 82,785,560</u>	<u>\$ 378,336,306</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable and Accrued Expenses	\$ 25,201,622	\$ 9,129,434	\$ 3,086,947	\$ 7,944,859	\$ 4,238,160	\$ 49,601,022
Due to Other Funds:						
Other Funds	88,805	925,461	53,316,901	13,437,032	8,677,090	76,445,289
Other Governmental Units	-	-	-	-	7,385,560	7,385,560
Held for Specified Purposes	-	-	-	-	5,840,101	5,840,101
Unearned Revenue	3,027,473	-	31,398,001	-	4,121,643	38,547,117
Total Liabilities	<u>28,317,900</u>	<u>10,054,895</u>	<u>87,801,849</u>	<u>21,381,891</u>	<u>30,262,554</u>	<u>177,819,089</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenues and Property Taxes	2,955,713	-	-	-	330,230	3,285,943
FUND BALANCES						
Nonspendable:						
Prepaid Items and Other Assets	928,182	-	-	-	-	928,182
Restricted:						
Special Programs	-	27,732,738	504,247	-	-	28,236,985
Capital Projects	-	-	-	3,807,314	-	3,807,314
Reported in Nonmajor Special Revenue Funds	-	-	-	-	37,460,430	37,460,430
Reported in Nonmajor Capital Project Funds	-	-	-	-	6,710,900	6,710,900
Assigned:						
Reported in Nonmajor Capital Project Funds	-	-	-	-	8,175,945	8,175,945
Pension Contributions	5,000,000	-	-	-	-	5,000,000
Debt Service Expenditures	20,000,000	-	-	-	-	20,000,000
COVID-19 Recovery Initiatives	10,000,000	-	-	-	-	10,000,000
Unassigned	98,447,908	-	-	(21,381,891)	(154,499)	76,911,518
Total Fund Balances	<u>134,376,090</u>	<u>27,732,738</u>	<u>504,247</u>	<u>(17,574,577)</u>	<u>52,192,776</u>	<u>197,231,274</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 165,649,703</u>	<u>\$ 37,787,633</u>	<u>\$ 88,306,096</u>	<u>\$ 3,807,314</u>	<u>\$ 82,785,560</u>	<u>\$ 378,336,306</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE NET POSITION OF GOVERNMENTAL ACTIVITIES
DECEMBER 31, 2020**

Fund Balances - Total Governmental Funds \$ 197,231,274

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

Internal Service Funds are used by management to charge the cost of insurance services to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities on the statement of net position. 10,692,480

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Land	20,825,160
Construction	113,538,108
Artifacts	17,695,165
Land Improvements, Net of \$14,106,473 Accumulated Depreciation	27,493,248
Buildings and Improvements, Net of \$116,829,646 Accumulated Depreciation	127,932,344
Equipment and Furniture, Net of \$77,392,999 Accumulated Depreciation	16,321,690
Vehicles, Net of \$801,873 Accumulated Depreciation	2,235,799
Infrastructure, Net of \$31,635,825 Accumulated Depreciation	79,667,862
Net Capital Assets	405,709,376

Property taxes and notes receivable will be collected after year-end, but are not available soon enough to pay for the current period expenditures and, therefore, are reported as unavailable revenue in the funds. 3,285,943

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. (26,167,627)

Long-term liabilities applicable to the County's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at December 31, 2020 are:

Accrued Interest	(5,763,318)
Bonds and Notes Payable	(437,504,796)
Settlements Payable	(500,000)
Net Pension Liability	(83,324,020)
Compensated Absences	(16,333,167)
Total Long-Term Liabilities	(543,425,301)

Net Position of Governmental Activities \$ 47,326,145

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General Fund	Health Choices Fund	Federal Emergency Relief Fund	Capital Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Real Estate Taxes, Net:						
Current Year	\$ 203,022,842	\$ -	\$ -	\$ -	\$ 23,503,221	\$ 226,526,063
Prior Years and Liened Taxes	4,467,915	-	-	-	-	4,467,915
Total Taxes	<u>207,490,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,503,221</u>	<u>230,993,978</u>
Grants and Entitlements	177,073,936	155,101,008	113,590,259	2,561,691	38,584,285	486,911,179
Departmental Earnings	45,829,277	-	-	-	-	45,829,277
District Justices	1,806,419	-	-	-	-	1,806,419
Investment Income	743,440	101,541	272,270	108,594	133,273	1,359,118
Fees	4,597	-	-	-	23,377,906	23,382,503
Fines and Forfeits	136,213	-	-	-	-	136,213
Other	3,239,702	-	231,977	5,267,678	8,323,163	17,062,520
Total Revenues	<u>436,324,341</u>	<u>155,202,549</u>	<u>114,094,506</u>	<u>7,937,963</u>	<u>93,921,848</u>	<u>807,481,207</u>
EXPENDITURES						
Current:						
General Administration	50,376,551	-	-	-	-	50,376,551
Judicial Administration	74,078,418	-	-	-	4,902,856	78,981,274
Corrections	69,631,361	-	-	-	-	69,631,361
Public Safety	6,842,049	-	-	-	16,658,116	23,500,165
History, Cultural Arts, and Recreation	6,457,376	-	-	-	-	6,457,376
Adult Welfare	18,702,348	-	-	-	-	18,702,348
Child Welfare	86,957,464	-	-	-	-	86,957,464
General Welfare	71,217,459	154,807,627	60,960,530	-	-	286,985,616
Community Development and Housing	7,030,684	-	-	-	11,421,269	18,451,953
Roads and Bridges, Construction and Reconstruction	178,895	-	-	-	1,457,255	1,636,150
Insurance	1,512,404	-	-	-	-	1,512,404
Debt Service:						
Principal	30,178,500	-	-	-	1,892,713	32,071,213
Interest	15,697,478	-	-	-	629,594	16,327,072
Operational Costs	-	-	-	-	13,921	13,921
Capital Outlay	-	-	-	56,914,163	6,348,859	63,263,022
Other	5,731,027	-	-	-	47,834,431	53,565,458
Total Expenditures	<u>444,592,014</u>	<u>154,807,627</u>	<u>60,960,530</u>	<u>56,914,163</u>	<u>91,159,014</u>	<u>808,433,348</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(8,267,673)	394,922	53,133,976	(48,976,200)	2,762,834	(952,141)
OTHER FINANCING SOURCES (USES)						
Transfers In	50,308,928	18,126	-	8,421,589	3,458,228	62,206,871
Transfers Out	(769,227)	-	(52,629,729)	(507,725)	(8,510,588)	(62,417,269)
Total Other Financing Sources (Uses)	<u>49,539,701</u>	<u>18,126</u>	<u>(52,629,729)</u>	<u>7,913,864</u>	<u>(5,052,360)</u>	<u>(210,398)</u>
NET CHANGE IN FUND BALANCES	41,272,028	413,048	504,247	(41,062,336)	(2,289,526)	(1,162,539)
Fund Balances - Beginning of Year						
- As Previously Reported	93,104,062	27,319,690	-	23,487,759	50,690,068	194,601,579
Prior Period Adjustment	-	-	-	-	3,792,234	3,792,234
Fund Balances - Beginning of Year - As Restated	<u>93,104,062</u>	<u>27,319,690</u>	<u>-</u>	<u>23,487,759</u>	<u>54,482,302</u>	<u>198,393,813</u>
FUND BALANCES - END OF YEAR	<u>\$ 134,376,090</u>	<u>\$ 27,732,738</u>	<u>\$ 504,247</u>	<u>\$ (17,574,577)</u>	<u>\$ 52,192,776</u>	<u>\$ 197,231,274</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

Net Change in Fund Balances - Total Governmental Funds \$ (1,162,539)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$54,834,635) exceeds depreciation (\$15,611,012) in the current period. 39,223,623

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Principal Repayments 32,882,420

Property taxes collected after year-end are not considered available revenues in the governmental funds. Unearned revenues increased by this amount during the year. 899,901

Repayment of principal is revenue on the governmental funds but reduces the asset in the statement of net position. (2,597,420)

Internal service funds are consolidated with the governmental activities, and the net income in the funds is eliminated by decreasing expenditures. 676,052

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due rather than as it accrues. This adjustment combines the net changes of long-term obligations.

Accrued Interest on Bonds (1,743,708)

Deferred Amounts, Premiums 3,312,993

Compensated Absences (3,988,917)

Combined Adjustment (2,419,632)

Governmental Funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. 11,342,526

Change in Net Position of Governmental Activities \$ 78,844,931

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	<u>Internal Service Funds</u>
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 1,706,531
Investments	52,690
Due from Other Funds	<u>12,988,229</u>
Total Assets	<u>14,747,450</u>
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Expenses	2,924,759
Due to Other Funds	2,653
Reserve for Claims	<u>1,127,558</u>
Total Liabilities	<u>4,054,970</u>
NET POSITION	
Unrestricted	<u><u>\$ 10,692,480</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	<u>Internal Service Funds</u>
OPERATING REVENUES	
Charges for Services	\$ 32,910,524
OPERATING EXPENSES	
Claims	<u>32,423,275</u>
OPERATING INCOME	487,249
NONOPERATING REVENUES (EXPENSES)	
Investment Income	1,257
Transfers In	210,398
Other	<u>(22,852)</u>
Total Nonoperating Revenues (Expenses)	<u>188,803</u>
CHANGE IN NET POSITION	676,052
Net Position - Beginning of Year	<u>10,016,428</u>
NET POSITION - END OF YEAR	<u><u>\$ 10,692,480</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	<u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Charges for Services	\$ 32,910,524
Payments to Suppliers	<u>(32,351,875)</u>
Net Cash Provided by Operating Activities	558,649
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advances to Other Funds, Net	(442,911)
Other	<u>(22,852)</u>
Net Cash Used by Noncapital Financing Activities	(465,763)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments, Net	(367)
Investment Income	<u>1,257</u>
Net Cash Provided by Investing Activities	<u>890</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	93,776
Cash and Cash Equivalents - Beginning of Year	<u>1,612,755</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,706,531</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating Income	\$ 487,249
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
Accounts Payable and Accrued Expenses	315,558
Reserve for Claims	<u>(244,158)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 558,649</u></u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2020**

	<u>Employees' Retirement Trust Fund</u>	<u>Emmeretta McKinlay Trust Fund</u>	<u>Custodial Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,741,706	\$ 79,590	\$ 17,153,210
Investments:			
Mutual Funds	597,330,285	-	2,036,910
Pooled, Common, and Collective Funds	6,239,317	-	-
Agency Tax/Interest Receivables	-	-	12,012,738
Accounts Receivable	26	-	305,917
Total Assets	<u>607,311,334</u>	<u>79,590</u>	<u>31,508,775</u>
LIABILITIES			
Accounts Payable	546,582	-	1,007,869
Held for Escrows	-	-	30,494
Due to:			
Taxing Authorities	-	-	12,013,473
Other Governmental Units	-	-	77,157
Total Liabilities	<u>546,582</u>	<u>-</u>	<u>13,128,993</u>
NET POSITION			
Restricted for Benefits and Other Purposes	606,764,752	79,590	-
Restricted for Custodial Purposes	<u>-</u>	<u>-</u>	<u>18,379,782</u>
Total Net Position	<u>\$ 606,764,752</u>	<u>\$ 79,590</u>	<u>\$ 18,379,782</u>

See accompanying Notes to Basic Financial Statements.

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Employees' Retirement Trust Fund	Emmeretta McKinlay Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
County	\$ 13,731,498	\$ -	\$ -
Members' Contributions	9,007,960	-	-
Other	9,865	-	-
Total Contributions	<u>22,749,323</u>	<u>-</u>	<u>-</u>
Investment Income, Net:			
Interest and Dividends	12,023,642	-	2,055,478
Investment Expense	(377,042)	-	-
Net Appreciation in Fair Value of Investments	57,196,824	-	-
Total Investment Income, Net	<u>68,843,424</u>	<u>-</u>	<u>2,055,478</u>
Grants and Entitlements	-	-	1,600
Real Estate Tax Collections	-	-	33,184,551
Fine and Cost Collections	-	-	3,660,457
Inmate Collections	-	-	3,647,859
Other Additions	-	-	21,087
Total Additions	<u>91,592,747</u>	<u>-</u>	<u>42,571,032</u>
DEDUCTIONS			
Benefit Payments to Retired Plan Participants	40,972,529	-	-
Benefit Payments to Designated Beneficiaries	847,902	-	-
Refund of Contributions and Interest	1,242,660	-	-
Administrative Expenses	296,490	-	-
Payments of Real Estate Tax	-	-	30,800,389
Payments of Fines and Costs	-	-	2,818,667
Payments of Inmate Funds	-	-	3,789,491
Other Deductions	-	-	243,332
Total Deductions	<u>43,359,581</u>	<u>-</u>	<u>37,651,879</u>
CHANGE IN NET POSITION	48,233,166	-	4,919,153
Net Position - Beginning of Year,			
As Previously Reported	558,531,586	79,590	8,877,156
Prior Period Adjustment	-	-	4,583,473
Net Position - Beginning of Year, As Restated	<u>558,531,586</u>	<u>79,590</u>	<u>13,460,629</u>
NET POSITION - END OF YEAR	<u>\$ 606,764,752</u>	<u>\$ 79,590</u>	<u>\$ 18,379,782</u>

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
DECEMBER 31, 2020 OR JUNE 30, 2020**

	June 30, 2020		December 31, 2020			Total Component Units
	Montgomery County Community College	Valley Forge Tourism and Convention Board	Montgomery County - Norristown Public Library	Redevelopment Authority of the County of Montgomery	Montgomery County Transportation Authority	
ASSETS						
Cash and Cash Equivalents	\$ 35,089,444	\$ 3,813,839	\$ 3,690,143	\$ 5,922,933	\$ 360,910	\$ 48,877,269
Investments	50,283,297	-	-	153,692	-	50,436,989
Accounts Receivable, Net of Allowance for Uncollectible Accounts (\$1,500,000 for Montgomery County Community College)	2,189,543	528,103	23,954	100,297	-	2,841,897
Pledges Receivable, Net of Discount and Allowance for Doubtful Collection	132,309	-	-	-	-	132,309
Notes and Loans Receivable	-	-	-	14,759,947	746,584	15,506,531
Interest Receivable on Investments	131,048	-	-	694,990	-	826,038
Due from Other Governmental Units	1,956,150	-	-	-	1,017,093	2,973,243
Prepaid Expenses and Other Assets	1,760,547	159,015	26,793	16,016	-	1,962,371
Inventory	25,239	-	-	-	-	25,239
Deposits with Bond Trustee	12,852,520	-	-	-	-	12,852,520
Beneficial Interest in Charitable Remainder Trust	3,878	-	-	-	-	3,878
Capital Assets, Net of Accumulated Depreciation	159,413,444	251,526	982,428	2,608,788	-	163,256,186
Total Assets	263,837,419	4,752,483	4,723,318	24,256,663	2,124,587	299,694,470
DEFERRED OUTFLOWS OF RESOURCES						
Loss on Bond Refunding	1,374,899	-	-	-	-	1,374,899
OPEB	7,757,262	-	-	-	-	7,757,262
Pension	966,195	-	-	-	-	966,195
Program Grants and Contracts	-	-	-	150,000	-	150,000
Total Deferred Outflows of Resources	10,098,356	-	-	150,000	-	10,248,356
LIABILITIES						
Accounts Payable and Accrued Expenses	12,252,602	340,364	61,025	3,118,375	-	15,772,366
Unearned Revenues	3,923,848	67,073	627,990	-	-	4,618,911
Due to Other Governmental Units	-	-	16,614	-	813,949	830,563
Long-Term Liabilities:						
Portion Due or Payable Within One Year:						
Bonds and Notes Payable	6,785,498	228,744	-	1,083,477	-	8,097,719
Capital Lease Obligation	572,133	-	-	-	-	572,133
OPEB Liability	615,940	-	-	-	-	615,940
Portion Due or Payable After One Year:						
Bonds and Notes Payable	79,914,097	379,598	-	7,860,158	-	88,153,853
Capital Lease Obligation	9,278,253	-	-	-	-	9,278,253
Net Pension Liability	3,545,577	-	-	-	-	3,545,577
OPEB Liability	79,883,799	-	-	-	-	79,883,799
Compensated Absences	-	-	254,120	-	-	254,120
Total Liabilities	196,771,747	1,015,779	959,749	12,062,010	813,949	211,623,234
DEFERRED INFLOWS OF RESOURCES						
Incremental Tax Revenues	-	-	-	1,060,097	-	1,060,097
Program Grants and Contracts	-	-	-	7,568,073	-	7,568,073
OPEB	2,026,212	-	-	-	-	2,026,212
Related to Pensions	806,491	-	-	-	-	806,491
Total Deferred Inflows of Resources	2,832,703	-	-	8,628,170	-	11,460,873
NET POSITION						
Net Investment in Capital Assets	75,715,983	-	982,428	8,190,744	-	84,889,155
Restricted for Other Purposes	15,890,460	-	96,828	-	-	15,987,288
Unrestricted	(17,275,118)	3,736,704	2,684,313	(4,474,261)	1,310,638	(14,017,724)
Total Net Position	\$ 74,331,325	\$ 3,736,704	\$ 3,763,569	\$ 3,716,483	\$ 1,310,638	\$ 86,858,719

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF ACTIVITIES
COMPONENT UNITS
YEARS ENDED DECEMBER 31, 2020 OR JUNE 30, 2020**

	Program Revenues			Net (Expenses) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	June 30, 2020	December 31, 2020				
					Montgomery County Community College	Valley Forge Tourism and Convention Board	Montgomery County - Norristown Public Library	Redevelopment Authority of the County of Montgomery	Montgomery County Transportation Authority	Totals
COMPONENT UNITS										
Montgomery County Community College:										
Business-Type Activities	\$ 107,643,277	\$ 39,304,610	\$ 21,606,365	\$ 11,024,298	\$ (35,708,004)	\$ -	\$ -	\$ -	\$ -	\$ (35,708,004)
Valley Forge Tourism and Convention Board	5,187,053	91,635	310,000	-	-	(4,785,418)	-	-	-	(4,785,418)
Montgomery County-Norristown Public Library	5,285,984	49,417	11,956	-	-	-	(5,224,611)	-	-	(5,224,611)
Redevelopment Authority of the County of Montgomery	29,053,548	331,050	29,634,057	-	-	-	-	911,559	-	911,559
Montgomery County Transportation Authority	977,412	-	1,014,520	-	-	-	-	-	37,108	37,108
Total Component Units	\$ 148,147,274	\$ 39,776,712	\$ 52,576,898	\$ 11,024,298	\$ (35,708,004)	(4,785,418)	(5,224,611)	911,559	37,108	(9,061,362)
GENERAL REVENUES										
Room Occupancy Tax					-	3,899,867	-	-	-	3,899,867
Local Appropriations					17,117,887	-	2,692,704	-	-	19,810,591
State Appropriations					19,991,401	-	1,632,746	-	-	21,624,147
Earnings on Investments					2,399,955	29,533	30,238	70,068	6,441	2,536,235
Miscellaneous					882,523	7,014	1,544,479	-	800	2,434,816
Total General Revenues					40,391,766	3,936,414	5,900,167	70,068	7,241	50,305,656
CHANGE IN NET POSITION					4,683,762	(849,004)	675,556	981,627	44,349	5,536,290
Net Position - Beginning of Year										
- As Previously Reported					56,267,438	4,585,708	3,088,013	2,734,856	1,266,289	67,942,304
Prior Period Adjustment					13,380,125	-	-	-	-	13,380,125
Fund Balances - Beginning of Year										
- As Restated					69,647,563	4,585,708	3,088,013	2,734,856	1,266,289	81,322,429
NET POSITION - END OF YEAR					\$ 74,331,325	\$ 3,736,704	\$ 3,763,569	\$ 3,716,483	\$ 1,310,638	\$ 86,858,719

See accompanying Notes to Basic Financial Statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The County of Montgomery, Pennsylvania (the County) is located in Southeastern Pennsylvania, to the west of the City of Philadelphia. The County was founded in 1784 and operates under an elected, three-member Board of Commissioners. The County provides services in many areas to its 828,000 residents, including various general governmental services, public safety, health and welfare and community enrichment programs.

The financial statements of the County of Montgomery, Pennsylvania include the accounts of all County operations. The County's major operations include administrative and judicial general government, corrections, civil defense and health and welfare. In addition, the County owns and operates the Montgomery County Correctional Facility.

A. Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements present the County of Montgomery (the primary government) and its component units. The component units (discussed below) are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

Consistent with the guidance contained in Governmental Accounting Standards Board (GASB) Statement No. 61, as amended, the criteria used by the County to evaluate the possible inclusion of related entities (authorities, boards, councils, and similar entities) within its reporting entity are: legally separate, financial accountability, misleading to exclude and the nature and significance of other considerations.

The County is governed by a three-member Board of Commissioners. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance part of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

B. Blended Component Unit

The Employees' Retirement Trust Fund is a single-employer defined benefit pension plan that covers all employees of the County. Although the plan is a separate legal entity it is reported as if it is part of the government as it is governed by a board comprised of members appointed by the Board of Commissioners of the County and the County is responsible for funding the plan. The plan is reported as a fiduciary fund and does not issue separate financial statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Discretely Presented Component Units

The component units presented in the government-wide financial statements include the financial data of the County's component units. They are reported in separate columns to emphasize that they are legally separate from the County.

Montgomery County Community College

The "Community College" was established under the Community College Act of 1963. It provides two-year collegiate experience for citizens within the local area who would benefit from higher education. The County real estate tax levy includes millage for the purpose of providing annual appropriations to the Community College. The members of the Community College Board are appointed by the Board of Commissioners and a significant financial relationship exists between the County and the Community College.

Valley Forge Tourism and Convention Board

The "Board" was organized in 1963 by the County and functions as a nonprofit membership sales and marketing organization which promotes the Valley Forge area and Montgomery County as a convention site and leisure visitor destination. The Board acts as an official third-party administrator for Montgomery County. Funding for the Board's activities is provided by a 4% Montgomery County hotel room occupancy tax and membership dues.

Montgomery County-Norristown Public Library

The "Library" was established to promote library service in the County. The County annually provides significant operating and capital appropriations to the Library. The County owns the Library's facilities. Upon dissolution of the Library system, all assets would be distributed to the County.

Redevelopment Authority of the County of Montgomery

The "Authority" was incorporated under the Urban Redevelopment Law of the Commonwealth of Pennsylvania, Act No. 385, passed May 24, 1945. The Commissioners of the County appoint the Authority's five-member board of directors and the County has a potential financial benefit or burden from the activities of the Redevelopment Authority. Additionally, the County has guaranteed the variable rate demand Parking Revenue Bonds, Series of 2007, and the HUD Section 108 Loan.

Montgomery County Transportation Authority

The "Transportation Authority" was organized for the purpose of addressing transportation improvement issues throughout the County. The commissioners of the County appoint the Transportation Authority's board and provides funding as needed on Transportation basis.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Discretely Presented Component Units (Continued)

Complete financial statements for the individual component units can be obtained from their respective administrative offices. The financial statements of the Montgomery County Development Corporation, the Montgomery County-Norristown Public Library, the Redevelopment Authority of the County of Montgomery, and the Montgomery County Transportation Authority are for the year ended December 31, 2020. The financial statements of the Montgomery County Community College are for the year ended June 30, 2020.

Administrative Offices

Montgomery County Community College
Blue Bell, PA 19422

Valley Forge Convention and Visitors Bureau, Ltd.
Plymouth Meeting, PA 19462

Montgomery County-Norristown Public Library
Norristown, PA 19401

Redevelopment Authority of the County of Montgomery
Norristown, PA 19401

Law Library of Montgomery County
Norristown, PA 19404

Montgomery County Transportation Authority
Norristown, PA 19404

D. Related Organizations

The Board of Commissioners is also responsible for appointing all or some of the members of the boards of other organizations. In some instances, the County's accountability for these organizations does not extend beyond making the appointments. The Board of Commissioners appoints board members of the following:

Advisory Committee on History and Cultural Arts
Advisory Council on Aging and Adult Services
Agricultural Land Preservation Board
Airport Authority
Blue Cross/Blue Shield Board of Directors
Blue Cross/Blue Shield Consumer Advisory Committee
Board of Assessment Appeals
Board of Health
Children and Youth Advisory Committee
Commission of Women and Families
Community Action Development Commission

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Related Organizations (Continued)

Community College Board of Trustees
Community Revitalization Board
Convention and Visitors Bureau Advisory Board
County Seat Economic Revitalization Committee
Delaware Valley Regional Finance Authority
Development Corporation
Drug and Alcohol Planning Council
Emergency Medical Services Advisory Council
Fire Advisory Board
Higher Education and Health Authority
Housing Authority
Housing Development Corporation
Housing Review Board
Industrial Development Authority
Local Emergency Planning Committee
Mental Health Mental Retardation Board
Montgomery County-Norristown Public Library
Nine-One-One Advisory Committee
Open Space Board
Park Board
Planning Commission
Prison Board
SEPTA Board of Directors
SEPTA Citizen's Advisory Committee
Soil Conservation District
TRANSNET - Suburban Transit Network, Inc.
Workforce Investment Board & Youth Council
Youth Center Board of Managers

E. Measurement Focus and Basis of Accounting

The basic financial statements of the County are comprised of the following:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to the basic financial statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental activities of the primary government as well as its discretely presented component units. Governmental activities normally are supported by taxes and intergovernmental revenues. Likewise, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the Proprietary Funds and Fiduciary Funds financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Program revenues include charges for services, special assessments and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as expenditures.

For the most part, the effect of interfund activity has been eliminated from these statements. Activity between the discretely presented component units and the primary government is generally reported as external transactions. The balances of the Internal Service Funds are reported as governmental activities on the statement of net position. The interfund services provided and used are not eliminated in the process of consolidation in the government-wide statement of activities. The County has not adopted a formal policy regarding whether to apply restricted resources or unrestricted resources when an expense is incurred for purposes that both restricted and unrestricted net position are available.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Government-Wide Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) fees, fines and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity with a self-balancing set of accounts recording cash and/or other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The fund statements are presented on a current financial resource and modified accrual basis of accounting. Since the Governmental Funds statements are presented on a different measurement focus and basis of accounting than the government-wide statements, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental activities of the government-wide financial statements.

Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

In applying the susceptible-to-accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, monies must be expended for the specific purpose or project before any amounts will be paid to the County; therefore, revenues are recognized based upon the expenditures incurred. In the other, monies are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reported as revenues at the time of receipt or earlier if the susceptible-to-accrual criteria are met.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Property taxes are recognized as revenue in the year for which taxes have been levied, provided they are collected within 60 days after the end of the year. Licenses and permits, fines and forfeitures and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment income is recognized as earned.

The County's Fiduciary Funds are presented in the fund financial statements by type (pension, private-purpose trust, custodial). Since, by definition, these assets are being held for the benefit of a third party (other local governments, litigants, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Proprietary Funds' operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The accrual basis of accounting is used by Internal Service Funds, the Employees' Retirement Trust Fund, Emmeretta McKinlay Trust Fund and Custodial Funds. Under the accrual basis of accounting, revenues are recognized when earned, and expenses are recorded when incurred.

The County reports the following funds in 2020:

Governmental Funds

Governmental Funds are those through which most governmental functions of the County are financed. The County's expendable, available financial resources and the related liabilities (except those accounted for in Proprietary Funds) are accounted for through Governmental Funds wherein the measurement focus is on changes in financial position rather than on net income.

Descriptions of the County's Governmental Funds are presented below.

General Fund

The General Fund, which is the principal fund of the County, accounts for all financial transactions not accounted for in other funds. The majority of current operating expenditures of the County, other than activities of the Proprietary Funds, are financed through revenues of the General Fund. The General Fund is always considered a major fund for Governmental Funds reporting purposes.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The following are used to account for those financial activities:

- The *Health Choices Fund* was established in 1997 for the purpose of providing Medicaid managed care services to Medicaid beneficiaries through qualified behavioral health providers and practitioners. The fund receives its funding from the Department of Public Welfare through the Department of Health and Human Services.
- The *Federal Emergency Relief Fund* was established in 2020 to account for direct Coronavirus Aid, Relief, and Economic Security (CARES) Act (2020) funding allocated to counties by the United States government. The CARES Act provided fast and direct economic assistance for American workers, families, small businesses, and industries to address issues related to the COVID-19 pandemic.
- The *Emergency Communications Fund* was established in 1995 to account for the administrative and operating costs of the 911 emergency system. All monies collected for operating the system are deposited into this fund, and expenditures are paid from this fund.
- The *Liquid Fuels Tax Fund* is used to account for revenue allocated to counties by the Commonwealth of Pennsylvania (the "Commonwealth"), grants awarded to the County by other governmental units, or transfers from the County General Fund for the purpose of construction, reconstruction, maintenance and repair of County roads and bridges.
- The *Montgomery County Community College Tax Fund* was established in 2017 for the purpose of providing a dedicated source of funding to the Montgomery County Community College for its operations and capital improvements. The fund receives its revenue from a dedicated real estate tax millage rate (0.39) assessed against all taxable real estate in Montgomery County. All funds collected from the real estate tax are deposited into this fund and paid out to the Montgomery County Community College in the same fiscal year.
- The *Liquid Fuels Vehicle Registration Fees Fund* was established in 2017 to account for the Montgomery County Motor Vehicle Registration Fee (\$5). The Commonwealth of Pennsylvania collects the \$5 motor vehicle registration and remits it to the County semiannually. The funds are used for the purpose of construction, reconstruction, maintenance and repair of County roads and bridges.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Special Revenue Funds (Continued)

- The *Title IV-D Fund* was established in 1975 to account for the reimbursement of County costs incurred in the administration of the child support enforcement program. Funds are received based on a cooperative agreement between the County and the Commonwealth that includes both incentive payments for certain services and partial reimbursement for expenditures. Receipts are deposited into a separate restricted Title IV-D Fund bank account and then transferred into the General Fund operating account to cover Domestic Relations costs paid from the General Fund. The County maintains fiduciary responsibility over the funds remaining in the restricted Title IV-D Fund bank account.
- The County's Housing and Community Development Department maintains its accounts independently of the County's books and records in the *Housing and Community Development Fund*. The Department reimburses the County for departmental costs, as well as other overhead costs. The Department is funded by the Community Development Block Grant, Commonwealth grants and other federal funds.
- The County's *Economic and Workforce Development Fund* maintains its accounts independently of the County's books and records. The fund reimburses the County for departmental costs, as well as other overhead costs, and is funded through federal grants under the Work Investment Act, Commonwealth grants and private contributions.
- The *Capital Shale Fund* was established in 2013 to account for revenue allocated to counties by the Commonwealth of Pennsylvania collected from fees on Marcellus Shale gas drillers. The funds are for the purpose of construction, reconstruction, maintenance and repair of County roads and bridges.
- The *Farmland Preservation Fund* is used to account for monies required to be held in escrow pursuant to the Commonwealth of Pennsylvania's Agricultural Security Area Act (Act 149, 1981-43).
- The *Affordable Housing Fund* is used to account for monies accumulated under the Commonwealth of Pennsylvania Optional County Affordable Housing Funds (Act 1992 137).
- The *Correctional Facility Welfare Fund* is used to account for the commissary operations at the Correctional Facility.
- The *District Attorney Fund* is used to account for funds seized and forfeited in connection with the Controlled Substances Forfeitures Act (Act 1988-79) and other illegal activities.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Special Revenue Funds (Continued)

- The *Juvenile Probation Fund* is used to account for court-ordered restitution payments received from juveniles and the subsequent distribution to victims.
- The *Recorder of Deeds Veteran's Photo ID Program Fund* is used to account for Photo ID discount card operations.
- The *Surplus Asset Sales Fund* is used to account for the sale of County assets.
- The *Clerk of Courts Fund* is used to account for collecting and allocating fees and charges administered by the County court system.
- The *Prothonotary Fund* is used to account for collecting and allocating fees and charges administered by the County Prothonotary office.
- The *Recorder of Deeds Fund* is used to account for collecting and allocated fees and charges administered by the County Recorder of Deeds office.
- The *Sheriff Fund* is used to account for collecting and allocating fees and charges administered by the County Sherriff's office.
- The *Register of Wills and Clerk of Orphans' Court Fund* is used to account for collecting and allocating fees and charges administered by the County Register of Wills office.
- The *Coroner Fund* is used to account for activity related to the County Coroner's office.
- The *Records Improvement Fund* is used to account for fees collected by the County to support development and improvement of office records management activities and systems.
- The *Liquid Fuels Act 44 Fund* is used to account for annual revenue distributions allocated by the Commonwealth of Pennsylvania from the state gasoline taxes and federal grants. The funds are for the sole purpose of construction, reconstruction, maintenance, and repair of County bridges.
- The *Liquid Fuels Act 89 Fund* is used to account for semiannual revenue distributions allocated by the Commonwealth of Pennsylvania from the state gasoline taxes and federal grants. The funds are for the sole purpose of construction, reconstruction, maintenance, and repair of County bridges.
- The *Recycling Fund* was established in 1995 to account for the administrative and operating costs of the County's recycling program. Costs related to recycling are paid directly from this fund.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Special Revenue Funds (Continued)

- The *Regional Task Force Fund* was established to account for Federal Homeland Security funding that is a pass through the Commonwealth of Pennsylvania. The Southeastern Pennsylvania Regional Task Force, consisting of Bucks, Chester, Delaware, Montgomery, and Philadelphia Counties represent one-third of Pennsylvania's population. The structure allows for leveraging of Federal funds to invest in both county and regional capabilities. Regional capabilities include the Emergency Response Workgroup Emergency Services Program, Fire Task Force, Hazardous Materials Committee and Urban Search and Rescue.
- The *Room Occupancy Tax Fund* was established to account for the collection and tax remittance of the County's 4% hotel room occupancy tax. The funds are collected by the County and remitted directly to the Valley Forge Tourism and Convention Board and used for activities and expenditures designed to increase tourism throughout the County.

The Health Choices Fund and the Federal Emergency Relief Fund are considered major funds for Governmental Funds reporting purposes.

Capital Projects Funds

The Capital Projects Funds account for the financial resources used for the acquisition and capital construction of major capital facilities. The County's Capital Projects Funds are as follows:

- The *Capital Reserve Fund* is used to account for funds assigned and grants received to be used for the acquisition and maintenance of major capital facilities and projects.
- The *Cherry Street Garage Capital Reserve Fund* is used to account for funds transferred from the Montgomery County Redevelopment Authority with the County's acquisition of the Cherry Street Garage. The funds will be used to finance future capital improvements to the garage.
- The *2016 Series Capital Bond Fund* was established to account for the proceeds of the 2016 Series General Obligation Bond Issue. Proceeds will be used to finance the County's ongoing capital improvement program.
- The *2017 Series A & B Capital Bond Fund* was established to account for the proceeds of the 2017 Series A General Obligation Bond Issue. Proceeds will be used to finance the County's five-year capital plan.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Governmental Funds (Continued)

Capital Projects Funds (Continued)

- The *2017 Series Roads and Bridges Capital Bond Fund* was established to account for the proceeds of the 2017 Series A General Obligation Bond Issue. Proceeds will be used to finance the County's five-year capital plan for Road and Bridge projects.
- The *2017 Series C & D Capital Bond Fund* was established to account for the proceeds of the 2017 Series D General Obligation Bond Issue. Proceeds will be used to finance a portion of the County's five-year capital plan, consisting of economic development program grants to the Montgomery County Economic Development Corporation.
- The *2019 Series A Fund and the Capital MVR Fund* were established to account for the proceeds of the 2019 Series A & B General Obligation Bond Issues. Proceeds will be used to fund the County's ongoing capital improvement program.

The 2019 Series A Fund is considered a major fund for Governmental Funds reporting purposes.

Proprietary Funds

Proprietary Funds account for the County's ongoing activities that are similar to those found in the private sector. The measurement focus is on determination of net income. Descriptions of the County's Proprietary Funds are presented below.

- *Internal Service Funds* are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County or to other governments on a cost reimbursement basis.
 - The *Workers' Compensation Fund* accounts for the activity in the account established by the County to fund the liabilities incurred as a result of workplace injuries.
 - The *General Liability and Property Damage Fund* accounts for the activity in the account established by the County to fund the liabilities incurred as a result of property damage claims.
 - The *Medical Self-Insurance Fund* accounts for the activity in the account established by the County to fund the liability incurred as a result of employee medical, prescription drug and vision expense claims.

The Internal Service Funds are included in governmental activities for government-wide reporting purposes.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations and other governmental units or funds. These include the Employees' Retirement Trust Fund, Emmeretta McKinlay Fund and Custodial Funds. The Employees' Retirement Trust Fund and Emmeretta McKinlay Fund are accounted for in essentially the same manner as Proprietary Funds because capital maintenance is critical. Fiduciary Funds are custodial in nature and do not involve measurement of results of operations. Fiduciary Funds are not included in the government-wide financial statements.

- The *Employees' Retirement Trust Fund* presents the financial operations of the Montgomery County Employees' Retirement System. The Employees' Retirement Trust Fund accounts for County and employees' retirement plan contributions and investment earnings on excess funds to provide for the payment of retirement benefits to its members.
- The *Emmeretta McKinlay Fund* is a fund held in trust by the County and used at the discretion of the President Judge for the purchase of necessities for indigent youth in detention. The fund was established as a bequest from Ms. McKinlay.

Custodial Funds

Custodial Funds are used to account for assets held by the County's Row Offices or by various County departments and social service agencies, as agent for individuals, private organizations, other governmental units and/or other funds. During the year, the County maintained 11 such funds. They are grouped into the following classes for descriptive purposes.

The following funds are used to account for fees, fines, payments, and taxes collected and the distribution to other governmental units:

- Clerk of Courts Custodial Fund
- Prothonotary Custodial Fund
- Sheriff Custodial Fund
- Treasurer Vare Escrow Fund
- Tax Claim Fund
- Register of Wills and Clerk of Orphans' Court Trust Escrow Fund
- Radio Fund

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Measurement Focus and Basis of Accounting (Continued)

Fund Financial Statements (Continued)

Custodial Funds (Continued)

The following funds are used to account for amounts collected and distributed by County social services agencies:

- Correctional Facility – Inmate and Work Release Custodial Fund
- Human Services Center - Resident Account Fund
- Domestic Relations Office - Support Clearing Account Fund
- Dependent/Guardian Fund

F. Cash Equivalents

The funds in the financial statements consider all highly liquid investments with an original maturity of three months or less to be cash equivalents.

G. Investments

Investments are recorded at fair value or amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Alternative investments and money market funds are valued at net asset value per share (NAV), which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Purchases and sales are recorded on a trade-date basis. Dividend income is recorded on the ex-dividend date. Cost of securities sold is determined on the specific identification method, generally on a first-in, first-out basis.

H. Prepaid Expenses

The amounts recorded represent payments made for insurance, rent and other goods and services in the current fiscal year but not expensed as of December 31, 2020.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

To the extent the County's capitalization threshold of \$5,000 is met, capital outlays are recorded as capital assets and depreciated over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Land Improvements	10 to 40 Years
Infrastructure	10 to 50 Years
Buildings	40 Years
Building Improvements	20 Years
Leasehold Improvements	10 Years
Equipment and Furniture	3 to 20 Years

All capital assets are valued at historical cost or estimated historical cost if actual cost is unavailable. Donated capital assets are reported at acquisition value.

Maintenance, repairs, and minor equipment are charged to operations when incurred. Expenses that materially change capacities or extend useful lives are capitalized. Upon sale or retirement of land, buildings and equipment, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts, and any gain or loss is included in the results of operations.

J. Infrastructure

The County will depreciate its infrastructure over the assets' estimated useful life using the straight-line method of depreciation. County infrastructure consists of 75.7 miles of roads and 133 bridges.

K. Compensated Absences

County employees are granted vacation and sick leave in varying amounts. In the event of termination, an employee is reimbursed for all accumulated vacation days. In June 2012, the County altered its sick leave payment policy. Upon retirement or termination, employees with more than 20 years of service are reimbursed 100% for accumulated sick leave up to a maximum of 60 days and 25% for amounts over 60 days up to the amount accumulated as of June 30, 2012. Unused sick leave earned is not eligible for reimbursement unless at the time of separation or retirement the June 30 sick leave balance is lower than the balance on June 30, 2012. The cost of accumulated vacation and sick leave is recorded at current rates of compensation as a liability in the government-wide statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Unearned Revenue

Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Grants and entitlements received before the eligibility requirements are met are recorded as unearned revenue on the governmental fund financial statements.

M. Self-Insurance

The County establishes claims liabilities for its employee medical, workers' compensation and property damage self-insurance programs, which are accounted for in Internal Service Funds. The liability is based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled and claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the claims involved. Estimated amounts of subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for liabilities such as workers' compensation. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expenses in the periods in which they are made.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. The deferred outflow of resources related to pensions is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the pension plan.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The County has two types of items that qualify for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the Governmental Funds balance sheet. The Governmental Funds report unavailable revenues from property taxes. The deferred inflow of resources related to pensions is reported in the government-wide statement of net position and is the result of differences between expected and actual experience of the pension plan and the net difference between projected and actual earnings on pension plan investments.

O. Fund Balance – Governmental Funds

The Montgomery County Board of Commissioners recognizes that the maintenance of a fund balance reserve is essential to the preservation of the County's financial integrity. Effective January 1, 2020, the County implemented a new fund balance policy to budget and maintain a reserve in the General Fund. This policy establishes goals and provides guidance concerning the desired level of fund balance maintained by the County to mitigate financial risk that can occur from unforeseen revenue fluctuations, unforeseen expenditures, and in the event of emergencies and natural disasters.

The policy was created in consideration of unanticipated events that could adversely affect the financial condition of the County and jeopardize the continuation of necessary public services. This policy will ensure that the County maintains adequate General Fund Unassigned Fund Balance in order to:

- Provide sufficient cash flow for daily financial needs,
- Maintain the County's credit worthiness and secure investment grade bond ratings,
- Offset significant economic downturns or revenue shortfalls, and
- Provide funds for unforeseen expenditures related to emergencies.

The County shall maintain an Unassigned Fund Balance in the General Fund that meets the purposes of this policy. General Fund Unassigned Fund Balance will be maintained at a minimum of 15% of the current year's adopted General Fund revenue budget. It is the goal of the County to achieve and maintain a General Fund Unassigned Fund Balance at fiscal (calendar) year-end of not less than 18% and a maximum of 20% of the current years adopted General Fund revenue budget. The use of General Fund Unassigned Fund Balance can only be appropriated by an approved resolution from the County Board of Commissioners.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance – Governmental Funds (Continued)

Fund balance is classified between amounts that are considered nonspendable and spendable amounts that are classified based on the relative strength of the constraints that control the purposes for which specific amounts can be spent. Beginning with the nonspendable and followed by the spendable classifications with binding constraints, fund balance amounts will be reported in the following classifications:

Nonspendable

Amounts that cannot be spent because they are either (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventory or prepaid amounts.

Restricted

This category consists of amounts with constraints that are externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The County’s restrictions are as follows:

- **Health Choices** – Represents amount restricted for Medicaid managed care services to Medicaid beneficiaries.
- **Federal Emergency Relief** – Represents amount restricted by the United States government for the purpose of managing the COVID-19 emergency and recovery.
- **Emergency Communications** – Represents amount restricted for the 911 emergency system.
- **Liquid Fuels Tax** – Represents amount restricted by the Commonwealth of Pennsylvania for the purpose of construction, reconstruction, maintenance and repair of County roads and bridges.
- **Montgomery County Community College Tax** – Represents amount restricted for appropriations to the community college.
- **Liquid Fuels Vehicle Registration Fees** – Represents amount restricted by the Commonwealth of Pennsylvania for vehicle registration fee program.
- **Title IV-D** – Represents amount restricted for Domestic Relations Title IV-D incentive program.
- **Housing and Community Development** – Represents amount restricted for the Community Development Block Grant program, Commonwealth grants and other federal funds.
- **Recycling** – Represents amounts restricted for the County’s recycling program.
- **Economic and Workforce Development** – Represents amount restricted for Work Investment Act program, Commonwealth grants and private contributions.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance – Governmental Funds (Continued)

Restricted (Continued)

- **Records Improvement** – Represents amount restricted for the County's comprehensive records management plan to provide better access to the public.
- **Capital Shale** – Represents funds from Marcellus Shale fees provided by the Commonwealth of Pennsylvania restricted for construction and maintenance of County roads and bridges.
- **Farmland Preservation** – Represents funds from the Commonwealth of Pennsylvania restricted for preservation of farmland preserved for agricultural use.
- **Affordable Housing** – Represents fees collected by the Recorder of Deeds on property transfers to be used strictly to fund affordable housing.
- **Correctional Facility Welfare** – Represents funds held in trust that were provided by friends and families of inmates for the individual inmates use.
- **Juvenile Probation** – Represents money restricted to pay victims of juvenile crimes. It is created through the collection of fines and costs that are certified to Juvenile Court and/or fund repayment by juveniles.
- **Recorder of Deeds Veteran's Photo ID Program** – Represents funds donated for the restricted purposes of maintain and promoting the Veteran's Photo ID program managed by the Recorder of Deeds.
- **District Attorney** – Represents funds allocated for costs associated with criminal investigations, operations, and crime prevention programs.
- **Surplus Asset Sales** – Represents amount for the sale of County assets
- **Clerk of Courts** – Represents funds collected for fees and charges administered by the County court system.
- **Prothonotary** – Represents funds collected for fees and charges administered by the County Prothonotary office.
- **Recorder of Deeds** – Represents funds collected for fees and charges administered by the County Recorder of Deeds office.
- **Sheriff** – Represents funds collected for fees and charges administered by the County Sherriff s office.
- **Register of Wills and Clerk of Orphans' Court** – Represents funds collected for fees and charges administered by the Register of Wills office.
- **Coroner** – Represents funds used to account for activity related to the County Coroner's office.
- **Regional Task Force** – Represents funds from the United States Homeland Security funding to invest in both county and regional capabilities. Regional capabilities include the Emergency Response Workgroup Emergency Services Program, Fire Task Force, Hazardous Materials Committee and Urban Search and Rescue.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance – Governmental Funds (Continued)

Restricted (Continued)

- **Liquid Fuels Act 44** – Represents funds from the Commonwealth of Pennsylvania gasoline taxes and federal grants for the sole purpose of construction, reconstruction, maintenance, and repair of County bridges.
- **Liquid Fuels Act 89** – Represents funds from the Commonwealth of Pennsylvania and federal grants for the sole purpose of construction, reconstruction, maintenance, and repair of County bridges.
- **2017 Series C & D Capital Bond** – Represents amounts from the 2017 General Obligation Issue for capital projects.
- **Capital MVR** – Represents amounts from the 2019 General Obligation Issue for capital projects.

Committed

This category of fund balance consists of amounts established by formal action by the Board of Commissioners. Once committed, it cannot be used for any other purpose unless changed by County policy or action (e.g., future anticipated costs). The formal action should occur prior to the end of the reporting period, but the amount subject to the constraint, if any, may be determined in the subsequent period. The County Commissioners have not taken any action to commit fund balance.

Assigned

This category of fund balance consists of amounts are constrained by the County's intent to use for specific purposes but are neither restricted nor committed. Intent should be expressed by the Board of Commissioners. The County's assignments are as follows:

- **General Fund** – To fund future pension plan contributions, debt service and pandemic recovery expenditures.
- **Capital Reserve** – To fund future capital projects.
- **Cherry Street Garage Capital Reserve Fund** – To fund future capital projects.
- **Liquid Fuels Vehicle Registration Fees** – To fund future Transportation Grant Program awards.

Unassigned

This category of fund balance consists of amounts available for consumption or not restricted in any manner. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Balance – Governmental Funds (Continued)

The County's assumed order of usage for which both restricted and unrestricted resources are available are:

- **Restricted Fund Balance** – To the extent that the expenditures related to the restriction contributed to the excess of expenditures over revenues.
- **Committed Fund Balance** – To the extent that the expenditures related to the commitment contributed to the excess of expenditures over revenues. If a plan for periodic use of committed fund balance is reviewed and approved by the Board of Commissioners, committed fund balance will not be reduced by more than the amount designated in the plan.
- **Assigned Fund Balance** – To the extent that expenditures related to the assignment contributed to the excess of expenditures over revenues.
- **Unassigned Fund Balance** – For any remaining excess of expenditures over revenues.

P. Net Position

The government-wide, internal service fund and fiduciary funds classify net position into three components:

- Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt that are attributable to the acquisition, construction, or improvements of those assets.
- Restricted: This component of net position consists of constraints placed on assets through external restrictions or enabling legislation.
- Unrestricted: This component of net position consists of assets that do not meet the definition of restricted or net investment of capital assets.

Q. Use of 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 reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting periods. Actual results could differ from those estimates.

R. Interfund Activity

Transactions and balances between governmental and proprietary funds, except for charges for services, have been eliminated in the government-wide financial statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Fair Value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value in three levels based on the extent to which inputs used in measuring fair value are observable in the market:

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities.

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets and liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs).

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for assets or liabilities categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

T. New Accounting Pronouncements

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The requirements of the statement are effective for financial statements for periods beginning after June 15, 2019. The County has implemented the effects of the statement for the reporting period ended December 31, 2020. The adoption of this statement had no impact on the County's financial statements.

In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2019. The County has implemented the effects of the statement for the reporting period ended December 31, 2020.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

T. New Accounting Pronouncements (Continued)

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. The requirements of this statement are effective for financial statements for periods beginning after December 15, 2021. The County has implemented the effects of the statement for the reporting period ended December 31, 2020.

NOTE 2 DEPOSITS AND INVESTMENTS

Pennsylvania statutes provide for investment of Governmental and Proprietary Funds resources into certain authorized investment types, including U.S. Treasury bills, other short-term U.S. and Pennsylvania Government obligations and insured or collateralized time deposits and certificates of deposit. The statutes do not prescribe regulations related to demand deposits; however, they do allow the pooling of Governmental Funds for investment purposes.

A. Deposits

In addition to the investments authorized for Governmental and Proprietary Funds, Fiduciary Fund investments also may be made in corporate stocks and bonds, real estate, and other investments consistent with sound business practice.

The deposit and investment policy of the County adheres to state statutes and prudent business practice. Deposits and investments of the Governmental Funds are maintained in demand deposits or savings accounts, certificates of deposit and repurchase agreements.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the County's deposits may not be returned to it. The County has a formal deposit agreement with each bank for custodial credit risk. As of December 31, 2020, the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation insured \$2,067,440 of the County's \$199,851,433 bank balances. The remaining bank balances of \$197,783,993 were exposed to custodial credit risk, which is collateralized in accordance with the requirements of United States Treasury Circular No. 92, Section 1964(c) and the Pennsylvania Second Class County Code and by Act 72 of the General Assembly of the Commonwealth of Pennsylvania approved on August 6, 1971, as amended, provided, however, that it is further specifically understood and agreed that such pledged securities shall at all times, whether or not deposited on a pooled basis, have an aggregate market value (exclusive of interest) at least equal to the principal aggregate amount of said deposits. The bank will pledge additional securities as collateral for public deposits of the County, as necessary. These deposits have a carrying amount of \$189,383,172 as of December 31, 2020.

The County Code, Section 1706, governs the types of investments that are allowable for operating funds. In addition, the County has formally adopted an investment policy that places additional restrictions on the investment of operating funds.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits (Continued)

Discretely Presented Component Unit – Montgomery County Community College

The carrying amount of Montgomery County Community College's "College" deposits was \$31,668,768 as of June 30, 2020. The bank balance totaled \$32,135,851 as of June 30, 2020. The difference represents outstanding checks payable and normal reconciling items.

Custodial credit risk is the risk that in the event of a bank failure, the College's deposits may not be returned to it. The College does not have a deposit policy for custodial credit risk. Commonwealth of Pennsylvania Act 72 of 1971, as amended, allows banking institutions to satisfy the collateralization requirement by pooling eligible investments to cover total public funds on deposit in excess of federal insurance. Such pooled collateral is pledged with the financial institution's trust department.

The bank balance of the College's cash deposits as of June 30, 2020 are categorized as follows to give an indication of the level of risk assumed by the College:

	College	Foundation	Total
Insured	\$ 500,000	\$ 250,000	\$ 750,000
Collateralized:			
Collateral Held by Pledging Bank's Trust Department not in the College's Name	31,635,851	2,703,593	34,339,444
Total	\$ 32,135,851	\$ 2,953,593	\$ 35,089,444

B. Investments

Credit Risk

The risk that an issuer or other counterparty to an investment will not fulfill its obligations is called credit risk. The County has clearly defined restrictions by institution, asset class and minimum credit rating to minimize the risk of loss due to credit risk.

All debt securities held by the primary government are rated AAA by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investment or collateral securities in the possession of an outside entity. The County has a policy of holding investment securities in a segregated account with its primary banking institution whenever possible.

Concentration of Credit Risk

The County places limits both by asset class and by institution to limit its concentration of credit risk.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County has adopted a policy of holding all investments to maturity. Accordingly, any change in fair value due to changing market interest rates is temporary. This policy does not apply to the Employees' Retirement Trust Fund.

Cash and investments as of December 31, 2020, are classified in the accompanying financial statements as follows:

Primary Government:	
Statement of Net Position	277,248,557
Fiduciary Funds	<u>626,581,018</u>
Total Primary Government	903,829,575
Component Units:	
Statement of Net Position	<u>99,314,258</u>
Total Cash and Investments	<u><u>\$ 1,003,143,833</u></u>

Cash and investments as of December 31, 2020, consist of the following:

	Primary Government	Component Units
Cash on Hand	\$ 19,680	\$ 97
Deposits with Financial Institutions	189,363,492	48,877,172
Investments	<u>714,446,403</u>	<u>50,436,989</u>
Total Cash and Investments	<u><u>\$ 903,829,575</u></u>	<u><u>\$ 99,314,258</u></u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

The County had the following investments and maturities at December 31, 2020:

Primary Government Investment Type	Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Investment Maturities		
					No Maturity	Less Than 1 Year	1 to 5 Years
Employees' Retirement Trust Fund:							
Mutual Funds:							
Real Estate Index Fund	\$ 23,262,516	\$ 23,262,516	\$ -	\$ -	\$ 23,262,516	\$ -	\$ -
Stock Market Index Fund	193,768,270	193,768,270	-	-	193,768,270	-	-
International Stock Index Fund	153,317,494	153,317,494	-	-	153,317,494	-	-
Intermediate Term Fund	53,074,077	53,074,077	-	-	53,074,077	-	-
Short-Term Fund	34,549,773	34,549,773	-	-	34,549,773	-	-
Bond Market Index Fund	85,365,308	85,365,308	-	-	85,365,308	-	-
Equity Funds	33,056,737	33,056,737	-	-	33,056,737	-	-
Corporate Bond Funds	11,392,196	11,392,196	-	-	11,392,196	-	-
Balanced Funds	9,543,914	9,543,914	-	-	9,543,914	-	-
Total Employee's Retirement Trust Fund	597,330,285	<u>\$ 597,330,285</u>	<u>\$ -</u>	<u>\$ -</u>	597,330,285	-	-
Employees' Retirement Trust Fund: Alternative Investments (NAV)	6,239,317				-	6,239,317	
Governmental Activities:							
State Investment Pools	74,775,525				74,775,525	-	-
Money Market Funds (NAV)	34,011,676				34,011,676	-	-
Internal Service Funds:							
State Investment Pools	52,690				52,690	-	-
Custodial Funds:							
Money Market Funds (NAV)	<u>2,036,910</u>				<u>2,036,910</u>	-	-
Total Investments	<u>\$ 714,446,403</u>				<u>\$ 708,207,086</u>	<u>\$ 6,239,317</u>	<u>\$ -</u>

Participation in External Investment Pools

As of December 31, 2020, the County has \$74,828,215 invested in the Pennsylvania Local Government Investment Trust (PLGIT). PLGIT is an external investment pool that was rated AAAM by Standard & Poor's (S&P) as of December 31, 2020. The average maturity of these investments is less than a year. There are no restrictions pertaining to the number of withdrawals from the PLGIT account. The County's investment in PLGIT is measured at amortized cost, which approximates fair value. The County has no regulatory oversight for the pool, which is governed by a Board of Trustees and is administered by PFM Asset Management, LLC. PLGIT is audited annually and the financial statements are available to the public at <http://www.plgit.com>.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

Alternative Investments

The following table sets forth additional disclosures for the measurement of alternative investments that calculate net asset value per share (or its equivalent):

Investment Type	Fair Value	Redemption Frequency	Redemption Notice Period
SEI Structured Credit Collective Fund	\$ 3,651,272	Quarterly	65 days
SEI Special Situations Collective Investment Trust	\$ 2,975,716	Semi-Annual	95 days

There were no unfunded commitments at December 31, 2020.

The SEI Structured Credit Collective Fund invests substantially all of its assets in the SEI structured credit segregated portfolio, which in turn, invests substantially all of its assets in SEI Structured Credit Fund, L.P.

The SEI Special Situations Collective Investment Trust invests substantially all of its assets in the SEI Special Situations Fund, Ltd. This structure provides a means for eligible investors to participate in investments in various private investment funds, many of which will pursue hedged investment strategies.

C. Fair Value Measurement

The County categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are those that lack significant observable inputs. The County has \$597,330,285 of Fair Value Level 1 inputs as of December 31, 2020, which are measured based on quoted market prices. Alternative investments are valued using the net asset value per share as determined by investment managers. This practical expedient allows net asset value per share to represent fair value for reporting purposes when the criteria for using this method are met.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 2 DEPOSITS AND INVESTMENTS (CONTINUED)

D. Discretely Presented Component Unit – Montgomery County Community College

The College categorizes its fair value measurements within the fair value hierarchy and has the following recurring fair value measurements as of June 30, 2020:

	June 30, 2020			
	Total	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3
College:				
Fixed Income:				
US Treasury	\$ 9,078,579	\$ -	\$ 9,078,579	\$ -
Government Agencies	1,673,670	-	1,673,670	-
Corporate Bonds	7,035,072	-	7,035,072	-
Mutual Funds:				
US Large Cap	9,760,140	9,760,140	-	-
US Small Cap	2,382,793	2,382,793	-	-
Bond Funds	1,779,180	1,779,180	-	-
Developed International	4,519,577	4,519,577	-	-
Emerging Markets	1,504,383	1,504,383	-	-
Hedge Funds	1,669,153	1,669,153	-	-
Real Asset Funds	755,117	755,117	-	-
Foundation:				
Municipal Bonds	609,723	-	609,723	-
Mutual Funds - Fixed Income	2,456,549	2,456,549	-	-
Common Stock	3,433,847	3,433,847	-	-
Exchange Traded Funds	931,310	931,310	-	-
Mutual Funds - Equities	1,685,575	1,685,575	-	-
Total	<u>49,274,668</u>	<u>\$ 30,877,624</u>	<u>\$ 18,397,044</u>	<u>\$ -</u>
Alternative Investments (NAV)	<u>1,008,629</u>			
Total Investments	<u>\$ 50,283,297</u>			

The valuation methods for recurring fair value measurements are as follows:

Mutual funds classified in Level 1 are valued using prices quoted in active markets for those securities.

Fixed income securities classified in Level 2 are valued based on using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Alternative investments are valued using the net asset value per share as determined by investment managers as a practical expedient that approximates fair value.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 3 REAL ESTATE TAXES

Real estate taxes attach as an enforceable lien on property as of January 1 and are levied on March 1. Independently elected tax collectors bill these taxes, except for municipalities that have elected to have the taxes collected by the County Treasurer. Taxes collected within 60 days are given a 2% discount. Amounts paid after 120 days are assessed a 10% penalty. The County collects delinquent real estate taxes on behalf of itself and other taxing authorities.

For 2020, County real estate taxes were levied at the rate of 3.459 mills on every dollar of assessed value of real estate for general and debt service purposes. Assessed values are established by the County Assessment Board and are based on the market value of the property.

NOTE 4 CAPITAL ASSETS

A. Primary Government

Capital asset activity of the primary government is as follows for the year ended December 31, 2020:

Governmental Activities	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 20,825,160	\$ -	\$ -	\$ 20,825,160
Construction in Process	72,723,536	46,851,869	6,037,297	113,538,108
Artifacts	17,695,165	-	-	17,695,165
Total Capital Assets Not Being Depreciated	111,243,861	46,851,869	6,037,297	152,058,433
Capital Assets Being Depreciated:				
Land Improvements	41,198,512	401,209	-	41,599,721
Buildings and Improvements	243,642,481	1,119,509	-	244,761,990
Equipment and Furniture	87,532,945	6,239,964	58,220	93,714,689
Infrastructure	106,455,191	4,848,496	-	111,303,687
Vehicles	1,626,787	1,410,885	-	3,037,672
Total Capital Assets Being Depreciated	480,455,916	14,020,063	58,220	494,417,759
Less Accumulated Depreciation:				
Land Improvements	12,861,119	1,245,354	-	14,106,473
Buildings and Improvements	110,247,164	6,582,482	-	116,829,646
Equipment and Furniture	72,524,093	4,927,126	58,220	77,392,999
Infrastructure	29,242,578	2,393,247	-	31,635,825
Vehicles	339,070	462,803	-	801,873
Total Accumulated Depreciation	225,214,024	15,611,012	58,220	240,766,816
Total Capital Assets Being Depreciated, Net	255,241,892	(1,590,949)	-	253,650,943
Governmental Activities Capital Assets, Net	\$ 366,485,753	\$ 45,260,920	\$ 6,037,297	\$ 405,709,376

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

General Administration	\$ 6,394,200
Judicial Administration	624,863
Corrections	1,970,010
Public Safety	1,913,713
History, Cultural Arts, and Recreation	2,309,360
Child Welfare	30,278
Adult Welfare	733
General Welfare	122,199
Public Works	2,245,656
Total Depreciation Expense	<u><u>\$ 15,611,012</u></u>

B. Discretely Presented Component Units

Capital asset activity of the discretely presented component units is as follows for the year ended December 31, 2020:

Montgomery County Community College

	Balance at July 1, 2019	Additions	Deletions	Balance at June 30, 2020
Capital Assets Not Being Depreciated:				
Land	\$ 1,607,467	\$ -	\$ -	\$ 1,607,467
Construction in Process	4,191	-	-	4,191
Works of Art	16,127,200	12,786,135	1,031,560	27,881,775
Total Capital Assets				
Not Being Depreciated	17,738,858	12,786,135	1,031,560	29,493,433
Capital Assets Being Depreciated:				
Building	117,665,515	-	-	117,665,515
Building Improvements	51,438,078	156,790	-	51,594,868
Leasehold Improvements	255,199	-	-	255,199
Land Improvements	11,778,968	986,449	-	12,765,417
Equipment and Furniture	22,587,220	534,356	139,204	22,982,372
Infrastructure	763,485	118,440	-	881,925
Total Capital Assets				
Being Depreciated	204,488,465	1,796,035	139,204	206,145,296
Less Accumulated Depreciation	70,722,452	5,673,771	170,938	76,225,285
Total Capital Assets Being Depreciated, Net	133,766,013	(3,877,736)	(31,734)	129,920,011
MCCC Capital Assets, Net	<u><u>\$ 151,504,871</u></u>	<u><u>\$ 8,908,399</u></u>	<u><u>\$ 999,826</u></u>	<u><u>\$ 159,413,444</u></u>

Depreciation expense for the Community College was \$5,673,771.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 4 CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Units (Continued)

Valley Forge Tourism and Convention Board

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Capital Assets Being Depreciated:				
Office Equipment	\$ 140,903	\$ 10,752	\$ -	\$ 151,655
Furniture and Fixtures	257,825	16,018	-	273,843
Leasehold Improvements	221,821	-	-	221,821
Total Capital Assets				
Being Depreciated	620,549	26,770	-	647,319
Less Accumulated Depreciation	301,118	94,675	-	395,793
Valley Forge Capital Assets, Net	<u>\$ 319,431</u>	<u>\$ (67,905)</u>	<u>\$ -</u>	<u>\$ 251,526</u>

Depreciation expense for the Bureau was \$94,675.

Montgomery County-Norristown Public Library

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Capital Assets Being Depreciated:				
Books and Collections	\$ 8,649,110	\$ 351,355	\$ -	\$ 9,000,465
Improvements	492,477	-	-	492,477
Furniture and Equipment	113,867	-	-	113,867
Computer Equipment	211,614	6,713	-	218,327
Vehicles	676,008	33,690	21,920	687,778
Total Capital Assets				
Being Depreciated	10,143,076	391,758	21,920	10,512,914
Less Accumulated Depreciation	9,148,173	404,233	21,920	9,530,486
Library Capital Assets, Net	<u>\$ 994,903</u>	<u>\$ (12,475)</u>	<u>\$ -</u>	<u>\$ 982,428</u>

Depreciation expense for the Library was \$404,233.

Redevelopment Authority of the County of Montgomery

	Balance at January 1, 2020	Additions	Deletions	Balance at December 31, 2020
Capital Assets Being Depreciated:				
Buildings and Improvements	\$ 4,725	\$ -	\$ -	\$ 4,725
Furniture and Fixtures	51,715	-	-	51,715
Computer Equipment	38,292	-	-	38,292
Office Equipment	3,403	-	-	3,403
Total Capital Assets				
Being Depreciated	98,135	-	-	98,135
Less Accumulated Depreciation	98,135	-	-	98,135
Total Capital Assets Being Depreciated, Net	-	-	-	-
Property Not Being Depreciated	2,380,500	228,288	-	2,608,788
RDA Capital Assets, Net	<u>\$ 2,380,500</u>	<u>\$ 228,288</u>	<u>\$ -</u>	<u>\$ 2,608,788</u>

Depreciation expense for the Authority was \$-0-.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 5 DUE FROM OTHER GOVERNMENTS AND ACCOUNTS RECEIVABLE

Amounts due from other governments are primarily grants receivable from the Commonwealth of Pennsylvania at December 31, 2020.

NOTE 6 LONG-TERM OBLIGATIONS

Changes in the primary government long-term obligations for the year ended December 31, 2020 are as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020	Due Within One Year
Bonds and Notes Payable:					
General Obligation Bonds	\$ 386,450,000	\$ -	\$ 25,015,000	\$ 361,435,000	\$ 26,800,000
General Obligation Notes	41,517,420	-	7,867,420	33,650,000	5,570,000
Deferred Amounts, Premiums	45,732,789	-	3,312,993	42,419,796	4,174,031
Total Bonds and Notes Payable	473,700,209	-	36,195,413	437,504,796	36,544,031
Other Long-Term Liabilities:					
Nonexchange Financial					
Guarantees (as Restated)	12,223,000		989,000	11,234,000	1,009,000
Settlements Payable	500,000	-	-	500,000	-
Net Pension Liability	109,719,381	-	26,395,361	83,324,020	-
Compensated Absences	12,344,250	11,658,237	7,669,320	16,333,167	2,067,633
Total Other Long-Term Liabilities	134,786,631	11,658,237	35,053,681	111,391,187	3,076,633
Total Long-Term Obligations	<u>\$ 608,486,840</u>	<u>\$ 11,658,237</u>	<u>\$ 71,249,094</u>	<u>\$ 548,895,983</u>	<u>\$ 39,620,664</u>

The General Fund has been used to liquidate other long-term liabilities in prior years.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

Bonds and notes payable at December 31, 2020 are comprised of the following individual issues:

Description	Interest Rates	Final Maturity Date	Amount Outstanding
Series B 2006 General Obligation Bonds	4.00% to 5.25%	2025	\$ 12,730,000
Series C 2009 General Obligation Note	2.25% to 5.00%	2024	2,695,000
2011 Series A General Obligation Bonds	2.50% to 5.00%	2022	6,320,000
2013 Series General Obligation Bonds	1.50% to 5.00%	2033	43,045,000
2015 Series General Obligation Bonds	3.00% to 5.00%	2031	21,175,000
2016 Series A General Obligation Bonds	3.00% to 5.00%	2036	47,480,000
2016 Series B General Obligation Bonds	2.00% to 2.62%	2032	42,815,000
2016 Series C General Obligation Bonds	2.00% to 2.80%	2031	6,545,000
2017 Series A General Obligation Bonds	3.00% to 5.00%	2037	47,315,000
2017 Series B General Obligation Bonds	5.00%	2024	11,370,000
2017 Series C General Obligation Bonds	2.125% to 5.00%	2037	9,685,000
2017 Series D General Obligation Bonds	2.00% to 3.10%	2032	3,340,000
2018 Series A General Obligation Notes	5.00%	2024	30,455,000
2018 Series B General Obligation Notes	3.00% to 5.00%	2024	500,000
2019 Series A General Obligation Bonds	1.56% to 2.56%	2039	42,315,000
2019 Series B General Obligation Bonds	1.56% to 2.56%	2039	12,130,000
2019 Series C General Obligation Bonds	1.50% to 3.30%	2039	55,170,000
Subtotal			395,085,000
Current Portion			(32,370,000)
Total			<u>\$ 362,715,000</u>

The County has pledged its full faith, credit, and taxing power for the repayment of the above obligations.

Maturities for all general obligation debt for the next five years and five-year increments thereafter are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2021	\$ 32,370,000	\$ 16,185,531	\$ 48,555,531
2022	33,965,000	14,590,519	48,555,519
2023	35,480,000	13,003,226	48,483,226
2024	37,245,000	11,227,116	48,472,116
2025	24,145,000	9,448,701	33,593,701
2026 to 2030	116,945,000	33,269,845	150,214,845
2031 to 2035	77,405,000	14,622,181	92,027,181
2036 to 2039	37,530,000	3,279,981	40,809,981
Total	<u>\$ 395,085,000</u>	<u>\$ 115,627,100</u>	<u>\$ 510,712,100</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Discretely Presented Component Units Long-Term Debt

Long-term debt payable at December 31, 2020, is comprised of the following individual issues:

Montgomery County Community College – Long-term debt consists of the following at June 30, 2020:

Description	Interest Rates	Final Maturity Date	Amount Outstanding
College Revenue Bonds:			
Series of 2013	2.00% to 5.50%	2038	\$ 36,675,000
Series of 2015	2.00% to 5.00%	2035	43,755,000
Bond Premiums			6,269,595
Subtotal			<u>86,699,595</u>
Current Portion			(6,785,498)
Total			<u><u>\$ 79,914,097</u></u>

Future minimum principal payments required under long-term debt are as follows:

<u>Year Ending June 30,</u>	Amount	Interest	Totals
2021	\$ 6,195,000	\$ 3,906,094	\$ 10,101,094
2022	6,510,000	3,596,344	10,106,344
2023	6,830,000	3,270,844	10,100,844
2024	7,185,000	2,929,344	10,114,344
2025	7,495,000	2,605,444	10,100,444
2026 to 2030	24,635,000	8,667,819	33,302,819
2031 to 2035	18,320,000	3,460,700	21,780,700
2036 to 2039	3,260,000	331,250	3,591,250
Total	<u><u>\$ 80,430,000</u></u>	<u><u>\$ 28,767,839</u></u>	<u><u>\$ 109,197,839</u></u>

Long-term liability changes are summarized below:

	July 1, 2019	Increases	Decreases	June 30, 2020	Due Within One Year
Long-Term Debt	\$ 93,195,093	\$ -	\$ 6,495,498	\$ 86,699,595	\$ 6,785,498
Capital Lease Obligation	10,420,395	-	570,010	9,850,385	572,133
OPEB Liability	71,911,486	10,732,312	2,144,059	80,499,739	615,940
Net Pension Liability	4,148,585	-	603,008	3,545,577	-
Total	<u><u>\$ 179,675,559</u></u>	<u><u>\$ 10,732,312</u></u>	<u><u>\$ 9,812,575</u></u>	<u><u>\$ 180,595,296</u></u>	<u><u>\$ 7,973,571</u></u>

For the year ended June 30, 2020, the Community College incurred interest expense of \$4,484,544, of which nothing was capitalized.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Discretely Presented Component Units Long-Term Debt (Continued)

Montgomery County-Norristown Public Library – Long-term liability changes are summarized below:

	January 1, 2020	Increases	Decreases	December 31, 2020
Compensated Absences	\$ 199,090	\$ 55,030	\$ -	\$ 254,120

Redevelopment Authority of the County of Montgomery – Long-term debt consists of the following at December 31, 2020:

Description	Interest Rates	Final Maturity Date	Amount Outstanding
High Street Corporate Center TIF	12.25%	2023	\$ 280,179
Ardmore Crossing TIF	6.50% to 5.00%	2026	97,314
Whitemarsh TIF:			
Angus Tract	3.11%	2024	1,337,051
Sheep Tract	6.50%	2025	1,034,000
401 Dekalb TIF	6.31%	2028	332,866
Seven Tower Bridge TIF	5.25%	2029	2,566,000
HUD Section 108 Loans:			
Ambler Boiler House	Variable	2031	2,419,000
PENNVEST, Washington Street Acquisition	2.76% to 3.46%	2031	877,225
Subtotal			8,943,635
Current Portion			(1,083,477)
Total			\$ 7,860,158

Future minimum principal payments required under long-term debt are as follows:

Year Ending December 31,	Amount	Interest	Totals
2021	\$ 1,083,477	\$ 370,585	\$ 1,454,062
2022	1,115,237	323,689	1,438,926
2023	1,445,728	291,573	1,737,301
2024	1,219,436	205,626	1,425,062
2025	713,939	157,838	871,777
2026 to 2030	3,061,335	362,369	3,423,704
2031	304,483	7,198	311,681
Total	\$ 8,943,635	\$ 1,718,878	\$ 10,662,513

Long-term liability changes are summarized below:

	January 1, 2020	Increases	Decreases	December 31, 2020	Due Within One Year
Bonds and Loans Payable	\$ 9,962,405	\$ -	\$ 1,018,770	\$ 8,943,635	\$ 1,083,477

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

Defeased Debt

The County has advanced-refunded various bond issues by creating separate irrevocable trust funds. The securities and earnings thereon are considered sufficient to fully service the bonds until they are called or mature. For financial reporting purposes, the bonds are considered defeased and the liability for those bonds has been removed. As of December 31, 2020, the County has defeased debt outstanding of \$34,672,777.

NOTE 7 COMMITMENTS

Leases

Primary Government

At December 31, 2020, the County's aggregate annual rental commitments under noncancelable operating leases having an initial or remaining term of more than one year are as follows:

<u>Year Ending December 31,</u>	<u>Amount</u>
2021	\$ 7,667,123
2022	6,997,491
2023	6,717,769
2024	5,423,366
2025	5,152,290
2026 to 2030	18,804,959
2031 to 2033	2,671,479
Total	<u><u>\$ 53,434,477</u></u>

Lease expense was \$7,546,948 in 2020.

Construction Commitments

At the end of 2020, there was approximately \$4,200,000 of contractually committed construction contracts signed in 2020 for various repair projects.

Discretely Presented Component Units

Montgomery County Community College

The Community College leases computer equipment, which is classified as capital leases. These leases expire at various dates through 2028.

Computer equipment included in capital assets at June 30, 2020, is as follows:

Computer Equipment	\$ 247,737
Energy Savings Equipment	12,063,768
Culinary Arts Equipment	673,093
Accumulated Depreciation	(1,987,873)
Total	<u><u>\$ 10,996,725</u></u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 COMMITMENTS (CONTINUED)

Discretely Presented Component Units (Continued)

Montgomery County Community College (Continued)

Future minimum lease payments for capital leases and operating leases are as follows:

<u>Year Ending June 30.</u>	<u>Capital Leases</u>	<u>Operating Leases</u>
2021	\$ 887,888	\$ 702,689
2022	909,909	690,169
2023	938,203	560,169
2024	919,917	300,169
2025	943,812	274,002
2026 to 2030	3,876,015	1,164,949
2031 to 2035	2,494,638	600,157
2036 to 2040	1,653,314	125,000
Total Minimum Lease Payments	<u>12,623,696</u>	<u>\$ 4,417,304</u>
Amount Representing Interest	<u>2,773,311</u>	
Present Value of Net Minimum Lease Payments	9,850,385	
Current Obligations	<u>572,133</u>	
Total	<u>\$ 9,278,252</u>	

Valley Forge Convention and Visitors Bureau, Ltd.

The Board has entered into an operating lease expiring in March 2024. The Bureau received rent abatement for the first six months until April 2009. At that time, the annual charge of \$22.50 per square foot commenced for the 9,645 square feet occupied. Each year thereafter, the square footage charge will increase in \$.50 increments. The Bureau also has various auto and equipment leases, which have monthly payments ranging from \$381 to \$2,527.

Future minimum lease payments for the operating lease are as follows:

<u>Year Ending December 31.</u>	<u>Amount</u>
2021	\$ 323,401
2022	298,528
2023	289,475
2024	<u>72,369</u>
Total	<u>\$ 983,773</u>

Rental expense was \$253,102 in 2020.

Montgomery County-Norristown Public Library

The Library leases copy machines and a postage machine in its operations. These leases have been recorded as operating leases, and, accordingly, all rents are charged to expense as incurred.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 7 COMMITMENTS (CONTINUED)

Discretely Presented Component Units (Continued)

Montgomery County-Norristown Public Library (Continued)

Future minimum lease payments for the operating leases are as follows:

<u>Year Ending December 31,</u>	<u>Operating Leases</u>
2021	\$ 9,489
2022	3,720
2023	2,565
Total	<u>\$ 15,774</u>

Rental expense was \$10,447 in 2020.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

NOTE 8 DEFINED BENEFIT PENSION PLAN

A. Plan Description

1. Plan Administration

The Employees' Retirement Board administers the Montgomery County Employees Pension Plan, a single-employer defined benefit pension plan that covers all full-time salaried employees of the County. The plan is regulated according to the County Pension Law Act 96 of 1971, as amended. The Board consists of five members consisting of the three County elected commissioners, the elected County Controller, and the County elected Treasurer.

2. Plan Membership

At December 31, 2020, plan membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefits	2,439
Inactive Plan Members Entitles to But	
Not Yet Receiving Benefits	467
Active Plan Members	<u>2,554</u>
Total	<u><u>5,460</u></u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. Plan Description (Continued)

2. Plan Membership (Continued)

Benefits Provided

The Montgomery County Employees Pension Plan provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated as a percent of the member's highest three-year average salary times the member's years of service depending on class basis. Plan members with 20 years of service are eligible to retire at age 55. Plan members that have attained age 60 are eligible to retire. All plan members that have attained age 60 are eligible to retire. All plan members are eligible for disability benefits after five years of service if disabled while in service and unable to continue as a County employee. Disability retirement benefits are equal to 25% of highest average salary at time of retirement. Death benefits for a member who dies with ten years of service prior to retirement is the total present value of member's retirement paid in a lump sum. A plan member who leaves County service with less than five years of service may withdraw his or her contributions, plus any accumulated interest.

Contributions

An actuarially determined contribution is recommended by the plan actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance an unfunded accrued liability. For the 2020 measurement period, the active member contribution rate was 5.0% of annual pay, and the County average contribution rate was 9.70% of annual payroll.

B. Investments

1. Investment Policy

The plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2020:

Asset Class:	Target Allocation
Domestic Equity	27.50%
International Equity	27.50%
Fixed Income	35.00%
Real Estate/Alternative	10.00%
Cash	0.00%
Total	100.00%

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Investments (Continued)

2. Concentrations

The County has invested in six individual mutual funds with Vanguard, each having a value greater than 5% of the total plan fiduciary net position.

3. Rate of Return

For the year ended December 31, 2020, the annual money-weighted rate of return on plan investments, net of plan investment expense, was 13.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

C. Net Pension Liability of the County

The components of the net pension liability of the County at December 31, 2020, were as follows:

Total Pension Liability	\$ 690,635,352
Plan Fiduciary Net Position	<u>607,311,332</u>
Net Pension Liability	<u><u>\$ 83,324,020</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 <u><u>87.94%</u></u>

1. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2020, rolled-forward to December 31, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	3.5%, average, including inflation
Investment Rate of Return	7.5%, net of pension plan investment expenses, Including inflation

Mortality rates were based on the RP-2013 Annuitant and Non-Annuitant Mortality Tables for Males and Females with no projected improvement.

The actuarial assumptions used in the January 1, 2020 measurement period were based on past experience under the plan and reasonable future expectations, which represent our best estimate of anticipated experience under the plan.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability of the County (Continued)

1. Actuarial Assumptions (Continued)

The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense 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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of December 31, 2020 (see the plan's investment policy) are summarized in the following table:

Asset Class:	Long-Term Expected Real Rate of Return
Domestic Equity	5.4 to 6.4%
International Equity	5.5 to 6.5%
Fixed Income	1.3 to 3.3%
Real Estate/Alternative	4.5 to 5.5%
Cash	0.0 to 1.0%

2. Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan members' contributions will be made at the current contribution rate and that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the plan'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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

3. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 7.5%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	\$ 150,091,501	\$ 83,324,020	\$ 18,597,172

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability of the County (Continued)

4. Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the County reported a liability of \$83,324,020 for the net pension liability. The net pension liability was measured as of January 1, 2020, rolled-forward to December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2020, the County recognized pension expense of \$2,388,973. At December 31, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 16,601,924	\$ 5,219,451
Net Difference Between Projected and Actual Earnings on Plan Investments	-	37,550,100
Total	\$ 16,601,924	\$ 42,769,551

Amounts reported as deferred outflows or resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Amount
2021	\$ (7,579,167)
2022	3,694,944
2023	(16,746,031)
2024	(5,537,373)
Total	\$ (26,167,627)

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

C. Net Pension Liability of the County (Continued)

5. Changes in Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances - December 31, 2019	\$ 668,783,570	\$ 559,064,189	\$ 109,719,381
Changes for the Year:			
Service Cost	11,783,601	-	11,783,601
Interest on Total Pension Liability	49,713,220	-	49,713,220
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	3,418,052	-	3,418,052
Changes of Assumptions	-	-	-
Contributions - Employer	-	13,731,498	(13,731,498)
Contributions - Member	-	9,007,960	(9,007,960)
Net Investment Income	-	68,857,403	(68,857,403)
Benefit Payments, Including Refunds of Member Contributions	(43,063,091)	(43,063,091)	-
Administrative Expenses	-	(296,492)	296,492
Other Changes	-	9,865	(9,865)
Net Changes	<u>21,851,782</u>	<u>48,247,143</u>	<u>(26,395,361)</u>
Balances - December 31, 2020	<u>\$ 690,635,352</u>	<u>\$ 607,311,332</u>	<u>\$ 83,324,020</u>

D. Discretely Presented Component Units

Montgomery County Community College

Employees of the Community College are required to enroll in one of three available retirement plans immediately upon employment. The Pennsylvania State Employees' Retirement System (SERS) and the Public School Employees' Retirement System (PSERS) each administer a cost-sharing, multiple-employer defined benefit plan. The Teachers Insurance and Annuity Association/College Retirement and Equity Fund (TIAA/CREF) administers a multiple-employer defined contribution plan.

The SERS was established by the Commonwealth to provide pension benefits for employees of state government and certain other organizations. The SERS provides retirement, death, and disability benefits. Participants in the SERS may receive retirement benefits after satisfying age and length of service requirements. The retirement benefit is calculated using a formula based on class of service, years of credited service, salary, and age. Employer and employee contribution rates are established by statute. Employees who participate in the SERS, dependent upon membership class, are required to make a contribution equal to 5.00% or 9.30% of their gross pay. Participating employer contributions for the SERS are based upon an actuarially determined percentage of gross pay that is necessary to provide the SERS with assets sufficient to meet the benefits to be paid to members.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Discretely Presented Component Units (Continued)

Montgomery County Community College (Continued)

The Community College contribution rate at June 30, 2020, was 24.92% of gross pay. According to the Commonwealth Retirement Code, all obligations of the SERS will be assumed by the Commonwealth should the SERS terminate. The contribution to the SERS for the year ended June 30, 2020, was \$113,536.

The PSERS was established under the provisions of P. L. 1043, No. 343 to provide allowances and other benefits, including death, disability, and health care benefits, to members. Participants in the PSERS may receive monthly retirement benefits after satisfying age and length of service requirements. PSERS' basic formula to calculate retirement benefits is based on a pension multiplier, credited years of service and final average salary. The contribution policy is set by the Pennsylvania Public School Employees' Retirement Code and requires contributions by active members, employers, and the Commonwealth. PSERS has four membership classes, Class T-C, Class T-D, Class T-E and Class T-F. The membership class, in part, determines member contribution rate as well as hire date. The membership class rates range from 5.25% to 12.3%. The contributions required of the employer and the Commonwealth are based upon an actuarial valuation using the "entry age normal" method computed as a percentage of the total compensation of all active members during the period for which the amount is determined. The Community College and Commonwealth contribution rates at June 30, 2020, was 34.29%. The contribution to the PSERS for the year ended June 30, 2020, was \$283,858.

The TIAA/CREF is an option to employees who wish to participate in a program whose benefits depend solely on amounts contributed plus investment earnings. Employer and employee contribution rates are established by statute. Each employee who elects to participate in this plan is required to make contributions equal to 5.00% of total annual compensation. The Community College contribution rate at June 30, 2020, was 11% of each enrolled employee's total annual compensation. Beyond that salary-based contribution, the Community College bears no responsibility for any liabilities, funded or unfunded, of the TIAA/CREF. Contributions are immediately and fully vested. The contribution to the TIAA/CREF for the year ended June 30, 2020, was \$7,755,925, which consisted of \$4,209,910 from the Community College and \$3,546,015 from employees.

Valley Forge Tourism and Convention Board

The Board offers a retirement plan to its employees who are at least 21 years of age.

Participants in the plan can contribute from 1% to 15% of their base compensation. Bureau contributions are discretionary and may equal a dollar-for-dollar match up to 5% of the participant's base salary. The plan is administered by the Mass Mutual Retirement Services. The Bureau contribution for the year ended December 31, 2020, was \$59,904.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 8 DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Discretely Presented Component Units (Continued)

Montgomery County-Norristown Public Library

The Library has a defined contribution pension plan for its employees who have completed two years of service. Prior to September 2009, the Library was obligated to contribute 2.75% of salary to the plan for each participating employee. Effective September 2009, the Library will only make annual discretionary contributions, as funding permits. The total number of plan members is 25 and all members are considered general employees. The total contributions to the pension plan by employees for the year ended December 31, 2020, was \$117,922.

The Library has also established a supplemental retirement annuity plan, which is funded solely through employee contributions.

NOTE 9 SELF-INSURANCE PROGRAM

In January 1996, the County established Internal Service Funds to account for and finance risk of loss due to employee claims for workers' compensation and property damage claims. Under the Workers' Compensation Program, the Workers' Compensation Fund provides coverage up to a maximum of \$1,000,000 for each individual workers' compensation occurrence. Under the Property Damage Program, the Property Damage Fund provides coverage up to a maximum of \$100,000 for each individual property damage occurrence. The County purchases commercial insurance for claims in excess of coverage provided by the Funds. Settled claims have not exceeded this commercial coverage in the last three years of self-insurance.

All County employees, except elected officials, are covered by the Workers' Compensation Fund. Funds from the General Fund are transferred to the Workers' Compensation Fund based on estimates of the amounts needed to pay prior and current year claims.

Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors.

Changes in the Workers' Compensation Fund claims liability (net of excess insurance) for the year ended December 31, 2020, were as follows:

	Workers' Compensation Fund
Liability - Beginning of Year	\$ 1,371,716
Current Year Changes in Estimate	(481,140)
Estimated Losses	729,520
Claim Payments (Cash Basis)	(492,538)
Liability - End of Year	\$ 1,127,558

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 9 SELF-INSURANCE PROGRAM (CONTINUED)

The County established the Medical Self-Insurance Fund (the Medical Fund) on January 1, 2010, to provide resources to pay the medical, prescription and vision claims of employees and their dependents. The County pays an average of 89% of the employee's coverage cost. The employee's portion of the coverage cost is withheld from the employee and transferred to the Medical Fund each pay period. Interfund charges are treated as charges for services paid from the other County funds to the Medical Fund.

Included in this Medical Fund are the County's self-funded Personal Choice PPO Plan, self-funded Keystone 10 HMO Plan, and self-funded Keystone C3F3 HMO Plan.

The HMO Plan and the PPO Plan (In Network) cover each participant for claim payments on an unlimited basis. The PPO Plan (Out-of-Network) covers claims not to exceed \$1,000,000 during the participant's lifetime. Specific medical and prescription drug claims in the plans exceeding \$300,000 are covered through a private insurance carrier up to the \$5,000,000 lifetime per participant limit.

A liability of \$2,519,661 for the estimated cost of claims incurred prior but paid subsequent to December 31, 2020, has been accrued and is included in the governmental activities on the statement of net position.

NOTE 10 INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund receivables, payables and transfers of the primary government were comprised of the following amounts on an individual fund basis at December 31, 2020:

	Due from	Due to	Transfers	
	Other Funds	Other Funds	In	Out
General Fund	\$ 59,288,502	\$ 88,805	\$ 50,308,928	\$ 769,227
Health Choices Fund	-	925,461	18,126	-
Federal Emergency Relief Fund	-	53,316,901	-	52,629,729
Capital Fund	-	13,437,032	8,421,589	507,725
Nonmajor Governmental Funds	4,171,211	8,677,090	3,458,228	8,510,588
Proprietary Funds	12,988,229	2,653	210,398	-
Total	<u>\$ 76,447,942</u>	<u>\$ 76,447,942</u>	<u>\$ 62,417,269</u>	<u>\$ 62,417,269</u>

Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. The balances result from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system and payments between funds are made.

Transfers

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenue collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 11 FUND BALANCE CLASSIFICATIONS AND DEFICIT

The County presents its governmental fund balances by level of constraint in the aggregate on its balance sheet – governmental funds. The individual specific purposes of each constraint are presented below as of December 31, 2020:

	General Fund	Health Choices Fund	Federal Emergency Relief Fund	Capital Fund	Nonmajor Funds
Nonspendable for:					
Prepaid Expenses	\$ 928,182	\$ -	\$ -	\$ -	\$ -
Restricted for:					
Medicaid Beneficiaries	\$ -	\$ 27,732,738	\$ -	\$ -	\$ -
COVID-19 Relief	-	-	504,247	-	-
Capital Projects	-	-	-	3,807,314	6,710,900
Roads and Bridges	-	-	-	-	6,448,062
Emergency Communications	-	-	-	-	4,155,591
Higher Education	-	-	-	-	876,570
Liquid Fuels	-	-	-	-	9,986,021
Title IV-D	-	-	-	-	1,832,896
Housing and Community Development	-	-	-	-	1,708,670
Recycling	-	-	-	-	345,411
Records Improvement	-	-	-	-	2,568,184
Correctional Facility Welfare	-	-	-	-	492,024
Juvenile Probation	-	-	-	-	287,240
Photo ID Program	-	-	-	-	4,382
District Attorney	-	-	-	-	2,294,275
Surplus Assets	-	-	-	-	232,280
Clerk of Courts	-	-	-	-	404,785
Prothonotary	-	-	-	-	983,066
Recorder of Deeds	-	-	-	-	1,085,919
Sheriff	-	-	-	-	72,032
Register of Wills	-	-	-	-	794,996
Coroner	-	-	-	-	75,324
Regional Task Force	-	-	-	-	2,812,702
Total Restricted	<u>\$ -</u>	<u>\$ 27,732,738</u>	<u>\$ 504,247</u>	<u>\$ 3,807,314</u>	<u>\$ 44,171,330</u>
Assigned for:					
Capital Projects	\$ -	\$ -	\$ -	\$ -	\$ 8,175,945
Pension Contributions	5,000,000	-	-	-	-
Debt Service Expenditures	20,000,000	-	-	-	-
COVID-19 Recovery Initiatives	10,000,000	-	-	-	-
Total Assigned	<u>\$ 35,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,175,945</u>

The capital fund has an unassigned deficit of \$21,574,577 as of December 31, 2020. The County anticipates the future issuance of general obligation bonds for capital projects will pay for expenses incurred by the capital fund that were paid by the general fund.

The nonmajor funds have an unassigned deficit of \$154,499 as of December 31, 2020. The County anticipates future changes within revenues and expenditure controls within the nonmajor fund group which would lead to a positive change within the upcoming years.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 12 COMPONENT UNITS

Significant accounting policies for the component units included in the accompanying financial statements are described below.

Montgomery County Community College

Basis of Accounting – The financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America, as prescribed by the GASB. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. The Community College applies only the Financial Accounting Standards Board pronouncements issued before November 30, 1989, except those that conflict with GASB pronouncements.

Capital Assets – Capital assets are stated at cost at the date of acquisition or fair value at the date of donation in the case of gifts. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Building	50 Years
Leasehold Improvements	20 Years
Equipment and Library	5 to 10 Years

Compensated Absences – The Community College records a liability for both vacation earned but not yet paid, and an annual provision for unused sick days earned but not yet paid for employees covered under the union contract.

Montgomery County-Norristown Public Library

Basis of Presentation – The financial statements of the Library have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting standards. GASB has issued a codification of governmental accounting and financial reporting standards. This codification and subsequent GASB pronouncements are recognized as GAAP for state and local governments that have implemented GASB Statement No. 34, *Basic Financial Statements--and Management's Discussion and Analysis--for State and Local Governments*, issued in June 1999.

Basis of Accounting – The Library's basic financial statements include both government-wide and fund financial statements. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 NOTES TO BASIC FINANCIAL STATEMENTS
 DECEMBER 31, 2020**

NOTE 12 COMPONENT UNITS (CONTINUED)

Montgomery County-Norristown Public Library (Continued)

Capital Assets – Capital assets are defined as assets with an initial, individual cost of \$1,000 or more and an estimated useful life greater than one year. Capital assets are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation is recorded on the straight-line basis over the estimated useful lives of the assets as follows:

Books and Collections	3 to 10 Years
Computers	5 Years
Furniture and Fixtures	7 Years
Building Improvements	7 Years
Vehicles and Bookmobile	5 to 10 Years

Compensated Absences – Employees of the Library are entitled to paid vacation depending on job classification, length of service and other factors. The Library has accrued \$254,120 of compensated absences at December 31, 2020.

Valley Forge Tourism and Convention Board

Basis of Accounting – The Board uses the accrual basis of accounting.

Redevelopment Authority of the County of Montgomery

Basis of Accounting – The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Capital Assets – Capital assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

Building Improvements	40 Years
Furniture and Fixtures	5 to 7 Years
Computer Equipment	5 Years
Office Equipment	5 Years
Norristown “Mixed Use Facility”	5 to 40 Years

Maintenance and repairs of capital assets are expensed when incurred.

Montgomery County Transportation Authority

Basis of Presentation – The financial statements of the Transportation Authority are prepared in accordance with GASB Statement No. 34, *Basic Financial Statements--and Management’s Discussion and Analysis--for State and Local Governments*. GASB Statement No. 34 requires additional supplemental information as part of the basic financial statements.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 13 LITIGATION

The County is a party to a number of lawsuits that have arisen in the course of business. It is the opinion of management, as advised by legal counsel, that the aggregate amount of potential claims resulting from actions against the County would not materially affect the financial position of the County at December 31, 2020.

NOTE 14 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS

A. Primary Government

The County does not provide postretirement benefits other than pension benefits (see Note 8).

B. Discretely Presented Component Units

1. Montgomery County Community College

Plan Description – The Community College sponsors a postretirement plan for benefits other than pensions. Benefits provided from the plan include retiree medical, prescription drugs, dental and life insurance. Eligible Community College retirees may continue health care coverage through the Community College. However, the Community College’s contribution depends on an employee’s hire date, age, and service at retirement. The plan is a single-employer plan administered by the Community College. The Community College pays premiums for medical, prescription drugs, dental and life insurance on behalf of eligible retirees at age 62 for life, if hired prior to January 1, 1999. For employees hired subsequent to January 1, 1999, the Community College pays premiums for medical prescription drugs, dental and life insurance at age 62. When the retiree becomes eligible for Medicare, the retiree is responsible for the full cost.

Plan Membership – At June 30, 2020, the OPEB plan membership consisted of the following:

Inactive Plan Members or Beneficiaries	
Currently Receiving Benefit Payments	203
Active Plan Members	<u>244</u>
Total	<u><u>447</u></u>

Funding Policy – The contribution of plan members and the Community College are established and may be amended by the Community College’s Board of Trustees. The plan is funded on a pay-as-you-go basis; i.e., premiums are paid to fund the health care benefits provided to current retirees. The Community College made estimated contributions to the plan of \$2,144,059 and \$2,150,177 for the fiscal years ended June 30, 2020 and 2019, respectively.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Discretely Presented Component Units (Continued)

1. Montgomery County Community College (Continued)

OPEB Liability – GASB Statement No. 75 – The OPEB liability of the Community College at June 30, 2020, was \$80,499,739.

At June 30, 2020, the Community College reported deferred outflows of resources and deferred inflows of resources related to the OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 7,757,262	\$ 2,026,212

Other amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ 1,062,055
2022	1,062,055
2023	1,062,055
2024	1,364,153
2025	1,180,732
Total	\$ 5,731,050

Actuarial Assumptions – The OPEB liability was determined by an actuarial valuation as of July 1, 2019 and projected to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Value Date	7/1/2019
Actuarial Cost Method	Entry age normal percentage of pay
Amortization Period	30 Years
Asset Valuation Method	Market Value
Inflation	3.00%
Wage Inflation	3.50%
Healthcare Cost Trend Rates	8% increase in the first year, decreasing by 0.5% per year to an ultimate rate of 5%; dental and vision claims assumed to increase by 4% per year

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 14 POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

B. Discretely Presented Component Units (Continued)

1. Montgomery County Community College (Continued)

Actuarial Assumptions (Continued)

Salary Increases	4.00% average, including inflation
Investment Rate of Return	2.21% (6/30/2020 Bond Buyer Index AA) 3.50% (6/30/2019 Bond Buyer Index AA)
Retirement Age	10% at ages 62-64, 30% at 65, 25% at 66, 35% at 67, 40% at 68, 50% at 69, 100% at age 70
Mortality	RP-2000 Combined Healthy with Scale AA

Discount Rate – The discount rate used to measure the OPEB liability was 2.21%.

Sensitivity of the OPEB Liability to changes in the Discount Rate – The following presents the OPEB liability of the Community College, as well as what the Community College’s OPEB liability would if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease <u>(1.21%)</u>	Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
Total OPEB Liability	\$ 91,446,786	\$ 80,499,739	\$ 71,400,792

Sensitivity of the OPEB Liability to changes in the Healthcare Cost Trend Rates

The following presents the OPEB liability of the Community College, as well as what the Community College’s OPEB liability would if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	<u>Healthcare Cost</u>		
	1% Decrease <u>(7.0%)</u>	Trend Rates <u>(8.0%)</u>	1% Increase <u>(9.0%)</u>
Total OPEB Liability	\$ 70,308,724	\$ 80,499,739	\$ 92,954,242

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 15 PRIOR PERIOD RESTATEMENT

In the fiscal year 2020, the County has determined that certain transactions were recorded incorrectly in a prior year. In the statement of fiduciary net position, liabilities were overstated by \$4,583,473 due to the determination that no event had taken place that compelled the County to disburse fiduciary resources. In the governmental funds and government-wide statements, cash, due from other governmental units, payables, revenues, and expenses were understated due to the omission of the Southeastern Pennsylvania Regional Task Force fund, resulting in an understatement of net position/fund balance of \$2,107,713. Also, in the governmental funds and government-wide statements, due from other governmental units was understated by \$1,684,521 due to the omission of recording the fourth quarter invoices within the Title IV-D fund. In the government-wide statements and the combining statement of net position – component units, assets, liabilities, revenue, and expenses were understated due to the omission of combining the Montgomery County Community College’s discretely presented component unit with the College, resulting in an understatement of net position of \$13,380,125. In the government-wide financial statements liabilities were understated and net position was overstated by \$12,223,000 due to not recording the liability for nonexchange financial guarantees that the County is required to pay. The beginning net position/fund balance has been restated on the government-wide, governmental funds, fiduciary funds, and combining statements – component units financial statements to record a prior period adjustment. The changes in the County’s net position and fund balance as of January 1, 2020 for the correction of the errors are as follows:

	Governmental Activities	Component Units	Nonmajor Governmental Funds	Custodial Funds
Beginning Net Position/Fund Balance, as Previously Reported	\$ (35,311,020)	\$ 67,942,304	\$ 50,690,068	\$ 8,877,156
Restatement	<u>(8,430,766)</u>	<u>13,380,125</u>	<u>3,792,234</u>	<u>4,583,473</u>
Beginning Net Position/Fund Balance, as Restated	<u>\$ (43,741,786)</u>	<u>\$ 81,322,429</u>	<u>\$ 54,482,302</u>	<u>\$ 13,460,629</u>

The above adjustments increased prior year change in net position by \$3,186,921 in the government-wide statements for the primary government and \$395,904 for the component units. The above adjustments increased prior year change in fund balance by \$2,197,921 in the governmental funds statements and decreased the current year change in net position and change in fund balance by \$1,684,521 in the government-wide and governmental funds statements.

COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 16 RISKS AND UNCERTAINTIES

COVID-19 Pandemic

During the fiscal year, a global pandemic due to the spread of COVID-19 coronavirus caused the United States government to declare a national emergency. The pandemic has led to widespread voluntary and government-mandated closings of local stores and businesses, which has resulted in significant job losses. These job losses have the potential to have a significant impact on all aspects of County operations including tax collections

Due to the pandemic, the financial markets have experienced significant volatility since the beginning of the year. This volatility may result in a significant impact on the pension assets, liabilities and related deferred inflows and outflows related to the pension plans. At this point, the extent to which COVID-19 will impact our financial condition or results of operations is uncertain and cannot be reasonably estimated at this time.

NOTE 17 NONEXCHANGE FINANCIAL GUARANTEE

In 2010, the Redevelopment Authority of the County of Montgomery (discretely presented component unit) (the Authority) issued \$6,200,000 Guaranteed Revenue Bonds, Series of 2010 (the Bonds). The proceeds of the bonds were used to pay a developer to fund certain redevelopment activities. The Bonds are payable from the developer pursuant to a loan agreement between the Authority and the developer. The County, as guarantor, has agreed to execute the Guaranty Agreement fully guaranteeing the payment of the principal amount of the Bonds together with interest thereon when due. The County's obligations guaranteeing the payment of the Bonds is a general obligation of the County. The bonds mature annually through 2030.

The developer has defaulted on its obligations, and as a result, it is more likely than not that the County will be required to pay the remaining portion of the debt service payments based on the guarantee. The interest and principal payments are to be paid by the County. During 2020, the County made principal and interest payments totaling \$555,113 on the Bonds. The cumulative amount that has been paid by the County as of December 31, 2020 is \$2,534,848.

On September 23, 2010, the U.S. Department of Housing and Urban Development (HUD) issued a loan to the Authority of \$10,000,000 under the Section 108 Program. Under the terms of the financing agreement, the County guarantees the payment of principal and interest on the loan with its Community Development Block Grant funds. The Authority's obligation to repay the Section 108 loan is limited to the payments received from a developer.

The developer has defaulted on its obligations, and as a result, it is more likely than not that the County will be required to pay the remaining portion of the debt service payments based on the guarantee. The interest and principal payments are to be paid by the County. During 2020, the County made principal and interest payments totaling \$912,094 on the Section 108 loan. The cumulative amount that has been paid by the County as of December 31, 2020 is \$3,256,385.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 17 NONEXCHANGE FINANCIAL GUARANTEE (CONTINUED)

A liability has been recognized for an amount that is the County’s best estimate of the discounted present value of the future outflows the County expects to incur as a result of the guarantees. The liability recognized for the nonexchange financial guarantee at December 31, 2020, is as follows:

	January 1, 2020	Increases	Decreases	December 31, 2020
RDA Series of 2010	\$ 4,515,000	\$ -	\$ (300,000)	\$ 4,215,000
RDA HUD 108 Agreement	7,708,000	-	(689,000)	7,019,000
Total Guaranteed Debt	<u>\$ 12,223,000</u>	<u>\$ -</u>	<u>\$ (989,000)</u>	<u>\$ 11,234,000</u>

NOTE 18 SUBSEQUENT EVENTS

Series A and B 2021 General Obligation Bond Issue

In January 2021, the County issued Series A of 2021 General Obligation Bonds in the amount of \$93,200,000 and Series B of 2021 General Obligation Bonds in the amount of \$12,900,000. The proceeds of the bonds will be used to fund the County’s ongoing five-year capital improvement program and payment of costs incurred by the County in connection with the bond issue. Moody’s Investors Service reaffirmed the County’s Aaa (stable outlook) credit rating for both bond series. More detailed information about the County’s long-term liabilities can be found in Notes F and G.

Montgomery County Community College – Series 2021 Bond Issue

In May 2021, the Montgomery County Higher Education and Health Authority (the Authority) issued its College Revenue Bonds and Refunding Bonds, Series 2021. The College and the Commonwealth also entered into a note agreement of \$42,360,000, whereby the College will repay the Commonwealth principal and interest in amounts and rates that correspond to the Commonwealth’s sinking fund requirements for the bonds payable. The final maturity of the bonds and note in May 2045. The proceeds from the bond issue will be used for improvements, renovations, upgrades and additions to the Blue Bell Campus’ Hospitality Suite, Pottstown Campus’ Challenger Center and North Hall Plaza as well as deferred maintenance projects on both the campuses. The balance of the proceeds were used in the advance refunding of the School Building Authority’s College Revenue Bonds, Series 2013, starting in 2023.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2020**

NOTE 18 SUBSEQUENT EVENTS (CONTINUED)

American Rescue Plan Act of 2021

The County is expected to receive approximately \$161,000,000 in Federal American Rescue Plan Act (ARPA) funding. The County created a new Recovery Office in 2021. The office is designated to manage County projects funded through this act as well as handle any additional funding received from federal and state sources for the County's recovery. The ARPA includes the following broad program areas and eligible expenditures.

Support Public Health Initiatives – Enhance public health data, vaccination efforts, contact tracing PPE, capital investment in facilities to meet pandemic operational needs.

Address Negative Economic Impacts – Aid to workers and families for food, housing, or financial insecurity, support for small businesses, recovery of hospitality, industrial, and public sectors.

Serve Communities – Address social determinants of health disparities, investments in housing and neighborhoods, address educational disparities, promotion of healthy childhood environments.

Replace Lost Public Revenue – Fund government operations that saw revenue reductions due to pandemic.

Provide Essential Worker Premium Pay – Additional support for critical employees bearing greatest health risks doing essential work.

Invest in Water, Sewer, Broadband Infrastructure – Make needed improvements to increase access to clean drinking water, support vital wastewater and stormwater infrastructure, and expand access to broadband internet.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual (GAAP Basis)	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Real Estate Taxes, Net:			
Current Year	\$ 206,088,000	\$ 203,022,842	\$ (3,065,158)
Prior Years and Liened Taxes	3,800,000	4,467,915	667,915
Total Taxes	209,888,000	207,490,757	(2,397,243)
Grants and Entitlements	151,088,289	177,073,936	25,985,647
Departmental Earnings	51,418,462	45,829,277	(5,589,185)
District Justices	2,650,000	1,806,419	(843,581)
Investment Income	1,950,000	743,440	(1,206,560)
Fees	-	4,597	4,597
Fines and Forfeits	250,000	136,213	(113,787)
Room Occupancy	-	-	-
Other	2,280,578	3,239,702	959,124
Total Revenues	419,525,329	436,324,341	16,799,012
EXPENDITURES			
General Administration	50,143,241	50,376,551	(233,310)
Judicial Administration	78,986,084	74,078,418	4,907,666
Corrections	71,756,174	69,631,361	2,124,813
Public Safety	6,072,341	6,842,049	(769,708)
History, Cultural Arts, and Recreation	6,520,159	6,457,376	62,783
Adult Welfare	19,531,096	18,702,348	828,748
Child Welfare	69,241,900	86,957,464	(17,715,564)
General Welfare	71,578,292	71,217,459	360,833
Community Development and Housing	1,287,009	7,030,684	(5,743,675)
Roads and Bridges, Construction, and Reconstruction	159,766	178,895	(19,129)
Insurance	2,000,000	1,512,404	487,596
Debt Service	46,000,380	45,875,978	124,402
Other	2,913,140	5,731,027	(2,817,887)
Total Expenditures	426,189,582	444,592,014	(18,402,432)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,664,253)	(8,267,673)	(1,603,420)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	50,308,928	50,308,928
Transfers Out	(2,269,204)	(769,227)	1,499,977
Total Other Financing Sources (Uses)	(2,269,204)	49,539,701	51,808,905
NET CHANGE IN FUND BALANCE	\$ (8,933,457)	41,272,028	\$ 50,205,485
Fund Balance - Beginning Of Year		93,104,062	
FUND BALANCE - END OF YEAR		\$ 134,376,090	

See accompanying Notes to Required Supplementary Information.

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – HEALTH CHOICES FUND (SPECIAL REVENUE FUND)
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual (GAAP Basis)	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Grants and Entitlements	\$ 177,633,755	\$ 155,101,008	\$ (22,532,747)
Investment Income	-	101,541	101,541
Total Revenues	177,633,755	155,202,549	(22,431,206)
EXPENDITURES			
General Welfare	176,334,365	154,807,627	21,526,738
Total Expenditures	176,334,365	154,807,627	21,526,738
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,299,390	394,922	(904,468)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	18,126	18,126
Total Other Financing Sources (Uses)	-	18,126	18,126
NET CHANGE IN FUND BALANCE	\$ 1,299,390	413,048	\$ (886,342)
Fund Balance - Beginning Of Year		27,319,690	
FUND BALANCE - END OF YEAR		\$ 27,732,738	

See accompanying Notes to Required Supplementary Information.

COUNTY OF MONTGOMERY, PENNSYLVANIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1 BUDGETARY ACCOUNTING

In accordance with provisions of Section 1981 of Public Law No. 723 of the Commonwealth, as amended, commonly known as the County Code, the County prepares and adopts a budget on or before December 31 for the following year. The budget, as authorized by the Board of Commissioners, presents appropriations of the General Fund, Health Choices Fund, Emergency Communications Fund, and Liquid Fuels Tax Fund for the year on a cash basis. The budget does not include appropriations for amounts that will be expended in payment of obligations incurred under appropriations in the prior year's budget or for amounts that will be expended for certain social services and reimbursed by the federal government and the Commonwealth. The Title IV-D Fund, Housing and Community Development Fund, Economic and Workforce Development Fund and Records Improvement Fund are not subject to budgetary controls. In general, the County maintains budgetary control at the fund level and further classifies the detail budgets by major expenditure classification (salaries, fringe benefits, materials, and supplies, purchased services, capital outlay and insurance). Budgetary transfers and/or additional appropriations from additional revenues received or from unexpended funds appropriated but not spent in prior years, etc., must be approved by the County Commissioners. Expenditures cannot legally exceed the appropriations at the budgetary control levels described above. Appropriations which are not expended lapse at the end of the fiscal year.

Neither receipts nor disbursements made from the General Fund to other governmental operations are budgeted. This practice results in actual receipts and disbursements of the General Fund being in excess of budgeted receipts and disbursements.

NOTE 2 EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended December 31, 2020, expenditures exceeded appropriations in the General Fund in the general administration, public safety, child welfare, community development and housing, roads and bridges construction and reconstruction, and other expenditure categories. These excess expenditures were funded by greater than anticipated revenues or excess fund balance.

COUNTY OF MONTGOMERY, PENNSYLVANIA
SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS
TEN FISCAL YEARS ENDED DECEMBER 31*

	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability:							
Service Cost	\$ 11,783,601	\$ 11,441,973	\$ 10,922,408	\$ 13,175,575	\$ 12,782,691	\$ 12,378,722	\$ 14,074,061
Interest	49,713,220	48,124,954	44,855,053	45,078,863	44,130,068	42,411,156	41,312,108
Changes of Benefit Terms	-	-	-	-	-	-	-
Difference in Expected and Actual Experiences	3,418,052	28,860,608	(21,967,380)	(6,152,308)	4,863,928	(104,436)	(5,317,780)
Changes of Assumptions	-	-	-	-	-	-	-
Benefit Payments	(43,063,091)	(41,268,808)	(41,838,792)	(40,026,585)	(36,519,223)	(37,494,819)	(40,923,212)
Net Change in Total Pension Liability	21,851,782	47,158,727	(8,028,711)	12,075,545	25,257,464	17,190,623	9,145,177
Total Pension Liability – Beginning	668,783,570	621,624,843	629,653,554	617,578,009	592,320,545	575,129,922	565,984,745
Total Pension Liability – Ending (A)	<u>\$ 690,635,352</u>	<u>\$ 668,783,570</u>	<u>\$ 621,624,843</u>	<u>\$ 629,653,554</u>	<u>\$ 617,578,009</u>	<u>\$ 592,320,545</u>	<u>\$ 575,129,922</u>
Plan Fiduciary Net Position:							
Contributions – Employer	\$ 13,731,498	\$ 10,813,939	\$ 9,040,723	\$ 8,982,753	\$ 8,703,065	\$ 3,588,805	\$ 3,777,950
Contributions – Member	9,007,960	8,453,035	8,175,000	7,658,122	7,144,335	6,902,496	7,506,732
Net Investment Income	68,857,403	95,597,581	(28,916,968)	70,083,196	34,326,292	1,369,072	38,440,594
Benefit Payments, Including Refunds of Member Contributions	(43,063,091)	(41,268,808)	(41,838,792)	(40,026,585)	(36,519,223)	(37,494,819)	(40,923,212)
Administrative Expense	(296,492)	(288,665)	(286,991)	(273,213)	(266,168)	(313,251)	(324,399)
Other	9,865	8,215	26,168	45,607	12,127	23,125	-
Net Change in Plan Fiduciary Net Position	48,247,143	73,315,297	(53,800,860)	46,469,880	13,400,428	(25,924,572)	8,477,665
Plan Fiduciary Net Position – Beginning	559,064,189	485,748,892	539,549,752	493,079,872	479,679,444	505,604,016	497,126,351
Plan Fiduciary Net Position – Ending (B)	<u>\$ 607,311,332</u>	<u>\$ 559,064,189</u>	<u>\$ 485,748,892</u>	<u>\$ 539,549,752</u>	<u>\$ 493,079,872</u>	<u>\$ 479,679,444</u>	<u>\$ 505,604,016</u>
County's Net Pension Liability (Asset) (A) – (B)	<u>\$ 83,324,020</u>	<u>\$ 109,719,381</u>	<u>\$ 135,875,951</u>	<u>\$ 90,103,802</u>	<u>\$ 124,498,137</u>	<u>\$ 112,641,101</u>	<u>\$ 69,525,906</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.94 %	83.59 %	78.14 %	85.69 %	79.84 %	80.98 %	87.91 %
Covered Payroll	\$ 141,494,468	\$ 137,324,650	\$ 131,718,476	\$ 127,928,574	\$ 128,329,597	\$ 123,413,778	\$ 147,264,187
County's Net Pension Liability (Asset) as a Percentage of Covered Payroll	58.89 %	79.90 %	103.16 %	70.43 %	97.01 %	91.27 %	47.21 %

* This schedule is present to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information for those years for which information is available is shown

**COUNTY OF MONTGOMERY, PENNSYLVANIA
SCHEDULE OF COUNTY CONTRIBUTIONS
TEN FISCAL YEARS ENDED DECEMBER 31***

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percent of Covered Payroll
2020	\$ 16,917,319	\$ 13,731,498	\$ 3,185,821	\$ 141,494,468	9.70%
2019	12,078,161	10,813,939	1,264,222	137,324,650	7.87%
2018	10,588,820	9,040,723	1,548,097	131,718,476	6.86%
2017	10,745,106	8,982,753	1,762,353	127,928,574	7.02%
2016	10,880,062	8,703,065	2,176,997	128,329,597	6.78%
2015	9,689,879	3,588,805	6,101,074	123,413,778	2.91%
2014	10,736,127	3,777,950	6,958,177	147,264,187	2.57%

Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age
Amortization Method	Level Dollar
Remaining Amortization Period	23 Years
Asset Valuation Method	Fair Market Value
Inflation	3.00%
Salary increases	3.50% average, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation
Retirement Age	Age 60 or 55 with 20 years service
Mortality	2013 RP Annuitant and Non-Annuitant Mortality Tables for males and females with no projected improvement

* This schedule is present to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information for those years for which information is available is shown.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
 TEN FISCAL YEARS ENDED DECEMBER 31***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	<u>13.56%</u>	<u>18.25%</u>	<u>-6.40%</u>	<u>14.69%</u>	<u>7.48%</u>	<u>0.04%</u>	<u>Not Provided</u>

* This schedule is present to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information for those years for which information is available is shown.

SUPPLEMENTARY INFORMATION SECTION

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL – EMERGENCY COMMUNICATIONS FUND
(SPECIAL REVENUE FUND)
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual (GAAP Basis)	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Grants and Entitlements	\$ 798,150	\$ 353,491	\$ (444,659)
Fees	14,591,462	16,403,072	1,811,610
Other	136,521	-	(136,521)
Total Revenues	15,526,133	16,756,563	1,230,430
EXPENDITURES			
Public Safety	17,795,337	16,658,116	(1,137,221)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,269,204)	98,447	93,209
OTHER FINANCING SOURCES (USES)			
Transfers In	2,269,204	125,354	(2,143,850)
NET CHANGE IN FUND BALANCE	\$ -	223,801	\$ (2,050,641)
Fund Balance - Beginning Of Year		3,931,790	
FUND BALANCE - END OF YEAR		\$ 4,155,591	

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET (NON-GAAP BASIS) AND ACTUAL – LIQUID FUELS TAX FUND
(SPECIAL REVENUE FUND)
YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual (GAAP Basis)	Variance with Final Budget Favorable (Unfavorable)
REVENUES			
Grants and Entitlements	\$ 1,250,000	\$ 1,016,273	\$ (233,727)
Investment Income	-	1,902	1,902
Other	1,368,000	148,374	(1,219,626)
Total Revenues	2,618,000	1,166,549	(1,451,451)
 EXPENDITURES			
Roads and Bridges, Construction and Reconstruction	1,345,089	1,181,171	(163,918)
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,272,911	(14,622)	(1,615,369)
 OTHER FINANCING SOURCES (USES)			
Transfers In	-	480,589	480,589
Transfers Out	-	(2,322,982)	(2,322,982)
Total Other Financing Sources (Uses)	-	(1,842,393)	(1,842,393)
 NET CHANGE IN FUND BALANCE	\$ 1,272,911	(1,857,015)	\$ (3,457,762)
 Fund Balance - Beginning Of Year		2,241,618	
 FUND BALANCE - END OF YEAR		\$ 384,603	

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash and Cash Equivalents	\$ 46,152,876	\$ 6,316,690	\$ 52,469,566
Investments	8,427,049	4,933,516	13,360,565
Accounts Receivable	2,679,738	-	2,679,738
Due From:			
Other Funds	217,949	3,953,262	4,171,211
Other Governmental Units	10,104,480	-	10,104,480
	\$ 67,582,092	\$ 15,203,468	\$ 82,785,560
 LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 3,922,525	\$ 315,635	\$ 4,238,160
Due to Other Funds	8,677,090	-	8,677,090
Unearned Revenue	4,451,873	-	4,451,873
Due to Other Governments	7,385,560	-	7,385,560
Held for Specified Purposes	5,840,101	-	5,840,101
Total Liabilities	30,277,149	315,635	30,592,784
 FUND BALANCES			
Restricted:			
Special Revenue	37,460,430	-	37,460,430
Capital Projects	-	6,710,900	6,710,900
Assigned:			
Special Revenue	-	-	-
Capital Projects	-	8,175,945	8,175,945
Unassigned	(155,487)	988	(154,499)
Total Fund Balances	37,304,943	14,887,833	52,192,776
	\$ 67,582,092	\$ 15,203,468	\$ 82,785,560
Total Liabilities and Fund Balances	\$ 67,582,092	\$ 15,203,468	\$ 82,785,560

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Special Revenue Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Grants and Entitlements	\$ 33,373,443	\$ 5,210,842	\$ 38,584,285
Real Estate Taxes, Net	23,503,221	-	23,503,221
Investment Income	84,676	48,597	133,273
Fees	23,377,906	-	23,377,906
Other	8,313,839	9,324	8,323,163
Total Revenues	<u>88,653,085</u>	<u>5,268,763</u>	<u>93,921,848</u>
EXPENDITURES			
Judicial Administration	4,902,856	-	4,902,856
Public Safety	16,658,116	-	16,658,116
Community Development and Housing Roads and Bridges, Construction and Reconstruction	11,421,269	-	11,421,269
Debt Service, Issuance Costs	1,457,255	-	1,457,255
Operational Costs	2,522,307	-	2,522,307
Capital Improvements	13,921	-	13,921
Other	-	6,348,859	6,348,859
Total Expenditures	<u>84,810,155</u>	<u>6,348,859</u>	<u>91,159,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,842,930	(1,080,096)	2,762,834
OTHER FINANCING SOURCES (USES)			
Transfers In	3,435,205	23,023	3,458,228
Transfers Out	(2,386,778)	(6,123,810)	(8,510,588)
Total Other Financing Sources (Uses)	<u>1,048,427</u>	<u>(6,100,787)</u>	<u>(5,052,360)</u>
NET CHANGE IN FUND BALANCES	4,891,357	(7,180,883)	(2,289,526)
Fund Balances - Beginning of Year - As Previously Reported	28,621,352	22,068,716	50,690,068
Prior Period Adjustment	3,792,234	-	3,792,234
Fund Balances - Beginning of Year - As Restated	<u>32,413,586</u>	<u>22,068,716</u>	<u>54,482,302</u>
FUND BALANCES - END OF YEAR	<u>\$ 37,304,943</u>	<u>\$ 14,887,833</u>	<u>\$ 52,192,776</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020**

	Emergency Communications Funds	Liquid Fuels Tax Fund	Montgomery County Community College Tax Fund	Liquid Fuels Vehicle Registration Fees Fund	Title IV-D Fund	Recycling Fund	Housing and Community Development Fund	Economic and Workforce Development Fund
ASSETS								
Cash and Cash Equivalents	\$ 2,700,951	\$ 356,884	\$ 338,877	\$ 5,432,488	\$ 364,342	\$ 772,503	\$ 3,064,750	\$ 676,702
Investments	2,186	215	-	4,553,532	-	-	-	-
Accounts Receivable	-	-	735,097	-	1,705,314	-	-	239,295
Due From:								
Other Funds	-	71,838	146,110	1	-	-	-	-
Other Governmental Units	3,560,001	-	735	-	-	-	-	-
Total Assets	<u>\$ 6,263,138</u>	<u>\$ 428,937</u>	<u>\$ 1,220,819</u>	<u>\$ 9,986,021</u>	<u>\$ 2,069,656</u>	<u>\$ 772,503</u>	<u>\$ 3,064,750</u>	<u>\$ 915,997</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ 920,432	\$ 44,334	\$ 3,675	\$ -	\$ 236,760	\$ -	\$ 379,809	\$ -
Due to Other Funds	1,187,115	-	10,344	-	-	427,092	387,989	-
Unearned Revenue	-	-	330,230	-	-	-	588,282	938,718
Due to Other Governments Held for Specified Purposes	-	-	-	-	-	-	-	-
Total Liabilities	<u>2,107,547</u>	<u>44,334</u>	<u>344,249</u>	<u>-</u>	<u>236,760</u>	<u>427,092</u>	<u>1,356,080</u>	<u>938,718</u>
FUND BALANCES								
Restricted	4,155,591	384,603	876,570	7,083,604	1,832,896	345,411	1,708,670	-
Restricted - Grant Projects	-	-	-	2,902,417	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(22,721)
Total Fund Balances	<u>4,155,591</u>	<u>384,603</u>	<u>876,570</u>	<u>9,986,021</u>	<u>1,832,896</u>	<u>345,411</u>	<u>1,708,670</u>	<u>(22,721)</u>
Total Liabilities and Fund Balances	<u>\$ 6,263,138</u>	<u>\$ 428,937</u>	<u>\$ 1,220,819</u>	<u>\$ 9,986,021</u>	<u>\$ 2,069,656</u>	<u>\$ 772,503</u>	<u>\$ 3,064,750</u>	<u>\$ 915,997</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020**

	Records Improvement Fund	Capital Shale Fund	Farmland Preservation Fund	Affordable Housing Fund	Correctional Facility Welfare Fund	Juvenile Probation Fund	Recorder of Deeds Veteran's Photo ID Program Fund	District Attorney Fund
ASSETS								
Cash and Cash Equivalents	\$ 2,543,384	\$ 3,409,201	\$ 13,631	\$ 1,770,590	\$ 492,024	\$ 287,240	\$ 4,382	\$ 1,120,008
Investments	-	-	4,876	116,953	-	-	-	3,640,256
Accounts Receivable	-	-	-	-	-	-	-	-
Due From:								
Other Funds	-	-	-	-	-	-	-	-
Other Governmental Units	24,800	-	-	633,066	-	-	-	-
Total Assets	<u>\$ 2,568,184</u>	<u>\$ 3,409,201</u>	<u>\$ 18,507</u>	<u>\$ 2,520,609</u>	<u>\$ 492,024</u>	<u>\$ 287,240</u>	<u>\$ 4,382</u>	<u>\$ 4,760,264</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ 282,426	\$ 175,500	\$ -	\$ -	\$ -	\$ -
Due to Other Funds	-	-	-	2,213,956	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	2,465,989
Due to Other Governments Held for Specified Purposes	-	-	-	-	-	-	-	-
Total Liabilities	-	-	282,426	2,389,456	-	-	-	2,465,989
FUND BALANCES								
Restricted	2,568,184	3,409,201	-	-	492,024	287,240	4,382	2,294,275
Restricted - Grant Projects	-	-	-	-	-	-	-	-
Unassigned	-	-	(263,919)	131,153	-	-	-	-
Total Fund Balances	<u>2,568,184</u>	<u>3,409,201</u>	<u>(263,919)</u>	<u>131,153</u>	<u>492,024</u>	<u>287,240</u>	<u>4,382</u>	<u>2,294,275</u>
Total Liabilities and Fund Balances	<u>\$ 2,568,184</u>	<u>\$ 3,409,201</u>	<u>\$ 18,507</u>	<u>\$ 2,520,609</u>	<u>\$ 492,024</u>	<u>\$ 287,240</u>	<u>\$ 4,382</u>	<u>\$ 4,760,264</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020**

	Surplus Asset Sales Fund	Clerk of Courts Fund	Prothonotary Fund	Recorder of Deeds Fund	Sheriff Fund	Register of Wills and Clerk of Orphans' Court Fund	Coroner Fund	Regional Task Force Fund
ASSETS								
Cash and Cash Equivalents	\$ 232,280	\$ 2,684,874	\$ 1,286,345	\$ 9,408,130	\$ 3,787,394	\$ 1,245,305	\$ 151,777	\$ 1,303,748
Investments	-	-	-	109,031	-	-	-	-
Accounts Receivable	-	-	-	-	-	32	-	-
Due From:								
Other Funds	-	-	-	-	-	-	-	-
Other Governmental Units	-	-	-	-	-	-	-	5,885,878
Total Assets	<u>\$ 232,280</u>	<u>\$ 2,684,874</u>	<u>\$ 1,286,345</u>	<u>\$ 9,517,161</u>	<u>\$ 3,787,394</u>	<u>\$ 1,245,337</u>	<u>\$ 151,777</u>	<u>\$ 7,189,626</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ 8,551	\$ -	\$ -	\$ -	\$ -	\$ 1,820,230
Due to Other Funds	-	201,565	255,721	1,084,615	15,725	388,475	76,453	2,428,040
Unearned Revenue	-	-	-	-	-	-	-	128,654
Due to Other Governments	-	111,058	39,007	7,214,950	-	20,545	-	-
Held for Specified Purposes	-	1,967,466	-	131,677	3,699,637	41,321	-	-
Total Liabilities	-	<u>2,280,089</u>	<u>303,279</u>	<u>8,431,242</u>	<u>3,715,362</u>	<u>450,341</u>	<u>76,453</u>	<u>4,376,924</u>
FUND BALANCES								
Restricted	232,280	404,785	983,066	1,085,919	72,032	794,996	75,324	2,812,702
Restricted - Grant Projects	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	<u>232,280</u>	<u>404,785</u>	<u>983,066</u>	<u>1,085,919</u>	<u>72,032</u>	<u>794,996</u>	<u>75,324</u>	<u>2,812,702</u>
Total Liabilities and Fund Balances	<u>\$ 232,280</u>	<u>\$ 2,684,874</u>	<u>\$ 1,286,345</u>	<u>\$ 9,517,161</u>	<u>\$ 3,787,394</u>	<u>\$ 1,245,337</u>	<u>\$ 151,777</u>	<u>\$ 7,189,626</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2020**

	Liquid Fuels Act 44 Fund	Liquid Fuels Act 89 Fund	Room Occupancy Tax Fund	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and Cash Equivalents	\$ 1,403,055	\$ 1,302,011	\$ -	\$ 46,152,876
Investments	-	-	-	8,427,049
Accounts Receivable	-	-	-	2,679,738
Due From:				
Other Funds	-	-	-	217,949
Other Governmental Units	-	-	-	10,104,480
Total Assets	<u>\$ 1,403,055</u>	<u>\$ 1,302,011</u>	<u>\$ -</u>	<u>\$ 67,582,092</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable and Accrued Expenses	\$ -	\$ 50,808	\$ -	\$ 3,922,525
Due to Other Funds	-	-	-	8,677,090
Unearned Revenue	-	-	-	4,451,873
Due to Other Governments	-	-	-	7,385,560
Held for Specified Purposes	-	-	-	5,840,101
Total Liabilities	<u>-</u>	<u>50,808</u>	<u>-</u>	<u>30,277,149</u>
FUND BALANCES				
Restricted	1,403,055	1,251,203	-	34,558,013
Restricted - Grant Projects	-	-	-	2,902,417
Unassigned	-	-	-	(155,487)
Total Fund Balances	<u>1,403,055</u>	<u>1,251,203</u>	<u>-</u>	<u>37,304,943</u>
Total Liabilities and Fund Balances	<u>\$ 1,403,055</u>	<u>\$ 1,302,011</u>	<u>\$ -</u>	<u>\$ 67,582,092</u>

COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020

	Emergency Communications Funds	Liquid Fuels Tax Fund	Montgomery County Community College Tax Fund	Liquid Fuels Vehicle Registration Fees Fund	Title IV-D Fund	Recycling Fund	Housing and Community Development Fund	Economic and Workforce Development Fund
REVENUES								
Grants and Entitlements	\$ 353,491	\$ 1,016,273	\$ -	\$ -	\$ 5,051,230	\$ -	\$ 6,730,627	\$ 5,732,408
Real Estate Taxes, Net	-	-	23,503,221	-	-	-	-	-
Investment Income	-	1,902	-	30,859	-	-	6,034	-
Fees	16,403,072	-	-	3,780,186	-	-	-	-
Other	-	148,374	-	-	-	592	16,556	-
Total Revenues	<u>16,756,563</u>	<u>1,166,549</u>	<u>23,503,221</u>	<u>3,811,045</u>	<u>5,051,230</u>	<u>592</u>	<u>6,753,217</u>	<u>5,732,408</u>
EXPENDITURES								
Judicial Administration	-	-	-	-	4,902,856	-	-	-
Public Safety	16,658,116	-	-	-	-	-	-	-
Community Development and Housing Roads and Bridges, Construction and Reconstruction	-	-	-	-	-	-	5,665,940	5,755,329
Debt Service, Issuance Costs	-	1,181,171	-	-	-	-	-	-
Operational Costs	-	-	-	1,610,213	-	-	912,094	-
Other	-	-	23,055,615	-	-	427,090	-	-
Total Expenditures	<u>16,658,116</u>	<u>1,181,171</u>	<u>23,055,615</u>	<u>1,610,213</u>	<u>4,902,856</u>	<u>427,090</u>	<u>6,578,034</u>	<u>5,755,329</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,447	(14,622)	447,606	2,200,832	148,374	(426,498)	175,183	(22,921)
OTHER FINANCING SOURCES (USES)								
Transfers In	125,354	480,589	-	-	-	-	-	-
Transfers Out	-	(2,322,982)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>125,354</u>	<u>(1,842,393)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	223,801	(1,857,015)	447,606	2,200,832	148,374	(426,498)	175,183	(22,921)
Fund Balances (Deficit) - Beginning of Year, As Previously Reported	3,931,790	2,241,618	428,964	7,785,189	1	771,909	1,533,487	200
Prior Period Adjustment	-	-	-	-	1,684,521	-	-	-
Fund Balances (Deficit) - Beginning of Year, As Restated	<u>3,931,790</u>	<u>2,241,618</u>	<u>428,964</u>	<u>7,785,189</u>	<u>1,684,522</u>	<u>771,909</u>	<u>1,533,487</u>	<u>200</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 4,155,591</u>	<u>\$ 384,603</u>	<u>\$ 876,570</u>	<u>\$ 9,986,021</u>	<u>\$ 1,832,896</u>	<u>\$ 345,411</u>	<u>\$ 1,708,670</u>	<u>\$ (22,721)</u>

COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020

	Records Improvement Fund	Capital Shale Fund	Farmland Preservation Fund	Affordable Housing Fund	Correctional Facility Welfare Fund	Juvenile Probation Fund	Recorder of Deeds Veteran's Photo ID Program Fund	District Attorney Fund
REVENUES								
Grants and Entitlements	\$ -	\$ 1,871,090	\$ -	\$ 85,939	\$ -	\$ -	\$ -	\$ -
Real Estate Taxes, Net	-	-	-	-	-	-	-	-
Investment Income	9,944	-	33	792	1,980	-	15	9,906
Fees	234,562	-	-	2,434,369	-	-	-	-
Other	-	-	31,839	-	1,774,198	26,626	2,500	1,840,207
Total Revenues	<u>244,506</u>	<u>1,871,090</u>	<u>31,872</u>	<u>2,521,100</u>	<u>1,776,178</u>	<u>26,626</u>	<u>2,515</u>	<u>1,850,113</u>
EXPENDITURES								
Judicial Administration	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development and Housing Roads and Bridges, Construction and Reconstruction	-	43,378	-	-	-	-	-	-
Debt Service, Issuance Costs	-	-	-	-	-	-	-	-
Operational Costs	13,921	-	-	-	-	-	-	-
Other	-	-	585,104	2,245,783	2,211,195	20,972	551	3,281,144
Total Expenditures	<u>13,921</u>	<u>43,378</u>	<u>585,104</u>	<u>2,245,783</u>	<u>2,211,195</u>	<u>20,972</u>	<u>551</u>	<u>3,281,144</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	230,585	1,827,712	(553,232)	275,317	(435,017)	5,654	1,964	(1,431,031)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	510,705	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>510,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	230,585	1,827,712	(42,527)	275,317	(435,017)	5,654	1,964	(1,431,031)
Fund Balances (Deficit) - Beginning of Year, As Previously Reported	2,337,599	1,581,489	(221,392)	(144,164)	927,041	281,586	2,418	3,725,306
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balances (Deficit) - Beginning of Year, As Restated	<u>2,337,599</u>	<u>1,581,489</u>	<u>(221,392)</u>	<u>(144,164)</u>	<u>927,041</u>	<u>281,586</u>	<u>2,418</u>	<u>3,725,306</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 2,568,184</u>	<u>\$ 3,409,201</u>	<u>\$ (263,919)</u>	<u>\$ 131,153</u>	<u>\$ 492,024</u>	<u>\$ 287,240</u>	<u>\$ 4,382</u>	<u>\$ 2,294,275</u>

COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020

	Surplus Asset Sales Fund	Clerk of Courts Fund	Prothonotary Fund	Recorder of Deeds Fund	Sheriff Fund	Register of Wills and Clerk of Orphans' Court Fund	Coroner Fund	Regional Task Force Fund
REVENUES								
Grants and Entitlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,840	\$ 11,850,266
Real Estate Taxes, Net	-	-	-	-	-	-	-	-
Investment Income	-	-	-	7,063	-	2,559	-	3,645
Fees	-	26,404	104,731	340,722	11,880	41,980	-	-
Other	40,536	-	-	-	-	-	-	1,263
Total Revenues	40,536	26,404	104,731	347,785	11,880	44,539	59,840	11,855,174
EXPENDITURES								
Judicial Administration	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Community Development and Housing Roads and Bridges, Construction and Reconstruction	-	-	-	-	-	-	-	-
Debt Service, Issuance Costs	-	-	-	-	-	-	-	-
Operational Costs	-	-	-	-	-	-	-	-
Other	-	2,954	48,250	178,733	17,870	23,823	153,994	11,150,185
Total Expenditures	-	2,954	48,250	178,733	17,870	23,823	153,994	11,150,185
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,536	23,450	56,481	169,052	(5,990)	20,716	(94,154)	704,989
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES	40,536	23,450	56,481	169,052	(5,990)	20,716	(94,154)	704,989
Fund Balances (Deficit) - Beginning of Year, As Previously Reported	191,744	381,335	926,585	916,867	78,022	774,280	169,478	-
Prior Period Adjustment	-	-	-	-	-	-	-	2,107,713
Fund Balances (Deficit) - Beginning of Year, As Restated	191,744	381,335	926,585	916,867	78,022	774,280	169,478	2,107,713
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 232,280	\$ 404,785	\$ 983,066	\$ 1,085,919	\$ 72,032	\$ 794,996	\$ 75,324	\$ 2,812,702

COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2020

	Liquid Fuels Act 44 Fund	Liquid Fuels Act 89 Fund	Room Occupancy Tax Fund	Total Nonmajor Special Revenue Funds
REVENUES				
Grants and Entitlements	\$ 224,469	\$ 397,810	\$ -	\$ 33,373,443
Real Estate Taxes, Net	-	-	-	23,503,221
Investment Income	4,913	5,031	-	84,676
Fees	-	-	-	23,377,906
Other	-	-	4,431,148	8,313,839
Total Revenues	<u>229,382</u>	<u>402,841</u>	<u>4,431,148</u>	<u>88,653,085</u>
EXPENDITURES				
Judicial Administration	-	-	-	4,902,856
Public Safety	-	-	-	16,658,116
Community Development and Housing	-	-	-	11,421,269
Roads and Bridges, Construction and Reconstruction	2,980	229,726	-	1,457,255
Debt Service, Issuance Costs	-	-	-	2,522,307
Operational Costs	-	-	-	13,921
Other	20	-	4,431,148	47,834,431
Total Expenditures	<u>3,000</u>	<u>229,726</u>	<u>4,431,148</u>	<u>84,810,155</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	226,382	173,115	-	3,842,930
OTHER FINANCING SOURCES (USES)				
Transfers In	1,176,673	1,141,884	-	3,435,205
Transfers Out	-	(63,796)	-	(2,386,778)
Total Other Financing Sources (Uses)	<u>1,176,673</u>	<u>1,078,088</u>	<u>-</u>	<u>1,048,427</u>
NET CHANGE IN FUND BALANCES	1,403,055	1,251,203	-	4,891,357
Fund Balances (Deficit) - Beginning of Year, As Previously Reported	-	-	-	28,621,352
Prior Period Adjustment	-	-	-	3,792,234
Fund Balances (Deficit) - Beginning of Year, As Restated	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,413,586</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 1,403,055</u>	<u>\$ 1,251,203</u>	<u>\$ -</u>	<u>\$ 37,304,943</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2020**

	Capital Reserve Fund	Cherry Street Garage Capital Reserve Fund	2016 Series Capital Bond Fund	2017 Series A & B Capital Bond Fund	2017 Series Road and Bridges Capital Bond Fund	2017 Series C & D Capital Bond Fund	Capital MVR Fund	Total Nonmajor Capital Projects Funds
ASSETS								
Cash and Cash Equivalents	\$ 2,903,222	\$ -	\$ -	\$ -	\$ -	\$ 250,000	3,163,468	\$ 6,316,690
Investments	526,724	792,737	988	-	-	2,658,359	954,708	4,933,516
Due from Other Funds	3,953,262	-	-	-	-	-	-	3,953,262
Total Assets	\$ 7,383,208	\$ 792,737	\$ 988	\$ -	\$ -	\$ 2,908,359	\$ 4,118,176	\$ 15,203,468
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts Payable and Accrued Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 315,635	\$ 315,635
Due to Other Funds	-	-	-	-	-	-	-	-
Total Liabilities	-	-	-	-	-	-	315,635	315,635
FUND BALANCES								
Restricted	-	-	-	-	-	2,908,359	3,802,541	6,710,900
Assigned - Capital Projects	7,383,208	792,737	-	-	-	-	-	8,175,945
Unassigned	-	-	988	-	-	-	-	988
Total Fund Balances	7,383,208	792,737	988	-	-	2,908,359	3,802,541	14,887,833
Total Liabilities and Fund Balances	\$ 7,383,208	\$ 792,737	\$ 988	\$ -	\$ -	\$ 2,908,359	\$ 4,118,176	\$ 15,203,468

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Capital Reserve Fund	Cherry Street Garage Capital Reserve Fund	2016 Series Capital Bond Fund	2017 Series A & B Capital Bond Fund	2017 Series Road and Bridges Capital Bond Fund	2017 Series C & D Capital Bond Fund	Capital MVR Fund	Total Nonmajor Capital Projects Funds
REVENUES								
Grants and Entitlements	\$ 5,210,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,210,842
Investment Income	2,723	3,763	6	-	-	16,112	25,993	48,597
Other	-	-	9,324	-	-	-	-	9,324
Total Revenues	5,213,565	3,763	9,330	-	-	16,112	25,993	5,268,763
EXPENDITURES								
Capital Improvements	510,491	-	-	-	-	1,000,000	4,838,368	6,348,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	4,703,074	3,763	9,330	-	-	(983,888)	(4,812,375)	(1,080,096)
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	-	-	-	-	23,023	23,023
Transfers Out	(6,100,000)	-	-	(787)	(23,023)	-	-	(6,123,810)
Total Other Financing Sources (Uses)	(6,100,000)	-	-	(787)	(23,023)	-	23,023	(6,100,787)
NET CHANGE IN FUND BALANCES	(1,396,926)	3,763	9,330	(787)	(23,023)	(983,888)	(4,789,352)	(7,180,883)
Fund Balances (Deficit) - Beginning of Year	8,780,134	788,974	(8,342)	787	23,023	3,892,247	8,591,893	22,068,716
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 7,383,208</u>	<u>\$ 792,737</u>	<u>\$ 988</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,908,359</u>	<u>\$ 3,802,541</u>	<u>\$ 14,887,833</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 COMBINING STATEMENT OF NET POSITION
 INTERNAL SERVICE FUNDS
 DECEMBER 31, 2020**

	Workers' Compensation Fund	General Liability and Property Damage Fund	Medical Self-Insurance Fund	Total Internal Service Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 864,021	\$ 355,485	\$ 487,025	\$ 1,706,531
Investments	-	52,250	440	52,690
Due from Other Funds	419,669	-	12,568,560	12,988,229
Total Assets	1,283,690	407,735	13,056,025	14,747,450
LIABILITIES				
Current Liabilities:				
Accounts Payable and Accrued Expenses	25,010	-	2,899,749	2,924,759
Due to Other Funds	-	2,653	-	2,653
Reserve for Claims	1,127,558	-	-	1,127,558
Total Liabilities	1,152,568	2,653	2,899,749	4,054,970
NET POSITION				
Unrestricted	\$ 131,122	\$ 405,082	\$ 10,156,276	\$ 10,692,480

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN FUND NET POSITION
 INTERNAL SERVICE FUNDS
 YEAR ENDED DECEMBER 31, 2020**

	Workers' Compensation Fund	General Liability and Property Damage Fund	Medical Self-Insurance Fund	Total Internal Service Funds
OPERATING REVENUES				
Charges for Services	\$ 811,079	\$ -	\$ 32,099,445	\$ 32,910,524
OPERATING EXPENSES				
Claims	928,450	(43,125)	31,537,950	32,423,275
OPERATING INCOME (LOSS)	(117,371)	43,125	561,495	487,249
NONOPERATING REVENUES (EXPENSES)				
Investment Income	-	333	924	1,257
Transfers In	-	-	210,398	210,398
Other	-	-	(22,852)	(22,852)
Total Nonoperating Revenues (Expenses)	-	333	188,470	188,803
CHANGE IN NET POSITION	(117,371)	43,458	749,965	676,052
Net Position - Beginning of Year	248,493	361,624	9,406,311	10,016,428
NET POSITION - END OF YEAR	<u>\$ 131,122</u>	<u>\$ 405,082</u>	<u>\$ 10,156,276</u>	<u>\$ 10,692,480</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Workers' Compensation Fund	General Liability and Property Damage Fund	Medical Self-Insurance Fund	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Charges for Services	\$ 811,079	\$ -	\$ 32,099,445	\$ 32,910,524
Payments to Suppliers	<u>(1,147,598)</u>	<u>(94,375)</u>	<u>(31,109,902)</u>	<u>(32,351,875)</u>
Net Cash Provided (Used) by Operating Activities	(336,519)	(94,375)	989,543	558,649
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to Other Funds, Net	189,467	-	(632,378)	(442,911)
Other	<u>-</u>	<u>-</u>	<u>(22,852)</u>	<u>(22,852)</u>
Net Cash Provided (Used) by Noncapital Financing Activities	189,467	-	(655,230)	(465,763)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments, Net	-	(354)	(13)	(367)
Investment Income	<u>-</u>	<u>333</u>	<u>924</u>	<u>1,257</u>
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(21)</u>	<u>911</u>	<u>890</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
	(147,052)	(94,396)	335,224	93,776
Cash and Cash Equivalents - Beginning of Year	<u>1,011,073</u>	<u>449,881</u>	<u>151,801</u>	<u>1,612,755</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 864,021</u>	<u>\$ 355,485</u>	<u>\$ 487,025</u>	<u>\$ 1,706,531</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (117,371)	\$ 43,125	\$ 561,495	\$ 487,249
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Changes in Operating Assets and Liabilities:				
Accounts Payable and Accrued Expenses	25,010	(137,500)	428,048	315,558
Reserve for Claims	<u>(244,158)</u>	<u>-</u>	<u>-</u>	<u>(244,158)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (336,519)</u>	<u>\$ (94,375)</u>	<u>\$ 989,543</u>	<u>\$ 558,649</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
DECEMBER 31, 2020**

	Clerk of Courts Custodial Fund	Tax Claim Fund	Prothonotary Custodial Fund	Sheriff Custodial Fund	Treasurer Vare Escrow Fund	Register of Wills and Clerk of Orphans' Court Trust Escrow
ASSETS						
Cash and Cash Equivalents	\$ 2,366,169	\$ 8,998,158	\$ 3,290,721	\$ 61,432	\$ 73,180	\$ 28
Investments	-	-	2,035,417	-	1,493	-
Agency Tax/Interest Receivables	-	12,012,738	-	-	-	-
Accounts Receivable	-	282,426	7,629	15,725	137	-
Total Assets	<u>2,366,169</u>	<u>21,293,322</u>	<u>5,333,767</u>	<u>77,157</u>	<u>74,810</u>	<u>28</u>
LIABILITIES						
Accounts Payable	-	800,725	-	-	-	18
Held for Escrows	-	-	30,337	-	-	-
Due to:						
Taxing Authorities	-	12,013,473	-	-	-	-
Other Governmental Units	-	-	-	77,157	-	-
Total Liabilities	<u>-</u>	<u>12,814,198</u>	<u>30,337</u>	<u>77,157</u>	<u>-</u>	<u>18</u>
NET POSITION						
Restricted for:						
Clerk of Courts	2,366,169	-	-	-	-	-
Prothonotary	-	-	5,303,430	-	-	-
Vare Escrow	-	-	-	-	74,810	-
Register of Wills and Clerk of Orphans' Court	-	-	-	-	-	10
Correctional Facility Work Release	-	-	-	-	-	-
Tax Claim	-	8,479,124	-	-	-	-
Human Services Resident Accounts	-	-	-	-	-	-
Domestic Relations Office Support	-	-	-	-	-	-
Dependent Guardian	-	-	-	-	-	-
Total Net Position	<u>\$ 2,366,169</u>	<u>\$ 8,479,124</u>	<u>\$ 5,303,430</u>	<u>\$ -</u>	<u>\$ 74,810</u>	<u>\$ 10</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
DECEMBER 31, 2020**

	Correctional Facility - Inmate and Work Release Custodial Fund	Radio Fund	Human Services Center - Resident Account Fund	Domestic Relations Office Support Cleaning Account	Dependent/ Guardian Fund	Total Custodial Funds
ASSETS						
Cash and Cash Equivalents	\$ 931,647	\$ 207,106	\$ 5,528	\$ 1,168,782	\$ 50,459	\$ 17,153,210
Investments	-	-	-	-	-	2,036,910
Agency Tax/Interest Receivables	-	-	-	-	-	12,012,738
Accounts Receivable	-	-	-	-	-	305,917
Total Assets	<u>931,647</u>	<u>207,106</u>	<u>5,528</u>	<u>1,168,782</u>	<u>50,459</u>	<u>31,508,775</u>
LIABILITIES						
Accounts Payable	-	207,106	-	-	20	1,007,869
Held for Escrows	-	-	-	-	157	30,494
Due to:						
Taxing Authorities	-	-	-	-	-	12,013,473
Other Governmental Units	-	-	-	-	-	77,157
Total Liabilities	<u>-</u>	<u>207,106</u>	<u>-</u>	<u>-</u>	<u>177</u>	<u>13,128,993</u>
NET POSITION						
Restricted for:						
Clerk of Courts	-	-	-	-	-	2,366,169
Prothonotary	-	-	-	-	-	5,303,430
Vare Escrow	-	-	-	-	-	74,810
Register of Wills and Clerk of Orphans' Court	-	-	-	-	-	10
Correctional Facility Work Release	931,647	-	-	-	-	931,647
Tax Claim	-	-	-	-	-	8,479,124
Human Services Resident Accounts	-	-	5,528	-	-	5,528
Domestic Relations Office Support	-	-	-	1,168,782	-	1,168,782
Dependent Guardian	-	-	-	-	50,282	50,282
Total Net Position	<u>\$ 931,647</u>	<u>\$ -</u>	<u>\$ 5,528</u>	<u>\$ 1,168,782</u>	<u>\$ 50,282</u>	<u>\$ 18,379,782</u>

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Clerk of Courts Custodial Fund	Tax Claim Fund	Prothonotary Custodial Fund	Sheriff Custodial Fund	Treasurer Vare Escrow Fund	Register of Wills and Clerk of Orphans' Court Trust Escrow
ADDITIONS						
Grants and Entitlements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real Estate Collections	-	33,184,551	-	-	-	-
Investment Income	6,941	19,769	2,020,466	-	7	-
Fine and Cost Collections	948,111	-	923,608	189,959	-	-
Inmate Collections	-	-	-	-	-	-
Other Additions	-	193	-	-	-	10
Total Additions	<u>955,052</u>	<u>33,204,513</u>	<u>2,944,074</u>	<u>189,959</u>	<u>7</u>	<u>10</u>
DEDUCTIONS						
Payments of Real Estate Tax	-	30,800,389	-	-	-	-
Payments of Fines and Costs	432,475	-	380,525	189,959	-	-
Payments of Inmate Collections	-	-	-	-	-	-
Other Deductions	-	13,660	-	-	-	-
Total Deductions	<u>432,475</u>	<u>30,814,049</u>	<u>380,525</u>	<u>189,959</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	522,577	2,390,464	2,563,549	-	7	10
Net Position - Beginning of Year - As Previously Reported	-	6,088,660	-	-	74,803	-
Prior Period Adjustment	1,843,592	-	2,739,881	-	-	-
Net Position - Beginning of Year - As Restated	<u>1,843,592</u>	<u>6,088,660</u>	<u>2,739,881</u>	<u>-</u>	<u>74,803</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 2,366,169</u>	<u>\$ 8,479,124</u>	<u>\$ 5,303,430</u>	<u>\$ -</u>	<u>\$ 74,810</u>	<u>\$ 10</u>

COUNTY OF MONTGOMERY, PENNSYLVANIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (CONTINUED)
CUSTODIAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Correctional Facility - Inmate and Work Release Custodial Fund	Radio Fund	Human Services Center - Resident Account Fund	Domestic Relations Office Support Cleaning Account	Dependent/ Guardian Fund	Total Custodial Funds
ADDITIONS						
Grants and Entitlements	\$ -	\$ -	\$ -	\$ -	\$ 1,600	\$ 1,600
Real Estate Collections	-	-	-	-	-	33,184,551
Investment Income	4,866	-	5	3,179	245	2,055,478
Fine and Cost Collections	-	-	-	1,598,779	-	3,660,457
Inmate Collections	3,647,859	-	-	-	-	3,647,859
Other Additions	-	-	20,884	-	-	21,087
Total Additions	<u>3,652,725</u>	<u>-</u>	<u>20,889</u>	<u>1,601,958</u>	<u>1,845</u>	<u>42,571,032</u>
DEDUCTIONS						
Payments of Real Estate Tax	-	-	-	-	-	30,800,389
Payments of Fines and Costs	-	-	-	1,815,708	-	2,818,667
Payments of Inmate Collections	3,789,491	-	-	-	-	3,789,491
Other Deductions	-	207,106	22,125	-	441	243,332
Total Deductions	<u>3,789,491</u>	<u>207,106</u>	<u>22,125</u>	<u>1,815,708</u>	<u>441</u>	<u>37,651,879</u>
CHANGE IN NET POSITION	(136,766)	(207,106)	(1,236)	(213,750)	1,404	4,919,153
Net Position - Beginning of Year - As Previously Reported	1,068,413	207,106	6,764	1,382,532	48,878	8,877,156
Prior Period Adjustment	-	-	-	-	-	4,583,473
Net Position - Beginning of Year - As Restated	<u>1,068,413</u>	<u>207,106</u>	<u>6,764</u>	<u>1,382,532</u>	<u>48,878</u>	<u>13,460,629</u>
NET POSITION - END OF YEAR	<u>\$ 931,647</u>	<u>\$ -</u>	<u>\$ 5,528</u>	<u>\$ 1,168,782</u>	<u>\$ 50,282</u>	<u>\$ 18,379,782</u>

STATISTICAL SECTION

**STATISTICAL SECTION
DESCRIPTION OF SCHEDULES
DECEMBER 31, 2020**

The statement is intended to improve consistency and comparability in reporting and to provide clearer guidance regarding the applicability of the standards for the statistical section to all types of governmental entities. This part of the County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, the real estate property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.

Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2012	2013	2014	2015*	2016	2017	2018	2019**	2020***
Governmental Activities										
Net Investment in Capital Assets	\$ (119,561,431)	\$ (111,533,327)	\$ (120,451,778)	\$ (122,732,863)	\$ (124,788,457)	\$ (140,209,424)	\$ (195,350,506)	\$ (97,990,942)	\$ (70,066,676)	\$ (27,520,717)
Restricted:										
Special Programs	36,532,589	35,590,339	42,012,998	47,155,619	11,692,566	48,958,683	38,884,796	39,427,062	27,319,690	28,236,985
Capital Projects	-	19,054,223	71,317,576	33,497,969	2,696,414	13,807,273	35,180,414	-	-	23,144,983
Special Revenue Funds	-	-	-	-	-	8,482,378	22,412,123	21,725,157	27,978,338	14,315,447
Capital Projects Funds	-	-	-	-	-	1,915,149	20,415,154	-	-	-
Unrestricted	(26,463,767)	(59,575,998)	(97,239,477)	(89,343,243)	(28,764,249)	(38,802,100)	13,241,194	(8,632,971)	(20,542,372)	(2,084,553)
Total Governmental Activities										
Net Position	<u>\$ (109,492,609)</u>	<u>\$ (116,464,763)</u>	<u>\$ (104,360,681)</u>	<u>\$ (131,422,518)</u>	<u>\$ (139,163,726)</u>	<u>\$ (105,848,041)</u>	<u>\$ (65,216,825)</u>	<u>\$ (45,471,694)</u>	<u>\$ (35,311,020)</u>	<u>\$ 36,092,145</u>
Business-Type Activities										
Net Investment in Capital Assets	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities										
Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Primary Government										
Net Investment in Capital Assets	(119,561,431)	(111,533,327)	(120,451,778)	(122,732,863)	(124,788,457)	\$ (140,209,424)	(195,350,506)	\$ (97,990,942)	\$ (70,066,676)	(27,520,717)
Restricted:										
Special Programs	36,532,589	35,590,339	42,012,998	47,155,619	11,692,566	48,958,683	38,884,796	39,427,062	27,319,690	28,236,985
Capital Projects	-	19,054,223	71,317,576	33,497,969	2,696,414	13,807,273	35,180,414	-	-	23,144,983
Special Revenue Funds	-	-	-	-	-	8,482,378	22,412,123	21,725,157	27,978,338	14,315,447
Capital Projects Funds	-	-	-	-	-	1,915,149	20,415,154	-	-	-
Unrestricted	(26,463,767)	(59,575,998)	(97,239,477)	(89,343,243)	(28,764,249)	(38,802,100)	13,241,194	(8,632,971)	(20,542,372)	(2,084,553)
Total Primary Government										
Net Position	<u>\$ (109,492,609)</u>	<u>\$ (116,464,763)</u>	<u>\$ (104,360,681)</u>	<u>\$ (131,422,518)</u>	<u>\$ (139,163,726)</u>	<u>\$ (105,848,041)</u>	<u>\$ (65,216,825)</u>	<u>\$ (45,471,694)</u>	<u>\$ (35,311,020)</u>	<u>\$ 36,092,145</u>

* 2015 Beginning balances were restated to reflect the effects of implementation of GASB 68.

** 2019 Beginning balances were restated to reflect the effects of implementation of GASB 84.

*** 2020 Beginning balances were restated to reflect corrections of errors.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
CHANGES IN NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EXPENSES										
Governmental Activities:										
General Administration	\$ 53,271,960	\$ 36,073,211	\$ 30,847,236	\$ 34,572,953	\$ 43,146,278	\$ 40,051,146	\$ 33,011,420	\$ 34,759,718	\$ 39,779,943	\$ 77,886,491
Judicial Administration	74,699,838	75,960,946	77,871,319	77,363,935	68,313,836	78,933,188	74,360,346	78,087,003	80,413,232	82,798,666
Corrections	61,483,249	62,440,840	62,967,383	64,605,706	68,935,071	73,673,089	72,883,912	75,413,898	75,899,407	73,104,810
Public Safety	18,980,347	19,574,056	19,818,415	19,710,274	11,900,892	12,620,043	23,945,836	20,895,665	23,207,757	37,522,670
History, Cultural Arts, Recreation	7,467,519	6,722,570	6,552,009	6,873,926	8,097,991	5,136,120	3,014,193	7,770,347	8,371,619	21,768,983
Adult Welfare	68,860,838	68,590,338	66,565,899	30,449,853	18,017,835	19,652,681	23,733,695	22,485,202	21,516,953	18,756,142
Child Welfare	50,257,069	49,139,682	50,318,810	52,203,685	54,902,177	56,536,688	60,122,543	63,818,385	71,227,408	87,811,413
General Welfare	167,859,600	172,900,665	167,843,554	171,455,272	184,109,975	187,807,487	221,770,882	245,016,975	242,197,258	286,467,131
Community Development and Housing	13,125,822	12,228,802	9,209,812	12,083,722	2,471,145	17,172,228	46,096,078	45,098,157	43,672,329	20,540,852
Roads and Bridges, Construction, and Reconstruction	3,274,685	4,459,692	6,398,228	18,296,606	27,266,219	12,744,079	18,556,861	35,029,553	36,263,598	6,335,019
Economic and Workforce Development	-	-	-	-	-	-	-	-	-	-
Interest on Long-Term Debt	23,119,975	14,247,056	14,873,130	18,577,617	16,152,895	16,281,320	15,034,975	15,733,341	14,997,951	15,555,000
Total Governmental Activities Expense	542,400,902	522,337,858	513,265,795	506,193,549	503,314,314	520,608,069	592,530,741	644,108,244	657,547,455	728,547,177
Business-Type Activities										
Total Primary Government Expenses	\$ 542,400,902	\$ 522,337,858	\$ 513,265,795	\$ 506,193,549	\$ 503,314,314	\$ 520,608,069	\$ 592,530,741	\$ 644,108,244	\$ 657,547,455	\$ 728,547,177
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 12,535,986	\$ 13,915,594	\$ 16,251,591	\$ 14,365,110	\$ 16,273,445	\$ 2,729,362	\$ 16,195,753	\$ 14,374,760	\$ 15,006,376	\$ 15,161,117
Judicial Government	24,167,753	22,916,166	23,320,715	22,647,759	22,008,661	6,726,181	29,800,305	26,449,666	27,611,844	27,901,130
Corrections	4,412,654	5,258,025	4,284,091	4,963,145	4,928,848	5,986,071	7,903,332	7,014,710	7,322,931	7,396,889
Public Safety	11,211,849	8,304,708	9,760,831	11,605,633	12,546,442	501,029	23,490,915	20,849,681	21,765,800	21,990,298
History, Cultural Arts, Recreation	215,564	268,246	262,048	221,898	269,445	439,736	853,622	757,644	790,934	801,469
Adult Welfare	10,730,551	12,379,550	14,567,727	6,733,027	2,545,555	1,704,164	2,172,067	1,927,848	2,012,556	2,037,066
Child Welfare	270,391	463,174	387,437	504,486	580,257	4,941,700	580,097	514,873	537,496	542,661
General Welfare	1,873,622	1,995,645	2,536,198	2,471,015	2,619,157	17,782,158	3,094,841	2,746,868	2,867,563	2,896,976
Community Development and Housing	176,031	-	-	21,457	21,457	1,526,686	1,582,999	1,405,012	1,466,747	1,486,057
Roads and Bridges, Construction, and Reconstruction	-	-	-	-	-	4,362,506	3,492,673	3,099,969	3,236,179	3,272,664
Operating Grants and Contributions	290,012,292	284,194,264	288,679,173	272,069,895	256,085,542	314,119,301	309,129,400	338,039,309	337,859,471	479,387,179
Capital Grants and Contributions	10,661,295	6,250,139	2,067,477	11,246,933	10,488,286	10,903,682	5,168,587	10,190,148	6,676,329	7,772,533
Total Governmental Activities	366,267,988	355,945,511	362,117,288	346,850,358	328,367,095	371,722,576	403,464,231	427,370,488	427,154,226	570,646,039
Business-Type Activities:										
Charges for Services	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government Program Revenues	\$ 366,267,988	\$ 355,945,511	\$ 362,117,288	\$ 346,850,358	\$ 328,367,095	\$ 371,722,576	\$ 403,464,231	\$ 427,370,488	\$ 427,154,226	\$ 570,646,039

COUNTY OF MONTGOMERY, PENNSYLVANIA
CHANGES IN NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (176,132,914)	\$ (166,392,347)	\$ (151,148,507)	\$ (159,343,191)	\$ (174,947,219)	\$ (148,885,493)	\$ (189,066,510)	\$ (216,737,756)	\$ (230,393,229)	\$ (157,901,138)
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government										
Net Expense	\$ (176,132,914)	\$ (166,392,347)	\$ (151,148,507)	\$ (159,343,191)	\$ (174,947,219)	\$ (148,885,493)	\$ (189,066,510)	\$ (216,737,756)	\$ (230,393,229)	\$ (157,901,138)
GENERAL REVENUES										
Governmental Activities:										
Taxes:										
Real Estate Taxes, Net	\$ 154,901,741	\$ 181,469,917	\$ 183,039,705	\$ 184,127,702	\$ 185,096,994	\$ 202,607,580	\$ 229,189,940	\$ 233,043,543	\$ 230,714,946	\$ 231,893,880
Room Occupancy Tax	-	-	-	-	-	-	-	-	-	4,431,148
Grants and Contributions - Unrestricted	241,600	226,715	226,181	232,075	297,049	281,518	305,673	365,536	149,513	-
Infrastructure Activity	47,446	98,194	-	-	-	-	-	-	-	-
Investment Income	2,036,822	1,427,069	98,194	288,675	213,194	-	-	-	-	-
Net Increase in Fair Value of										
Investments, Swaps	-	-	326,273	911,967	567,893	-	-	-	-	-
Gain on Sale of Capital Assets	-	4,750	-	13,692,595	-	-	-	69,659	-	-
Earnings on Investments	-	-	(774,024)	-	-	(4,163,364)	1,320,669	3,004,149	3,942,642	1,359,117
Miscellaneous	3,480,004	2,856,345	1,768,741	3,960,049	362,975	-	-	-	122,085	50,924
Transfers	(23,382,891)	(23,403,857)	(21,432,482)	(21,814,410)	(19,332,094)	(21,482,910)	-	-	-	-
Total Governmental Activities	137,324,722	162,679,133	163,252,588	181,398,653	167,206,011	177,242,824	230,816,282	236,482,887	234,929,186	237,735,069
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	\$ 137,324,722	\$ 162,679,133	\$ 163,252,588	\$ 181,398,653	\$ 167,206,011	\$ 177,242,824	\$ 230,816,282	\$ 236,482,887	\$ 234,929,186	\$ 237,735,069
CHANGE IN NET POSITION										
Governmental Activities	\$ (38,808,192)	\$ (3,713,214)	\$ 12,104,081	\$ 22,055,462	\$ (7,741,208)	\$ 28,357,331	\$ 41,749,772	\$ 19,745,131	\$ 4,535,957	\$ 79,833,931
Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government Change in Net Position	\$ (38,808,192)	\$ (3,713,214)	\$ 12,104,081	\$ 22,055,462	\$ (7,741,208)	\$ 28,357,331	\$ 41,749,772	\$ 19,745,131	\$ 4,535,957	\$ 79,833,931

Source: Statement of Activities, Annual Audited Financial Statements

**COUNTY OF MONTGOMERY, PENNSYLVANIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	2011	2012	2013	2014	2015*	2016	2017	2018	2019**	2020***
General Fund										
Nonspendable:										
Prepaid Expenses and Other Assets	\$ 1,263,683	\$ 1,435,955	\$ 1,332,888	\$ 6,839,453	\$ 1,579,655	\$ 1,210,026	\$ 2,101,234	\$ 2,591,232	\$ 744,012	\$ 928,182
Assigned:										
Pension Contributions	-	-	-	-	-	-	-	-	-	5,000,000
Debt Service Expenditures	-	-	-	-	-	-	-	-	-	20,000,000
COVID-19 Recovery Initiatives	-	-	-	-	-	-	-	-	-	10,000,000
Unassigned	22,737,670	15,628,533	22,647,391	33,210,626	39,270,623	55,934,889	82,219,395	87,127,996	92,360,050	98,447,908
Total General Fund	24,001,353	17,064,488	23,980,279	40,050,079	40,850,278	57,144,915	84,320,629	89,719,228	93,104,062	134,376,090
All Other Governmental Funds										
Nonspendable:										
Prepaid Expenses and Other Assets	-	-	-	5,850	-	-	671,894	482,846	-	-
Restricted for Special Programs	27,074,687	28,025,668	33,325,969	38,535,180	35,465,700	48,958,683	38,884,796	39,427,062	27,319,690	28,236,985
Restricted for Capital Projects	-	-	-	-	-	13,807,273	32,194,495	-	23,487,759	3,807,314
Restricted:										
Reported in Nonmajor Special Revenue Funds	9,457,902	7,564,671	8,687,029	8,620,439	11,692,566	8,482,378	22,412,123	21,725,157	27,978,338	37,460,430
Reported in Nonmajor Capital Project Funds	-	19,054,223	69,216,918	33,497,969	2,696,414	1,915,149	20,415,154	5,056,131	12,507,950	6,710,900
Assigned:										
Capital Projects	-	-	2,100,658	1,849,399	4,616,244	15,693,821	12,849,315	-	-	-
Pension	-	-	-	-	-	-	-	700,748	-	-
Reported in Nonmajor Special Revenue Funds	-	-	-	-	-	-	-	968,362	1,008,570	-
Reported in Nonmajor Capital Project Funds	26,994,366	-	-	-	-	-	-	16,724,586	9,569,108	8,175,945
Unassigned	-	(1,103,697)	(1,597,588)	(1,293,996)	(2,014,377)	(4,957,073)	(1,945,246)	(2,863,571)	(373,898)	(21,536,390)
Total All Other Governmental Funds	63,526,955	53,540,865	111,732,986	81,214,841	52,456,547	83,900,231	125,482,531	82,221,321	101,497,517	62,855,184
Total Governmental Fund Balance	\$ 87,528,308	\$ 70,605,353	\$ 135,713,265	\$ 121,264,920	\$ 93,306,825	\$ 141,045,146	\$ 209,803,160	\$ 171,940,549	\$ 194,601,579	\$ 197,231,274

* 2015 Beginning balances were restated to reflect the effects of implementation of GASB 68.

** 2019 Beginning balances were restated to reflect the effects of implementation of GASB 84.

*** 2020 Beginning balances were restated to reflect corrections of errors.

Source: Balance Sheet - Governmental Funds, Annual Audited Financial Statements.

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015*	2016	2017	2018	2019**	2020***
REVENUES										
Real Estate Taxes, Net:										
Current Year	\$ 151,217,715	\$ 176,866,078	\$ 178,078,258	\$ 179,228,161	\$ 179,087,092	\$ 200,144,742	\$ 225,787,714	\$ 225,236,501	\$ 226,143,974	\$ 226,526,063
Prior Years and Liened Taxes	3,705,304	4,159,978	5,488,435	4,776,004	6,307,315	2,462,838	4,800,233	5,438,343	4,650,776	4,467,915
Total Taxes	154,923,019	181,026,056	183,566,693	184,004,165	185,394,407	202,607,580	230,587,947	230,674,844	230,794,750	230,993,978
Grants and Entitlements	269,046,354	258,999,135	259,924,828	278,863,464	273,152,688	325,022,983	314,297,627	348,229,457	343,650,875	486,911,179
Parkhouse Providence Pointe	41,777,867	43,683,872	44,338,610	8,881,886	-	-	-	-	-	-
Departmental Earnings	34,924,568	34,896,587	36,440,743	35,163,060	44,637,356	43,927,263	50,832,558	51,246,918	49,456,007	45,829,277
District Justices	3,574,683	3,496,507	3,490,424	2,900,540	2,823,513	2,772,330	2,606,030	2,558,112	2,701,791	1,806,419
Investment Income	336,847	345,832	242,010	204,410	213,194	685,695	1,320,669	3,004,149	3,939,818	1,359,118
Contribution Fees	10,333,280	7,421,198	8,611,677	10,711,975	-	-	22,383,551	18,926,620	19,976,018	23,382,503
Fines and Forfeits	298,114	339,526	300,261	234,020	297,049	281,518	305,673	365,536	149,513	136,213
Room Occupancy	-	-	-	-	-	-	-	-	-	-
Other	11,578,850	12,109,509	11,171,768	14,222,205	19,340,638	7,987,485	13,335,695	7,186,802	11,247,611	17,062,520
Total Revenues	526,793,582	542,318,222	548,087,014	535,185,725	525,858,845	583,284,854	635,669,750	662,192,438	661,916,383	807,481,207
EXPENDITURES										
General Administration	31,988,834	31,641,536	29,045,341	31,584,178	31,682,109	30,699,975	34,163,618	34,914,715	43,769,849	50,376,551
Judicial Administration	65,529,973	65,735,285	68,355,199	70,192,225	69,423,926	75,656,350	73,145,509	79,049,870	80,967,726	78,981,274
Corrections	57,669,328	56,424,774	57,598,159	60,039,303	63,004,580	67,331,560	67,129,283	69,091,879	69,615,901	69,631,361
Public Safety	14,211,595	16,174,299	16,724,589	16,508,872	5,315,905	5,635,592	19,329,585	21,668,926	20,249,919	23,500,165
History, Cultural Arts, Recreation	4,836,092	4,662,980	4,634,451	4,731,622	4,784,455	4,946,171	5,463,327	5,807,883	6,035,196	6,457,376
Adult Welfare	65,591,616	65,241,183	63,962,694	29,927,033	19,213,583	19,168,500	20,245,839	19,067,412	19,713,207	18,702,348
Child Welfare	49,116,262	47,744,325	49,105,230	51,313,727	54,636,563	55,584,432	59,842,906	63,300,148	71,039,992	86,957,464
General Welfare	165,785,653	170,708,229	166,396,905	170,431,214	180,716,470	197,038,802	221,655,711	244,702,364	242,559,067	286,985,616
Community Development and Housing	13,125,822	12,228,802	9,209,812	12,083,722	8,846,096	11,138,365	10,648,252	10,538,446	13,557,104	18,451,953
Mass Transportation	4,608,071	4,299,558	4,272,142	4,490,369	4,281,050	5,856,564	4,642,221	4,671,490	5,070,409	-
Roads and Bridges, Construction, and Reconstruction	1,971,420	1,730,596	1,388,726	1,939,329	1,910,266	4,113,782	2,660,538	4,369,687	2,397,026	1,636,150
Employee Benefits	2,274,592	-	-	-	-	-	-	-	-	-
Insurance	1,770,092	1,781,880	1,784,149	1,695,611	2,238,383	1,408,760	1,506,006	1,991,345	3,162,215	1,512,404
Debt Service:										
Principal	34,600,768	38,976,613	40,362,209	61,079,573	38,384,591	23,225,000	26,400,000	31,996,037	32,187,500	32,071,213
Interest	-	-	-	-	-	16,506,088	17,204,166	14,023,789	14,729,638	16,327,072
Issuance Costs	262,137	-	-	-	-	1,448,068	887,610	197,105	741,626	-
Swap Termination	7,934,500	-	-	-	-	-	-	-	-	-
Operational Costs	44,101	223,475	430,314	495,713	510,984	177,299	79,394	102,486	98,966	13,921
Recycling Costs	387,155	236,370	361,146	321,594	-	-	-	-	-	-
Capital Improvements	33,412,300	9,680,386	12,539,412	47,021,241	38,625,482	44,955,857	26,173,805	57,162,795	51,894,464	63,263,022
Other	17,310,553	6,434,013	3,958,892	3,217,012	11,224,125	9,554,318	39,216,183	37,845,349	34,831,891	53,565,458
Total Expenditures	572,430,864	533,924,304	530,129,370	567,072,338	534,798,568	574,445,483	630,393,953	700,501,726	712,621,696	808,433,348
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(45,637,282)	8,393,918	17,957,644	(31,886,613)	(8,939,723)	8,839,371	5,275,797	(38,309,288)	(50,705,313)	(952,141)

COUNTY OF MONTGOMERY, PENNSYLVANIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015*	2016	2017	2018	2019**	2020***
OTHER FINANCING SOURCES (USES)										
Operating Transfers In	\$ 8,479,885	\$ 944,772	\$ 2,740,872	\$ 2,718,218	\$ 224,910	\$ 702,441	\$ 26,312,390	\$ 10,181,373	\$ 20,017,526	\$ 62,206,871
Operating Transfers Out	(10,050,182)	(2,862,539)	(6,067,792)	(5,007,895)	-	(2,555,529)	(27,012,390)	(10,181,373)	(20,017,526)	(62,417,269)
Operating Transfers to Component Units	(23,382,891)	(23,403,856)	(18,105,562)	(19,620,768)	(19,557,004)	(19,629,822)	-	-	-	-
Proceeds from Sale of Capital Assets	-	4,750	-	39,250,520	-	-	-	-	-	-
Proceeds from Debt Issuance	-	-	-	-	-	-	53,025,000	-	54,755,000	-
Repayment to Infrastructure Program	-	-	98,194	98,194	-	-	-	-	-	-
Refunding Bonds Issued	-	-	-	-	26,910,000	-	24,770,000	43,970,000	62,180,000	-
Premium on Refunding Bonds Issued	-	-	-	-	3,259,865	8,903,551	-	-	-	-
Premium on Debt Issued	-	-	-	-	-	-	5,024,636	4,700,433	21,327,032	-
Payment to Refunded Bond Escrow Agent	(30,270,000)	-	-	-	(29,856,143)	(53,771,291)	(27,908,862)	(45,386,756)	(70,520,406)	-
Swap Termination Fee	-	-	-	-	-	(6,470,400)	-	(2,837,000)	-	-
Deposit from Sale of Capital Assets	-	-	5,034,197	-	-	-	-	-	-	-
Proceeds from Bond Issue	34,220,000	-	55,000,000	-	-	111,720,000	-	-	-	-
Original Issue Premium	4,261,040	-	8,450,360	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(16,742,148)</u>	<u>(25,316,873)</u>	<u>47,150,269</u>	<u>17,438,269</u>	<u>(19,018,372)</u>	<u>38,898,950</u>	<u>54,210,774</u>	<u>446,677</u>	<u>67,741,626</u>	<u>(210,398)</u>
NET CHANGE IN FUND BALANCES	(62,379,430)	(16,922,955)	65,107,913	(14,448,344)	(27,958,095)	47,738,321	59,486,571	(37,862,611)	17,036,313	(1,162,539)
Fund Balances - Beginning of Year	149,907,738	87,528,308	70,605,353	135,713,266	121,264,922	93,306,827	150,316,589	209,803,160	177,565,266	198,393,813
FUND BALANCES - END OF YEAR	<u>\$ 87,528,308</u>	<u>\$ 70,605,353</u>	<u>\$ 135,713,266</u>	<u>\$ 121,264,922</u>	<u>\$ 93,306,827</u>	<u>\$ 141,045,148</u>	<u>\$ 209,803,160</u>	<u>\$ 171,940,549</u>	<u>\$ 194,601,579</u>	<u>\$ 197,231,274</u>
Debt Service as a Percentage of Noncapital Expenditures	8.1%	7.9%	8.2%	12.1%	7.7%	7.7%	7.6%	7.1%	7.2%	6.4%

* 2015 Beginning balances were restated to reflect the effects of implementation of GASB 68.

** 2019 Beginning balances were restated to reflect the effects of implementation of GASB 84.

*** 2020 Beginning balances were restated to reflect corrections of errors.

Source: Balance Sheet - Governmental Funds, Annual Audited Financial Statements

COUNTY OF MONTGOMERY, PENNSYLVANIA
ASSESSED VALUE AND ESTIMATED MARKET VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Year Ended December 31	Residential	Commercial	Farm	Industrial	Total Taxable Assessed Value	Exempt ¹	Total Direct Tax Rate	Estimated Actual Market Value	Assessed Value as a Percentage of Market Value
2011	\$ 43,028,101,650	\$ 13,059,462,086	\$ 274,369,045	\$ 2,061,968,804	\$ 58,423,901,585	\$ 6,603,652,996	2.695	\$ 94,080,356,820	62.1%
2012	43,088,082,252	12,891,230,293	277,940,595	2,035,650,713	58,292,903,853	6,734,524,456	3.152	92,089,895,502	63.3%
2013	43,232,428,013	13,003,918,743	309,645,365	1,992,772,589	58,538,764,710	6,871,867,986	3.152	101,806,547,322	57.5%
2014	43,447,113,902	13,187,912,715	312,411,055	1,990,183,258	58,937,620,930	6,901,141,321	3.152	104,871,211,619	56.2%
2015	43,624,943,735	13,413,497,080	313,196,595	1,989,969,213	59,341,606,623	6,838,349,055	3.152	105,590,047,372	56.2%
2016	43,817,422,923	13,531,318,200	318,473,955	1,978,935,448	59,646,150,526	6,940,283,775	3.459	110,251,664,558	54.1%
2017	44,025,102,509	13,727,566,541	317,867,335	1,950,615,369	60,021,151,754	6,984,007,188	3.849	117,919,748,043	50.9%
2018	44,230,342,985	13,948,819,906	318,456,215	1,921,476,269	60,419,095,375	7,065,694,780	3.849	122,553,945,994	49.3%
2019	44,401,318,304	14,089,890,968	318,701,485	1,891,060,325	60,700,971,082	7,274,819,310	3.849	129,426,377,574	46.9%
2020	44,585,183,154	14,307,543,171	321,774,790	1,873,766,195	61,088,267,310	7,317,564,560	3.849	136,662,790,403	44.7%

Notes:

¹ Exempt property includes railroads and utilities, which is not included in any category listed above.

Source: County Board of Assessment Office

**COUNTY OF MONTGOMERY, PENNSYLVANIA
REAL PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(MILLS PER \$1,000 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended December 31	County Direct Rates		Overlapping Rates		Total Direct and Overlapping Rates
	General Purposes	Total County Direct	Borough or Township ¹	School District ¹	
2011	2.695	2.695	3.4613	25.8147	31.9710
2012	3.152	3.152	3.5715	26.3143	33.0378
2013	3.152	3.152	3.6899	26.8077	33.6496
2014	3.152	3.152	3.7637	27.4332	34.3489
2015	3.152	3.152	3.8577	27.9182	34.9279
2016	3.459	3.459	3.9469	28.4781	35.8840
2017	3.459	3.849	4.0646	29.0601	36.9737
2018	3.459	3.849	4.2810	29.7325	37.8625
2019	3.459	3.849	4.3052	30.3861	38.5403
2020	3.459	3.849	4.3970	30.9751	39.2211

Note:

¹ Each unit within these classes levies its own millage rate. The rates shown are weighted-averages.

**COUNTY OF MONTGOMERY, PENNSYLVANIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
COUNTY DIRECT RATES										
General Purposes	2.6950	3.1520	3.1520	3.1520	3.1520	3.4590	3.4590	3.4590	3.4590	3.4590
Community College	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.3900	0.3900	0.3900	0.3900
TOTAL DIRECT RATE	2.6950	3.1520	3.1520	3.1520	3.1520	3.4590	3.8490	3.8490	3.8490	3.8490
BOROUGH RATES										
Ambler	6.3000	6.3000	6.7800	6.7800	6.9400	7.3600	7.3600	7.3600	7.3600	7.8600
Bridgeport	12.2300	12.2300	12.3800	12.2300	12.2300	12.2300	12.2300	12.2300	12.2300	12.2300
Bryn Athyn	8.9460	9.1700	9.4160	9.6800	9.9700	10.3000	10.6090	10.8760	10.8760	10.8760
Collegeville	4.0000	4.0000	4.0000	4.0000	4.0000	4.0000	4.4000	4.9000	4.9000	5.2000
Conshohocken	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	3.5000	4.5000
East Greenville	5.0000	5.0000	5.2500	6.2500	6.2500	6.2500	6.7500	6.2500	6.2500	6.2500
Green Lane	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000	2.0000
Hatboro Borough	7.3580	7.8780	7.8780	7.8780	7.8780	7.8780	7.8780	9.2390	9.2390	9.7890
Hatfield Borough	1.0000	1.0000	1.0000	1.0000	1.3500	1.7000	2.0000	2.0000	2.0000	2.0000
Jenkintown	6.2430	7.1430	7.1430	7.4430	7.4430	7.5930	7.7530	7.7530	8.1530	8.5530
Lansdale	3.5000	3.5000	3.5000	3.5000	4.5000	4.5000	4.5000	5.5000	5.5000	5.7500
Narberth	8.7750	8.7750	8.7750	8.7750	8.7750	8.7750	9.5500	9.7100	9.7100	9.8650
Norristown	11.9500	12.3600	12.3600	12.7000	12.7000	12.7000	12.7000	14.7000	14.7000	15.0000
North Wales	4.0010	4.0010	4.0010	4.0010	4.0010	4.0010	5.0010	5.0010	5.0010	5.0010
Pennsburg	4.8250	5.2250	5.4750	5.4750	5.4750	5.4750	5.9750	7.2250	7.2250	7.2250
Pottstown	10.0418	10.2106	10.2120	10.3110	10.3110	10.3110	10.3400	11.5800	12.6750	13.1610
Red Hill	2.2000	2.2000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000	2.7000
Rockledge	4.8500	5.3500	6.3500	6.3500	6.3500	6.3500	6.3500	7.3500	7.3500	7.3500
Royersford	6.7000	6.7000	8.2000	8.2000	8.2000	8.2000	8.4500	9.4500	9.4500	10.2000
Schwenksville	4.4000	4.4000	4.4000	4.4000	4.9000	4.9000	5.9400	5.9400	5.9400	5.9400
Souderton	4.6650	4.9925	5.2750	5.3875	5.5100	5.5100	5.5100	5.7800	5.7800	5.7800
Telford	4.9550	5.3050	5.5875	5.7375	6.0600	6.0600	6.0600	6.6400	6.6400	6.7400
Trappe	0.0000	0.0000	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700	0.4700
West Conshohocken	1.4170	1.4170	1.4170	1.5270	1.5270	1.5270	1.5270	1.1800	1.1800	1.1800
MUNICIPALITIES										
Abington	3.7211	3.9191	3.9711	3.9711	3.9711	4.2030	4.2030	4.4430	4.4430	4.8510
Cheltenham	7.1413	7.1413	7.1413	7.4801	7.8846	8.0972	8.4165	9.1785	9.1785	9.5695
Douglass	1.7000	1.7000	1.7000	1.7000	1.8000	1.8000	1.8000	2.3000	2.3000	2.6000
East Norriton	2.7270	2.7270	2.7270	2.7270	2.7270	2.7270	2.7270	2.7270	2.7270	2.7270
Franconia	1.1905	1.2900	1.3975	1.5475	1.8415	1.9240	1.9240	1.9790	1.9790	2.0300
Hatfield	4.0350	4.3450	4.3450	5.2210	5.2210	5.2210	5.2210	5.2210	5.2210	5.2210
Horsham	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.2000	1.2000	1.2000
Limerick	1.2130	1.5160	1.8950	2.0040	2.0040	2.5930	2.5930	2.5930	2.5930	2.5930
Lower Frederick	1.8500	1.8500	1.8500	1.8500	1.8500	2.3500	2.3500	2.4150	2.4150	2.8200
Lower Gwynedd	1.1170	1.2230	1.2230	1.2230	1.2230	1.2230	1.2230	1.2230	1.2230	1.2230
Lower Merion	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900	4.1900
Lower Moreland	3.3640	3.3640	3.5160	3.7450	3.9350	4.0640	4.1830	4.8030	4.8030	4.9400
Lower Pottsgrove	2.4180	2.7280	2.7880	2.8680	2.8680	3.3680	3.3680	3.6180	3.6180	3.8680
Lower Providence	1.5120	1.5120	1.5120	1.5920	1.7670	1.7670	1.7670	2.0870	2.0870	2.0870
Lower Salford	2.5240	2.5240	2.6065	2.6065	2.6890	2.6890	2.6890	2.6890	2.6890	2.6890
Marlborough	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500	2.2500
Montgomery	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900	1.4900
New Hanover	1.6800	1.6800	1.6800	1.6800	1.6800	1.6800	1.6800	1.5870	1.5870	1.5870
Perkiomen	0.6200	0.6200	0.6200	0.6200	0.6200	0.6200	0.6200	0.6200	0.6200	0.6200
Plymouth	1.6000	1.6000	1.6000	1.6000	1.8500	2.1000	2.1000	2.1600	2.1600	2.3200
Salford	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000	1.4000
Skippack	0.3508	0.3508	0.3508	0.3508	0.3508	0.3508	0.3508	0.3200	0.3200	0.3200
Springfield	3.3700	3.3700	3.5840	3.4670	3.6760	3.6760	3.9650	4.4410	4.4410	4.4410
Towamencin	3.8080	3.8080	3.8080	3.8080	3.8080	3.8080	3.8080	3.8080	3.8080	3.8080
Upper Dublin	4.9390	5.2310	5.3100	5.4160	5.5250	5.6610	5.6610	5.8460	5.8460	5.9920
Upper Frederick	1.6200	1.6200	1.6200	1.6200	1.6200	1.6200	1.6200	1.6200	1.6200	1.6200
Upper Gwynedd	1.0120	1.0120	1.0120	2.0120	2.0120	2.0120	2.0410	2.0410	2.0410	2.0410
Upper Hanover	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500	1.4500

**COUNTY OF MONTGOMERY, PENNSYLVANIA
DIRECT AND OVERLAPPING PROPERTY TAX RATES (CONTINUED)
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
MUNICIPALITIES (CONTINUED)										
Upper Merion	2.1590	2.1590	2.1590	2.1590	2.1590	2.1590	2.1590	2.1590	2.1590	2.7900
Upper Moreland	4.1570	4.1570	4.4580	4.4580	4.6800	4.8200	4.9390	5.2690	5.2690	5.4690
Upper Pottsgrove	3.7750	3.7750	3.7750	3.7750	3.7750	4.3000	4.3000	4.0000	4.0000	4.0000
Upper Providence	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.2000	1.2000	1.2000	1.2000
Upper Salford	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000	1.5000
West Norriton	2.5700	3.4870	3.4870	3.4870	3.5300	4.4750	4.4750	4.4750	4.4750	4.4750
West Pottsgrove	1.0000	1.5000	2.0000	1.5000	2.5000	2.5000	2.5000	2.5000	2.5000	3.0000
Whitemarsh	2.0379	2.0379	2.0379	2.0379	2.0379	2.0379	2.0379	2.0379	2.0379	2.3633
Whitpain	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000	3.2000
Worcester	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
SCHOOL DISTRICT RATES										
Abington	27.8000	27.8000	27.8000	29.0600	29.8900	30.8300	31.7700	31.7700	31.7700	31.7700
Boyetown	21.5000	22.4900	22.9700	23.2700	23.8600	24.2700	25.0200	26.3700	27.3300	28.2000
Bryn Athyn	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	0.0000	0.0000	0.0000	0.0000
Cheltenham	41.6000	41.6000	42.3072	43.6856	44.5156	45.0943	45.9511	47.0539	48.2773	49.5325
Colonial	18.4760	19.1040	19.6007	20.1103	20.5125	20.9638	21.4040	21.9170	22.7720	23.3640
Hatboro-Horsham	24.9920	25.4100	25.8160	26.3580	26.8480	27.4870	28.1410	28.8020	29.4640	30.0240
Jenkintown	35.1784	36.1520	36.5970	37.3655	38.0726	38.9836	40.3000	41.2672	42.2143	43.3043
Lower Merion	23.0270	23.4841	24.3817	25.3335	26.2321	27.3963	28.0740	28.7477	29.4088	30.1734
Lower Moreland	29.5258	30.0403	30.9354	31.5831	32.3712	33.3179	34.3069	35.1906	35.8576	36.7205
Methacton	26.3200	26.8300	27.3300	27.9000	27.9000	28.7400	29.4585	30.0431	30.3781	30.8534
Norristown	30.2880	30.9120	31.7440	32.5720	33.1790	34.3890	35.8790	36.9190	37.9520	39.2040
North Penn	21.9563	22.3256	22.7049	23.1819	23.6223	24.1890	24.6704	25.5090	26.0957	26.7742
Perkiomen Valley	28.5900	29.2400	29.7600	30.5100	30.8700	31.6000	32.3500	33.2300	33.7200	34.5100
Pottsgrove	34.9990	35.9790	36.8101	37.5095	37.7158	37.7158	37.8630	37.8630	38.1020	38.1020
Pottstown	36.8103	37.2520	38.1460	39.2522	39.2522	39.2522	39.2522	40.6260	41.9667	41.9667
Souderton	27.1900	28.0050	28.2550	28.5376	28.6502	28.7820	28.9259	29.6201	30.0495	30.3200
Springfield Twp	28.7448	29.4634	29.9642	30.5361	31.0766	31.6638	32.3913	33.0654	33.7102	34.4687
Spring-Ford	24.2910	24.7690	25.2540	25.7460	26.0610	26.2442	26.2442	26.8599	27.4777	28.1869
Upper Dublin	27.6115	28.7847	29.6536	30.5431	31.4099	32.2861	33.0254	33.6826	34.4202	35.2634
Upper Merion	17.1900	17.4900	17.9900	18.3600	18.9600	18.9600	19.4300	19.8900	20.3400	20.7600
Upper Moreland	26.7700	27.2200	27.6800	28.2600	28.7969	29.4016	30.1366	30.8598	31.7559	32.5816
Upper Perkiomen	21.9521	21.9521	21.9521	22.3363	23.0622	23.6388	24.3479	24.5407	25.2278	25.2278
Wissahickon	17.9250	17.9250	17.9250	17.9310	18.2610	18.7900	19.4400	20.0200	20.5900	21.1200

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PRINCIPAL TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)**

Business	Type of Business	2020 Assessment			2011 Assessment		
		Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Simons Properties	Commercial Real Estate	\$ 554,228,920	1	0.91%			
Merck & Co., Inc	Pharmaceuticals	512,242,260	2	0.84%	\$ 564,672,640	1	0.97%
Neilson-Sunderland Partnership	Real Estate Investment	270,455,593	3	0.44%	190,175,210	6	0.33%
Wyeth / Pfizer	Pharmaceuticals	185,832,820	4	0.30%	185,804,190	7	0.32%
The Westover Companies	Property Management	155,398,550	5	0.25%	110,330,280	8	0.19%
RV of 1 LP	Real Estate Investment	149,702,790	6	0.25%			
Tower Bridge Associates	Financial Advisors	140,438,555	7	0.23%			
Brandywine Operating Partnership	Real Estate and Investment Services	138,614,020	8	0.23%	274,753,378	4	0.47%
Johnson and Johnson	Pharmaceuticals and Medical Devices	126,750,130	9	0.21%			
A.C.T.S., Inc.	Retirement Communities	119,238,530	10	0.20%	110,222,360	9	0.19%
Total Principal Taxpayers 2020		<u>\$ 2,352,902,168</u>		<u>3.85%</u>			
King of Prussia Associates	Commercial Real Estate				382,200,509	2	0.65%
Liberty Properties	Real Estate Investment				356,717,450	3	0.61%
Glaxo - Smith Kline	Pharmaceuticals				255,353,500	5	0.44%
Pulver - Tower Bridge Associates	Real Estate Developer				105,070,935	10	0.18%
Total Principal Taxpayers 2011					<u>\$ 2,535,300,452</u>		<u>4.34%</u>
<i>Total Assessed Valuation</i>		\$ 61,088,267,310			\$ 58,423,901,585		

Source: County Board of Assessment Office

**COUNTY OF MONTGOMERY, PENNSYLVANIA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Year Ended December 31	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
2011	\$ 157,777,524	\$ 151,217,715	0.958%	\$ 3,705,304	\$ 154,923,019	0.982%	\$ 3,974,063	0.025%
2012	184,413,355	176,866,078	0.959%	4,159,978	181,026,056	0.982%	4,755,359	0.026%
2013	185,209,756	178,078,258	0.961%	5,488,435	183,566,693	0.991%	4,707,378	0.025%
2014	186,493,180	179,228,161	0.961%	4,776,004	184,004,165	0.987%	4,644,677	0.025%
2015	187,658,793	179,087,092	0.954%	6,307,315	185,394,407	0.988%	4,323,762	0.023%
2016	207,211,277	200,144,742	0.966%	2,462,838	202,607,580	0.978%	4,442,122	0.021%
2017	208,926,445	203,086,678	0.972%	4,800,233	207,886,911	0.995%	1,617,865	0.008%
2018	209,872,929	202,225,103	0.964%	5,438,343	207,663,446	0.989%	3,857,057	0.018%
2019	211,118,388	205,286,135	0.972%	5,816,262	211,102,397	1.000%	2,816,548	0.013%
2020	212,585,105	203,153,757	0.956%	5,774,306	208,928,063	0.983%	3,033,868	0.014%

Source: Auditor-Controller

COUNTY OF MONTGOMERY, PENNSYLVANIA
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Year Ended December 31</u>	<u>Governmental Activities General Obligation (GO)</u>	<u>Total Primary Government</u>	<u>Total Debt to Market Value</u>	<u>Total Debt per Capita</u>	<u>Total Debt to Personal Income</u>
2011	\$ 431,553,190	\$ 431,553,190	0.459%	536	0.817%
2012	407,545,103	407,545,103	0.443%	503	0.721%
2013	446,166,110	446,166,110	0.438%	548	0.824%
2014	402,604,299	402,604,299	0.384%	493	0.712%
2015	380,871,495	380,871,495	0.361%	465	0.652%
2016	423,534,436	423,534,436	0.384%	515	0.708%
2017	470,274,018	470,274,018	0.399%	569	0.737%
2018	438,840,037	438,840,037	0.358%	530	0.657%
2019	473,700,209	473,700,209	0.366%	570	0.695%
2020	437,504,796	437,504,796	0.318%	540	0.604%

Sources: Annual Financial Statements
United States Census Bureau
Bureau of Economic Analysis, 2020 information not available at time of reporting

**COUNTY OF MONTGOMERY, PENNSYLVANIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
DECEMBER 31, 2020
(UNAUDITED)**

<u>Direct Debt of County and Related Entities</u>	<u>Net Debt Outstanding</u>	<u>Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Overlapping:			
Montgomery County Community College ¹	\$ 86,699,595	100%	\$ 86,699,595
Direct:			
County of Montgomery	<u>437,504,796</u>	100%	437,504,796
Total Direct and Overlapping Debt	<u>\$ 524,204,391</u>		<u>\$ 524,204,391</u>
Ratio of Total Direct and Overlapping Debt:			
Total Assessed Value			0.38%
Per Capita			\$ 611.99
Total Assessed Value	\$ 136,662,790,403		
Population	856,553		

Note:

¹ Montgomery County Community College debt is as of June 30, 2020

Source: Montgomery County Finance Office

**COUNTY OF MONTGOMERY, PENNSYLVANIA
RATIOS OF OUTSTANDING DEBT
LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Debt Limit	\$ 1,504,558,326	\$ 1,498,135,884	\$ 1,514,102,856	\$ 1,521,895,566	\$ 1,510,014,186	\$ 1,542,733,159	\$ 1,642,310,270	\$ 1,768,179,018	\$ 1,863,319,786	\$ 1,974,449,296
Total Net Debt Applicable to Limit	<u>417,254,000</u>	<u>394,850,000</u>	<u>426,720,000</u>	<u>385,035,000</u>	<u>361,935,000</u>	<u>399,825,000</u>	<u>444,127,457</u>	<u>410,834,920</u>	<u>427,967,420</u>	<u>406,319,000</u>
Legal Debt Margin	<u>\$ 1,087,304,326</u>	<u>\$ 1,103,285,884</u>	<u>\$ 1,087,382,856</u>	<u>\$ 1,136,860,566</u>	<u>\$ 1,148,079,186</u>	<u>\$ 1,142,908,159</u>	<u>\$ 1,198,182,813</u>	<u>\$ 1,357,344,098</u>	<u>\$ 1,435,352,366</u>	<u>\$ 1,568,130,296</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	27.73%	26.36%	28.18%	25.30%	23.97%	25.92%	27.04%	23.23%	22.97%	20.58%

Source: Montgomery County Finance Office, Annual Financial Statements

**COUNTY OF MONTGOMERY, PENNSYLVANIA
 DEMOGRAPHIC ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 (UNAUDITED)**

Year Ended December 31	(1) Population	(2) Per Capita Income	(4) Public School Enrollment	(3) Unemployment Rate	(2) Personal Income
2011	805,575	\$ 65,565	103,816	6.5%	\$ 52,817,572,000
2012	809,701	69,816	104,514	6.4%	56,530,160,000
2013	813,704	66,564	104,953	5.8%	54,163,111,000
2014	816,608	69,255	105,163	4.6%	56,554,548,000
2015	819,264	71,306	105,825	4.2%	58,418,435,000
2016	821,725	72,780	106,274	4.2%	59,805,193,000
2017	826,075	77,207	109,486	3.4%	63,778,569,000
2018	828,562	80,606	115,859	3.1%	66,790,654,000
2019	830,915	82,037	115,747	3.9%	68,165,713,000
2020*	856,553	86,340	116,690	5.4%	71,996,142,000

- (1) United States Census Bureau estimates
- (2) Bureau of Economic Analysis
- (3) United States Department of Labor, Bureau of Labor Statistics
- (4) PA Department of Education

**COUNTY OF MONTGOMERY, PENNSYLVANIA
TOP PRINCIPAL EMPLOYERS
LAST TEN FISCAL YEARS
(UNAUDITED)**

Employer	Location	2020 Rank	2011 Rank
Merck & Company, Inc.	West Point	1	1
Abington Memorial Hospital	Abington	2	2
Main Line Hospitals	Lower Merion	3	4
PA State Government	Various	4	3
SmithKline Beecham Corporation	Swedeland	5	6
Giant Food Stores	Various	6	9
Einstein Medical Center	Norristown	7	
SEI Investments Company	Oaks	8	
Federal Government	Various	9	7
Lockheed Martin Corporation	Norristown	10	8
County of Montgomery	Norristown		5
Quest Diagnostics Inc.	Various		10

Source: Pennsylvania Center for Workforce Information and Analysis

**COUNTY OF MONTGOMERY, PENNSYLVANIA
COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Full-Time Employees by Function										
General Government	335	313	308	279	279	275	274	274	278	288
Parkhouse*	572	567	551	-	-	-	-	-	-	-
Judicial	865	854	852	845	833	845	840	834	843	802
Public Safety	284	286	298	298	298	298	296	306	307	300
Corrections	403	393	398	393	405	395	404	409	408	416
Public Property	110	93	90	95	93	96	98	88	89	89
Human Services	559	546	480	479	474	474	484	462	471	521
Parks, Trails and Historic Sites	67	64	59	63	63	69	71	75	76	73
Commerce	21	18	22	37	32	19	18	33	30	30
Total Full-Time	3,216	3,134	3,058	2,489	2,477	2,471	2,485	2,481	2,502	2,519
Part-Time Employees by Function										
General Government	95	98	95	23	24	31	28	23	22	31
Parkhouse*	144	151	142	-	-	-	-	-	-	-
Judicial	122	114	117	125	122	136	142	139	127	118
Public Safety	4	6	105	109	112	112	123	114	155	166
Corrections	6	6	6	7	9	8	8	9	7	7
Public Property	8	10	9	8	11	8	10	6	11	6
Human Services	14	16	21	17	19	24	19	21	21	23
Parks, Trails and Historic Sites	41	33	38	38	41	33	34	32	32	34
Commerce	-	-	-	2	-	-	-	1	1	1
Total Part-Time	434	434	533	329	338	352	364	345	376	386
Total Employees	3,650	3,568	3,591	2,818	2,815	2,823	2,849	2,826	2,878	2,905

* Closed Parkhouse Department in 2014

Source: Montgomery County Human Resources Office, Information Technology Office

**COUNTY OF MONTGOMERY, PENNSYLVANIA
MISCELLANEOUS STATISTICS
DECEMBER 31, 2020
(UNAUDITED)**

Date Founded:	1784																								
Form Of Government:	County																								
Area:	487 Square Miles																								
Number Of Municipalities:	38 Townships 24 Boroughs																								
Miles Of Roads:	75 County																								
County Bridges:	133																								
Airports:	6																								
Passenger Rail Stations:	41																								
Fire / Ambulance Protection:	97 Fire Stations 76 Ambulance and EMS Stations																								
Police Protection:	50 Municipal Police Departments 2 State Police Barracks 1 County Detective																								
Hospitals And Medical Centers:	18																								
Number Of School Districts:	23																								
Number Of Colleges:	20																								
Major County Parks:																									
	<table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Park</th> <th style="text-align: center; border-bottom: 1px solid black;">Acres</th> <th style="text-align: center; border-bottom: 1px solid black;">Active Trail/Miles</th> </tr> </thead> <tbody> <tr> <td>Central Perkiomen Valley Park</td> <td style="text-align: center;">800</td> <td style="text-align: center;">19</td> </tr> <tr> <td>Green Lane Park</td> <td style="text-align: center;">3400</td> <td style="text-align: center;">25</td> </tr> <tr> <td>Lock 60 at the Schuylkill Canal Park</td> <td style="text-align: center;">-</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Lorimer Park</td> <td style="text-align: center;">230</td> <td style="text-align: center;">5.4</td> </tr> <tr> <td>Lower Perkiomen Valley Park</td> <td style="text-align: center;">107</td> <td style="text-align: center;">-</td> </tr> <tr> <td>Norristown Farm Park</td> <td style="text-align: center;">690</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Upper Schuylkill Valley Park</td> <td style="text-align: center;">15</td> <td style="text-align: center;">-</td> </tr> </tbody> </table>	Park	Acres	Active Trail/Miles	Central Perkiomen Valley Park	800	19	Green Lane Park	3400	25	Lock 60 at the Schuylkill Canal Park	-	5	Lorimer Park	230	5.4	Lower Perkiomen Valley Park	107	-	Norristown Farm Park	690	8	Upper Schuylkill Valley Park	15	-
Park	Acres	Active Trail/Miles																							
Central Perkiomen Valley Park	800	19																							
Green Lane Park	3400	25																							
Lock 60 at the Schuylkill Canal Park	-	5																							
Lorimer Park	230	5.4																							
Lower Perkiomen Valley Park	107	-																							
Norristown Farm Park	690	8																							
Upper Schuylkill Valley Park	15	-																							
County Employees:	2,519 Full-Time 286 Part-Time																								
Public Libraries:	36																								
Registered Voters:	609,250																								

Source: Montgomery County Human Resources Department, Department of Public Safety, Parks and Recreation Department, Voter Services, various other departments

**COUNTY OF MONTGOMERY, PENNSYLVANIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS*
(UNAUDITED)**

	2020	2019	2018	2017	2016*
General Administration					
Total number of real estate assessment appeals	2,141	2,072	1,958	1,957	1,533
Total bids/request for proposals issued for goods and services	94	85	81	74	113
Total bids and proposals received for goods and services	450	400	384	431	533
% of registered voters that voted in the general election	84%	38%	68%	32%	78%
% of registered voters that voted in the primary election	45%	21%	20%	16%	44%
Judicial Administration					
Criminal cases pending	7,226	4,093	4,692	4,723	5,835
Family Court new cases	6,748	7,130	7,083	7,325	7,310
Total filings through District Justices offices	99,415	166,778	163,695	166,505	164,720
Corrections					
Prison inmate population (average)	1,008	1,579	1,834	1,960	1,917
Number of inmates participating in work release program	333	368	341	446	351
Public Safety					
Total number of 911 calls handled by the Emergency Operations Center	840,990	772,713	798,373	763,973	787,646
Average 911 call dispatch time	4.3 seconds	3 seconds	3.1 seconds	2.7 seconds	3.4 seconds
Total number of defendants transported	3,308	13,416	13,168	13,675	13,000
Total number of incidents and bomb related activities responded to by bomb unit	226	491	337	142	245
History, Cultural Arts & Recreation					
Total attendance at Montgomery County parks	2,828,321	2,340,782	1,931,091	2,278,936	2,294,949
Total attendance at Montgomery County historic sites	186,672	122,383	66,380	138,721	125,574
Adult, Child, and General Welfare					
% successful exits out of homelessness into housing	64.9%	61.0%	58.4%	59.3%	61.4%
% increase/decrease in vaccine administrations through the Health clinics	-36.7%	-4.7%	-0.3%	-13.1%	5.1%
% of aging stay of assessments completed within 15 days	99.9%	99.0%	97.8%	98.0%	95.3%
Community Development & Housing					
Total acres preserved with Farmland Easement Programs	10,193	9,884	9,630	9,373	9,230
Number of zoning submittals reviewed by Planning Department	105	127	142	127	142
Number of community planning contracts	35	36	36	34	34
Roads & Bridges, Construction & Reconstruction					
Bridges owned	133	133	133	133	133
Number of highway miles maintained	75	75	75	75	75

* Future years will be included until ten years are shown.

Source: Montgomery County Departmental Records

**COUNTY OF MONTGOMERY, PENNSYLVANIA
CAPITAL ASSETS BY FUNCTION
LAST TEN FISCAL YEARS*
(UNAUDITED)**

Governmental	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016*</u>
General Administration:					
Motor Vehicles	7	10	8	8	2
Buildings	8	8	8	7	6
Judicial Administration:					
Motor Vehicles	136	132	137	137	144
Buildings	2	2	2	2	2
Corrections:					
Motor Vehicles	30	32	30	28	32
Buildings	8	8	8	8	7
Public Safety:					
Motor Vehicles	125	131	133	122	106
Buildings	10	10	10	10	10
History, Cultural Arts and Recreation:					
Motor Vehicles	39	43	31	32	41
Number Of Major Parks	9	9	9	9	9
Number Of Historic Sites	5	5	5	5	5
Acreage Of Major Parks	6,000	6,000	6,000	6,000	6,000
Miles Of Trails	60	60	60	60	60
Buildings	10	10	10	9	9
Adult/Child/General Welfare:					
Motor Vehicles	19	22	22	21	18
Buildings	5	5	5	5	5
Roads & Bridges, Construction & Reconstruction:					
Motor Vehicles	38	37	36	39	42
County-Owned Bridges	133	133	133	133	133

* Future years will be included until ten years are shown.

Source: Montgomery County Departmental Records

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