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**CECIL COUNTY GOVERNMENT**

Department of Finance  
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From: Winston L. Robinson  
Rebecca L. Anderson

To: Alan McCarthy, County Executive  
Al Wein, Director of Administration  
Cecil County Council Members

Date: January 23, 2017

Re: FY2017 Second Quarter Fiscal Projections

The Department of Finance is pleased to present its FY2017 Second Quarter Fiscal Projection. This projection includes by necessity certain broad assumptions in addition to detailed reviews of various areas. As the fiscal year is halfway completed, the Second Quarter Projections assume that revenues primarily will agree to the budget projection and expenditures will be made at or close to budgeted amounts. Where we have obtained new information or see a change in patterns, we have considered that information in our projection. The schedules have attached notes that indicate significant assumptions. A cautionary note that projections are just that and actual results will vary based on the economy and operational challenges.

**General Fund – Comparison to Budget**

Overall, the second quarter projection finds the County's General Fund expecting less of a deficit than the revised budget with the projected deficit of \$2,368,795 being \$293,709 better than the revised budget deficit of \$2,662,504 (and \$105,728 better than the original budget deficit of \$2,474,523).

Revenue projections reflect the actual receipts received through December versus estimates at the time of budget formation. The projected net of all revenue streams is \$766,368 less than budgeted. Real and personal property taxes are expected to be \$501,845 less than budget reflecting reduced taxable real property assessments versus the state's (SDAT's) original estimate. The projection of other governmental revenues has been lowered by \$624,932; the County's FY2017 budget used the Governor's estimate of Highway User Revenues; this initiative did not pass and, as the State lacks the money, the Governor's Budget Director confirms no attempt will be made to increase the appropriation. The County's income tax budget reflects a 2% increase compared to the FY2016 revised budget (and 1% higher than actual FY2016), but this estimate will be closely monitored as the State is writing revenue down in anticipation of weaker than expected wage growth. (Note: The publicized \$661,779 true-up from prior years is considered as an offset to the weakness in current revenues announced by the State.)

Projected expenditures as usual are expected to approach but not equal the budget. A total of \$1,060,078 less than budget is projected to be spent. Excluding healthcare (comment below), the year-to-date expenditure patterns have not been impacted by any significant unfavorable occurrences that would have an impact on the annual expenditures.

Healthcare costs continue to be a concern. The Health Insurance Fund is experiencing normal costs for most employees, but this year has seen a higher than normal number of high-dollar cases. The impact of changes to the Plan that were effective in July are only now becoming known and seem to be having a positive effect. The cause of the cases is diverse and does not have any incurrence trends or preventable factors. The potential exposure not included in the projection is estimated to be a million dollars. The County Executive has also recommended adding \$400,000 to each year to rebuild the reserve that the County determined was reasonable for its self-insured health plan.

### **Enterprise Funds**

The Landfill Fund is projecting a \$243,402 increase in operating revenues compared to budget and \$416,170 lower in expenditures. If this continues, the fund Change in Net Position will be \$676,801 to the positive compared to a budgeted deficit of \$137,400. The FY2017 budget reflected a significant downturn in single stream recyclables. During the first quarter the County was able to address the issues with the recycle program and has already realized increased revenues for single stream as well increases due to higher market prices for recycled metals and textiles.

The Wastewater Fund is projected to minor changes to revenues and expenses compared to budget with \$13,489 more in projected user fee revenue, \$5,183 in investment revenue, and \$81,176 less in projected expenses. Connection fees are expected to decline \$62,700 compared to budget. If the sales, expenditure, and connection projections hold up, the result will be \$37,148 better Change in Net Position than budgeted.

### **General Fund – Comparison to Prior Year**

Revenues compared to the same period last year are up \$2,484,225. The increase is the result of timing differences in the filing of Personal Property Taxes while income taxes are up \$1,123,596 when compared to FY2016. Income tax receipts are volatile and, as noted above, the State made a distribution of prior receipts.

Expenditures increased by \$2,582,455 compared to FY2016, largely due to increased transfers to component units (\$1,991,289) and capital outlays (\$280,740).

### **Enterprise Funds – Comparison to Prior Year**

The Landfill Fund year-to-date operating revenues are up \$199,467 compared to last year and operating expenditures are down \$428,120. Landfill has been holding the line on non-contract vehicle costs and there are timing differences on Professional and Related Services.

The Wastewater Fund year-to-date-operating revenues are down \$419,189 compared to last year while operating expenditures are up \$201,926. Revenues are variable and expected to come up to budget while expenditures reflect higher depreciation.

### **Attached Schedules**

Attached are the following schedules:

- FY2016 Second Quarter Projection vs Revised Budget
  - General Fund
  - Landfill Fund
  - Wastewater Fund
- FY2016 vs FY2017 Actual YTD & FY2017 Revised Budget vs. FY2017 Actual YTD
  - General Fund
  - Landfill Fund
  - Wastewater Fund
- FY2017 Second Quarter Projection Significant Assumptions
- Income Tax Collections Schedule
- Hollywood Casino – Perryville Revenues

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**Cecil County MD**  
**General Fund**  
**Revenues & Expenditures by Major Department**  
**as of Six Months Through 12/31/16**  
See Note (a) as to limitations  
(Unaudited)

	Current Year vs Prior Year Actual			Current Year Budget (b) vs Projection		
	FY 2016 Actual thru Dec	FY 2017 Actual thru Dec	Favorable / (Unfavorable) thru Dec 2016 vs 2015	FY 2017 Rev. Budget Fiscal Year	FY 2017 Projected thru June 30	Favorable / (Unfavorable) thru June 30 Annual Budget
<b>Revenues</b>						
Real Property Tax	92,266,233.59	92,599,902.43	333,668.84	93,402,462.00	92,900,616.71	(501,845.29)
Personal Property Tax	8,754,145.42	9,365,598.50	611,453.08	9,754,134.00	9,905,798.00	151,664.00
Payment in Lieu of Tax	3,698,582.98	3,698,612.32	29.34	3,704,109.00	3,704,109.00	-
Interest & Penalties	111,738.17	89,321.59	(22,416.58)	671,647.00	671,647.00	-
Income Tax	15,684,247.09	16,807,843.33	1,123,596.24	56,439,257.00	56,439,257.00	-
License & Permits	623,018.88	669,388.73	46,369.85	2,121,645.00	2,131,441.66	9,796.66
Federal Grants	-	-	-	20,000.00	20,000.00	-
State Grants	470,567.49	503,359.62	32,792.13	1,413,257.00	1,474,502.00	61,245.00
Other Intergovernmental	311,238.89	425,143.58	113,904.69	1,851,136.00	1,226,203.68	(624,932.32)
Charges for Services	1,474,164.82	1,477,510.44	3,345.62	3,851,488.00	3,744,502.79	(106,985.21)
Recordation	2,354,715.55	2,390,600.57	35,885.02	5,000,000.00	5,000,000.00	-
Investment Earnings	33,808.25	101,108.29	67,300.04	125,000.00	125,000.00	-
Contributions & Other Transfers	268,180.41	406,477.06	138,296.65	215,800.00	460,488.68	244,688.68
	-	-	-	1,938,000.00	1,938,000.00	-
<b>Total Revenues</b>	<b>126,050,641.54</b>	<b>128,534,866.46</b>	<b>2,484,224.92</b>	<b>180,507,935.00</b>	<b>179,741,566.52</b>	<b>(766,368.48)</b>
<b>Expenditures</b>						
COUNTY EXECUTIVE	89,060.81	90,101.51	(1,040.70)	249,489.00	249,258.60	230.40
COUNTY COUNCIL	151,574.16	152,700.80	(1,126.64)	399,544.00	379,442.97	20,101.04
ADMINISTRATOR	175,795.82	160,658.75	15,137.07	343,675.00	337,702.55	5,972.45
HUMAN RESOURCES	682,257.30	703,109.33	(20,852.03)	1,248,821.00	1,204,553.18	44,267.83
CIRCUIT COURT	1,032,932.06	918,757.58	114,174.48	2,139,393.00	2,139,116.24	276.76
STATE'S ATTORNEY'S OFFICE	1,006,954.06	997,552.84	9,401.22	2,253,437.00	2,301,062.71	(47,625.71)
YOUTH PANEL	33,548.43	46.42	33,502.01	-	-	-
ORPHAN'S COURT	17,517.33	19,612.38	(2,095.05)	41,352.00	39,650.58	1,701.43
BOARD OF ELECTIONS	242,332.59	366,876.34	(124,543.75)	830,238.00	739,668.41	90,569.59
FINANCE	1,311,230.36	1,244,369.12	66,861.24	2,754,466.00	2,696,779.26	57,686.74
LIQUOR BOARD	94,153.05	93,498.24	654.81	187,549.00	185,907.06	1,641.94
PLANNING & ZONING	457,947.13	444,274.19	13,672.94	1,043,953.00	989,895.73	54,057.27
MAINTENANCE	1,823,115.95	1,709,028.12	114,087.83	3,985,507.00	3,924,130.24	61,376.76
INFORMATION SYSTEMS	-	-	-	-	-	-
LEGAL SERVICES	75,403.04	83,393.00	(7,989.96)	183,129.00	182,925.56	203.44
LAW ENFORCEMENT	9,447,304.77	10,027,311.02	(580,006.25)	21,687,075.00	21,492,433.13	194,641.87
EMERGENCY SERVICES	6,568,619.04	6,828,497.91	(259,878.87)	12,500,910.00	12,347,199.57	153,710.43
PERMITS & INSPECTIONS	443,325.98	443,775.44	(449.46)	1,035,905.00	1,032,664.82	3,240.18
ANIMAL CONTROL	415,170.00	261,374.77	153,795.23	730,000.00	673,617.05	56,382.96
PUBLIC WORKS	4,144,851.15	4,644,225.78	(499,374.63)	9,635,038.00	9,493,207.44	141,830.56
PUBLIC HEALTH	1,926,079.82	1,040,635.74	885,444.08	3,420,383.00	3,412,212.90	8,170.10
MD SCHOOL BLIND/ADULT DAYCARE	6,838.00	7,864.00	(1,026.00)	47,917.00	47,917.00	-
SOCIAL SERVICES	718,807.19	500,073.66	218,733.53	1,510,844.00	1,346,230.59	164,613.41
BOARD OF EDUCATION	39,089,452.75	40,707,178.28	(1,617,725.53)	81,634,351.00	81,634,351.00	-
CECIL COLLEGE	5,589,777.00	6,396,764.00	(806,987.00)	10,054,100.00	10,054,100.00	-
NON-PROFIT AGENCIES	88,447.00	88,447.00	-	88,447.00	88,447.00	-
PARKS & RECREATION	361,142.83	425,055.76	(63,912.93)	957,981.00	931,711.41	26,269.59
LIBRARIES	2,339,333.52	2,541,336.00	(202,002.48)	5,148,576.00	5,148,576.00	-
AGRICULTURE	410,765.95	299,863.94	110,902.01	626,029.00	635,339.40	(9,310.40)
ECONOMIC DEVELOPMENT	460,974.59	400,134.29	60,840.30	1,117,844.00	1,087,179.80	30,664.20
JUDGEMENT & LOSSES	-	-	-	10,000.00	10,000.00	-
GRANTS TO MUNICIPALITIES	671,362.84	674,408.98	(3,046.14)	674,409.00	674,409.00	-
DEBT SERVICE - PRINCIPAL	7,523,350.93	7,704,977.28	(181,626.35)	9,470,803.00	9,470,803.00	-
DEBT SERVICE - INTEREST	2,897,244.38	2,902,627.56	(5,383.18)	5,659,139.00	5,659,139.00	-
OPERATING TRANSFER	-	595.00	(595.00)	1,500,135.00	1,500,730.00	(595.00)
<b>Total Expenditures</b>	<b>90,296,669.83</b>	<b>92,879,125.03</b>	<b>(2,582,455.20)</b>	<b>183,170,439.00</b>	<b>182,110,361.16</b>	<b>1,060,077.84</b>
<b>Revenues over Expenditures</b>	<b>35,753,971.71</b>	<b>35,655,741.43</b>	<b>(98,230.28)</b>	<b>(2,662,504.00)</b>	<b>(2,368,794.64)</b>	<b>293,709.36</b>
				(b)		

**Notes:**

- (a) December includes pro-rata estimates and accrual calculations which may be revised after 2017 Yearend Adjustments.
- (b) For FY 2017 Budget, the difference between revenue over expenditures is equal to the budgeted use of Fund Balance.
- (c) Budget numbers are presented as full year budget.

**Cecil County MD**  
**General Fund**  
**Revenues & Expenditures by Category**  
**as of Six Months Through 12/31/16**  
See Note (a) as to limitations  
(Unaudited)

	Current Year vs Prior Year Actual			Current Year Budget vs Projection		
	FY 2016 Actual thru Dec	FY 2017 Actual thru Dec	Favorable / (Unfavorable) thru Dec 2016 vs 2015	FY 2017 Rev. Budget Fiscal Year	FY 2017 Projected thru June 30	Favorable / (Unfavorable) thru June 30 Annual Budget
<b>Revenues</b>						
Real Property Tax	92,266,233.59	92,599,902.43	333,668.84	93,402,462.00	92,900,616.71	(501,845.29)
Personal Property Tax	8,754,145.42	9,365,598.50	611,453.08	9,754,134.00	9,905,798.00	151,664.00
Payment in lieu of Tax	3,698,582.98	3,698,612.32	29.34	3,704,109.00	3,704,109.00	-
Discount	277.13	227.32	(49.81)	-	-	-
Interest & Penalties	111,461.04	89,094.27	(22,366.77)	671,647.00	671,647.00	-
Special Assessments	-	-	-	-	-	-
Income Tax	15,684,247.09	16,807,843.33	1,123,596.24	56,439,257.00	56,439,257.00	-
License & Permits	623,018.88	669,388.73	46,369.85	2,121,645.00	2,131,441.66	9,796.66
Federal Grants	-	-	-	20,000.00	20,000.00	-
State Grants	470,567.49	503,359.62	32,792.13	1,413,257.00	1,474,502.00	61,245.00
Other Intergovernmental	311,238.89	425,143.58	113,904.69	1,851,136.00	1,226,203.68	(624,932.32)
Charges for Services	1,474,164.82	1,477,510.44	3,345.62	3,851,488.00	3,744,502.79	(106,985.21)
Recordation	2,354,715.55	2,390,600.57	35,885.02	5,000,000.00	5,000,000.00	-
Investment Earnings	33,808.25	101,108.29	67,300.04	125,000.00	125,000.00	-
Contributions & Other	268,180.41	406,477.06	138,296.65	215,800.00	460,488.68	244,688.68
Transfers	-	-	-	1,938,000.00	1,938,000.00	-
<b>Total Revenues</b>	<b>126,050,641.54</b>	<b>128,534,866.46</b>	<b>2,484,224.92</b>	<b>180,507,935.00</b>	<b>179,741,566.52</b>	<b>(766,368.48)</b>
<b>Expenditures</b>						
Salary & Fringe	18,907,186.09	19,286,685.50	(379,499.41)	41,052,083.00	41,409,896.15	(357,813.15)
Professional & Related Services	4,356,932.93	4,638,779.69	(281,846.76)	10,320,434.00	9,616,741.00	703,693.00
Supplies & Materials	3,525,088.11	2,925,704.74	599,383.37	11,111,125.00	10,628,691.94	482,433.06
Utilities	528,207.65	549,946.49	(21,738.84)	1,475,838.00	1,405,989.58	69,848.42
Training & Related	164,934.97	193,727.18	(28,792.21)	567,949.00	478,667.75	89,281.25
Capital Outlay	255,203.74	535,944.38	(280,740.64)	1,422,831.00	1,409,313.75	13,517.25
Debt Service	1,500.00	750.00	750.00	-	750.00	(750.00)
Special Purpose	232,422.56	244,135.20	(11,712.64)	715,849.00	688,849.00	27,000.00
Debt Service - Principal	7,523,350.93	7,704,977.28	(181,626.35)	9,470,803.00	9,470,803.00	-
Debt Service - Interest	2,897,244.38	2,902,627.56	(5,383.18)	5,659,139.00	5,659,139.00	-
Transfers & Intergovernment	51,904,598.47	53,895,847.01	(1,991,248.54)	101,374,388.00	101,341,520.00	32,868.00
<b>Total Expenditures</b>	<b>90,296,669.83</b>	<b>92,879,125.03</b>	<b>(2,582,455.20)</b>	<b>183,170,439.00</b>	<b>182,110,361.16</b>	<b>1,060,077.83</b>
<b>Revenues over Expenditures</b>	<b>35,753,971.71</b>	<b>35,655,741.43</b>	<b>(98,230.28)</b>	<b>(2,662,504.00)</b>	<b>(2,368,794.64)</b>	<b>293,709.35</b>

(b)

**Notes:**

- (a) December includes pro-rata estimates and accrual calculations which may be revised after 2017 Yearend Adjustments.
- (b) For FY 2017 Budget, the difference between revenue over expenditures is equal to the budgeted use of Fund Balance.
- (c) Budget numbers are presented as full year budget.

**Cecil County MD**  
**Landfill Fund**  
**Revenues & Expenditures by Category**  
**as of Six Months Through 12/31/16**  
Unaudited

	Current Year vs Prior Year Actual			Current Year Rev Budget vs Projected		
	FY 2016 Actual thru Dec	FY 2017 Actual thru Dec	Favorable / (Unfavorable) thru Dec 2016 vs 2015	FY 2017 Rev Budget Fiscal Year	FY 2017 Projected thru June 30	Favorable / (Unfavorable) thru June Annual Budget
<b>Revenues</b>						
Sales & User Fees	3,564,990.26	3,789,246.95	224,256.69	7,362,331.00	7,362,331.00	-
Charges for Services	157,837.85	124,692.77	(33,145.08)	27,800.00	264,000.00	236,200.00
Discount	-	-	-	-	-	-
Interest & Penalties	2,031.29	3,184.35	1,153.06	5,175.00	5,175.00	-
Federal Grants	-	-	-	-	-	-
State Grants	-	-	-	12,600.00	12,600.00	-
Contributions & Other	-	7,202.39	7,202.39	-	7,202.39	7,202.39
<b>Total Revenues</b>	<b>3,724,859.40</b>	<b>3,924,326.46</b>	<b>199,467.06</b>	<b>7,407,906.00</b>	<b>7,651,308.39</b>	<b>243,402.39</b>
<b>Expenditures</b>						
Salary & Fringe	673,236.30	676,216.97	(2,980.67)	1,470,430.00	1,362,832.48	107,597.52
Professional & Related Services	969,029.06	432,695.32	536,333.74	2,459,435.00	2,214,380.46	245,054.54
Supplies & Materials	169,144.68	87,155.77	81,988.91	327,602.00	266,627.00	60,975.00
Utilities	115,059.71	71,966.21	43,093.50	219,100.00	219,100.00	-
Training & Related	3,926.15	2,706.76	1,219.39	16,950.00	14,407.50	2,542.50
Depreciation (b)	1,043,697.73	1,281,689.00	(237,991.27)	2,563,378.00	2,563,378.00	-
Transfers & Intergovernment	38,738.29	32,281.92	6,456.37	64,564.00	64,564.00	-
<b>Total Expenditures</b>	<b>3,012,831.92</b>	<b>2,584,711.95</b>	<b>428,119.97</b>	<b>7,121,459.00</b>	<b>6,705,289.44</b>	<b>416,169.56</b>
<b>Operating Gain/(Loss)</b>	<b>712,027.48</b>	<b>1,339,614.51</b>	<b>627,587.03</b>	<b>286,447.00</b>	<b>946,018.95</b>	<b>659,571.95</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest Expense	43,281.43	19,800.82	(23,480.61)	(443,847.00)	(443,847.00)	-
Bond Issue Expense	-	-	-	-	-	-
Investment Earnings	12,037.66	18,614.53	6,576.87	20,000.00	37,229.06	17,229.06
<b>Change in Net Position</b>	<b>767,346.57</b>	<b>1,378,029.86</b>	<b>610,683.29</b>	<b>(137,400.00)</b> (c)	<b>539,401.01</b>	<b>676,801.01</b>

**Notes:**

- (a) Budget numbers are presented as full year budget and are not prorated for year to date comparison
- (b) Depreciation, Depletion & Closure for FY2016 is shown as a percentage of yearend actual and FY2017 as a percentage of budget.
- (c) The FY 2017 budget includes Fund Balance and capital outlay in the change in net position.

**Cecil County MD**  
**Waste Water Fund**  
**Revenues & Expenditures by Category**  
**as of Six Months Through 12/31/16**  
Unaudited

	<u>Current Year vs Prior Year Actual</u>			<u>Current Year Rev Budget vs Projected</u>		
	<u>FY 2016</u> <u>Actual</u> <u>thru Dec</u>	<u>FY 2017</u> <u>Actual</u> <u>thru Dec</u>	<u>Favorable /</u> <u>(Unfavorable)</u> <u>thru Dec</u> <u>2016 vs 2015</u>	<u>FY 2017</u> <u>Rev Budget</u> <u>Fiscal Year</u>	<u>FY 2017</u> <u>Projected</u> <u>thru June 30</u>	<u>Favorable /</u> <u>(Unfavorable)</u> <u>thru June</u> <u>Annual Budget</u>
<b>Revenues</b>						
Sales & User Fees	2,080,118.81	1,816,153.43	(263,965.38)	5,937,039.00	5,937,039.00	-
Interest & Penalties	12,891.27	11,735.91	(1,155.36)	55,200.00	25,200.00	(30,000.00)
Federal Grants	-	-	-	-	-	-
State Grants	-	-	-	1,300,000.00	1,300,000.00	-
Charges for Services	-	-	-	-	-	-
Contributions & Other	20,087.24	70,018.82	49,931.58	34,000.00	77,489.02	43,489.02
<b>Total Revenues</b>	<b>2,113,097.32</b>	<b>1,897,908.16</b>	<b>(215,189.16)</b>	<b>7,326,239.00</b>	<b>7,339,728.02</b>	<b>13,489.02</b>
<b>Expenditures</b>						
Salary & Fringe	549,390.00	570,226.17	(20,836.17)	1,308,550.00	1,254,463.22	54,086.78
Professional & Related Services	383,765.73	422,525.27	(38,759.54)	963,227.00	1,002,168.40	(38,941.40)
Supplies & Materials	182,873.42	128,079.77	54,793.65	423,321.00	414,021.00	9,300.00
Utilities	214,863.74	225,478.24	(10,614.50)	660,131.00	607,000.00	53,131.00
Training & Related	13,867.83	8,747.13	5,120.70	30,000.00	26,400.00	3,600.00
Depreciation (b)	1,172,043.55	1,363,673.50	(191,629.95)	2,727,347.00	2,727,347.00	-
Transfers & Intergovernment	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>2,516,804.27</b>	<b>2,718,730.08</b>	<b>(201,925.81)</b>	<b>6,112,576.00</b>	<b>6,031,399.62</b>	<b>81,176.38</b>
<b>Operating Gain/(Loss)</b>	<b>(403,706.95)</b>	<b>(820,821.92)</b>	<b>(417,114.97)</b>	<b>1,213,663.00</b>	<b>1,308,328.40</b>	<b>94,665.40</b>
<b>Non-Operating Revenues (Expenses)</b>						
Interest Expense	(408,463.06)	(396,238.92)	12,224.14	(1,647,489.00)	(1,647,489.00)	-
Bond Issue Expense	(122,591.36)	(122,591.36)	-	(122,591.00)	(122,591.00)	-
Investment Earnings	81.22	5,483.03	5,401.81	4,800.00	9,983.03	5,183.03
<b>Capital Contributions</b>						
Connection Fees	397,187.55	301,700.00	(95,487.55)	684,000.00	621,300.00	(62,700.00)
<b>Change in Net Position</b>	<b>(537,492.60)</b>	<b>(1,032,469.17)</b>	<b>(494,976.57)</b>	<b>132,383.00</b> (c)	<b>169,531.43</b>	<b>37,148.43</b>

**Notes:**

- (a) Budget numbers are presented as full year budget and are not prorated for year to date comparison
- (b) Depreciation for FY2016 is shown as a percentage of yearend actual and FY2017 as a percentage of budget.
- (c) The FY 2017 budget includes Fund Balance and capital outlay in the change in net position.

**Cecil County, Maryland**  
**Fiscal Year 2017 Second Quarter Projections**  
**Significant Assumptions**

**General Fund – Revenues**

**Major Assumptions**

- Real Property Tax collections tend to exceed budget by  $\frac{1}{2}$  to  $\frac{3}{4}$  % due to economic growth and conservative estimates – lagging initial estimates by  $\frac{1}{2}$ %.
- Personal Property Tax collections for the second quarter typically include payments from the large Utilities. The County saw billings received in this category total approximately \$3.8 million in the second quarter of FY2017.
- Income Taxes –expect 2% withholding growth over prior year. The first distribution for FY2017 that includes a withholding component was received in November and showed small growth which the State attributed to timing as opposed to increase in wage. An adjustment of \$661,779 was received in the second quarter to correct the State’s incorrect distribution between the Towns and the County.
- The same decrease attributed to the Highway User Revenues not receiving an increase is the reason for the unfavorable projection for “Other Intergovernmental” revenue.
- The County received \$180,650 from FEMA as a result of the January 2016 blizzard. The amount of the reimbursement could not be ascertained prior to closing 2016 fiscal year. The actual payment was received by the County in the 2<sup>nd</sup> quarter and is the explanation for the increase in “Contributions and Other”.

**General Fund – Expenses**

**Major Assumptions**

- Salary and Fringes are projected for 26 pay periods, using 11 periods as the base.
- Overtime is projected at budget for most department for the second quarter. The few that have exceeded the budget are attributable to vacancies where savings in salary will make up for the additional overtime.
- Operating expenses are projected using different assumptions from current activity – results in a favorable projection of \$ 1,060,077 dollars.

**Cecil County MD  
INCOME TAX RECEIPTS as of  
December 31, 2016  
(Unaudited)**

	FISCAL YEAR - 2014		FISCAL YEAR - 2015		FISCAL YEAR - 2016		FISCAL YEAR - 2017	
	Actual	% of Act Total	Actual	% of Act Total	Actual	% of Act Total	Actual	% of Bud Total
SEPTEMBER	\$ 1,195,629	2.4%	\$ 770,924	1.4%	\$ 1,146,884	2.1%	\$ 629,143	1.1%
OCTOBER	1,253,262	2.5%	1,533,138	2.8%	1,619,757	2.9%	2,247,163	4.0%
NOVEMBER	12,126,445	23.9%	13,101,575	24.3%	12,840,866	23.0%	13,850,957	24.5%
DECEMBER	74,875	0.1%	132,580	0.2%	76,741	0.1%	80,580	0.1%
JANUARY	386,140	0.8%	543,243	1.0%	900,864	1.6%	-	0.0%
FEBRUARY	11,562,305	22.8%	12,275,431	22.8%	13,269,055	23.8%	-	0.0%
MARCH	540,449	1.1%	481,943	0.9%	765,307	1.4%	-	0.0%
APRIL	-	0.0%	-	0.0%	-	0.0%	-	0.0%
MAY	9,735,487	19.2%	10,019,867	18.6%	10,359,336	18.6%	-	0.0%
JUNE	9,114,121	17.9%	9,513,447	17.6%	9,751,406	17.5%	-	0.0%
JULY	3,243,221	6.4%	3,501,292	6.5%	3,669,815	6.6%	-	0.0%
AUGUST	1,568,445	3.1%	2,080,856	3.9%	1,406,589	2.5%	-	0.0%
<b>Year to Date</b>	<b>\$ 50,800,381</b>	<b>100.0%</b>	<b>\$ 53,954,296</b>	<b>100.0%</b>	<b>\$ 55,806,618</b>	<b>100.0%</b>	<b>\$ 16,807,843</b>	<b>29.8%</b>
<b>Budget</b>	<b>\$ 52,139,853</b>		<b>\$ 53,643,746</b>		<b>\$ 55,400,000</b>		<b>\$ 56,439,257</b>	
<b>Comparative Year to Year Dec 31</b>	<b>\$ 14,650,211</b>	<b>7.0%</b>	<b>\$ 15,538,217</b>	<b>6.1%</b>	<b>\$ 15,684,247</b>	<b>0.9%</b>	<b>\$ 16,807,843</b>	<b>7.2%</b>

**Notes:**

FY 2017 YTD Actual Receipts % change current year vs. prior year **7.16%**  
 FY 2017 YTD Actual Receipts \$ change current year vs. prior year **\$ 1,123,596**

**Cecil County MD**  
**PERRYVILLE CASINO REVENUES as of**  
**December 31, 2016**  
(Unaudited)

	FISCAL YEAR - 2016				FISCAL YEAR - 2017			
	Total From Gaming Commission	Town of Perryville's Portion	Cecil County's Portion	% of Actual Total	Total From Gaming Commission	Town of Perryville's Portion	Cecil County's Portion	% of Budget Total
JULY	\$ 326,878	\$ 114,407	\$ 212,470	9.1%	\$ 312,663	\$ 109,432	\$ 203,231	7.6%
AUGUST	305,993	107,098	198,896	8.5%	281,673	98,586	183,087	6.9%
SEPTEMBER	286,227	100,179	186,047	7.9%	274,172	95,960	178,212	6.7%
OCTOBER	289,279	101,248	188,031	8.0%	280,818	98,286	182,532	6.9%
NOVEMBER	275,568	96,449	179,119	7.6%	257,955	90,284	167,671	6.3%
DECEMBER	295,516	103,431	192,085	8.2%	319,555	111,844	207,711	7.8%
JANUARY	262,022	91,708	170,315	7.3%	-	-	-	0.0%
FEBRUARY	304,338	106,518	197,820	8.4%	-	-	-	0.0%
MARCH	327,627	114,669	212,957	9.1%	-	-	-	0.0%
APRIL	330,428	115,650	214,778	9.1%	-	-	-	0.0%
MAY	325,801	114,030	211,771	9.0%	-	-	-	0.0%
JUNE	281,586	98,555	183,031	7.8%	-	-	-	0.0%
<b>Year to Date</b>	<b>\$ 3,611,262</b>	<b>\$ 1,263,942</b>	<b>\$ 2,347,320</b>	<b>100.0%</b>	<b>\$ 1,726,836</b>	<b>\$ 604,393</b>	<b>\$ 1,122,444</b>	<b>42.2%</b>
<b>Budget</b>			<b>\$ 2,184,500</b>				<b>\$ 2,658,139</b>	
<b>Comparative Year to Year Dec 31</b>	<b>\$ 1,779,460</b>	<b>\$ 622,811</b>	<b>\$ 1,156,649</b>	<b>3.7%</b>	<b>\$ 1,726,836</b>	<b>\$ 604,393</b>	<b>\$ 1,122,444</b>	<b>-3.0%</b>

**Notes:**

- (1) December 2016 is an estimate based on the Maryland lottery website.
- (2) The County sends 35% of the gaming commissions to Perryville when received from the State of Maryland.  
The County typically sends the money to Perryville within 2 days of receipt from the State.

**Cecil County MD**  
**Changes in Fund Balance**  
**as of Six Months Through 12/31/16**

(Unaudited)

	<b>FY 2017</b>
	<b>Fiscal Year</b>
<b><u>General Fund - Fund Balance</u></b>	
Original Budget - Beginning of Year	2,474,523.00
<b>Carryover Elkton Library Parking Lot</b>	15,981.00
<b>Carryforward of Approved Karpel Project for States' Attorney's Office</b>	15,000.00
<b>Transition Costs to New County Executive</b>	<u>157,000.00</u>
Revised Budget - As of 12/31/16	<u>2,662,504.00</u>
<b><u>Solid Waste - Fund Balance</u></b>	
Original Budget	No Change
<b><u>Wastewater - Fund Balance</u></b>	
Original Budget	No Change