

| PROPOSED OPERATING BUDGET DEFERRED COMPENSATION MANAGEMENT |                  |                  |                  |                  |                  |                                  |                |
|--|------------------|------------------|------------------|------------------|------------------|----------------------------------|----------------|
| ITEM   | FY13 APPR        | FY13 ACT         | FY14 APPR        | FY14 EST         | FY15 REC         | FY15 vs. FY14 Appr.<br>\$ Change | % Change       |
| <b>EXPENSES</b>  |                  |                  |                  |                  |                  |                                  |                |
| Salaries and Benefits                                      | 91,873           | 115,224          | 125,700          | 128,000          | 102,390          | (23,310)                         | (18.5%)        |
| Professional Services                                      | 5,500            | 20,944           | 5,000            | 12,200           | 3,085            | (1,915)                          | (38.3%)        |
| Due Diligence/Education                                    | 1,000            | 1,029            | 2,000            | 2,100            | 2,000            | 0                                | 0.0%           |
| Office Management  | 5,310            | 3,988            | 6,700            | 6,550            | 6,650            | (50)                             | (0.7%)         |
| Investment Management                                      | 9,000            | 7,780            | 9,000            | 9,000            | 9,000            | 0                                | 0.0%           |
| <b>TOTAL EXPENSES</b>                                      | <b>\$112,683</b> | <b>\$148,965</b> | <b>\$148,400</b> | <b>\$157,850</b> | <b>\$123,125</b> | <b>(\$25,275)</b>                | <b>(17.0%)</b> |

Amounts shown above are not charged to the Deferred Compensation Plan Trust but are instead appropriated and charged to the General Fund Compensation and Employee Benefits Adjustments Non-Departmental Account.

| PROPOSED OPERATING BUDGET RETIREE HEALTH BENEFIT TRUST |                  |                  |                    |                    |                    |                                  |              |
|--|------------------|------------------|--------------------|--------------------|--------------------|----------------------------------|--------------|
| ITEM   | FY13 APPR        | FY13 ACT         | FY14 APPR          | FY14 EST           | FY15 REC           | FY15 vs. FY14 Appr.<br>\$ Change | % Change     |
| <b>EXPENSES</b>  |                  |                  |                    |                    |                    |                                  |              |
| Salaries and Benefits                                  | 89,470           | 116,400          | 211,110            | 241,110            | 269,920            | 58,810                           | 27.9%        |
| Professional Services                                  | 75,000           | 34,593           | 75,000             | 76,000             | 152,500            | 77,500                           | 103.3%       |
| Due Diligence/Education                                | 6,000            | 14,247           | 48,000             | 48,000             | 48,000             | 0                                | 0.0%         |
| Office Management                                      | 1,200            | 3,347            | 9,400              | 9,400              | 15,000             | 5,600                            | 59.6%        |
| Investment Management                                  | 308,000          | 388,744          | 1,500,000          | 1,500,000          | 2,710,000          | 1,210,000                        | 80.7%        |
| <b>TOTAL EXPENSES</b>                                  | <b>\$479,670</b> | <b>\$557,331</b> | <b>\$1,843,510</b> | <b>\$1,874,510</b> | <b>\$3,195,420</b> | <b>\$1,351,910</b>               | <b>73.3%</b> |

| PROPOSED OPERATING BUDGET EMPLOYEES' RETIREMENT SYSTEM |                      |                      |                      |                      |                      |                                  |             |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------------------|-------------|
| ITEM   | FY13 APPR            | FY13 ACT             | FY14 APPR            | FY14 EST             | FY15 REC             | FY15 vs. FY14 Appr.<br>\$ Change | % Change    |
| <b>REVENUE</b>   |                      |                      |                      |                      |                      |                                  |             |
| Contributions  | 139,600,000          | 152,741,951          | 146,400,000          | 154,800,000          | 143,900,000          | (2,500,000)                      | (1.7%)      |
| Investment Income                                      | 227,000,000          | 324,135,736          | 241,000,000          | 324,000,000          | 261,000,000          | 20,000,000                       | 8.3%        |
| Miscellaneous Income                                   | 735,000              | 1,472,011            | 950,000              | 1,000,000            | 950,000              | 0                                | 0.0%        |
| <b>TOTAL REVENUE</b>                                   | <b>367,335,000</b>   | <b>478,349,698</b>   | <b>388,350,000</b>   | <b>479,800,000</b>   | <b>405,850,000</b>   | <b>17,500,000</b>                | <b>4.5%</b> |
| <b>EXPENSES</b>  |                      |                      |                      |                      |                      |                                  |             |
| <b>OPERATING EXPENSES</b>                              |                      |                      |                      |                      |                      |                                  |             |
| Retirement Benefits                                    | 226,000,000          | 210,728,841          | 245,000,000          | 245,000,000          | 254,500,000          | 9,500,000                        | 3.9%        |
| Investment Management                                  | 21,200,000           | 17,748,344           | 23,000,000           | 23,000,000           | 25,000,000           | 2,000,000                        | 8.7%        |
| <b>SUBTOTAL</b>  | <b>247,200,000</b>   | <b>228,477,185</b>   | <b>268,000,000</b>   | <b>268,000,000</b>   | <b>279,500,000</b>   | <b>11,500,000</b>                | <b>4.3%</b> |
| <b>ADMINISTRATIVE EXPENSES</b>                         |                      |                      |                      |                      |                      |                                  |             |
| Salaries and Benefits                                  | 1,654,200            | 1,501,163            | 1,582,700            | 1,595,000            | 1,785,000            | 202,300                          | 12.8%       |
| Professional Services                                  | 813,933              | 648,599              | 895,900              | 909,050              | 942,400              | 46,500                           | 5.2%        |
| Benefit Processing                                     | 375,000              | 122,241              | 130,000              | 130,000              | 140,000              | 10,000                           | 7.7%        |
| Due Diligence/Education                                | 55,500               | 28,695               | 64,700               | 62,700               | 63,700               | (1,000)                          | (1.5%)      |
| Office Management                                      | 240,887              | 100,298              | 99,300               | 98,700               | 103,000              | 3,700                            | 3.7%        |
| <b>SUBTOTAL</b>  | <b>3,139,520</b>     | <b>2,400,996</b>     | <b>2,772,600</b>     | <b>2,795,450</b>     | <b>3,034,100</b>     | <b>261,500</b>                   | <b>9.4%</b> |
| <b>TOTAL EXPENSES</b>                                  | <b>\$250,339,520</b> | <b>\$230,878,181</b> | <b>\$270,772,600</b> | <b>\$270,795,450</b> | <b>\$282,534,100</b> | <b>11,761,500</b>                | <b>4.3%</b> |
| <b>NET REVENUE</b>                                     | <b>\$116,995,480</b> | <b>\$247,471,517</b> | <b>\$117,577,400</b> | <b>\$209,004,550</b> | <b>\$123,315,900</b> | <b>5,738,500</b>                 | <b>4.9%</b> |

| PROPOSED OPERATING BUDGET RETIREMENT SAVINGS PLAN |                  |                  |                  |                  |                  |                                  |               |
|---|------------------|------------------|------------------|------------------|------------------|----------------------------------|---------------|
| ITEM  | FY13 APPR        | FY13 ACT         | FY14 APPR        | FY14 EST         | FY15 REC         | FY15 vs. FY14 Appr.<br>\$ Change | % Change      |
| <b>REVENUE</b>                                    |                  |                  |                  |                  |                  |                                  |               |
| Investment Income                                 | 1,500            | 0                | 20               | 600              | 600              | 580                              | 2900.0%       |
| Miscellaneous Income                              | 240,000          | 353,400          | 90,000           | 235,000          | 235,000          | 145,000                          | 161.1%        |
| <b>TOTAL REVENUE</b>                              | <b>241,500</b>   | <b>353,400</b>   | <b>90,020</b>    | <b>235,600</b>   | <b>235,600</b>   | <b>145,580</b>                   | <b>161.7%</b> |
| <b>EXPENSES</b>                                   |                  |                  |                  |                  |                  |                                  |               |
| <b>OPERATING EXPENSES</b>                         |                  |                  |                  |                  |                  |                                  |               |
| Investment Management                             | 9,000            | 7,780            | 9,000            | 9,000            | 9,000            | 0                                | 0.0%          |
| <b>SUBTOTAL</b>                                   | <b>9,000</b>     | <b>7,780</b>     | <b>9,000</b>     | <b>9,000</b>     | <b>9,000</b>     | <b>0</b>                         | <b>0.0%</b>   |
| <b>ADMINISTRATIVE EXPENSES</b>                    |                  |                  |                  |                  |                  |                                  |               |
| Salaries and Benefits                             | 205,460          | 136,663          | 157,400          | 166,000          | 200,000          | 42,600                           | 27.1%         |
| Professional Services                             | 89,500           | 61,477           | 89,200           | 87,200           | 79,700           | (9,500)                          | (10.7%)       |
| Due Diligence/Education                           | 2,000            | 1,029            | 2,000            | 2,100            | 2,000            | 0                                | 0.0%          |
| Office Management                                 | 23,430           | 1,883            | 6,700            | 6,550            | 6,650            | (50)                             | (0.7%)        |
| <b>SUBTOTAL</b>                                   | <b>320,390</b>   | <b>201,052</b>   | <b>255,300</b>   | <b>261,850</b>   | <b>288,350</b>   | <b>33,050</b>                    | <b>12.9%</b>  |
| <b>TOTAL EXPENSES</b>                             | <b>\$329,390</b> | <b>\$208,832</b> | <b>\$264,300</b> | <b>\$270,850</b> | <b>\$297,350</b> | <b>33,050</b>                    | <b>12.5%</b>  |

Source: Montgomery County Employee Retirement Plans.