

FISCAL YEAR
2024

July 1, 2023 -
June 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT





Government Finance Officers Association

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**Montgomery County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

MONTGOMERY COUNTY MARYLAND

Annual Comprehensive Financial Report



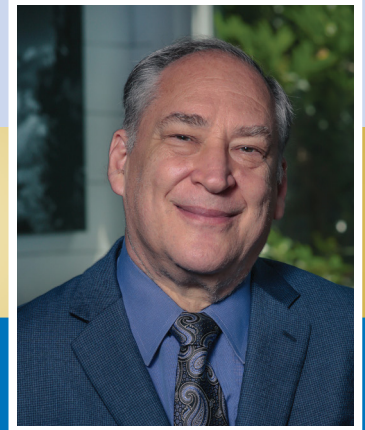
Prepared by the
DEPARTMENT OF FINANCE

Michael J. Coveyou, Director
101 Monroe Street
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Fiscal Year 2024
July 1, 2023 - June 30, 2024

Vision

A More Equitable and Inclusive Montgomery County



Marc Elrich
MARC ELRICH

Thriving Youth and Families

Children need great schools, supportive families, and caring communities to help them succeed in life. We can give them the start they need by providing adequate funding for public schools, access to affordable early childhood education and expanded high school options, and support for programs that relieve stress on families through increased access to affordable housing and better-paying jobs.

A Growing Economy

A healthy business community is essential to our success. We will reinvigorate the county's direct involvement in economic activities by re-examining our regulations to make sure they are sensible, fair, and efficient; opening support centers that help both new and existing businesses; and developing an incubator and innovation climate to help local entrepreneurs bring their ideas into the world.

A Greener County

We recognize the urgency of global warming and will take concrete steps to address climate change. County government has committed to zero Greenhouse Gas emissions by 2035, an ambitious – but achievable – target. We will reduce our footprint by pursuing clean energy, energy efficiency, enhanced building design, reduction of waste, and developing a better transit system for our residents.

Easier Commutes

Moving people and goods more efficiently is an economic imperative and is essential to our quality of life. We will reduce traffic congestion by improving transit options, supporting Metro, encouraging telecommuting and implementing common-sense road improvements.

A More Affordable and Welcoming County

We will focus on initiatives that make Montgomery County a place where all residents can pursue their dreams regardless of race, ethnicity, age or economic circumstances.

Safe Neighborhoods

We will address crime and pedestrian safety issues and seek input from communities across the county on ways to address these issues. We plan to enhance opportunities for walking, biking, and creating neighborhood gathering places.

Effective, Sustainable Government

We will partner with county employees to make County Government more cost-effective and to deliver services more efficiently and responsively.

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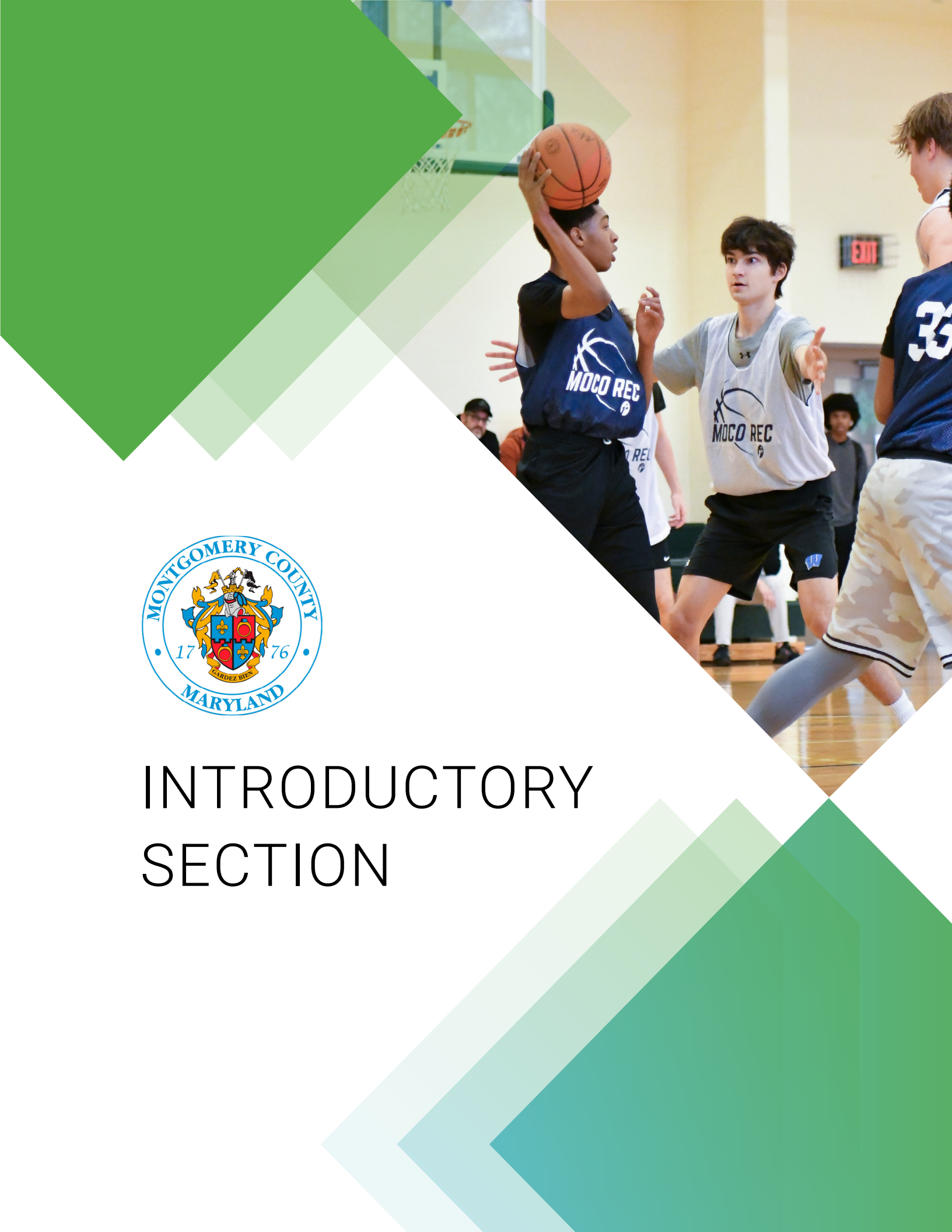
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INTRODUCTORY SECTION

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DEPARTMENT OF FINANCE

Marc Elrich
County Executive

Michael J. Coveyou
Director

December 18, 2024

Honorable County Executive,
Members of the Montgomery County Council,
Chief Administrative Officer,
and Residents of Montgomery County

Ladies and Gentlemen:

I am pleased to present the Annual Comprehensive Financial Report (ACFR) of Montgomery County, Maryland (the County) for the fiscal year ended June 30, 2024.

FORMAL TRANSMITTAL OF THE ACFR

This report, presented in conformity with accounting principles generally accepted in the United States of America (GAAP), was prepared by the County's Department of Finance (Finance) in cooperation with the finance departments of the County's component unit and joint venture organizations. The Annual Comprehensive Financial Report has been prepared pursuant to the provisions of Article 2, Section 214 of the Charter of the County, and includes the independent public accountants' opinion, issued by the County Council appointed independent public accounting firm, as provided by Article 3, Section 315 of the County Charter.

The County is responsible for the completeness and fairness of the information and disclosures presented in this report. We believe the information presented is complete and accurate in all material respects, and that it fairly presents the County's financial position and results of operations. To provide a reasonable basis for making these representations, management of the County has established a comprehensive framework of internal controls. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

The public accounting firm of SB & Company, LLC has performed an independent audit of, and issued an unmodified opinion on, the County's financial statements as of and for the year ended June 30, 2024. The independent public accountants' report is located at the front of the financial section of this report. This independent audit of the County's financial statements is also part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The independent public accountants' reports associated with the Uniform Guidance (Single Audit) will be available in a separately issued *Schedule of Expenditures of Federal Awards*.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and be reviewed in conjunction with the MD&A. The MD&A can be found immediately following the report of the independent public accountants.

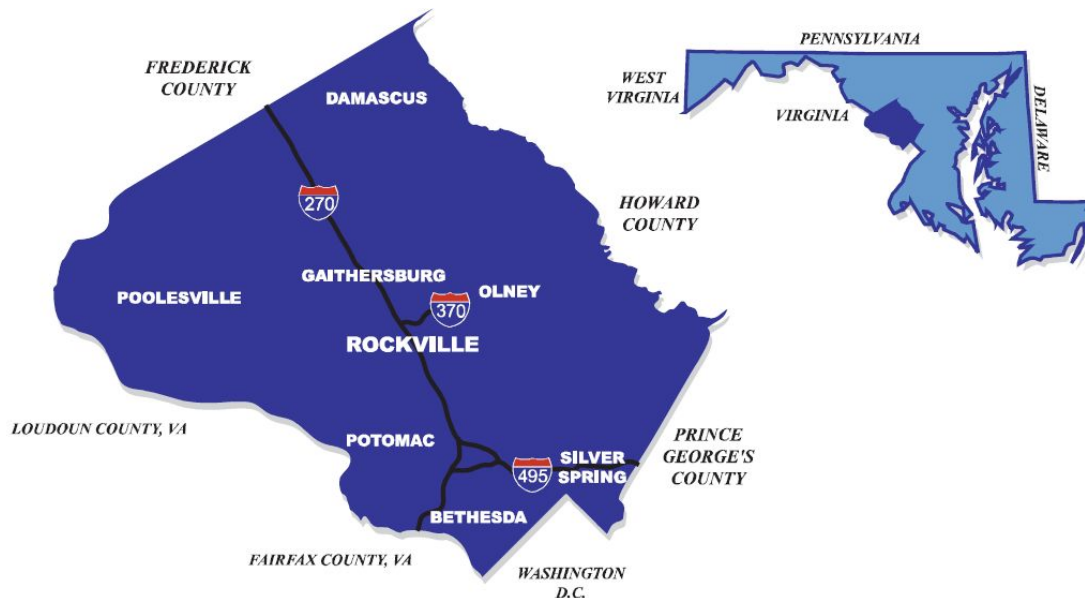
Department of Finance

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PROFILE OF THE GOVERNMENT

Montgomery County, named after the early American general, Richard Montgomery, was established in 1776 by the State Convention. The County government was structured under the County Commission system until 1948, when voters adopted a charter to give the County home rule and a council-manager form of government. The charter remains the governing authority of the County and was fully implemented in 1970 with the election of an executive and a council. Currently, Montgomery County is the most populated and one of the most affluent jurisdictions in Maryland and enjoys the distinction of being named an All-American community.



Budgetary Overview

The annual budget provides the basis for coordinating and controlling the County government programs and expenditures. These include public safety, transportation, culture and recreation, health and human services, community development and housing, environment, and general government services. Education services, funded in large part by the County (see Note III-J.1), are provided by Montgomery County Public Schools (MCPS) and Montgomery College (MC). For County government services, the County Executive annually develops and recommends operating budget proposals. The County Council then authorizes expenditures and sets property tax rates. Expenditure authority is provided at the fund and department level in two major categories (personnel and operating costs). Budgets are annually adopted by the County Council for the General Fund, Debt Service Fund, substantially all Special Revenue Funds, Enterprise Funds (except Liquor), and two Internal Service Funds (Liability and Property Coverage Self-Insurance and Employee Health Benefits Self-Insurance). The County Executive has authority to transfer appropriations within departments up to ten percent of the original appropriation. Transfers between departments are also limited to ten percent of the original appropriation and require County Council action. Additional spending authority, in the form of supplemental or special appropriations, may also be approved by the County Council during the year.

Per State law, the budget of the Liquor Enterprise Fund is approved by the County Executive. The County Executive also determines the amount of working capital required by the Department of Alcohol Beverage Services (ABS), the amount to retain from the ABS' net profits (before making any deposit into the General Fund), and the funds necessary to service ABS-related debt and provide adequate working capital. The Capital Projects Fund budget is appropriated at the project level on an annual basis with an annual unencumbered re-appropriation. The County Council approves the six-year Capital Improvements Program (CIP) on a biennial basis with opportunities for limited amendments in the intervening years.

Budget-to-actual comparison schedules (statements) for major funds are presented in Exhibits RSI-1 to RSI-3 and Exhibits B-7 and B-8 in the Required Supplementary Information section and Supplementary Data section of this annual report, respectively. Non-major funds are presented in the Supplementary Data section of the report.

The Reporting Entity

The following organizations are included as component units in the accompanying financial statements: MCPS, MC, Housing Opportunities Commission of Montgomery County (HOC), Montgomery County Revenue Authority (MCRA), and the Bethesda Urban Partnership, Inc. (BUP). The County's participation in the following joint ventures and jointly governed organization is also disclosed in the Notes to the Financial Statements (see Note IV-D): Maryland-National Capital Park and Planning Commission, Washington Suburban Sanitary Commission, Washington Suburban Transit Commission, Washington Metropolitan Area Transit Authority, Northeast Maryland Waste Disposal Authority, and Metropolitan Washington Council of Governments. Copies of the respective independently audited annual financial reports required by State or County law are available from the above-mentioned component units, joint ventures, and jointly governed organization.

INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

The information presented in the financial statements is best understood in conjunction with the broader perspective of Montgomery County's economic environment.

The Local Economy

Montgomery County's fiscal year 2024 (FY24) economy experienced a mixed economic performance overall. While the economic performance was mixed, FY24 reflected a decrease in the impact of the COVID-19 pandemic on the County's economy. The County's economic performance included a modest increase in resident employment (1.0 percent) and a small increase in the unemployment rate of 0.1 percent. There was a decrease in existing home sales, but an increase in average sales price for existing homes. Residential construction experienced an increase in both single-family homes and multi-family units, and the total construction value also increased in FY24. However, construction in the number of non-residential projects decreased and the total value of the projects also decreased dramatically.

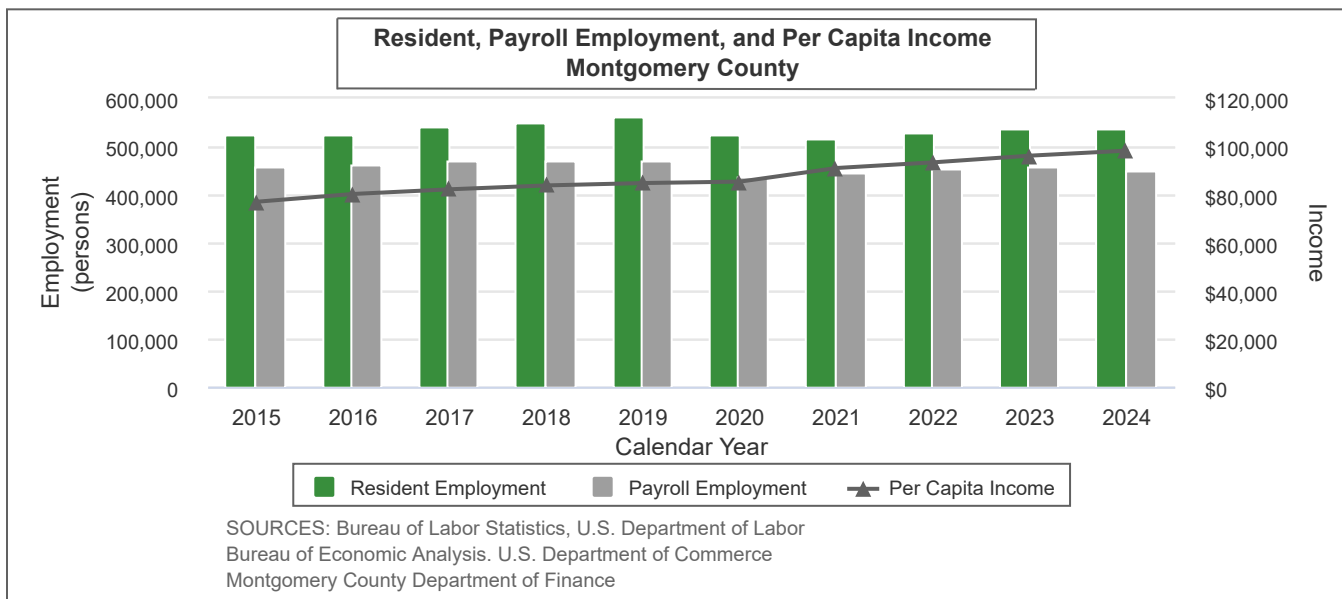
Employment, as measured by the Bureau of Labor Statistics' Survey of Households increased by 1.0 percent in FY24, and the unemployment rate was 2.2 percent. The reason for the increase in employment, and the very modest increase in the unemployment rate is attributed to the reduced impact of COVID-19. However, prior to increased employment in FY22 - FY24, employment decreased by 0.7 percent in FY20 and decreased by 6.8 percent in FY21 due to the impact of the COVID-19 pandemic. The monthly average unemployment rate increased from 2.9 percent in FY19 to 4.0 percent in FY20 to a peak of 6.3 percent in FY21 before declining to 3.6 percent in FY22, to 2.1 percent in FY23, and 2.2 percent in FY24.

Sales of existing homes decreased by 10.1 percent, but average prices were up 5.1 percent during FY24, compared to FY23. However, contrary to employment, COVID-19 had a significant positive impact on the residential real estate market during both FY20 and FY21 as people sought more space, and in some cases, less dense communities. Sales of existing homes increased by 3.8 percent in FY20, a significant 28.2 percent in FY21, but then declined 4.8 percent in FY22 and 30.8 percent in FY23. Average sales prices increased 4.3 percent in FY20, 10.6 percent in FY21, and 5.9 percent in FY22, 4.8 percent in FY23, and 5.1 percent in FY24.

Residential construction experienced an increase in the number of starts and value-added for single-family homes and multi-family units in FY24. While the construction of non-residential projects decreased in FY24, the value of added non-residential projects also decreased.

Personal Income and Employment

Income tax revenues for the County represented 51.3 percent of total General Fund tax revenues in FY24. Two economic indicators, personal income and employment, are the major contributors that drive income tax receipts. On a calendar year basis, per capita personal income is estimated to increase from \$96,177 in 2023 to \$98,266 in 2024 (+2.2 percent) and is estimated to increase at an average annual rate of 2.8 percent from 2015 to 2024.

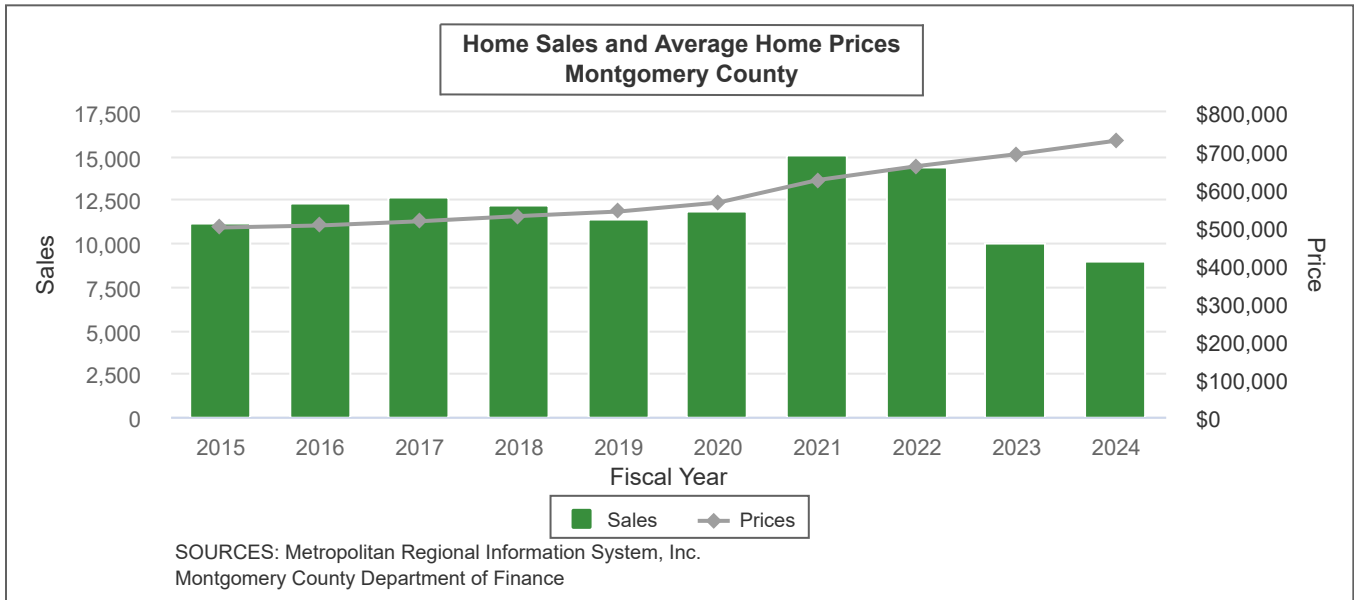


On a calendar year basis, resident employment is estimated to increase by 0.2 percent from 538,156 in 2023 to 539,001 in 2024. By calendar year 2024, employment is estimated to increase from 526,310 in 2014 at an average annual increase of 0.3 percent – overcoming declines of 6.8 percent and 1.5 percent in 2020 and 2021, respectively, due to the impact of COVID-19.

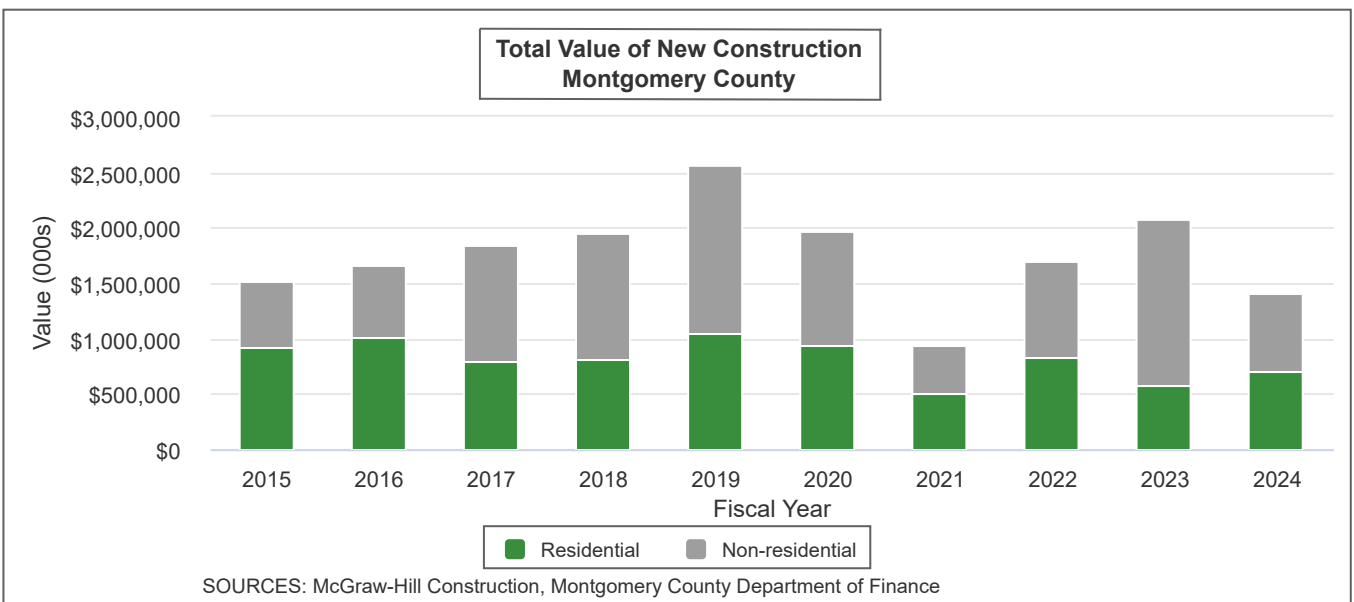
On a calendar basis, payroll employment in the County based on the Quarterly Census of Employment and Wages database is estimated to decrease by 1.6 percent from 458,237 in 2023 to a preliminary estimate of 450,881 in 2024.

Construction and Real Estate

The property tax (General Fund) and the transfer and recordation taxes consisted of a 38.4 percent share and 3.6 percent share, respectively, of total General Fund tax revenues in FY24. Construction and real estate activity play a significant role in Montgomery County's economy and their effects on the amount of property taxes and transfer and recordation taxes collected. Non-residential and residential construction help maintain the value of existing assessable property tax base by replacing technologically obsolescent property (equipment and real estate) and grow the base by providing additional capacity to meet increases in population and new households. Changes in home prices affect both the property tax assessments and the transfer and recordation taxes. However, changes in home prices may affect property tax revenues with a lag because of the homestead tax credit and the triennial assessment cycle of county properties by the Maryland Department of Assessments and Taxation. Average sales prices for existing homes were up 5.1 percent in FY24 following an increase of 4.8 percent in FY23, but sales of existing homes decreased 10.1 percent following a decrease of 4.8 percent in FY23. In FY24, collections from residential transfer taxes decreased by 7.7 percent attributed to a decrease of 11.5 percent in the volume of transactions. Collections from non-residential transfer taxes (excluding farm and rezoned rates) decreased 31.4 percent in FY24. Overall, total transfer taxes collected for the General Fund were down 12.7 percent and recordation taxes were down 15.6 percent in FY24. Total transfer and recordation tax collections for the General Fund were down 13.6 percent in FY24.



The total value of new residential construction decreased 22.3 percent in FY24 and the total value of new residential construction at \$711.5 million in FY24 was nearly \$116.3 million below the nine-year average between FY15-FY23. The number of new detached single-family units increased 24.7 percent from 473 units in FY23 to 590 units in FY24. Construction of multi-family units increased 6.2 percent in FY24 from 2,753 units to 2,924 units. The total value of non-residential construction at \$699.1 million was down 53.2 percent in FY24 compared to FY23.



Future Economic Outlook

For the FY25 County Budget, Finance forecasts a mild recession and that the County will have modest income growth through the calendar year 2024 (CY2024) and calendar year 2025 (CY2025) despite a decline in the number of employed residents in CY2024 and a modest increase in CY2025. Finance assumes the following:

Employment

Payroll employment will increase from CY2022 to CY2030 at an average annual rate of 0.3 percent based on the forecast from Moody's Analytics. This is below the average annual growth rate of 0.6 percent experienced from CY2016 and CY2019 before the COVID-induced drop in the average annual rate of negative 1.4 percent in employment from CY2019 to CY2022.

Resident employment will increase at an average annual rate of 0.4 percent from CY2022 to CY2030. That rate is less than the average annual growth rate of 2.2 percent from CY2016 to CY2019 before the COVID-induced drop in the average annual rate of negative 2.0 percent in employment from CY2019 to CY2022.

Personal Income

Total personal income in Montgomery County will increase at an average annual rate of 3.6 percent from CY2022 to CY2030 compared to an average annual growth rate of 2.3 percent from CY2016 to CY2019 prior to the COVID-19 pandemic and an average annual growth rate of 3.0 percent from CY2019 and CY2022.

Wage and Salary Income

Wage and salary income will increase at an average annual rate of 3.9 percent from CY2022 to CY2030 compared to the average annual growth rate of 3.3 percent from CY2016 to CY2019 but below the annual average rate of 5.1 percent from CY2019 to CY2022. Total wage and salary income was not substantially affected by the COVID pandemic despite increased unemployment.

Non-Wage Income

Non-wage income is the sum of proprietors' income, supplements to wages and salaries, transfer receipts, dividends/interest/rents, adjustment for residence, and less contributions for government social insurance. Non-wage income in Montgomery County will increase at an average annual rate of 3.4 percent from CY2022 to CY2030 compared to the average annual growth rate of 1.6 percent from CY2016 to CY2019 prior to the COVID-19 pandemic and increase 1.3 percent from CY2019 to CY2022.

Collective Bargaining

International Association of Fire Fighters (IAFF)

Full funding was appropriated for the following contract provisions in FY25 for the Local 1664, Montgomery County Career Fire Fighters Association of the International Association of Fire Fighters, AFL-CIO:

- 3.5% general wage adjustment effective July 14, 2024.
- 3.5% service increments for all eligible bargaining unit members on their increment date.
- 3.5% longevity increment step added for eligible bargaining unit members after 17 years of service. 3.5% longevity increments for eligible members with either 20 or 24 years of service remain.

Fraternal Order of Police (FOP)

Full funding was appropriated for the following contract provisions in FY25 for the Fraternal Order of the Police, Lodge 35:

- 3.5% general wage adjustment effective July 14, 2024.
- 3.5% service increments for all eligible members on their anniversary date.
- 3.5% longevity increment step added for eligible members after 15 years of service. 3.5% longevity increments for eligible members with either 17 or 20 years of service remain.

Municipal and County Government Employees Organization (MCGEO)

Full funding was appropriated for the following contract provisions in FY25 for Local 1994, Municipal and County Government Employees Organization of the United Food and Commercial Workers, AFL-CIO (MCGEO):

- 4.5% general wage adjustment effective November 3, 2024.
- 3.5% service increments for all eligible bargaining unit members on their anniversary date.
- 3.5% longevity increments for Correctional Officers and Sheriffs after 16 years, 20 years, or 25 years of service, and 3.25% longevity increments for all other eligible members with either 16 years, 20 years, or 25 years of service. All eligible members are at the maximum of their salary grade.

Long-term Financial Planning

Montgomery County is required by its adopted fiscal policies (Council Resolutions 16-1415, June 29, 2010; 17-312, November 29, 2011; and 19-753, March 2, 2021) to budget for a reserve in the General Fund. This reserve is five percent of General Fund revenues in the preceding fiscal year (maximum permitted under §310 of the County Charter). In addition, the County is required to maintain the sum of the Unrestricted General Fund Balance and the Revenue Stabilization Fund Balance to 10 percent of Adjusted Governmental Revenues, as required in Section 20-68 of the County Code. Adjusted Governmental Revenues are defined in Section 20-65 of the County Code.

The reserves will be budgeted to provide sufficient funds for unanticipated revenue shortfalls or expenditure requirements. The County's Revenue Stabilization Fund was established to accumulate funds during periods of strong economic growth in order to provide budgetary flexibility during times of funding shortfalls. Annual transfers to the Revenue Stabilization Fund must be made of the greater of: 50 percent of selected revenues in excess of budgeted amounts; or an annual amount equal to the lesser of 0.5 percent of Adjusted Governmental Revenues or the amount needed to obtain a total reserve of 10 percent of Adjusted

Governmental Revenues. Additional discretionary contributions may also be made. Withdrawals may be used, with the vote of seven or more council members, only to support appropriations which have become unfunded. The County's Revenue Stabilization Fund is consolidated with the General Fund for financial reporting purposes. The County Council approved the one-time deferral of the mandatory contribution to the Revenue Stabilization Fund in FY24 due to the Revenue Stabilization Fund maintaining a total reserve of 10 percent of Adjusted Governmental Revenues. The one-time deferral will provide the County with more flexibility in FY25 without negatively impacting the County's fiscal position.

As part of the annual operating budget process, the County develops a structurally balanced six-year fiscal plan. This plan addresses long-term structural issues in the budget, maintains the General Fund reserves at the required policy levels, and emphasizes the priorities of education, public safety, affordable housing, transportation, and health and human services.

Significant budget challenges include rising retirement and medical costs, recognition of retiree health expenses, addressing deferred maintenance, and funding program improvements. In addition to these challenges, actions implemented at the Federal and State level may complicate the County's ability to plan for the FY25 – FY30 period. The County is closely monitoring proposed changes in Federal budget and tax policy, and analyzing the potential impact on the County's economy and financial position.

Relevant Financial Policies

The financial policies as put forth by the Executive of Montgomery County, which were again recognized by all major rating agencies with the continuation of a AAA credit rating, remain unchanged: grow the local economy and tax base, obtain a fair share of State aid, maintain strong reserves, minimize the tax burden on residents, and carefully manage indebtedness and debt service. Spending affordability guidelines are adopted annually for the County's capital and operating budgets. The County limits its exposure in future years to rising costs by controlling baseline costs and allocating one-time revenues to one-time expenditures, whenever possible.

Major Initiatives

Major initiatives of the County include both activities that began during FY24 and those planned for future fiscal years. The major initiatives that are expected to affect future financial position include the following:

Housing

The County allocated \$160.5 million for affordable housing, including \$13.5 million in the Montgomery Housing Initiative Fund, \$97.0 million in the Affordable Housing Acquisition and Preservation CIP project, and a total of \$50.0 million in FY24 and FY25 in the Nonprofit Preservation Fund CIP.

The County will provide \$56 million in new resources for the Montgomery Housing Initiative Fund to continue various programs and projects dedicated to creating and preserving affordable housing and related services. The funding will provide for the renovation of distressed housing, creation of housing units for residents with special needs, rental assistance and rapid rehousing, homeless prevention and relocation assistance, homeowner downpayment assistance, home accessibility rehabilitation, services to the "Building Neighborhoods to Call Home" and "Housing First" programs, and the creation of mixed-income housing.

Transportation

The County will implement the Great Seneca Transit Network in two phases to provide frequent transit options and improve mobility and access to crucial jobs in the healthcare, biotech, and educational sectors. The first phase, which includes Ride On Extra service on the new Pink and Lime transit lines, launched in fall 2024. The Pink route links the busy Shady Grove corridor with Life Sciences Center via Medical Center Drive. The Lime route uses 1-370 to provide an express route to RIO, Crown Farm, and the heart of the Life Science Center.

The County plans to procure approximately 100 electric Ride On buses in FY24-27. The buses will operate from the Silver Spring and Gaithersburg bus depots to fully utilize the solar microgrids at these locations.

Public Safety

The County added funds to execute an external workload analysis and staffing study to address staffing challenges and expanded the Police Cadet program to bolster the recruitment of police officers.

The County fully deployed a High School Cadet Training Program in collaboration with MCPS. The cadet program now includes Emergency Medical Technician Training geared towards preparing Cadets for successful performance on national licensure requirements, and preparation for professional Fire Fighter careers.

The County will improve security systems and public safety elements to address high-incident/high-crime threat areas in off-street parking and by adding additional cameras, network improvements to sustain the new cameras, additional fencing, and wayfinding painting to improve pedestrian safety.

Culture and Recreation

The County bolstered funding for the Public Libraries' collection acquisitions budget to meet demand for digital materials through the Hoopla platform for e-books, e-audiobooks, e-magazines, e-music, and e-videos.

The County increased financial assistance available to qualified residents from \$200 to \$400 per person per calendar year in an effort to make more recreation programming available to County residents who receive social services from other County agencies.

The County will continue coordination efforts with Montgomery County agencies, Montgomery County Collaboration Council and local municipalities, to improve access and availability of programs and resources to support low-income at-risk children and youth during out of school time.

Education

The County's FY25 contribution for MCPS is \$2,128.6 million. The County's total contribution is \$159.1 million over the State required Maintenance of Effort (MOE) level of funding. The County's FY25 contribution for Montgomery College is \$148.4 million.

General Government

The County launched a client management system that provides faster, more reliable customer service to businesses. The system also ensures the County is tracking required metrics for the Racial Equity and Social Justice Act.

The County upgraded the County's enterprise timekeeping and all scheduling systems to the vendor's new software as a service platform before the vendor's end-of-life date of these products and also upgraded the property tax billing system to the vendor's newer software as a service platform. The County will continue leveraging automation software, business process reengineering, and developing customized software applications to meet the requirements of the County.

The County initiated the first stage of identifying an e-Procurement solution to consolidate various applications used throughout the lifecycle of a contract from sourcing to execution. This solution will incorporate sourcing, contract management, vendor management and compliance management.

The County is expanding community partnerships to deploy an additional 69,000 free laptop computers to low-income, senior, African-American, and Latino residents and provide an educational awareness campaign to help 28,000 Montgomery County families find low-cost broadband alternatives to the discontinued Federal and State Affordable Connectivity Program which provided broadband subsidies for low-income households.

AWARDS AND ACKNOWLEDGMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Montgomery County, Maryland for its annual comprehensive financial report for the fiscal year ended June 30, 2023. Montgomery County has received the Certificate of Achievement more than any other county in the nation; 54 times since 1951, and consecutively for 52 years since 1972. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Popular Annual Financial Report

The GFOA has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County for its Popular Annual Financial Report (PAFR) for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. Montgomery County has received a Popular Award for the last seven consecutive years (fiscal years ended 2017-2023).

Distinguished Budget Presentation

GFOA presented the Distinguished Budget Presentation Award to Montgomery County, Maryland for its annual budget for the fiscal year beginning July 1, 2024. In order to receive this award, a government must publish a document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device. The award is valid for a period of one year only. Montgomery County has received this award every year since 1984, the year the program was established. The Office of Management and Budget believes the current budget continues to conform to program requirements and is submitting it to GFOA to determine its eligibility for another award.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the staff of the County's Department of Finance. I express my appreciation to all participants who assisted and contributed to its preparation. I particularly express my sincerest appreciation to Adaora Azubike, Controller; Michael Lee, General Accounting Manager; and Karen Hawkins, Chief Operating Officer. A list of individuals whose dedicated efforts produced this report is provided separately after this letter. A special appreciation is extended to the finance and accounting managers of the component units whose cooperation greatly facilitated the preparation of this report. I express my appreciation to the County Executive, the members of the County Council, and the Chief Administrative Officer who served the County during the reporting period, and their staffs, for their interest and support in planning and conducting the financial operations of the County in a responsible manner.

USE OF THIS REPORT

This report, and other financial information prepared by the Montgomery County Department of Finance, can be accessed on the County's website at <http://www.montgomerycountymd.gov> (see Government, Departments, Finance, Reports). Copies of this report are also placed in the County Library System for use by the general public.

Respectfully submitted,



Michael J. Coveyou
Director of Finance

ACKNOWLEDGMENTS

The following individuals' efforts were instrumental in performing the year-end closing of the County's funds and in preparing this Annual Comprehensive Financial Report:

Department of Finance, The Division of the Controller

Tigist Ayele	Jiaojiao Gu	Befekadu Mulaw	Iraj Soroori
Adaora Azubike	Jason Hsu	Jay Narang	Michael Toney
Lauren Bierly	Tim Hughes	Moses Ogunwuyi	Jamie White
Douglas Campbell	Chong Lee	Lal Sangliani	Cheyenne Williams
Christopher Caporaletti	Michael Lee	Paige Santos	Jeanie Yu
Biniam Debebe	Yang Li	Laleh Shabani	Ivy Zhao
Mauricio Delgado	Jianxiang Lu	Chihyu Shen	
Alex Fisher	Jing Luo	Wai Chi Shum	
Neli Georgieva	Katherine Morgan	Karen Smith	

The following Finance employees provided data, special research and information for inclusion in this report:

James Babb	Victoria Dizelos	Karen Hawkins	Andrew Marschhauser
Jacqueline Carter	Nancy Feldman	Molly Hayward-Koert	David Platt
David Crow	Kimberly Gay-Armour	Lih Jiang	Erin Von Nessen

Other County Departments and Offices

Department of General Services

Lisa Sesny	Lan Xu
Rick Taylor	The Print Shop
Michelle West	

Alcohol Beverage Services

Sean D'Costa

Department of Environmental Protection

Jamie Foster	Dan Rogers
Richard Hands	Anthony Skinner
Scott McClure	Sarah Xue
Hellen Ojwang	

Office of Management and Budget

Anita Aryeetey	Rachel Silberman
Veronica Jaua	Joshua Watters
Chris Mullin	

Office of Public Information

Sean Clark

Department of Transportation

Giuliana Custode	Katherinne Veliz
Jonson Lum	Fiona Wang

Office of Human Resources

Shirley Aceituno	Kay Russell Deerin
Karen Bass	Jennifer Shovlin

Montgomery County Employee Retirement Plans

Ge Lee	Yan Yan
HyeSook Lee	Sherrie Yu
Eli Martinez	

Component Units

Bethesda Urban Partnership, Inc.

Jeff Oyer

Montgomery County Public Schools

Robert Reilly	Daniel Kelley
---------------	---------------

Housing Opportunities Commission

Timothy Goetzinger
Eugenia Pascual

Montgomery College

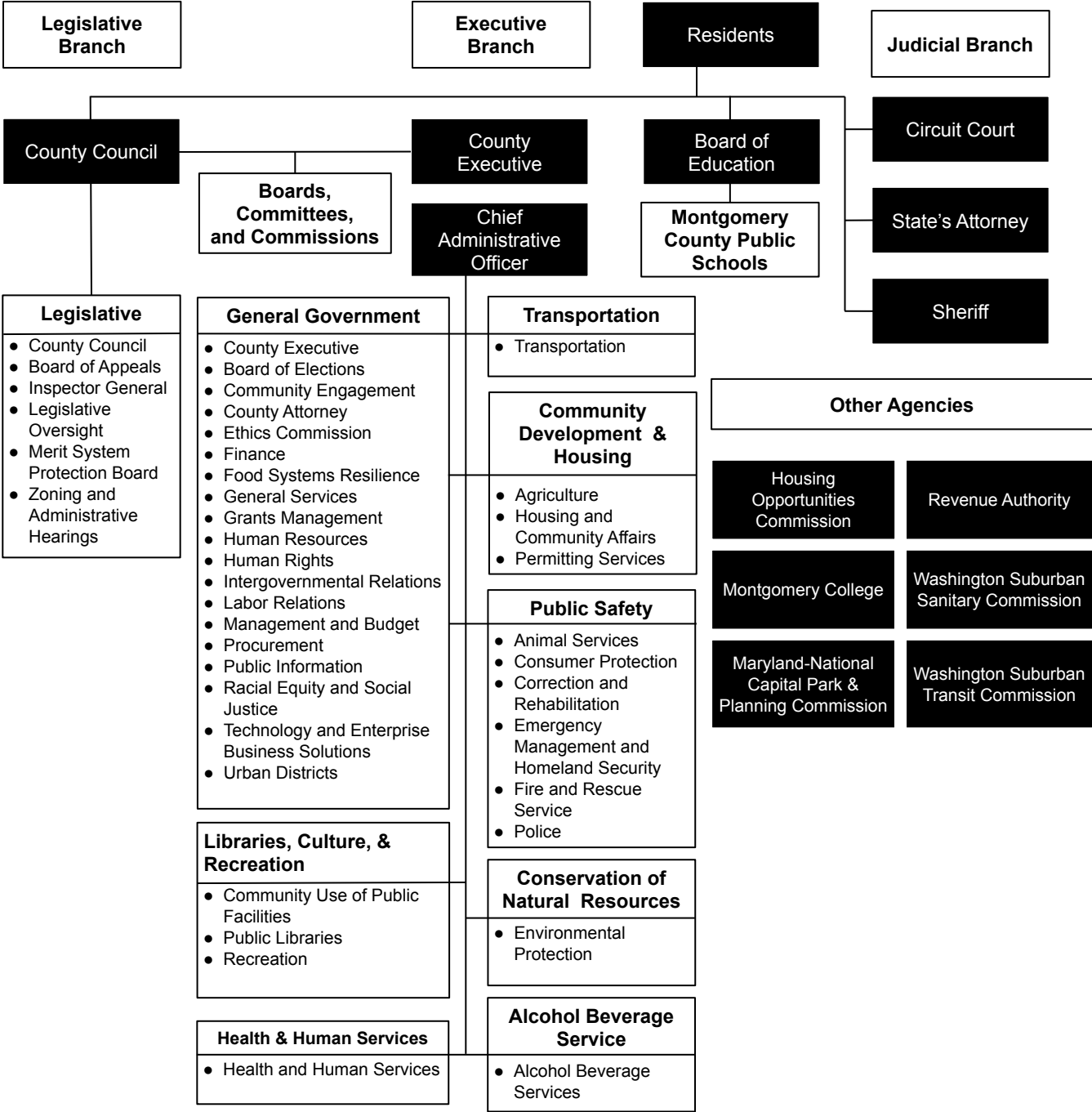
Elizabeth Greaney
Darniel Dorsey
Matthew Aninzo

Montgomery County Revenue Authority

Patricia Conrad

Appreciation is also extended to employees in all County departments and agencies who participate in the year-end process.

**Montgomery County, Maryland
Functional Organization Chart**



MONTGOMERY COUNTY, MARYLAND
ELECTED OFFICIALS
June 30, 2024

COUNTY EXECUTIVE

Marc Elrich

COUNTY COUNCIL

Andrew Friedson *President*
Kate Stewart *Vice President*

Gabe Albornoz *Sidney Katz*
Marilyn Balcombe *Dawn Luedtke*
Evan Glass *Kristin Mink*
Natali Fani-Gonzalez *Laurie-Anne Sayles*
Will Jawando

OTHER ELECTED OFFICIALS

James A. Bonifant *Administrative Judge Circuit Court*
Karen A. Bushell *Clerk of the Circuit Court*
Joseph M. Griffin *Register of Wills*
Maxwell C. Uy *Sheriff*
John J. McCarthy *State's Attorney*

Elected Officials
Montgomery County, Maryland



Marc Elrich
County Executive



Andrew Friedson
Council President



Kate Stewart
Council Vice President



Gabe Albornoz
Councilmember



Marilyn Balcombe
Councilmember



Evan Glass
Councilmember



Natali Fani-González
Councilmember



Will Jawando
Councilmember



Sidney Katz
Councilmember



Dawn Luedtke
Councilmember



Kristin Mink
Councilmember



Laurie-Anne Sayles
Councilmember

MONTGOMERY COUNTY, MARYLAND APPOINTED OFFICIALS

Chief Administrative Officer	Richard Madaleno
Agriculture Services	Mike Scheffel
Alcohol Beverage Services	Kathie Durbin
Animal Services	Caroline Hairfield
Board of Appeals	Barbara Jay
Board of Elections	Boris Brajkovic
Community Engagement Cluster	Fariba Kassiri
Community Use of Public Facilities	Ramona Bell-Pearson
Consumer Protection	Eric S. Friedman
Correction and Rehabilitation	Ben Stevenson
County Attorney	John P. Markovs
Emergency Management and Homeland Security	Luke J. Hodgson
Environmental Protection	Jon Monger
Ethics Commission	Erin E. O'Connor
Finance	Michael Coveyou
Fire and Rescue Service	Gary Cooper, Interim Chief
Food Systems Resilience	Heather Bruskin
General Services	David E. Dise
Grants Management	Rafael P. Murphy
Health and Human Services	James C. Bridgers Jr.
Housing and Community Affairs	Scott Bruton
Human Resources	Traci L. Anderson
Human Rights	James L. Stowe
Inspector General	Megan Davey Limarzi
Intergovernmental Relations	Melanie L. Wenger
Labor Relations	Jennifer Harling
Legislative Oversight	Chris Cihlar
Management and Budget	Jennifer Bryant
Permitting Services	Rabbiah Sabbakhan
Police	Marcus Jones
Procurement	Avinash G. Shetty
Public Information	Barry Hudson
Public Libraries	Anita Vassallo
Racial Equity and Social Justice	Tiffany Ward
Recreation	Robin Riley
Technology and Enterprise Business Services	Gail Roper
Transportation	Christopher Conklin
Zoning and Administrative Hearings	Kathleen E. Byrne

COMPONENT UNIT OFFICIALS

Montgomery County Public Schools

Board of Education:

Karla Silvestre, President
Lynne Harris, Vice President

Julie Yang	Brenda Wolff
Grace Rivera-Oven	Rebecca K. Smondrowski
Shebra Evans	Praneel Suvama, Student

Thomas Taylor, Superintendent of Schools

Montgomery County Revenue Authority

Board of Directors:

Stephen H. Edwards, Chairman
Ronald J. Aizer, Secretary-Treasurer

David D. Freishtat
Andrew Bridge
Lionel Bernard
Richard Maldonado, Ex-Officio member

Keith Miller, Chief Executive Officer
Patricia R. Conrad, Chief Financial Officer

Bethesda Urban Partnership, Inc.

Board of Directors:

Katya Marin, Chair
Dan Schlaff, Vice Chair
Christopher Smith, Treasurer
Adam Murphy, Secretary

Marian Block	Mylene L. Ortiz Luis
Jane Fairweather	Cherian Thomas
Apoorva Gandhi	Evan J. Weisman

Pete Fosselman, Ex-Officio: County Executive Rep
Jeff Burton, Executive Director

Montgomery College

Board of Trustees:

Michael A. Brintnall, Chair
Frieda K. Lacey, First Vice-Chair
Gloria Aparicio Blackwell, Second Vice-Chair

Annice Cody	Judith R. Docca
Sheryl Brissett Chapman	Maricé I. Morales
Robert F. Levey	Rishi Nixon, Student
Omar A. Lazo	

Jermaine F. Williams, Ed.D, Secretary-Treasurer and President of Montgomery College

Housing Opportunities Commission of Montgomery County

Commissioners:

Roy Priest, Chair
Jeffrey Merkowitz, Vice Chair
Robin Solomon, Chair Pro Tem

Linda Croom
Frances Kelleher
Pamela Byrd
Vacant

Chelsea J. Andrews, President/Executive Director

INDEPENDENT PUBLIC ACCOUNTANTS

SB & Company, LLC
10200 Grand Central Avenue, Suite 250
Owings Mills, MD 21117

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FINANCIAL SECTION



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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Honorable County Council of Montgomery County, Maryland
Rockville, Maryland

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Montgomery County, Maryland (the County), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Housing Opportunities Commission of Montgomery County, Montgomery College, Montgomery County Revenue Authority, and Bethesda Urban Partnership, Inc., which represent a collective 47.6 percent, 68.7 percent, and 17.9 percent of the assets, net position, and revenues, respectively, 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 Housing Opportunities Commission of Montgomery County, Montgomery College, Montgomery County Revenue Authority, and Bethesda Urban Partnership, Inc. are based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The County's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for one year after the financial statements are available for issue, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal controls relevant to the audit 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 County's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal controls-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance - budget and actual (non-GAAP budgetary basis) for the general, housing initiative and grants funds, schedule of County's proportionate share of the net OPEB liability, schedule of County contributions (Consolidated Retiree Health Benefits Trust), schedule of County's proportionate share of the net pension liability and schedule of County contributions (Employee's Retirement System and Maryland State Retirement and Pension System) and schedule of changes in the total pension liability (Length of Service Award Program), and the notes to required supplementary information, as listed in the accompanying table of contents, 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 and the other auditors 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements (nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor component units) and schedules of revenues, expenditures, and changes in fund balance – budget and actual and schedules of expenses – budget and actual for special revenue funds, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements (nonmajor governmental funds, nonmajor enterprise funds, internal service funds, fiduciary funds, and nonmajor component units) and schedules of revenues, expenditures, and changes in fund balance – budget and actual and schedules of expenses – budget and actual for special revenue funds 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 by us and other auditors. In our opinion, based on our audit, the procedures described above, and the reports of the other auditors, the combining and individual fund financial statements and supplementary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Introduction

This discussion and analysis (MD&A) is designed to a) assist readers in understanding Montgomery County, Maryland's (the County's) basic financial statements, the relationship of different types of statements, and the significant differences in the information they provide; b) assist the reader in focusing on significant financial issues; c) provide an overview of the County's current financial activity; d) identify changes in the County's financial position (i.e. its ability to address the next and subsequent years' financial needs based on currently known facts); e) identify any material deviations from the approved budget for the fiscal year; and f) identify individual fund issues or concerns. The MD&A is best understood if read in conjunction with the Transmittal Letter and the County's basic financial statements.

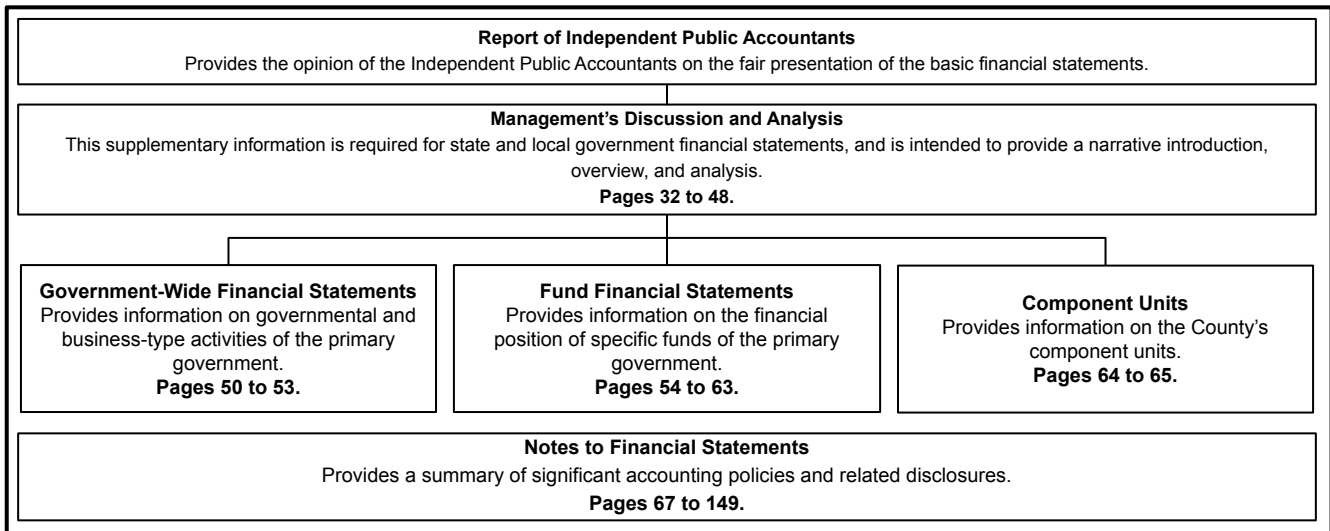
Financial Highlights

- The government-wide assets and deferred outflows of the County exceeded its liabilities and deferred inflows of resources at the close of FY24 by \$3,539.2 million. That amount is net of a \$861.3 million unrestricted deficit. The deficit occurs mainly because the County issues debt to fund construction costs for Montgomery County Public Schools (MCPS) and Montgomery College (MC), two of its component units, and for Maryland-National Capital Park and Planning Commission (M-NCPPC), a joint venture. Debt outstanding for these entities amounted to \$1,671.3 million as of June 30, 2024. Absent the effect of this relationship, the County would have reported a government-wide unrestricted net position of \$810.0 million.
- The County's total government-wide net position increased by \$663.9 million.
- As of the close of FY24, the County's governmental funds reported combined ending fund balances of \$2,100.8 million, an increase of \$379.9 million over the prior year's ending fund balances.
- At the end of FY24, unassigned fund balance for the General Fund was \$378.8 million, or 10.0 percent of total General Fund expenditures. The committed fund balance in the General Fund also includes \$649.2 million in the Revenue Stabilization Fund, bringing total reserves (as defined by County policy) to \$1,028.0 million, or 15.9% of Adjusted Governmental Fund Revenues. See Financial Statement Note II-A for further detail on the Revenue Stabilization Fund.
- The County's government-wide long-term obligations, including long-term debt, increased by \$26.7 million during FY24. See page 112 for the details. The key factors in this increase are:
 - The issuance of \$280.0 million in general obligation (GO) bonds including a premium of \$17.1 million, used to refund \$217.0 million in bond anticipation notes (BANs).
 - The issuance of an additional \$250.0 million in BANs.
 - The retirement of \$275.1 million in GO bonds and amortization of bonds payable related premium of \$43.8 million.
 - The retirement of \$21.0 million in certificates of participation and taxable limited obligation certificates.
 - The retirement of \$14.5 million in revenue bonds.
 - An increase in the total pension liability of \$120.5 million from FY23.
 - A decrease in the net Other Postemployment Benefits (OPEB) liability of \$64.0 million from the FY23 liability.

Overview of the Financial Statements

The County's financial statements focus on both the County as a whole (government-wide), and on the major individual funds. "Funds" are resources segregated for the purposes of implementing specific activities or achieving certain objectives in accordance with special regulations, restrictions, or limitations. Both the government-wide and fund perspectives allow users to address relevant questions and understand changes in financial conditions. The structure of the financial statements is presented on the following page. This MD&A is intended to be an introduction to the County's basic financial statements. The County's basic financial statements comprise three components, including government-wide financial statements, fund financial statements, and notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Organization and Flow of Financial Section Information



Government-Wide Financial Statements

The government-wide financial statements report information about the County as a whole using accounting methods similar to those used by private-sector businesses. In addition, they report the County's net position and how it has changed during the fiscal year.

The first government-wide statement - the statement of net position - presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the County is improving or deteriorating. Additionally, nonfinancial factors, such as a change in the County's property tax base or the condition of County facilities and infrastructure, should be considered to assess the overall health of the County.

The second statement – the statement of activities – presents information showing how the County's net position changed during the fiscal year. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid. The information on governmental activities included in the statement reflects the County's basic services, including general government, public safety, transportation, health and human services, and others. Taxes, including the property and income tax, license and permit fees, intergovernmental revenues, charges for services, fines and forfeitures, and investment income finance the majority of these services. The business-type activities reflect private sector-type operations, including: liquor, solid waste activities, three parking lot districts, permitting services, and community use of public facilities, where fees for services or products are required or designed to recover the cost of operation, including depreciation and amortization.

The government-wide financial statements include not only the County itself (known as the primary government), but also legally separate entities known as component units. Component units, which are other governmental units over which the County Council can exercise influence and/or may be obligated to provide financial subsidy, are presented as a separate column in the government-wide statements and as individual activities in the basic and fund financial statements. The County has five component units – Montgomery County Public Schools (MCPS), Housing Opportunities Commission (HOC), Montgomery College (MC), Montgomery County Revenue Authority (MCRA), and Bethesda Urban Partnership, Inc. (BUP).

Fund Financial Statements

Funds are accounting devices that the County uses to keep track of specific sources of funding and spending for particular purposes. The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. The County has the following three types of funds:

Governmental Funds

Most of the County's basic services are included in governmental funds, which focus on ⁽¹⁾ cash and other financial assets that can readily be converted to cash and how they flow in and out, and ⁽²⁾ the balances remaining at year-end that are available for spending. The governmental funds financial statements provide a detailed short-term view that helps the reader 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 additional 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 reflect bond proceeds and interfund transfers as other

financing sources, as well as capital expenditures and bond principal payments as expenditures. The reconciliation reflects the elimination of these transactions and incorporates the capital assets and long-term obligations (bonds and others) that are presented in the governmental activities column (in the government-wide statements). The County has five major governmental funds – General, Debt Service, Housing Initiative, Grants and Capital Projects – and twelve non-major special revenue funds.

Proprietary Funds

Proprietary funds, which consist of enterprise funds and internal service funds, are used to account for operations that are financed and operated in a manner similar to private business enterprises in which costs are recovered primarily through user charges. Proprietary fund financial statements, like the government-wide financial statements, provide both long-term and short-term financial information. The fund financial statements provide more detail and additional information, such as cash flows, for the County's enterprise funds. The County has three major enterprise funds – liquor, solid waste activities, and parking lot districts – and two non-major funds. The internal service funds, which are presented in a single, aggregated column in the proprietary fund financial statements, are used to account for the provision of liability and property insurance coverage, employee health benefits, motor pool services, and central duplicating services, to County departments on a cost reimbursement basis. Although both the fund and government-wide financial statements provide a long-term and short-term focus, reconciliations between these two sets of statements are still required.

This is due to the fact that the excess income/loss for the internal service funds has been redistributed to the customers, including business-type activities; such reconciliations are reflected on the bottom of the proprietary fund financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's programs. The County's fiduciary funds consist of pension and other employee benefit trusts, and custodial funds.

Financial Analysis of Montgomery County, Maryland: Government-Wide Financial Statements

A comparative analysis of government-wide financial information is presented below.

Statement of Net Position

The following presents a summary of the Statements of Net Position for the County as of June 30, 2024 and 2023:

Summary of Net Position *						
June 30, 2024 and 2023						
	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	\$ 3,386,045,600	\$ 3,245,174,121	\$ 292,777,174	\$ 310,258,613	\$ 3,678,822,774	\$ 3,555,432,734
Capital assets, net	5,916,028,839	5,782,029,017	285,278,234	281,546,762	6,201,307,073	6,063,575,779
Total Assets	<u>9,302,074,439</u>	<u>9,027,203,138</u>	<u>578,055,408</u>	<u>591,805,375</u>	<u>9,880,129,847</u>	<u>9,619,008,513</u>
Deferred outflows of resources	<u>699,064,737</u>	<u>430,277,000</u>	<u>14,052,057</u>	<u>6,676,606</u>	<u>713,116,794</u>	<u>436,953,606</u>
Liabilities						
Long-term liabilities outstanding	5,586,112,693	5,544,291,439	144,496,379	159,660,906	5,730,609,072	5,703,952,345
Other liabilities	513,665,197	575,820,027	63,444,784	66,774,753	577,109,981	642,594,780
Total Liabilities	<u>6,099,777,890</u>	<u>6,120,111,466</u>	<u>207,941,163</u>	<u>226,435,659</u>	<u>6,307,719,053</u>	<u>6,346,547,125</u>
Deferred inflows of resources	<u>710,796,582</u>	<u>795,892,322</u>	<u>35,552,269</u>	<u>38,232,671</u>	<u>746,348,851</u>	<u>834,124,993</u>
Net position:						
Net investment in capital assets	3,259,095,524	3,127,137,042	191,255,963	191,463,862	3,450,351,487	3,318,600,904
Restricted	865,851,619	613,403,067	84,302,766	65,552,813	950,154,385	678,955,880
Unrestricted (deficit)	<u>(934,382,439)</u>	<u>(1,199,063,759)</u>	<u>73,055,304</u>	<u>76,796,976</u>	<u>(861,327,135)</u>	<u>(1,122,266,783)</u>
Total Net Position	<u>\$ 3,190,564,704</u>	<u>\$ 2,541,476,350</u>	<u>\$ 348,614,033</u>	<u>\$ 333,813,651</u>	<u>\$ 3,539,178,737</u>	<u>\$ 2,875,290,001</u>

* Primary Government

The County's current and other assets increased by \$123.4 million or 3.5 percent from FY23. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of FY24 by \$3,539.2 million. By far the

largest portion of the County's net position reflects its investment in capital assets (e.g., land, buildings, improvements, furniture and equipment, infrastructure, lease assets and subscription assets), less any related outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is also important to note that although counties in the State of Maryland issue debt for the construction of schools, those school buildings are owned by each county's Board of Education. The County also funds projects for MC and M-NCPPC. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for these entities amounted to \$1,671.3 million as of June 30, 2024. Absent the effect of this relationship, the County would have reported a government-wide unrestricted net position of \$810.0 million. The portion of the County's net position that is subject to restrictions on how they may be used was \$950.2 million.

The County's total net position increased by \$663.9 million for FY24.

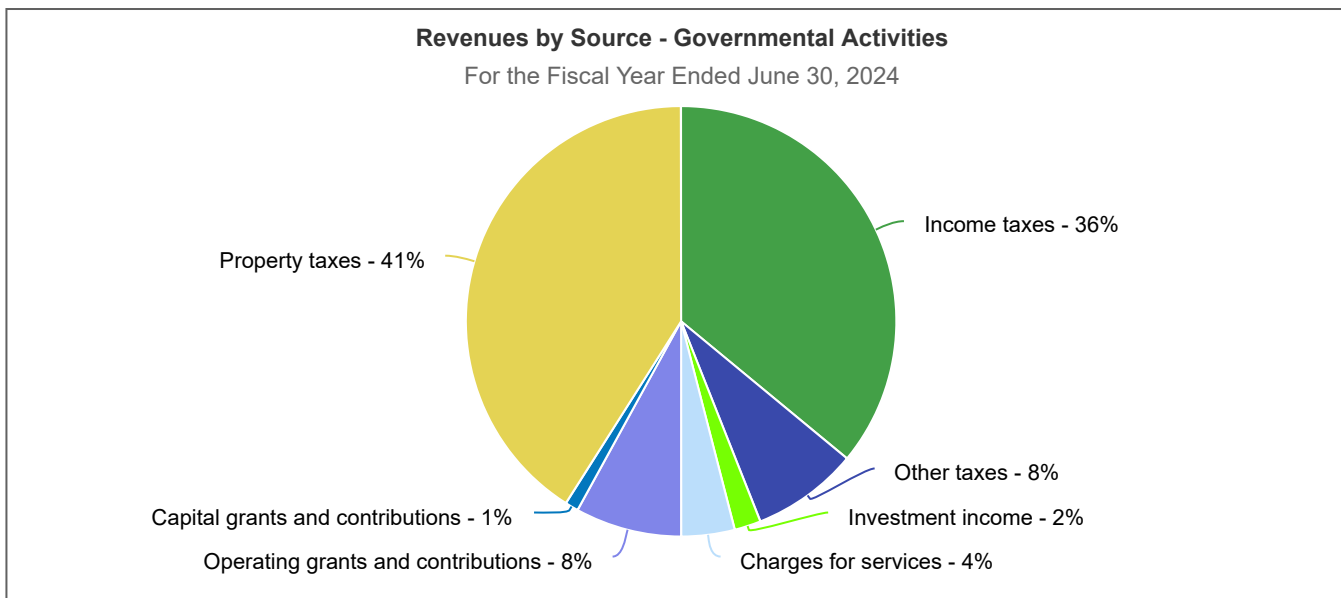
Statement of Activities

The following table summarizes the County's change in net position for the fiscal years ended June 30, 2024 and 2023:

Summary of Changes in Net Position * For the Fiscal Years Ended June 30, 2024 and 2023						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
REVENUES						
Program Revenues:						
Charges for services	\$ 243,347,187	\$ 269,887,474	\$ 586,890,594	\$ 576,334,706	\$ 830,237,781	\$ 846,222,180
Operating grants and contributions	412,653,764	387,479,756	-	-	412,653,764	387,479,756
Capital grants and contributions	88,734,879	33,810,429	-	-	88,734,879	33,810,429
General revenues:						
Property taxes	2,206,883,378	1,960,528,078	-	-	2,206,883,378	1,960,528,078
Income taxes	1,939,693,968	2,234,621,794	-	-	1,939,693,968	2,234,621,794
Other taxes	408,708,705	428,554,776	-	-	408,708,705	428,554,776
Investment income	105,696,891	61,251,579	11,677,100	6,957,484	117,373,991	68,209,063
Gain on sale of capital assets	-	-	-	6,488,864	-	6,488,864
Total Revenues	<u>5,405,718,772</u>	<u>5,376,133,886</u>	<u>598,567,694</u>	<u>589,781,054</u>	<u>6,004,286,466</u>	<u>5,965,914,940</u>
EXPENSES						
Governmental Activities:						
General government	627,403,975	619,060,912	-	-	627,403,975	619,060,912
Public safety	711,746,790	584,931,546	-	-	711,746,790	584,931,546
Transportation	304,068,247	335,927,417	-	-	304,068,247	335,927,417
Health and human services	509,512,101	483,718,778	-	-	509,512,101	483,718,778
Culture and recreation	140,486,273	119,350,132	-	-	140,486,273	119,350,132
Community development and housing	89,242,996	74,060,581	-	-	89,242,996	74,060,581
Environment	41,042,653	37,915,292	-	-	41,042,653	37,915,292
Education	2,286,791,953	2,466,081,451	-	-	2,286,791,953	2,466,081,451
Interest on long-term debt	104,539,177	97,199,651	-	-	104,539,177	97,199,651
Business-type Activities:						
Liquor	-	-	281,707,689	287,080,898	281,707,689	287,080,898
Solid waste activities	-	-	160,936,396	143,646,854	160,936,396	143,646,854
Parking lot districts	-	-	31,035,210	30,660,770	31,035,210	30,660,770
Permitting services	-	-	41,334,052	35,998,475	41,334,052	35,998,475
Community use of public facilities	-	-	10,550,218	7,392,266	10,550,218	7,392,266
Total Expenses	<u>4,814,834,165</u>	<u>4,818,245,760</u>	<u>525,563,565</u>	<u>504,779,263</u>	<u>5,340,397,730</u>	<u>5,323,025,023</u>
Net Position Before Transfers	590,884,607	557,888,126	73,004,129	85,001,791	663,888,736	642,889,917
Transfers	58,203,747	57,267,413	(58,203,747)	(57,267,413)	-	-
Change in Net Position	<u>649,088,354</u>	<u>615,155,539</u>	<u>14,800,382</u>	<u>27,734,378</u>	<u>663,888,736</u>	<u>642,889,917</u>
Net Position, beginning of year	<u>2,541,476,350</u>	<u>1,926,320,811</u>	<u>333,813,651</u>	<u>306,079,273</u>	<u>2,875,290,001</u>	<u>2,232,400,084</u>
Net Position, end of year	<u>\$ 3,190,564,704</u>	<u>\$ 2,541,476,350</u>	<u>\$ 348,614,033</u>	<u>\$ 333,813,651</u>	<u>\$ 3,539,178,737</u>	<u>\$ 2,875,290,001</u>
* Primary Government						

Governmental Activities

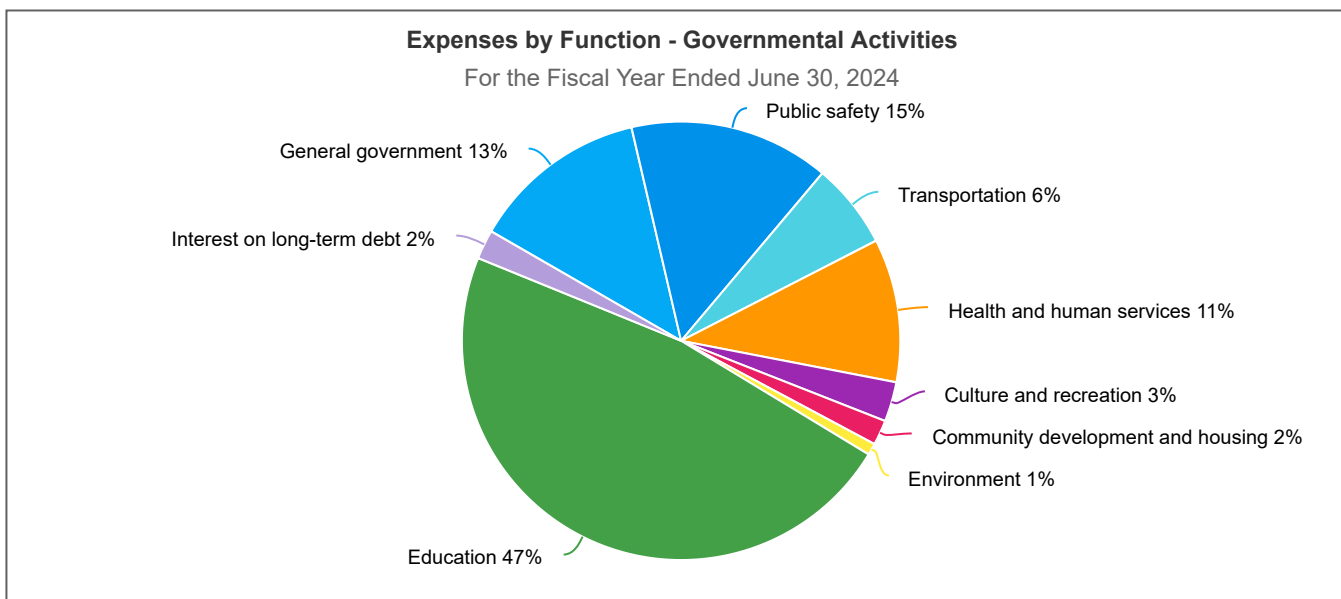
Revenues for the County's governmental activities were \$5,405.7 million for FY24. Sources of revenue are comprised of the following items:



- Taxes constitute the largest source of County revenues, amounting to \$4,555.3 million for FY24.
- Property and local income taxes combined comprise 91.0 percent of all County tax revenues. Each county in Maryland sets its income tax rate within parameters established by the State. The local income tax rate was 3.2 percent of the State taxable income for calendar years 2024 and 2023. There is no local sales tax in the State of Maryland.
- Operating grants and contributions represent primarily grants from the Federal and State governments and State aid programs. The majority of such revenues are received to fund the following County programs: health and human services (\$226.7 million or 54.9 percent), transportation (\$59.7 million or 14.5 percent) and public safety (\$67.8 million or 16.4 percent).

A more detailed discussion of the County's revenue results for FY24 as compared to what was budgeted can be found in the General Fund Budgetary Highlights section of this MD&A.

The cost of all governmental activities for FY24 was \$4,814.8 million. As the chart on the next page indicates, education constitutes the County's largest program and highest priority; education expenses totaled \$2,286.8 million. Public safety expenses totaled \$711.7 million, general government services totaled \$627.4 million, and health and human services, the fourth largest expense for the County, totaled \$509.5 million.



The following table presents the cost and program revenues of the County as a whole and each of the County's six largest programs – education, public safety, general government, health and human services, transportation, and culture and recreation – as well as each program's net cost (total cost less fees generated by the activities and program-specific intergovernmental aid).

Net Cost of County's Governmental Activities						
For the Fiscal Years Ended June 30, 2024 and 2023						
	Expenses		Revenues		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
Education	\$ 2,286,791,953	\$ 2,466,081,451	\$ -	\$ 463,057	\$ 2,286,791,953	\$ 2,465,618,394
Public safety	711,746,790	584,931,546	118,393,281	117,789,303	593,353,509	467,142,243
General government	627,403,975	619,060,912	180,773,273	131,564,882	446,630,702	487,496,030
Health and human services	509,512,101	483,718,778	256,591,946	249,067,169	252,920,155	234,651,609
Transportation	304,068,247	335,927,417	123,660,004	122,739,758	180,408,243	213,187,659
Culture and recreation	140,486,273	119,350,132	40,703,420	42,413,511	99,782,853	76,936,621
Other	234,824,826	209,175,524	24,613,906	27,139,979	210,210,920	182,035,545
Total	\$ 4,814,834,165	\$ 4,818,245,760	\$ 744,735,830	\$ 691,177,659	\$ 4,070,098,335	\$ 4,127,068,101

Of the total cost of governmental activities of \$4,814.8 million, \$744.7 million was paid by those who directly benefited from the programs (\$243.3 million) and other governments and organizations that subsidized certain programs with operating and capital grants and contributions (\$501.4 million). Of the \$4,070.1 million net cost of services, our taxpayers paid for these activities through County taxes which totaled \$4,555.3 million; also available to contribute towards such net costs were investment income and other contributions not restricted to a specific program.

Highlights of significant changes in governmental activities compared to last year are:

- **Education:**

The \$178.8 million decrease in net cost of services is primarily related to Montgomery County Public Schools. Expenses related to MCPS capital projects decreased \$342.8 million compared to FY23. This was partially offset by an increase in MCPS operating contributions of \$166.4 million.

- **Health and human services:**

The \$18.3 million increase in net cost of services is due to higher pension expense coupled with less American Rescue Plan Act (ARPA) grant revenue recognized in the current year.

- **Public Safety:**

The \$126.2 million increase in net cost of services is primarily driven by an increase in pension expense of \$67.5 million. Pension expenses are expected to fluctuate based on the calculation of the net pension liability.

- **Transportation:**

The \$32.8 million decrease in net cost of services is primarily due to fewer current year expenses related to capital projects. Pension expense was also higher compared to prior year.

- **Culture and Recreation:**

The \$22.8 million increase in net cost of services is due to higher pension and other personnel expenses, which include full time salaries, seasonal temps, and group insurance.

Business-type Activities

Highlights of the County's business-type activities for FY24 are as follows:

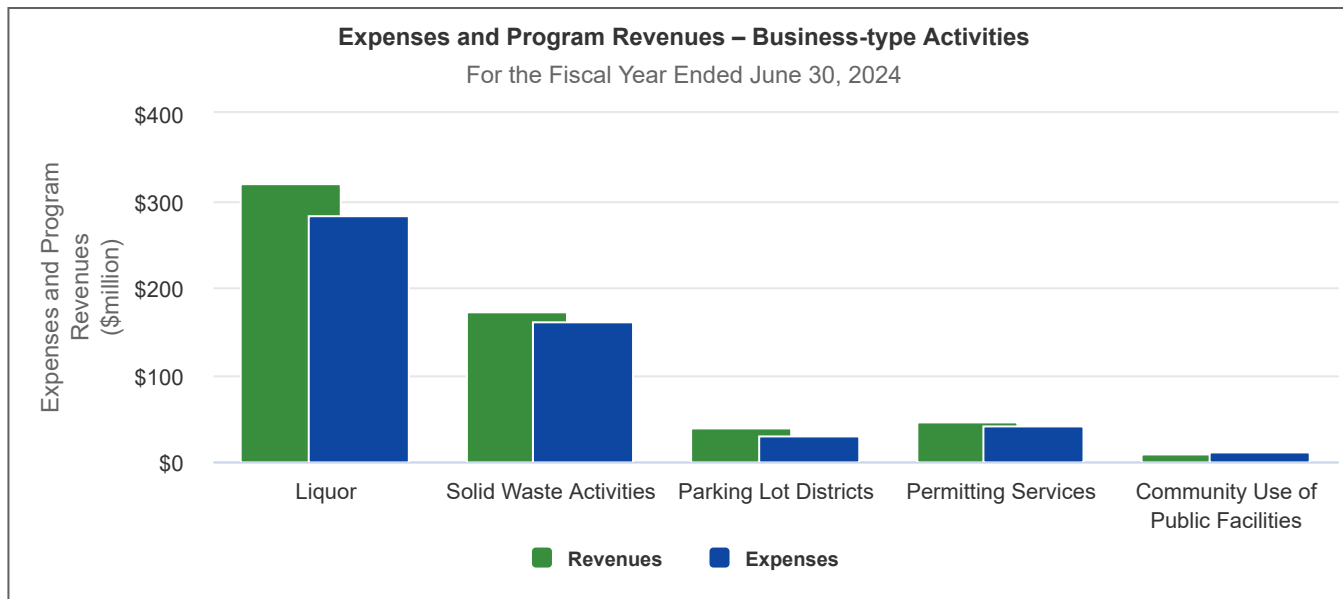
- Business-type activities experienced an increase in net position of \$14.8 million for FY24. This amount is reported after total net transfers out of \$58.2 million. The most significant components of the change include:

- \$3.8 million decrease in net position related to liquor;
- \$13.2 million increase in net position related to solid waste activities; and
- \$3.8 million increase in net position related to parking lot districts.

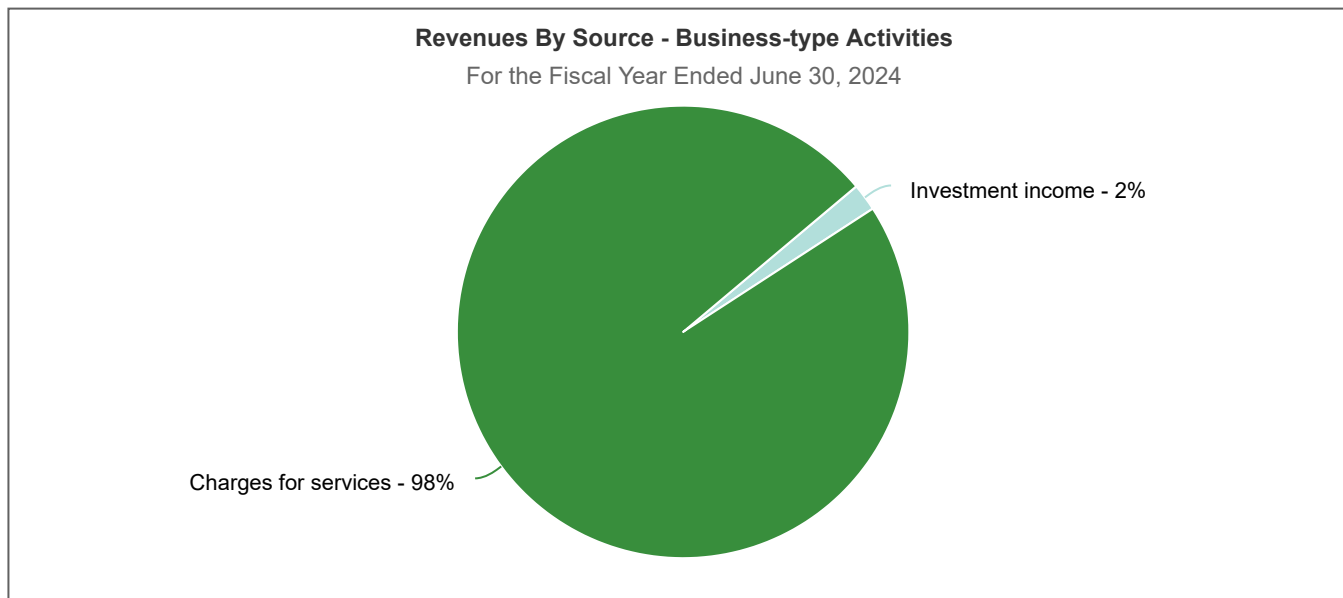
- Charges for services to users comprised 98.0 percent of revenues, with \$318.6 million (54.3 percent of charges for services revenue) attributable to liquor operations and \$172.8 million (29.4 percent) attributable to solid waste activities. The remaining charges for services are generated from operations relating to parking lot districts, permitting services, and community use of public facilities.

- Investment income increased by \$4.7 million to \$11.7 million in FY24, representing a 67.8% growth. The yield on the County's investment portfolio is closely linked to the Federal Reserve action and moves in the short-term bond market. This significant rise was driven by the Federal Reserve's aggressive monetary tightening policy, which led to a rapid rise in short-term interest rates.

Business-type activities are shown below comparing costs to revenues generated by related services:



Business-type revenues by source are comprised of the following:



Financial Analysis of the Government's Funds

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

Governmental Funds

The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is valuable in assessing the County's financing requirements. In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of FY24, the County's governmental funds reported combined ending fund balances of \$2,100.8 million, an increase of \$379.9 million from the end of FY23. Of the total fund balances, \$1,722.1 million is unavailable for new spending because it is either nonspendable in form, has legal restrictions, or is committed or assigned for a specific purpose.

General Fund

The General Fund is the primary operating fund of the County. At the end of FY24, the General Fund had \$378.8 million of unassigned fund balance and total fund balance was \$1,264.3 million. As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. Total fund balance represents 33.4 percent of total General Fund expenditures.

The fund balance of the County's General Fund increased by \$18.7 million during FY24, primarily due to increases in tax revenues which were partially offset by increases in general government and health and human services expenditures as well as increases in other financing uses.

A more detailed discussion of General Fund revenues can be found in the General Fund Budgetary Highlights section of MD&A.

Housing Initiative Fund

The Housing Initiative Fund (HIF) is used to account for the fiscal activity of financing, supplementing, and constructing affordable residential facilities for eligible participants. At the end of FY24, HIF had a fund balance of \$454.4 million entirely restricted for legal reasons. The fund balance represents a decrease of \$3.4 million from FY23, which was primarily due to transfers in from the Capital Projects Fund. Mortgage receivables for this fund, which is a measure of its financing activities, decreased \$13.3 million or 3.9 percent from FY23 and is primarily due to fewer loans for housing projects given and the large payoff of the Westchester West loan in FY24.

Grants Fund

The Grants Fund is used to account for Federal and State grant-funded activities of the tax-supported General and special revenue funds. The Grants Fund normally does not have fund balance at the end of each fiscal year as revenues equal expenditures - that is, expenditures of this fund are either billable to one or more federal or state agencies or paid via a transfer from another fund. However, the Grants Fund has a fund balance of \$0.3 million which represents restricted assets held by the County pursuant to a grant agreement. The Grants Fund recognized \$202.4 million in revenues for FY24. This is a \$31.9 million decrease from FY23 due to the timing of revenue recognition on COVID-19 relief programs.

Debt Service Fund

The Debt Service Fund accumulates resources for the payment of general long-term debt principal, interest, and related costs. This fund does not maintain an unassigned fund balance; the restricted fund balance of \$11.1 million represents a debt service reserve account; the nonspendable fund balance of \$0.39 million represents the prepaid debt service at year end.

Capital Projects Fund

The Capital Projects Fund (CIP) has a total fund balance of \$184.5 million, an increase of \$319.2 million from the end of FY23. The fund balance of this fund can increase or decrease significantly depending on the timing of source of funds for larger capital projects. The expenditures in FY24 decreased from \$692.5 million in FY23 to \$347.5 million in FY24.

Other factors concerning the finances of the governmental funds are addressed in the discussion of the County's governmental activities.

Proprietary Funds

The County's proprietary funds provide the same type of information found in the government-wide statements but include more detail.

The unrestricted net position of the Liquor Fund at the end of FY24 amounted to \$22.6 million, and operating income was \$37.1 million. After a subsidy transfer to the General Fund of \$34.6 million, the fund ended FY24 with a decrease in net position of \$3.8 million. This decline was due to lower revenue from a store under renovation, as well as ongoing consultant expenses related to the newly implemented point of sale register system across all locations. ABS also increased staffing across the departments

and stores to fill the previously vacant positions, which raised personnel costs. In addition, ABS made fund transfers to support the capital improvement program which requires current revenue funding.

The Solid Waste Activities Fund total net position amounted to \$100.7 million. Of this amount, \$47.7 million (47.3 percent) represents the net investment of capital assets and \$53.0 million is restricted for environmental programs. The increase in total net position of \$13.2 million can primarily be attributed to the increase in charge for services and other revenue. The system benefit charge rate rose by 1.8 percent for single-family residents and 1.2 percent for multifamily residents in FY24. The refuse collection fee increased to \$160 per household in FY24 from \$127 per household in FY23. This adjustment was necessary to address rising costs associated with hauler collection contracts and to strengthen the ending net position for potential disruptions in collection services. The increased anticipated adjustment in the remediation and closure estimates resulted in an increase in other revenue.

The Parking Lot Districts Fund increase in net position amounted to \$3.8 million in FY24, resulting in a total ending net position of \$156.7 million. Of this amount, \$127.5 million (81.4 percent) represents the net investment in capital assets; \$3.2 million (2.0 percent) is restricted for debt service on revenue bonds; and \$26.0 million (16.6 percent) is restricted for transportation. The increase in net position can be attributed to the growth in revenues from charges for service and fines and forfeitures, which is primarily driven by the expansion of Saturday parking hours and ongoing recovery of the economy.

A discussion of enterprise fund long-term debt can be found in the Long-Term Debt section presented later in this MD&A. Other factors concerning the finances of the enterprise funds are addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights

Revisions to the General Fund expenditure original budget (excluding transfers) totaled \$143.9 million, which included County Council approved supplemental and special appropriations and the year-end County Council transfer and County Executive supplemental appropriations. Major components of the appropriation increases include the following:

- \$20.0 million is budgeted to fund New JOBS (Jobs, Opportunities & Business Support) Initiative to spur economic development and grow jobs in the County.
- \$16.6 million appropriation increases for the Employee Health Self Insurance Fund, Department of Correction and Rehabilitation, and Department of General Services due to increased costs of medical and prescription claims, personnel and operating expenditures.
- \$14.7 million supplemental appropriation for Snow Removal and Storm Cleanup.
- \$11.3 million increase in utility budget due to drastic rise in utility commodity prices.
- \$11.1 million Food Systems Resilience/Food Security Initiatives to support food resources for community members amidst high price inflation, rising demand for food assistance programs, and the end of critical federal pandemic assistance.

The remaining variance is due to encumbrance carry forwards from prior years, which are included in the final budget amounts.

Actual revenues were higher than budget amounts by \$257.8 million, while actual expenditures and net transfers were less than final budget by \$34.8 million and \$118.3 million, respectively. Highlights of the comparison of final budget to actual figures for expenditures and net transfers for the fiscal year-ended June 30, 2024, include the following:

- Actual expenditures of \$1,608.7 million were \$34.8 million less than the final budget, which represents 2.1 percent of the final budget, and is attributable to savings achieved across numerous departments.
- Actual transfers to the Capital Projects Fund and component units for capital purposes were less than budgeted by \$52.8 million and \$57.7 million, respectively. This is due both to the multi-year nature of capital projects, and to time delays that can be encountered for certain projects.

A more detailed comparison of final budget to actual figures for revenues is presented below:

Overview

Actual revenues for the General Fund totaled \$4,208.5 million in FY24 and were \$257.8 million or 6.5 percent above the final budget for the fiscal year and \$108.7 million or 2.7 percent above total revenues for FY23. The largest contributor to the increase between the final budget and actual revenues was the income tax, \$98.5 million or 5.1 percent, above the final budget. Actual revenues from the transfer and recordation taxes (General Fund portion) were down 13.6 percent from FY23 and \$33.1 million or 19.0 percent below the final budget. Revenues from consumption/excise taxes which include fuel/energy, telephone, hotel-motel, and other taxes, were \$265.7 million in FY24. That amount was \$10.1 million, or 3.7 percent, below the final budget. Fuel and energy taxes were the primary drivers with a decrease of \$10.0 million, or 4.6 percent, below the final budget. Licenses and permits revenue was 2.4 percent below the final budget, and charges for services also came in 5.6 percent below the final budget. Total intergovernmental revenues led by the federal government were \$161.6 million and were 95.8 percent above the final budget.

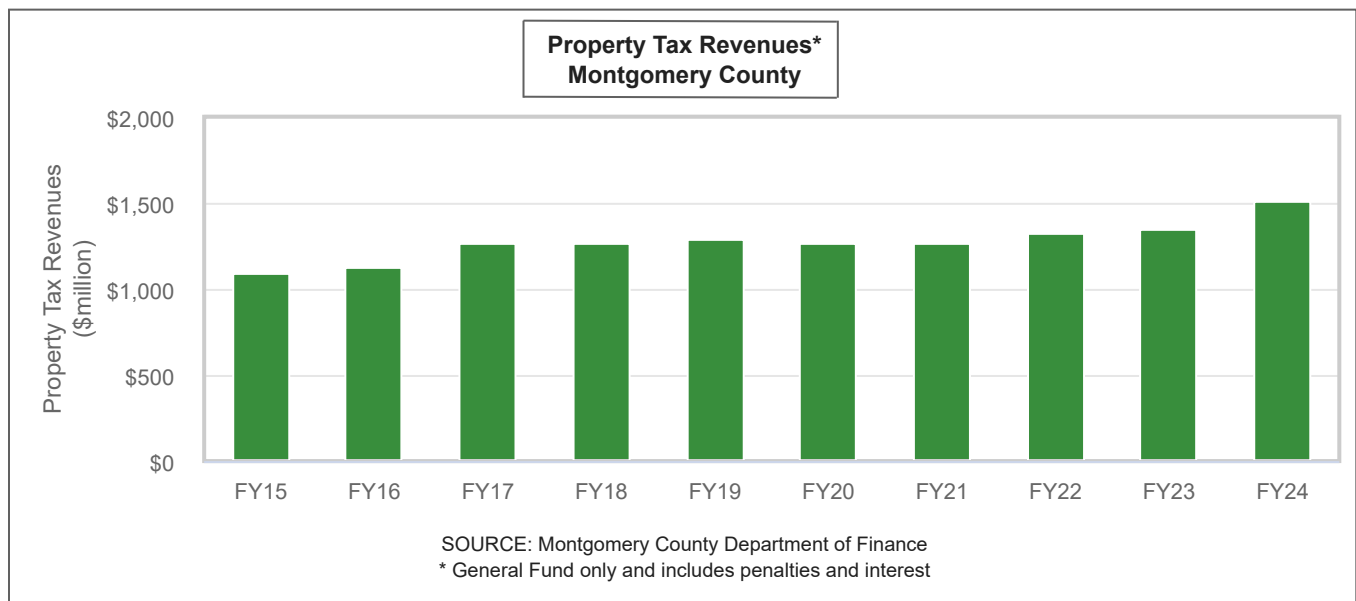
Income Taxes

One of the largest revenue sources for the General Fund is the County income tax. Revenues from income tax were \$2,023.6 million and represented 51.3 percent of actual tax revenues in FY24 and 48.1 percent of total General Fund revenues. This increased reliance on the income tax as a major source of revenue in recent years can be attributed to three factors: changes in the employment base as reflected in resident employment, changes in wage and salary income in the County, and changes in capital gains. However, while capital gains, on average, will change over time, stock market indices represent an indicator of year-to-year changes in realized capital gains. In addition, resident employment experienced volatility during this period, increasing at an average annual rate of 0.4 percent. Most recently resident employment increased 1.9 percent in 2023 following a 2.4 percent increase in 2022.

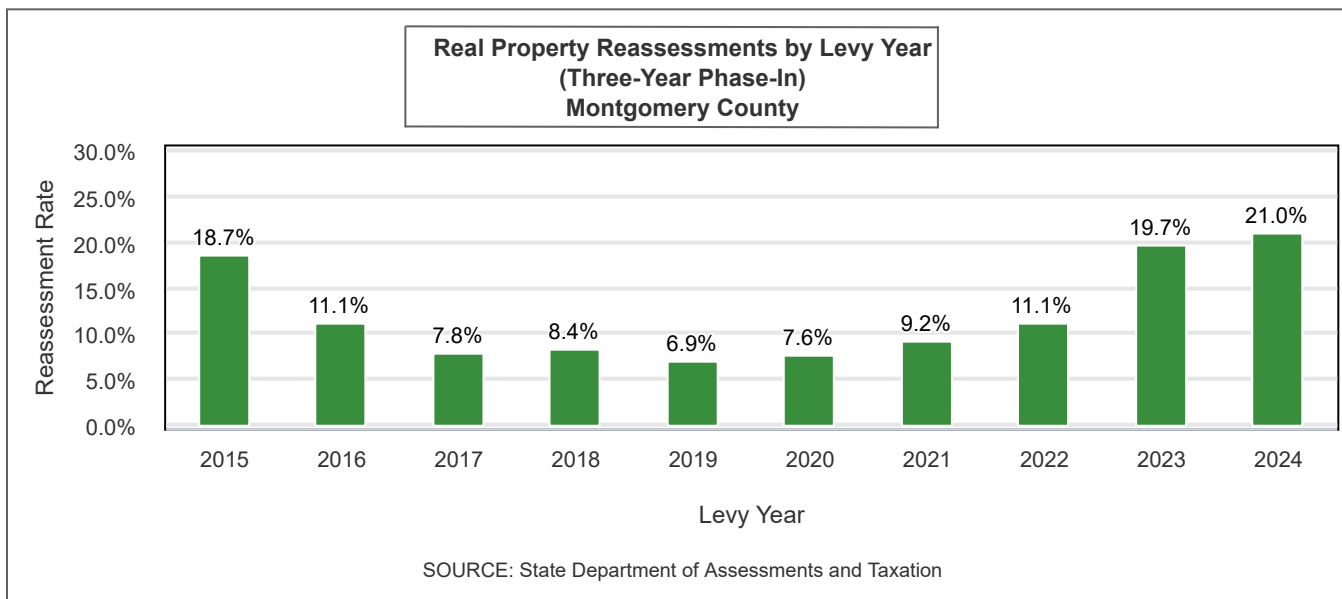
On May 18, 2015, the U.S. Supreme Court made a final ruling in the long-standing court case of *Comptroller of the Treasury of Maryland v. Wynne et ux*. The case involved a dispute over the credit a state taxpayer should get for taxes paid to other states for income earned in those states. The U.S. Supreme Court ruled in favor of the litigants. As a result, the State of Maryland owes refunds to all taxpayers who filed amended returns requesting the additional credit. Based on data provided by the Revenue Administration Division, Comptroller of Maryland (Comptroller), as of September 2020, the total amount of income tax refunds for tax years 2007 through 2014, including interest, attributable to the Wynne case for Montgomery County is \$145.6 million. Pursuant to State law, beginning in the 3rd quarter of FY21, through FY41, the County's quarterly income tax distribution will be reduced by 1/80th of the amount that the State refunded to taxpayers that was attributable to Montgomery or \$1,820,486 per quarter.

Property Taxes

Property tax collections, including penalties and interest, were the second largest contributor of actual tax revenues to the General Fund in FY24, amounting to \$1,516.6 million. This was \$97.9 million, or 6.9 percent, above the final budget and 12.6 percent above actual property tax collections in FY23. The increase of 12.6 percent was attributed to a rate increase of 4.7 cents dedicated to funding Montgomery County Public Schools. Property tax revenues account for 38.4 percent of FY24 General Fund tax revenue and 36.0 percent of General Fund revenues.

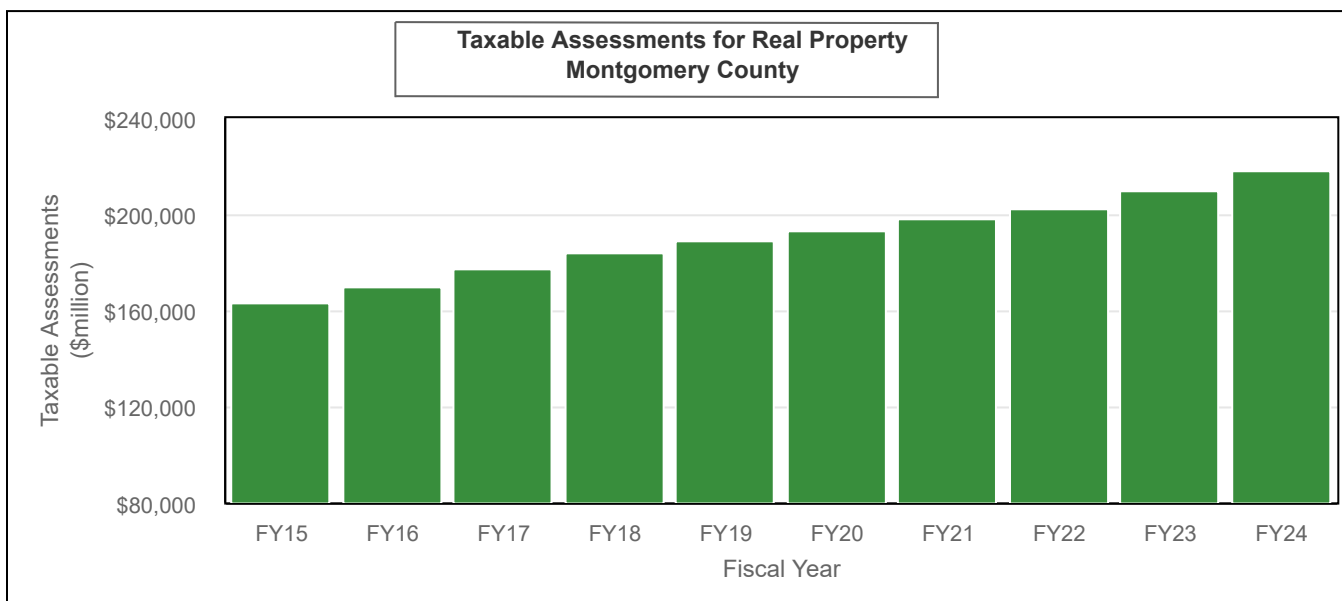


The taxable assessments for real property increased 4.2 percent from FY23 to FY24. New construction added an estimated \$1.6 billion to the base in FY24 but was 24.5 percent lower than in FY23. Triennial reassessment rates experience the same trends as the real estate market, albeit with a lag due to the 3 year cycle of assessments. Since 2014 residential and commercial real estate market recovery also resulted in a recovery of property assessments from the Great Recession. After a three-year decline in triennial reassessment rates in levy years 2010 to 2012, reassessments for residential and commercial increased every year from 2013 through levy year 2024.

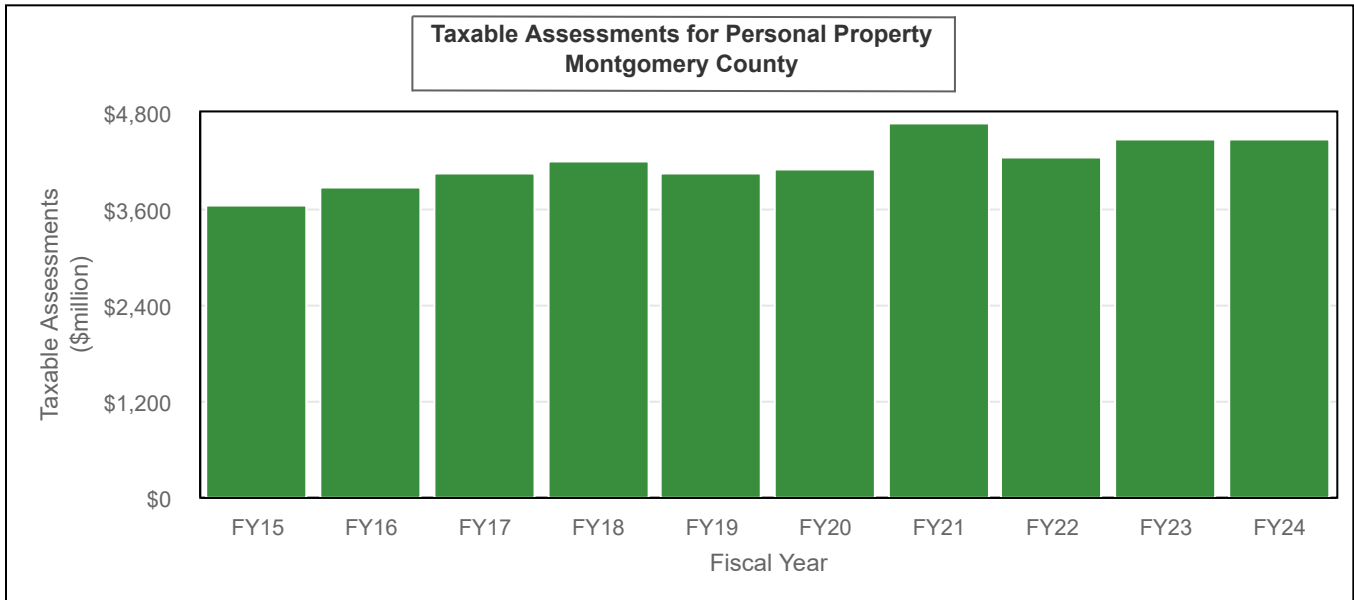


The homestead tax credit limits annual increases in homeowners’ taxable assessments to 10 percent per year although this limit is not applicable to other taxable assessments such as for commercial and investment residential properties. The homestead credit is the amount of annual assessment growth above the 10 percent limit. Following the years of declining assessments in 2010-2012, most properties that had built up a significant amount of homestead credit during the housing boom cycle in the early 2000’s, used up their homestead credit during the housing bust cycle. However, in FY22, rapid increases in home values and assessments in the immediately preceding years began creating an increase in the homestead credit, increasing it from \$93.4 million in FY23 to \$297.0 million in FY24.

Real property taxable assessments represented 98.1 percent of the total taxable assessments for FY24. During the FY15 to FY24 period, real property taxable assessments averaged \$190,668.4 million with a high of \$218,330.2 million in FY24 and a low of \$163,656.8 million in FY15. From FY15 to FY24, real property taxable assessments steadily increased at an average annual growth rate of 3.3 percent. In FY24, real property taxable assessments increased 4.2 percent.

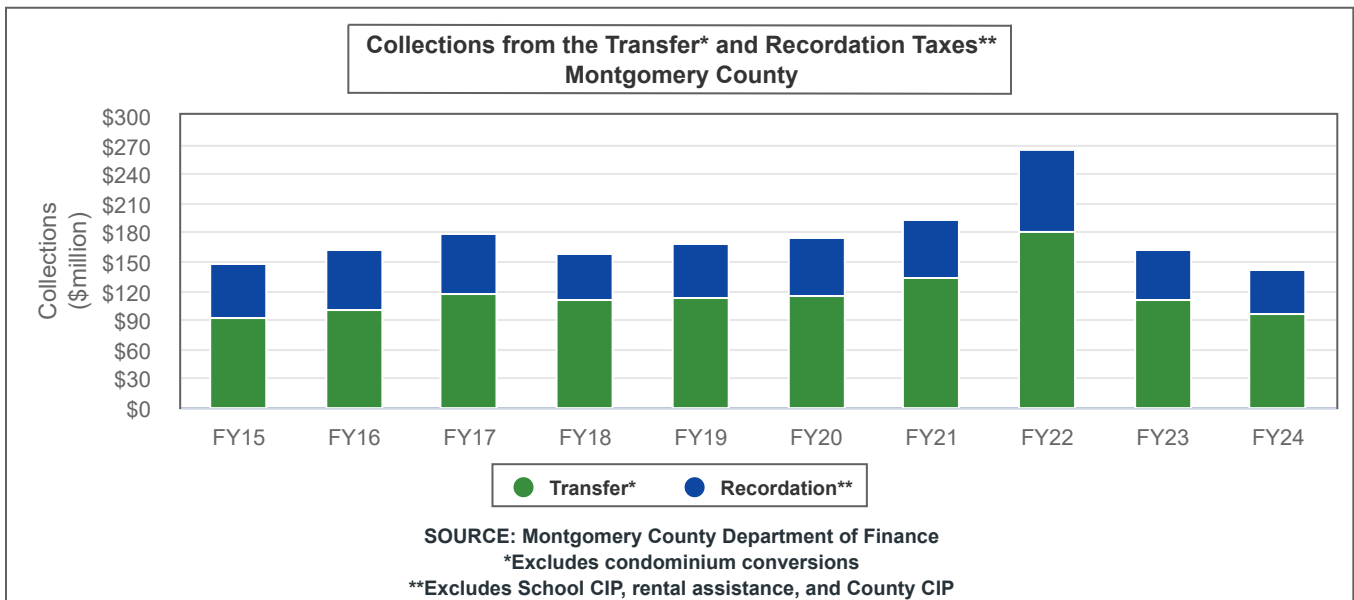


Personal property assessments are in addition to real property tax assessments and represent 1.9 percent of the County’s total assessment base in FY24. During the FY15 to FY24 period, personal property assessments averaged \$4,161.8 million, with a high of \$4,682.2 million in FY21 and a low of \$3,655.1 million in FY15, and an average growth rate of 1.8 percent. In FY23, personal property tax assessments increased 5.3 percent but decreased 4.0 percent in FY24.

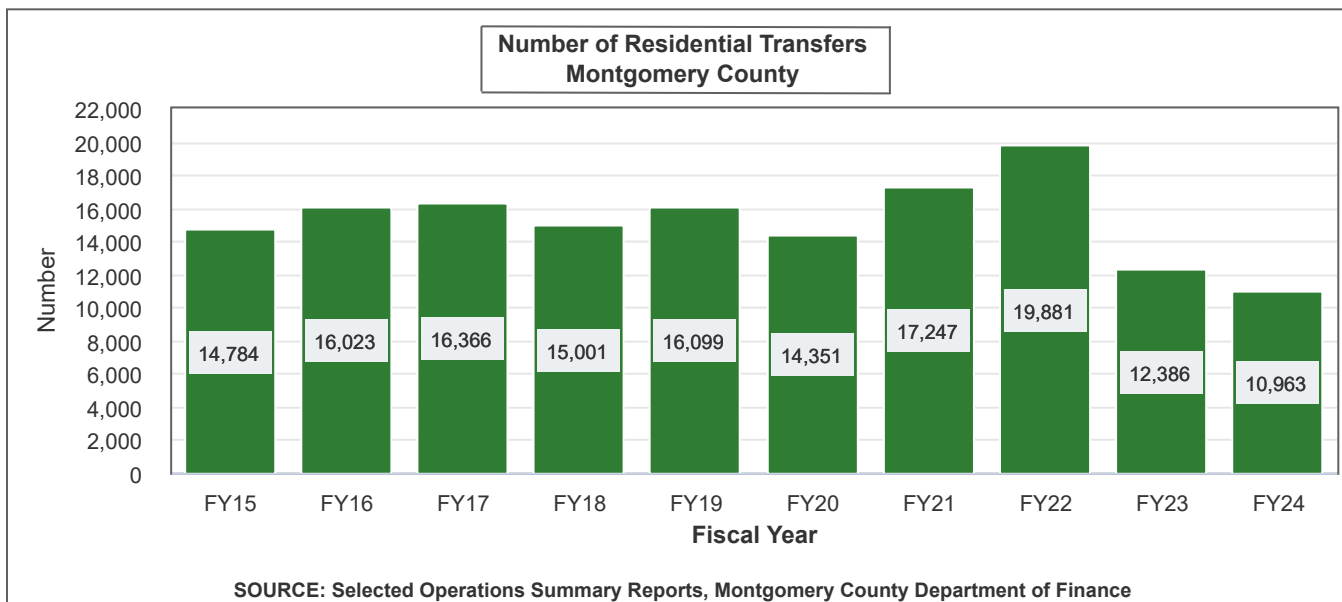


Transfer and Recordation Taxes

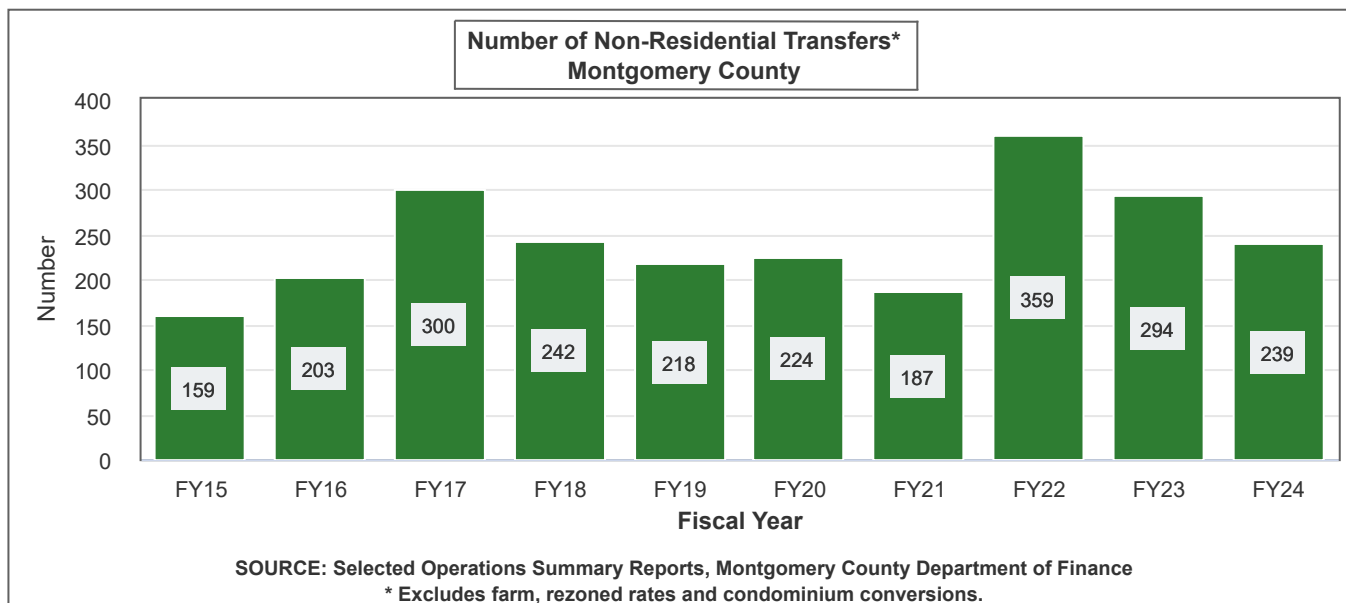
Another major tax revenue category in the County is the combination of real property transfer and recordation taxes. The combined tax revenues from these sources in FY24 were \$141.4 million (excluding recordation tax revenues earmarked for CIP funding of school construction, rental assistance, and CIP funding for the County; and transfer tax revenues from condominium conversions). Actual revenues decreased 13.6 percent from FY23 to FY24 which followed a decrease of 38.4 percent from FY22 to FY23. From FY22 to FY24, revenues from the transfer and recordation taxes have decreased by 46.8 percent. In FY24, the combined taxes were 19.0 percent below the final budget. As the accompanying chart illustrates, the total amount collected from these taxes declined from an historical pandemic driven peak of \$266.1 million in FY22 to \$141.4 million in FY24.



FY24 General Fund revenues from the transfer tax experienced a decrease of 12.7 percent over FY23 and recordation tax decreased 15.6 percent from FY23. Revenues from the residential sector for the transfer tax were \$79.1 million, a decrease of 7.7 percent from FY23. The volume of residential transfers decreased to 10,963 in FY24 from 12,386 (or 11.5 percent) in FY23. Collections from the residential recordation tax declined by 15.6 percent in FY24.



Based on the amount of collections from the non-residential transfer tax (less farm accounts), the non-residential sector decreased 31.4 percent in FY24 from FY23 with revenues at \$16.2 million. The decrease in revenues from the non-residential sector was attributed to a decrease in the volume of transactions by 18.7 percent, while the average tax decreased by 14.7 percent, from approximately \$79,554 in FY23 to \$67,879 in FY24.



Other Revenues

The remaining tax sources – consisting of fuel/energy, telephone, hotel-motel, and other taxes – totaled \$265.7 million and were \$10.1 million, or 3.7 percent, below the final budget but 0.6 percent above actual revenues in FY23. Revenues from the fuel/energy tax were \$182.1 million in FY24 but \$11.0 million, or 5.7 percent, below the final budget but an increase of 0.5 percent from actual revenues in FY23.

Revenues from the telephone tax at \$55.6 million were close to the final budget but 1.3 percent below actual revenues in FY23. Revenues from the hotel-motel tax of \$23.1 million in FY24 were 4.6 percent above the final budget and 11.1 percent above actual revenues in FY23. The significant increase in the hotel-motel tax is largely attributed to the recovery from the impact of COVID-19. Other tax revenues in FY24 were 1.4 percent below the final budget and 14.3 percent below actual revenues in FY23.

In the General Fund, investment income was \$31.9 million in FY24 and was \$22.6 million above the final budget. Investment yield on the County's operating funds increased from 3.43 percent in FY23 to 5.34 percent in FY24. The increase in the average portfolio investment income in FY24 was largely due to the policy of the Federal Reserve's Open Market Committee increasing

the federal funds rates in FY24. As of June 2022, the effective federal funds rate was 1.21 percent and by June 2023, that rate reached 5.1 percent. By June 2024, the rate increased to 5.33 percent, which combined with the average daily portfolio balance increase from \$1,865.9 million in FY23 to \$2,015.0 million in FY24, increased the investment income.

Capital Asset and Debt Administration

Capital Assets

The County's investment in capital assets as of June 30, 2024 amounted to \$6,201.3 million (net of accumulated depreciation and amortization), as summarized below:

Capital Assets, Net of Depreciation and Amortization June 30, 2024				
	Governmental Activities	Business-type Activities	Total FY24	Total FY23
Land	\$ 1,183,690,261	\$ 58,370,976	\$ 1,242,061,237	\$ 1,235,122,998
Buildings	843,006,590	98,515,828	941,522,418	974,295,207
Improvements other than buildings	166,713,882	64,503,340	231,217,222	211,787,781
Furniture, fixtures, equipment and machinery	45,292,369	6,837,642	52,130,011	51,525,260
Leasehold improvements	885,441	-	885,441	1,878,214
Automobiles and trucks	90,701,427	4,004,972	94,706,399	90,566,363
Infrastructure	1,901,933,756	4,162	1,901,937,918	1,868,444,512
Other assets	89,392,267	-	89,392,267	90,344,483
Construction in progress	1,474,680,724	1,659,791	1,476,340,515	1,368,752,634
Lease assets - buildings	96,420,875	49,406,673	145,827,548	151,013,417
Lease assets - land	3,633,083	-	3,633,083	3,835,320
Lease assets - equipment	15,167	-	15,167	856,145
Subscription assets	19,662,997	1,974,850	21,637,847	15,153,445
Total	\$ 5,916,028,839	\$ 285,278,234	\$ 6,201,307,073	\$ 6,063,575,779

Changes in the County's capital assets for FY24 are summarized as follows:

Change in Capital Assets For the Fiscal Year Ended June 30, 2024				
	Governmental Activities	Business-type Activities	Total FY24	Total FY23
Beginning Balance	\$ 5,782,029,017	\$ 281,546,762	\$ 6,063,575,779	\$ 6,037,135,550
Additions*	284,923,117	23,870,272	308,793,389	216,401,795
Less :				
Retirements, net*	(752,853)	(13,554)	(766,407)	(26,522,062)
Depreciation and amortization	(150,170,442)	(20,125,246)	(170,295,688)	(163,439,504)
Ending Balance	\$ 5,916,028,839	\$ 285,278,234	\$ 6,201,307,073	\$ 6,063,575,779

* Presented net of transfers from construction in progress; retirements are also net of related accumulated depreciation.

Major capital asset events during the current fiscal year included the following:

- Roads, including the underlying land, valued at \$8.4 million were transferred to the County by various developers.
- The 6th District Police Station accumulated \$20.4 million in costs this fiscal year. This project provides for planning, design and construction of a new 28,294 gross square feet 6th District Police Station and a new parking garage of 59,526 gross square feet in two levels to serve Gaithersburg/Montgomery Village and vicinity. The Station will be in a new development located on extended Watkins Mill Road between I-270 and MD-355.
- The Resurfacing Residential/Rural Roads accumulated \$10.9 million in costs this fiscal year. This project provides for the permanent patching and resurfacing of rural and residential roadways using durable hot mix asphalt to restore long-term structural integrity to the aging rural and residential roadway infrastructure.
- The Residential and Rural Road Rehabilitation accumulated \$9.6 million in costs this fiscal year. This project provides for the major rehabilitation of residential and rural roadways in older communities to include extensive pavement rehabilitation and reconstruction including the associated rehabilitation of ancillary elements such as under drains, sub-grade drains, and

installation and replacement of curbs and gutters.

- The HVAC/Electrical Replacement accumulated \$8.3 million in costs this fiscal year. This project provides for the orderly replacement/renovation of outdated HVAC and electrical systems in County buildings.
- Resurfacing Primary/Arterial accumulated \$7.0 million in costs this fiscal year. This project provides for a systematic, full-service, and coordinated revitalization of the primary and arterial road infrastructure to ensure viability of the primary transportation network and enhance safety and ease of use for all users.

Additional information pertaining to the County's capital assets can be found in Notes to Financial Statements, Notes I-D5 and III-C.

Long-Term Debt

The following is a summary of the County's gross outstanding long-term debt as of June 30, 2024:

Long-Term Debt				
June 30, 2024				
	Governmental	Business-type	Total	Total
	Activities	Activities	FY24	FY23
General obligation bonds	\$ 3,080,750,000	\$ -	\$ 3,080,750,000	\$ 3,075,830,000
Variable rate demand obligations	170,000,000	-	170,000,000	170,000,000
Bond anticipation notes	250,000,000	-	250,000,000	217,000,000
Revenue bonds	108,312,409	37,912,434	146,224,843	156,230,949
Lease revenue bonds	3,415,000	-	3,415,000	6,400,000
Notes payable	23,125,668	-	23,125,668	24,806,084
Other obligations	43,160,000	-	43,160,000	45,385,000
Equipment notes	41,613,629	-	41,613,629	31,148,084
Certificates of participation	102,490,000	345,000	102,835,000	115,130,000
Taxable limited obligation certificates	130,195,000	-	130,195,000	138,875,000
Leases payable	109,318,252	52,582,804	161,901,056	166,236,592
Subscription liabilities	19,200,121	1,575,530	20,775,651	14,185,845
Compensated absences	133,711,654	10,871,156	144,582,810	136,751,405
Net OPEB liability	727,595,786	-	727,595,786	791,607,659
Claims payable self-insurance	234,851,319	-	234,851,319	232,947,560
Net pension liability - County	115,187,188	3,922,397	119,109,585	-
Net pension liability - County (LOSAP)	40,001,555	-	40,001,555	38,635,472
Net pension liability - State	5,940,659	-	5,940,659	5,959,980
Landfill closure costs	-	14,706,426	14,706,426	14,891,687
Gude landfill remediation	-	21,116,021	21,116,021	44,054,403
Total	\$ 5,338,868,240	\$ 143,031,768	\$ 5,481,900,008	\$ 5,426,075,720

As of June 30, 2024, the County had general obligation (GO) bonds of \$3,250.8 million outstanding, including variable rate demand obligations (VRDOs) of \$170.0 million. Bond anticipation notes (BANs) of \$250.0 million were also outstanding. In prior years, the County normally issued its GO bonds once a year. The County issues BANs as interim financing for capital construction projects. BANs are subsequently paid off by the issuance of the County's GO bonds. Montgomery County also issues bonds to finance the capital construction of MCPS, MC, and M-NCPPC.

The County continues to maintain its status as a top-rated issuer of municipal securities, with the highest credit ratings possible for a local government. For its GO bonds, the County is a 'Triple AAA' rated County, and received ratings of Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's, and AAA from Fitch Ratings. County GO bonds have been consistently awarded the highest credit rating from Moody's and Standard and Poor's since 1973 and 1976, respectively, and from Fitch since 1991. Montgomery County is one of only 14 'Triple AAA' rated counties in the nation with a population greater than one million.

In September 2024, the County received its annual credit ratings from each of three ratings agencies. Fitch's analysis concluded that the rating reflects Montgomery County's 'AAA' financial resilience given its 'ample' budgetary flexibility. Fitch stated that the ratings also reflect the County's low long-term liabilities assessed by Fitch as "strong" and "strongest" demographic and economic level metrics when compared to Fitch's local government rating portfolio.

Moody's stated that the rating reflects the County's very robust local economy that is anchored by higher education, health care, and federal and state government institutions outside of Washington D.C. Moody's commented that the County reports ongoing development in both residential and commercial sectors and that resident income and wealth levels remain very strong for the rating category. Moody's mentioned that the County's reserve position is a record high and was generated through conservative budgeting and strong revenue performance.

In their credit overview, Standard and Poor's (S&P) mentioned the County's very strong economy, historically positive operating results, high reserves, manageable debt and liability profile, and conservative budgeting practices. S&P also stated that the stable outlook on Montgomery County reflects the county's very strong local economy and demonstrated resilience to economic cycles, in addition to a very strong management team that S&P expects will continue to make the necessary adjustments to maintain structural balance.

The rating category, by definition, represents extremely strong capacity to pay principal and interest. Typically, 'AAA' rated counties demonstrate an ability to weather all economic cycles by maintaining tight budgetary controls, executing well-designed capital plans, maintaining sufficient reserves, and planning for future contingencies.

Significant Debt-related activities during FY24 were:

- **General Obligation Bonds** – On September 28, 2023, the County issued Consolidated Public Improvement Project and Refunding Bonds of 2023, Series A in the amount of \$280.0 million. The proceeds of the Bonds refinanced certain commercial paper bond anticipation notes, the proceeds of which financed certain capital projects in the County, and financed the construction of other capital projects.
- **Master Lease Purchase Agreement** – In May 2024, three leases in the total amount of \$16.6 million were funded under a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. The leases financed Fire and Rescue Defibrillators, County Radio Replacements, and Transit System Radios. The Agreement provides capital equipment financing up to a maximum of \$50.0 million.
- **Revenue Bonds** – On January 31, 2024, the County entered into a drawdown loan agreement with the Maryland Water Infrastructure Financing Administration (MWIFA) in the amount of \$4.8 million to fund M-NCPPC stormwater management projects. Drawdowns during FY24 under loan agreements with the MWIFA were \$4.5 million. The loan proceeds, for which repayment is secured by Water Quality Protection Charge Revenues, will fund capital projects for the stormwater management capital program.
- **Bond Anticipation Notes (BANs)** – Over the course of FY24, the County retired \$217.0 million in BANs with general obligation bond proceeds and issued \$250.0 million in new BANs.

Additional information pertaining to the County's long-term debt can be found in Notes to Financial Statements, Notes I-D8, and III-G.

Economic Factors and Next Year's Budgets and Rates

The following economic factors are reflected in the County's FY25 budget with updates based on revised economic data after the approval of the County's budget:

- Montgomery County's economy experienced a mixed economic performance overall during fiscal year 2024 (FY24) - the period July 2023 to June 2024. While the economic performance was mixed, FY24 reflected a decrease in the impact of the COVID-19 pandemic on the County's economy. The County's economic performance included a 1.0 percent increase in resident employment from FY23 to FY24, but an increase in the unemployment rate from 2.1 percent in FY23 to 2.2 percent in FY24. There was a decrease of 10.1 percent in existing home sales, but an increase of 5.0 percent in the average sales price for an existing home. Residential construction experienced increases in both single-family homes and multi-family units, and the total construction value also increased in FY24. However, the construction in the number of non-residential projects decreased in value and the value of non-residential projects decreased dramatically.
- The County's economic projections prepared for the FY25 operating budget assume a mild recession in FY25. In calendar year 2024 (CY24), the County projects a decrease in total resident employment of 1.8 percent but a very modest increase of 0.1 percent in CY25 based on recently revised data from the Local Area Unemployment Statistics (LAUS). The County's Department of Finance (Finance) also projects a decrease of 1.6 percent in payroll employment in CY24 and a modest 0.8 percent increase in CY25 based on the Quarterly Census of Employment and Wages (QCEW). Both employment series are from the Bureau of Labor Statistics (BLS), U.S. Department of Labor.
- During the past ten calendar years (CY14– CY23), total payroll employment in Montgomery County experienced two distinct cycles: an increase at an average annual rate of 0.7 percent from CY14 to CY19, and a decrease of 0.8 percent from CY19 to CY23 attributed to the impact of COVID-19. Finance estimates that total payroll employment is expected to decrease 1.6 percent in CY24 attributed to a forecast of a mild recession but increase a modest 0.8 percent in CY25.
- Resident employment in the County, which is based on a survey of the households in the County by the Bureau of Labor Statistics, provides similar trends of employment compared to payroll employment. Resident employment grew at an average annual rate of 1.5 percent from CY14 to CY19. However, resident employment decreased at an average annual rate of 1.1 percent from CY19 to CY23 attributed to the impact of COVID-19. Resident employment is estimated to decrease 1.8 percent in CY24 attributed to a forecast of a mild recession but is estimated to increase 0.1 percent in CY25.

- Total personal income in the County, based on data from the Bureau of Economic Analysis, U.S. Department of Commerce, and the estimate by Finance, provides a different picture than the trends in resident and payroll employment. While resident employment increased at an average annual rate of 1.5 percent from CY14 to CY19, total personal income grew at an average annual rate of 3.6 percent over the same period. From CY19 to CY23, total personal income is estimated to increase at an average annual rate of 3.1 percent compared to a decrease in the average annual rate of change in resident employment of 1.1 percent over the same period. The difference between the increase in total personal income and the decrease in resident employment is attributed to the growth in nonwage income, particularly transfer payments during the COVID-19 pandemic. Total personal income is expected to increase 2.6 percent in CY24 and 3.0 percent in CY25. Income data for CY23, CY24, and CY25 are based on estimates derived by Finance.
- Inflation, as measured by the Consumer Price Index for the Washington Metropolitan Statistical Area, is expected to decrease to 2.2 percent in FY25 but increase to 2.3 percent in FY26. These rates of inflation are significantly below those experienced in FY22 and FY23 of 6.1 percent and 4.8 percent respectively, and below 3.1 percent in FY24. Actions taken by the Federal Open Market Committee (FOMC) to increase the federal funds rate starting the third quarter of FY22 are intended to reduce the increase in the inflation rate that occurred during CY22. Starting in March 2022, the FOMC has increased the targeted federal funds rate eleven times by 525 basis points to a range of 5.25 - 5.50 percent. However, the FOMC is expected to reduce the federal funds rate starting in September 2024 and through the remainder of CY24.

Other Significant Matters

In March 2021, the American Rescue Plan Act of 2021 (ARPA) was passed by the United States Congress and signed into law. Under ARPA, the County received a total of \$204.1 million in aid from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The funds were received in two equal tranches in June of 2021 and 2022. As of June 30, 2024, the County has spent \$198.0 million on eligible expenditures. Some of these included, but were not limited to:

- \$92.0 million for general government services;
- \$51.3 million for an expansion to the Working Families Income Supplement Program;
- \$13.9 million for health programs targeting racial and ethnic minority populations; and
- \$6.9 million for programs to establish food security and to build a more resilient and equitable food system in the County.

The unspent balance of \$7.1 million is reported as unearned revenue in the grants special revenue fund at June 30, 2024. The \$204.1 million SLFRF funding has been fully allocated as of the end of FY24 by the County to address COVID-19's impact by encouraging economic recovery, being inclusive of all communities, and executing decisions that are sustainable. More detailed information about the allocation of SLFRF funds and the overall recovery vision is presented in the County's second Recovery Plan and Performance Report for the U.S. Department of Treasury, which is available at:

https://montgomerycountymd.gov/covid19/Resources/Files/slfrf/SLFRF-Recovery-Plan-Performance-Report-MC_7_2024.pdf

The County also applied for and was awarded Federal and state funding for Emergency Rental Assistance (ERAP) programs. This funding must be utilized to reduce the negative impact of COVID-19 by providing rental and utility assistance to households facing economic hardships as a result of the pandemic. Some of these awards must be spent within the timeframe allotted for those specific programs and the final amounts awarded may be adjusted accordingly. The County received \$45.2 million and \$20.8 million in FY21 and FY23, respectively. No additional funds were received in FY24. As of June 30, 2024, the County has applied \$75.3 million of these funds on eligible expenditures, including \$15.8 million in FY24.

The County has also received \$115.7 million in Federal Emergency Management Agency (FEMA) COVID-19 Pandemic Disaster Response funds, which included \$63.8 million in FY24. This was recorded as intergovernmental revenue in the General Fund.

Requests for Information

The financial report is designed to provide a general overview of Montgomery County's finances for all those with an interest in the County's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Montgomery County Government, Department of Finance, 101 Monroe Street, Rockville, Maryland, 20850. This report can also be found on the County's website, <http://www.montgomerycountymd.gov/mcg/financialreports>.



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Units Total
ASSETS				
Equity in pooled cash and investments	\$ 1,930,478,976	\$ 195,279,131	\$ 2,125,758,107	\$ 222,414,257
Cash with fiscal agents	22,075,679	2,102,141	24,177,820	95,602,332
Cash	157,405	77,768	235,173	43,495,556
Investments - cash equivalents	-	-	-	76,307,995
Investments	-	-	-	49,148,306
Receivables (net of allowance for uncollectibles):				
Income taxes	483,903,626	-	483,903,626	-
Property taxes	43,624,382	271,214	43,895,596	-
Accounts	79,906,835	6,482,182	86,389,017	44,143,808
Notes	21,178,456	-	21,178,456	-
Parking violations	1,636,244	2,896,466	4,532,710	-
Mortgage	390,369,708	-	390,369,708	748,648,149
Interest	128,192	83,000	211,192	23,407,961
Other	-	-	-	19,652,100
Lease receivable	50,164,142	34,303,872	84,468,014	44,800,020
Internal balances	(4,101,713)	4,101,713	-	-
Due from primary government	-	-	-	15,457,886
Due from component units	248,015,291	230,048	248,245,339	-
Due from other governments	97,768,568	195,482	97,964,050	189,844,592
Inventory of supplies	16,079,513	33,515,136	49,594,649	11,210,906
Prepaid expenses	4,660,296	-	4,660,296	8,235,380
Other assets	-	-	-	87,375,057
Restricted Assets:				
Equity in pooled cash and investments	-	13,239,021	13,239,021	3,714,725
Cash with fiscal agents	-	-	-	44,776,614
Cash	-	-	-	1,090,615
Investments - cash equivalents	-	-	-	211,143,823
Investments	-	-	-	271,647,267
Capital Assets:				
Nondepreciable assets	2,658,370,985	60,030,767	2,718,401,752	998,442,248
Depreciable assets, net	3,257,657,854	225,247,467	3,482,905,321	5,303,691,741
Total Assets	<u>9,302,074,439</u>	<u>578,055,408</u>	<u>9,880,129,847</u>	<u>8,514,251,338</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of debt	15,454,094	252,166	15,706,260	99,336
Pension deferrals	410,809,309	13,799,891	424,609,200	296,093,421
OPEB deferrals	272,801,334	-	272,801,334	611,851,884
Accumulated decrease in fair value of hedging derivatives	-	-	-	20,005,625
Total Deferred Outflows of Resources	<u>\$ 699,064,737</u>	<u>\$ 14,052,057</u>	<u>\$ 713,116,794</u>	<u>\$ 928,050,266</u>

STATEMENT OF NET POSITION
JUNE 30, 2024

	Primary Government			Component Units Total
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable	\$ 105,009,339	\$ 13,570,352	\$ 118,579,691	\$ 165,041,996
Interest payable	33,243,450	860,122	34,103,572	47,745,984
Retainage payable	13,797,477	222,965	14,020,442	19,831,400
Accrued liabilities	193,217,888	15,918,562	209,136,450	90,245,931
Deposits	2,992,655	10,006,928	12,999,583	29,256,061
Due to primary government	-	-	-	248,443,791
Due to component units	11,340,828	4,117,058	15,457,886	-
Due to other governments	143,004,187	13,376,484	156,380,671	74,537
Unearned revenue	9,237,658	4,818,557	14,056,215	57,776,830
Other liabilities	1,821,715	553,756	2,375,471	76,179,183
Noncurrent Liabilities:				
Due within one year	740,998,527	19,560,000	760,558,527	117,154,483
Due in more than one year	4,845,114,166	124,936,379	4,970,050,545	5,361,702,659
Total Liabilities	<u>6,099,777,890</u>	<u>207,941,163</u>	<u>6,307,719,053</u>	<u>6,213,452,855</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	88,720,694	-	88,720,694	-
Leases	47,708,461	34,063,105	81,771,566	44,011,071
Deferred gain on refunding of debt	4,662,762	171,093	4,833,855	-
Pension deferrals	51,458,770	1,318,071	52,776,841	148,935,731
OPEB deferrals	518,245,895	-	518,245,895	1,359,318,588
Accumulated increase in fair value of hedging derivatives	-	-	-	4,852,231
Total Deferred Inflows of Resources	<u>710,796,582</u>	<u>35,552,269</u>	<u>746,348,851</u>	<u>1,557,117,621</u>
NET POSITION				
Net investment in capital assets	3,259,095,524	191,255,963	3,450,351,487	4,243,839,762
Restricted for:				
Capital projects	182,418,566	-	182,418,566	263,071
General government	32,166,184	-	32,166,184	-
Public safety	14,518,491	-	14,518,491	-
Transportation	101,180,346	25,964,336	127,144,682	-
Health and human services	21,990,200	-	21,990,200	-
Recreation	10,577,603	-	10,577,603	-
Community development and housing	459,858,380	-	459,858,380	-
Environment	32,056,981	53,023,038	85,080,019	-
Debt service	11,084,868	5,315,392	16,400,260	100,853,960
Other purposes	-	-	-	90,829,169
Unrestricted (deficit)	<u>(934,382,439)</u>	<u>73,055,304</u>	<u>(861,327,135)</u>	<u>(2,764,054,834)</u>
Total Net Position	<u>\$ 3,190,564,704</u>	<u>\$ 348,614,033</u>	<u>\$ 3,539,178,737</u>	<u>\$ 1,671,731,128</u>

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities				
General government	\$ 627,403,975	\$ 86,322,257	\$ 40,201,671	\$ 54,249,345
Public safety	711,746,790	50,551,485	67,841,796	-
Transportation	304,068,247	29,622,722	59,711,894	34,325,388
Health and human services	509,512,101	29,854,882	226,737,064	-
Culture and recreation	140,486,273	34,616,046	6,087,374	-
Community development and housing	89,242,996	11,974,242	11,020,771	-
Environment	41,042,653	405,553	1,053,194	160,146
Education	2,286,791,953	-	-	-
Interest on long-term debt	104,539,177	-	-	-
Total Governmental Activities	<u>4,814,834,165</u>	<u>243,347,187</u>	<u>412,653,764</u>	<u>88,734,879</u>
Business-type Activities				
Liquor	281,707,689	318,561,067	-	-
Solid waste disposal and collection	160,936,396	172,815,545	-	-
Parking lot districts	31,035,210	39,361,450	-	-
Permitting services	41,334,052	45,763,802	-	-
Community use of public facilities	10,550,218	10,388,730	-	-
Total Business-type Activities	<u>525,563,565</u>	<u>586,890,594</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>5,340,397,730</u>	<u>830,237,781</u>	<u>412,653,764</u>	<u>88,734,879</u>
Component Units:				
General government (BUP)	5,702,687	5,701,747	188,000	-
Culture and recreation (MCRA)	29,494,967	31,964,825	-	394,923
Community development and housing (HOC)	411,099,631	190,243,109	173,266,668	14,092,415
Education:				
Elementary and secondary education (MCPS)	3,712,348,806	29,664,538	297,757,067	85,882,102
Higher education (MC)	365,566,226	59,873,506	22,676,061	49,194,852
Total Component Units	<u>\$ 4,524,212,317</u>	<u>\$ 317,447,725</u>	<u>\$ 493,887,796</u>	<u>\$ 149,564,292</u>

General Revenues:
Property taxes
County income taxes
Real property transfer taxes
Recordation taxes
Fuel energy taxes
Hotel-motel taxes
Telephone taxes
Other taxes
Grants and contributions not restricted to specific programs
Investment and interest income
Gain on sale of capital assets
Miscellaneous
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position - Beginning
Net Position - Ending

Notes to Financial Statements are an integral part of this statement.

Exhibit A-2
(Concluded)

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (446,630,702)	\$ -	\$ (446,630,702)	\$ -
(593,353,509)	-	(593,353,509)	-
(180,408,243)	-	(180,408,243)	-
(252,920,155)	-	(252,920,155)	-
(99,782,853)	-	(99,782,853)	-
(66,247,983)	-	(66,247,983)	-
(39,423,760)	-	(39,423,760)	-
(2,286,791,953)	-	(2,286,791,953)	-
(104,539,177)	-	(104,539,177)	-
<u>(4,070,098,335)</u>	<u>-</u>	<u>(4,070,098,335)</u>	<u>-</u>
-	36,853,378	36,853,378	-
-	11,879,149	11,879,149	-
-	8,326,240	8,326,240	-
-	4,429,750	4,429,750	-
-	(161,488)	(161,488)	-
-	61,327,029	61,327,029	-
<u>(4,070,098,335)</u>	<u>61,327,029</u>	<u>(4,008,771,306)</u>	<u>-</u>
-	-	-	187,060
-	-	-	2,864,781
-	-	-	(33,497,439)
-	-	-	(3,299,045,099)
-	-	-	(233,821,807)
-	-	-	<u>(3,563,312,504)</u>
2,206,883,378	-	2,206,883,378	-
1,939,693,968	-	1,939,693,968	-
96,468,076	-	96,468,076	-
44,958,808	-	44,958,808	-
182,130,483	-	182,130,483	-
23,084,973	-	23,084,973	-
55,607,943	-	55,607,943	-
6,458,422	-	6,458,422	-
-	-	-	3,599,249,780
105,696,891	11,677,100	117,373,991	18,592,468
-	-	-	957,254
-	-	-	34,040,724
<u>58,203,747</u>	<u>(58,203,747)</u>	<u>-</u>	<u>-</u>
<u>4,719,186,689</u>	<u>(46,526,647)</u>	<u>4,672,660,042</u>	<u>3,652,840,226</u>
649,088,354	14,800,382	663,888,736	89,527,722
<u>2,541,476,350</u>	<u>333,813,651</u>	<u>2,875,290,001</u>	<u>1,582,203,406</u>
<u>\$ 3,190,564,704</u>	<u>\$ 348,614,033</u>	<u>\$ 3,539,178,737</u>	<u>\$ 1,671,731,128</u>

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	Housing Initiative	Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Equity in pooled cash and investments	\$ 989,500,722	\$ 38,347,654	\$ 9,084,807	\$ 50,000	\$ 375,514,347	\$ 195,026,923	\$ 1,607,524,453
Cash with fiscal agents	3,564,400	-	-	10,797,698	7,713,581	-	22,075,679
Cash	119,805	-	-	-	-	37,300	157,105
Receivables (net of allowances for uncollectibles)	514,746,549	331,103,386	57,625,355	19,350,000	-	69,918,474	992,743,764
Lease receivable	45,881,661	867,481	-	3,415,000	-	-	50,164,142
Due from other funds	303,071,598	-	-	-	-	-	303,071,598
Due from component units	122,336	95,657,616	12,146,615	1,860,185	137,999,929	-	247,786,681
Due from other governments	29,995,019	-	53,094,318	-	12,803,535	676,625	96,569,497
Inventory of supplies	9,101,899	-	-	-	1,664	-	9,103,563
Prepays	1,602,139	-	-	391,210	2,039,798	-	4,033,147
Total Assets	<u>\$ 1,897,706,128</u>	<u>\$ 465,976,137</u>	<u>\$ 131,951,095</u>	<u>\$ 35,864,093</u>	<u>\$ 536,072,854</u>	<u>\$ 265,659,322</u>	<u>\$ 3,333,229,629</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 58,657,115	\$ 2,185,912	\$ 3,747,914	\$ 22,851	\$ 18,058,707	\$ 6,305,531	\$ 88,978,030
Retainage payable	2,578	3,500	48,793	-	13,695,300	47,306	13,797,477
Accrued liabilities	124,279,615	4,520,802	11,642,706	467,485	16,519,343	21,444,662	178,874,613
Deposits	2,210,711	279,942	-	-	230	501,772	2,992,655
Due to other funds	8,211,813	30,948	25,633,903	1,132,195	276,869,130	4,408,007	316,285,996
Due to component units	2,675,405	63,257	57,309	484	8,485,699	53,652	11,335,806
Due to other governments	4,184,376	20,496	11,923,712	-	5,180,882	940,040	22,249,506
Unearned revenue	-	76,105	8,848,034	-	-	313,519	9,237,658
Total Liabilities	<u>200,221,613</u>	<u>7,180,962</u>	<u>61,902,371</u>	<u>1,623,015</u>	<u>338,809,291</u>	<u>34,014,489</u>	<u>643,751,741</u>
Deferred Inflows of Resources:							
Unavailable income taxes	365,231,228	-	-	-	-	-	365,231,228
Unavailable property taxes	23,423,022	-	-	-	-	6,459,757	29,882,779
Unavailable revenues	1,076,292	3,572,400	69,760,318	19,350,000	12,803,535	39,266,218	145,828,763
Leases	43,450,636	842,825	-	3,415,000	-	-	47,708,461
Total Deferred Inflows of Resources	<u>433,181,178</u>	<u>4,415,225</u>	<u>69,760,318</u>	<u>22,765,000</u>	<u>12,803,535</u>	<u>45,725,975</u>	<u>588,651,231</u>
Fund Balances:							
Nonspendable	10,704,038	-	-	391,210	2,041,462	-	13,136,710
Restricted	31,760,971	454,379,950	288,406	11,084,868	182,418,566	185,918,858	865,851,619
Committed	753,827,857	-	-	-	-	-	753,827,857
Assigned	89,251,740	-	-	-	-	-	89,251,740
Unassigned	378,758,731	-	-	-	-	-	378,758,731
Total Fund Balances	<u>1,264,303,337</u>	<u>454,379,950</u>	<u>288,406</u>	<u>11,476,078</u>	<u>184,460,028</u>	<u>185,918,858</u>	<u>2,100,826,657</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,897,706,128</u>	<u>\$ 465,976,137</u>	<u>\$ 131,951,095</u>	<u>\$ 35,864,093</u>	<u>\$ 536,072,854</u>	<u>\$ 265,659,322</u>	<u>\$ 3,333,229,629</u>

Notes to Financial Statements are an integral part of this statement.

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024**

Total fund balance - governmental funds (see Exhibit A-3)	\$	2,100,826,657	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental fund activities are not financial resources and therefore not reported in the funds:			
Nondepreciable capital assets:			
Land	1,183,667,755		
Construction in progress	1,474,680,724		
Depreciable capital assets:			
Buildings	1,456,187,304		
Improvements other than buildings	233,414,672		
Furniture, fixtures, equipment and machinery	271,468,176		
Automobiles and trucks	258,363,611		
Infrastructure	3,017,368,496		
Other capital assets	145,342,161		
Lease assets	160,716,935		
Subscription assets	27,302,160		
Total capital assets	<u>8,228,511,994</u>		
Less accumulated depreciation and amortization	<u>(2,345,894,662)</u>	5,882,617,332	
Long-term liabilities related to governmental fund activities are not due and payable in the current period and therefore not reported in the funds:			
General obligation bonds payable	(3,080,750,000)		
Variable rate demand obligations	(170,000,000)		
Bond anticipation notes payable	(250,000,000)		
Lease revenue bonds payable	(3,415,000)		
Accrued interest payable	(33,234,754)		
Other obligations payable	(43,160,000)		
Taxable limited obligation	(130,195,000)		
Certificates of participation	(102,490,000)		
Notes payable	(64,739,297)		
Revenue bonds	(108,312,409)		
Leases payable	(108,544,848)		
Subscription liabilities	(18,389,179)		
Net pension liability	(159,766,550)		
Net OPEB liability	(727,595,786)		
Compensated absences	<u>(129,083,477)</u>	(5,129,676,300)	
Due to other governments - long-term debt due to state government not expected to be repaid with current financial reserves	<u>(120,152,090)</u>	(120,152,090)	
Certain costs related to long-term liabilities are recognized as expenditures in the fund statements, but are deferred in the government-wide statements:			
Unamortized premiums	(247,244,453)		
Unrecognized loss on refunding	10,791,332		
Pension and OPEB related deferrals, net	<u>109,608,422</u>	(126,844,699)	
Internal service funds are used by management to provide certain goods and services to governmental funds. The assets and liabilities of internal service funds are included in the government-wide statement of net position:			
Assets:			
Current and non current assets	366,288,766		
Capital assets	124,621,867		
Less accumulated depreciation and amortization	(91,210,360)		
Deferred outflows of resources	4,755,523		
Liabilities	(267,722,783)		
Deferred inflows of resources	(457,967)		
Cumulative gain/loss for certain activities of internal service funds that are reported with business-type activities	<u>(4,780,953)</u>	131,494,093	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:			
Income taxes	365,231,228		
Property taxes	29,882,779		
Intergovernmental revenue	17,284,417		
Other revenue	39,823,652		
Interest	77,635	452,299,711	
Net position of governmental activities (See Exhibit A-1)	<u>\$</u>	<u>3,190,564,704</u>	

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General</u>	<u>Housing Initiative</u>	<u>Grants</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Taxes	\$ 3,949,366,238	\$ 20,865,147	\$ -	\$ -	\$ 90,620,743	\$ 577,155,620	\$ 4,638,007,748
Licenses and permits	12,319,611	-	-	-	-	57,115	12,376,726
Intergovernmental	161,601,183	-	187,174,430	212,255	68,386,159	62,481,604	479,855,631
Charges for services	30,926,774	77,120	15,841	-	16,084,710	59,277,141	106,381,586
Fines and forfeitures	28,536,036	-	-	-	-	1,287,307	29,823,343
Investment and interest income	71,243,681	10,589,467	465,595	556,736	482,954	3,640,079	86,978,512
Miscellaneous	15,285,066	2,922,162	14,720,126	5,121,213	3,207,744	5,938,217	47,194,528
Total Revenues	<u>4,269,278,589</u>	<u>34,453,896</u>	<u>202,375,992</u>	<u>5,890,204</u>	<u>178,782,310</u>	<u>709,837,083</u>	<u>5,400,618,074</u>
EXPENDITURES							
Current:							
General government	555,060,609	-	22,810,238	-	-	13,720,571	591,591,418
Public safety	479,797,755	-	15,801,479	-	-	289,122,797	784,722,031
Transportation	67,894,127	-	7,767,225	-	-	187,961,647	263,622,999
Health and human services	393,943,814	-	142,081,752	-	-	622,217	536,647,783
Culture and recreation	57,854,424	-	789,087	-	-	61,944,264	120,587,775
Community development and housing	18,181,730	57,331,361	11,915,172	-	-	203,773	87,632,036
Environment	7,062,511	-	1,138,667	-	-	31,653,806	39,854,984
Education	2,207,184,808	-	-	-	-	-	2,207,184,808
Debt Service:							
Principal retirement	-	-	-	284,654,190	-	-	284,654,190
Notes and other obligations	-	-	-	33,618,500	-	-	33,618,500
Interest	-	-	-	141,377,379	-	-	141,377,379
Issuing costs	-	-	-	3,134,976	-	-	3,134,976
Capital projects	-	-	-	-	347,545,676	-	347,545,676
Total Expenditures	<u>3,786,979,778</u>	<u>57,331,361</u>	<u>202,303,620</u>	<u>462,785,045</u>	<u>347,545,676</u>	<u>585,229,075</u>	<u>5,442,174,555</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>482,298,811</u>	<u>(22,877,465)</u>	<u>72,372</u>	<u>(456,894,841)</u>	<u>(168,763,366)</u>	<u>124,608,008</u>	<u>(41,556,481)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	83,778,866	84,924,356	-	455,809,307	266,853,407	47,215,010	938,580,946
Transfers (out)	(561,608,257)	(66,080,524)	-	(79,229,640)	(51,895,794)	(126,248,734)	(885,062,949)
Sale of property	187,962	641,703	-	-	1,925,109	-	2,754,774
Financing under notes payable	-	-	-	-	16,613,629	-	16,613,629
Leases (as lessee)	971,261	-	-	-	-	-	971,261
Subscription-based information technology arrangements	13,069,638	-	-	-	-	-	13,069,638
Debt Issued (Retired):							
General obligation bonds	-	-	-	280,000,000	-	-	280,000,000
Premium on original issue debt	-	-	-	17,051,580	-	-	17,051,580
Bond anticipation notes	-	-	-	(217,000,000)	250,000,000	-	33,000,000
Revenue bonds	-	-	-	-	4,500,888	-	4,500,888
Total Other Financing Sources (Uses)	<u>(463,600,530)</u>	<u>19,485,535</u>	<u>-</u>	<u>456,631,247</u>	<u>487,997,239</u>	<u>(79,033,724)</u>	<u>421,479,767</u>
Net Change in Fund Balances	<u>18,698,281</u>	<u>(3,391,930)</u>	<u>72,372</u>	<u>(263,594)</u>	<u>319,233,873</u>	<u>45,574,284</u>	<u>379,923,286</u>
Fund Balances - Beginning of Year	<u>1,245,605,056</u>	<u>457,771,880</u>	<u>216,034</u>	<u>11,739,672</u>	<u>(134,773,845)</u>	<u>140,344,574</u>	<u>1,720,903,371</u>
Fund Balances - End of Year	<u>\$ 1,264,303,337</u>	<u>\$ 454,379,950</u>	<u>\$ 288,406</u>	<u>\$ 11,476,078</u>	<u>\$ 184,460,028</u>	<u>\$ 185,918,858</u>	<u>\$ 2,100,826,657</u>

Notes to Financial Statements are an integral part of this statement.

Exhibit A-6

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Net change in fund balance - total governmental funds (see Exhibit A-5) \$ 379,923,286

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated lives and reported as depreciation and amortization expense:

Capital outlay	267,068,829	
Depreciation and amortization expense	<u>(140,573,926)</u>	126,494,903

In the statement of activities, only the gain or loss on capital assets is reported. However, in the governmental funds, all proceeds or losses are reported as financial resources. Thus, the change in net position differs from the change in fund balance by the capital assets value.

	<u>(753,991)</u>	(753,991)
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Donations of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources.

	<u>8,366,659</u>	8,366,659
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Some revenues will not be collected for several months after the fiscal year ends. As such, these revenues are not considered "available" revenues and are deferred in the governmental funds. Unearned revenues increased (decreased) this year, as follows:

Income taxes	(83,867,310)	
Property taxes	1,145,612	
Intergovernmental revenues	3,733,043	
Other revenues	<u>12,857,078</u>	(66,131,577)

Interest on lease receivable will not be collected for several months after the fiscal year ends

	<u>(2,801)</u>	(2,801)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities:

Debt issued or incurred:

General obligation bonds	(297,051,580)	
Bond anticipation notes	(250,000,000)	
Notes payable	(16,613,629)	
Revenue bonds	(4,500,888)	
Leases	(971,261)	
Subscription-based information technology arrangements	(13,069,638)	

Principal repayments:

General obligation bonds	275,080,000	
Bond anticipation notes	217,000,000	
Taxable limited obligation certificates	8,680,000	
Lease revenue bonds	2,985,000	
Other obligations	2,225,000	
Certificates of participation	11,900,000	
Notes payable	7,828,500	
Revenue bonds	9,574,190	
Leases payable	14,622,390	
Subscription liabilities	<u>5,393,551</u>	(26,918,365)

Cost incurred for past refunds owed as a result of the U.S. Supreme Court decision related to duplicate taxation

	<u>7,281,945</u>	7,281,945
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Some expenses, representing the change in long-term liabilities or assets, reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued interest payable	(2,959,385)	
Compensated absences	(7,727,299)	
Pension expense	136,826,833	
Amortization	<u>42,880,055</u>	169,020,204

The current year gain for certain activities of internal service funds is reported with governmental activities.

		<u>51,808,091</u>
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Change in net position of governmental activities (see Exhibit A-2)

		<u>\$ 649,088,354</u>
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Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024**

	Business-Type Activities - Enterprise Funds					Governmental Activities- Internal Service Funds
	Liquor	Solid Waste Activities	Parking Lot Districts	Nonmajor Enterprise Funds	Totals	
ASSETS						
Current Assets:						
Equity in pooled cash and investments	\$ 8,308,154	\$ 97,907,144	\$ 25,969,388	\$ 63,094,445	\$ 195,279,131	\$ 322,954,523
Cash with fiscal agents	2,102,141	-	-	-	2,102,141	-
Cash	52,340	-	25,428	-	77,768	300
Receivables (net of allowance for uncollectibles)	1,531,171	996,218	3,287,400	3,918,073	9,732,862	18,530,931
Lease receivable	-	-	1,607,632	-	1,607,632	-
Due from other funds	-	-	-	-	-	15,772,232
Due from component units	-	-	230,048	-	230,048	228,610
Due from other governments	-	12,971	182,511	-	195,482	1,199,071
Inventory of supplies	33,515,136	-	-	-	33,515,136	6,975,950
Prepaid expenses	-	-	-	-	-	627,149
Total Current Assets	45,508,942	98,916,333	31,302,407	67,012,518	242,740,200	366,288,766
Noncurrent Assets:						
Restricted Assets:						
Equity in pooled cash and equivalents	-	10,025,770	3,213,251	-	13,239,021	-
Restricted Assets	-	10,025,770	3,213,251	-	13,239,021	-
Lease receivable	-	-	32,696,240	-	32,696,240	-
Capital Assets:						
Land, improved and unimproved	7,033,656	17,834,755	33,502,565	-	58,370,976	22,506
Improvements other than buildings	15,110,192	89,200,493	116,591,517	-	220,902,202	362,724
Infrastructure	-	14,351	-	-	14,351	-
Buildings	29,741,928	34,512,353	240,761,844	-	305,016,125	-
Furniture, fixtures, equipment, and machinery	16,160,950	21,328,557	1,152,785	1,682,208	40,324,500	6,272,830
Automobiles and trucks	5,328,755	3,351,738	172,588	218,967	9,072,048	114,086,861
Construction in progress	-	1,659,791	-	-	1,659,791	-
Lease assets - buildings	69,933,733	-	3,334,421	-	73,268,154	2,062,972
Lease assets - equipment	-	-	-	-	-	318,735
Subscription assets	-	-	3,917,376	1,714,204	5,631,580	1,495,239
Subtotal	143,309,214	167,902,038	399,433,096	3,615,379	714,259,727	124,621,867
Less: Accumulated depreciation and amortization	(53,703,758)	(120,233,106)	(252,516,622)	(2,528,007)	(428,981,493)	(91,210,360)
Total Capital Assets (net of accumulated depreciation and amortization)	89,605,456	47,668,932	146,916,474	1,087,372	285,278,234	33,411,507
Total Noncurrent Assets	89,605,456	57,694,702	182,825,965	1,087,372	331,213,495	33,411,507
Total Assets	135,114,398	156,611,035	214,128,372	68,099,890	573,953,695	399,700,273
DEFERRED OUTFLOWS OF RESOURCES						
Deferred loss on refunding of debt	252,166	-	-	-	252,166	-
Pension deferrals	5,536,592	1,887,756	666,167	5,709,376	13,799,891	4,755,523
Total Deferred Outflows of Resources	\$ 5,788,758	\$ 1,887,756	\$ 666,167	\$ 5,709,376	\$ 14,052,057	\$ 4,755,523

Exhibit A-7 (Concluded)

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2024**

	Business-Type Activities - Enterprise Funds				Totals	Governmental Activities- Internal Service Funds
	Liquor	Solid Waste Activities	Parking Lot Districts	Nonmajor Enterprise Funds		
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 6,177,474	\$ 5,262,071	\$ 1,866,007	\$ 264,800	\$ 13,570,352	\$ 16,031,309
Interest payable	805,676	-	44,196	10,250	860,122	8,696
Retainage payable	2,386	-	220,579	-	222,965	-
Deposits	-	256,281	-	9,750,647	10,006,928	-
Claims payable	-	-	-	-	-	59,043,335
Accrued liabilities	13,635,627	2,850,986	1,577,323	4,010,015	22,073,951	6,245,052
Due to other funds	481,908	145,611	56,336	362,689	1,046,544	5,180,325
Due to component units	-	-	444	4,116,614	4,117,058	5,022
Due to other governments	1,167,341	11,707,722	501,421	-	13,376,484	602,591
Certificates of participation	345,000	-	-	-	345,000	-
Unearned revenue	66,285	-	248,679	4,503,593	4,818,557	-
Revenue bonds payable	3,068,678	-	1,996,000	-	5,064,678	-
Leases payable	4,989,867	-	84,645	-	5,074,512	345,020
Subscription liabilities	-	-	280,345	409,810	690,155	336,850
Landfill closure costs	-	1,862,962	-	-	1,862,962	-
Other liabilities	-	551,053	2,703	-	553,756	-
Total Current Liabilities	<u>30,740,242</u>	<u>22,636,686</u>	<u>6,878,678</u>	<u>23,428,418</u>	<u>83,684,024</u>	<u>87,798,200</u>
Noncurrent Liabilities:						
Claims payable	-	-	-	-	-	175,807,984
Revenue bonds payable	19,310,367	-	15,002,000	-	34,312,367	-
Leases payable	46,297,347	-	1,210,945	-	47,508,292	428,384
Subscription liabilities	-	-	608,883	276,492	885,375	474,092
Landfill closure costs	-	12,843,464	-	-	12,843,464	-
Gude landfill remediation costs	-	21,116,021	-	-	21,116,021	-
Compensated absences	1,924,821	490,087	88,671	1,844,884	4,348,463	1,851,271
Net pension liability	1,570,698	539,328	188,312	1,624,059	3,922,397	1,362,852
Total Noncurrent Liabilities	<u>69,103,233</u>	<u>34,988,900</u>	<u>17,098,811</u>	<u>3,745,435</u>	<u>124,936,379</u>	<u>179,924,583</u>
Total Liabilities	<u>99,843,475</u>	<u>57,625,586</u>	<u>23,977,489</u>	<u>27,173,853</u>	<u>208,620,403</u>	<u>267,722,783</u>
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	34,063,105	-	34,063,105	-
Deferred gain on refunding of debt	171,093	-	-	-	171,093	-
Pension deferrals	527,812	181,235	63,281	545,743	1,318,071	457,967
Total Deferred Inflows of Resources	<u>698,905</u>	<u>181,235</u>	<u>34,126,386</u>	<u>545,743</u>	<u>35,552,269</u>	<u>457,967</u>
NET POSITION						
Net investment in capital assets	15,672,884	47,668,932	127,513,077	401,070	191,255,963	31,876,910
Restricted for:						
Transportation	-	-	25,964,336	-	25,964,336	-
Environment	-	53,023,038	-	-	53,023,038	-
Debt service	2,102,141	-	3,213,251	-	5,315,392	-
Unrestricted	22,585,751	-	-	45,688,600	68,274,351	104,398,136
Total Net Position	<u>\$ 40,360,776</u>	<u>\$ 100,691,970</u>	<u>\$ 156,690,664</u>	<u>\$ 46,089,670</u>	<u>343,833,080</u>	<u>\$ 136,275,046</u>
ADJUSTMENTS						
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					4,780,953	
Net position of business-type activities					<u>\$ 348,614,033</u>	

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Liquor	Solid Waste Activities	Parking Lot Districts	Nonmajor Enterprise Funds	Totals	Activities- Internal Service Funds
OPERATING REVENUES						
Sales - net	\$ 316,124,140	\$ -	\$ -	\$ -	\$ 316,124,140	\$ -
Charges for services	15,440	149,408,334	25,439,427	12,280,178	187,143,379	434,968,942
Licenses and permits	1,923,474	11,506	-	43,751,481	45,686,461	-
Fines and penalties	59,915	22,550	10,376,916	115,591	10,574,972	-
Claim recoveries	-	-	-	-	-	2,498,081
Total Operating Revenues	<u>318,122,969</u>	<u>149,442,390</u>	<u>35,816,343</u>	<u>56,147,250</u>	<u>559,528,952</u>	<u>437,467,023</u>
OPERATING EXPENSES						
Cost of goods sold	215,697,248	-	-	-	215,697,248	-
Personnel costs	43,559,529	17,502,914	5,269,671	38,391,422	104,723,536	37,621,150
Postage	3,947	263,018	3,907	9,254	280,126	1,744,002
Self-insurance incurred and estimated claims	-	-	-	-	-	238,466,463
Insurance	1,266,486	3,658,463	78,290	954,579	5,957,818	53,640,794
Supplies and materials	2,247,693	2,213,855	512,465	506,424	5,480,437	34,671,701
Contractual services	4,707,240	111,087,306	6,461,627	4,869,221	127,125,394	10,924,033
Communications	290,641	205,823	229,424	288,087	1,013,975	493,200
Transportation	1,328,800	2,833,784	471,297	1,234,241	5,868,122	1,024,415
Public utility services	632,693	324,767	2,041,383	2,010,678	5,009,521	1,247,120
Rentals	1,677,701	351,069	107,351	1,403,425	3,539,546	1,324,963
Maintenance	1,463,073	1,408,522	4,770,168	1,526,548	9,168,311	24,731,902
Depreciation and amortization	7,834,738	1,887,589	9,816,400	586,519	20,125,246	9,596,516
Other	318,175	19,670,528	989,557	544,968	21,523,228	199,563
Total Operating Expenses	<u>281,027,964</u>	<u>161,407,638</u>	<u>30,751,540</u>	<u>52,325,366</u>	<u>525,512,508</u>	<u>415,685,822</u>
Operating Income (Loss)	<u>37,095,005</u>	<u>(11,965,248)</u>	<u>5,064,803</u>	<u>3,821,884</u>	<u>34,016,444</u>	<u>21,781,201</u>
NONOPERATING REVENUES (EXPENSES)						
Property taxes	-	-	(5,225)	-	(5,225)	-
Gain (loss) on disposal of capital assets	-	-	(13,554)	-	(13,554)	514,903
Investment income	574,311	5,352,233	1,775,092	3,975,464	11,677,100	19,183,975
Interest expense	(1,386,455)	-	(384,034)	(27,001)	(1,797,490)	(55,439)
Other revenue	429,785	23,266,633	3,464,912	5,282	27,166,612	80,000
Insurance recoveries	8,313	106,522	80,195	-	195,030	7,382,913
Total Nonoperating Revenues (Expenses)	<u>(374,046)</u>	<u>28,725,388</u>	<u>4,917,386</u>	<u>3,953,745</u>	<u>37,222,473</u>	<u>27,106,352</u>
Income (Loss) Before Capital Contributions and Transfers	<u>36,720,959</u>	<u>16,760,140</u>	<u>9,982,189</u>	<u>7,775,629</u>	<u>71,238,917</u>	<u>48,887,553</u>
Transfers In (Out):						
Transfers in	-	-	-	25,000	25,000	5,200,000
Transfers (Out)	(40,481,143)	(3,537,816)	(6,174,807)	(8,034,981)	(58,228,747)	(514,250)
Total Transfers In (Out)	<u>(40,481,143)</u>	<u>(3,537,816)</u>	<u>(6,174,807)</u>	<u>(8,009,981)</u>	<u>(58,203,747)</u>	<u>4,685,750</u>
Change in Net Position	<u>(3,760,184)</u>	<u>13,222,324</u>	<u>3,807,382</u>	<u>(234,352)</u>	<u>13,035,170</u>	<u>53,573,303</u>
Total Net Position - Beginning of Year	<u>44,120,960</u>	<u>87,469,646</u>	<u>152,883,282</u>	<u>46,324,022</u>		<u>82,701,743</u>
Total Net Position - End of Year	<u>\$ 40,360,776</u>	<u>\$ 100,691,970</u>	<u>\$ 156,690,664</u>	<u>\$ 46,089,670</u>		<u>\$ 136,275,046</u>
ADJUSTMENTS						
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>1,765,212</u>	
Change in net position of business-type activities					<u>\$ 14,800,382</u>	

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Business Type Activities - Enterprise Funds				Totals	Governmental Activities - Internal Service Funds
	Liquor	Solid Waste Activities	Parking Lot Districts	Nonmajor Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 319,895,035	\$ 149,502,039	\$ 34,864,100	\$ 55,725,612	\$ 559,986,786	\$ 90,583,255
Payments to suppliers	(229,602,191)	(137,640,753)	(14,116,959)	(7,262,175)	(388,622,078)	(117,881,072)
Payments to employees	(42,257,312)	(17,110,132)	(5,261,791)	(36,515,322)	(101,144,557)	(35,770,884)
Receipt of customer deposits	-	-	-	4,763,410	4,763,410	-
Return of customer deposits	-	-	-	(4,579,359)	(4,579,359)	-
Claims paid	-	-	-	-	-	(236,562,704)
Other receipts	420,985	29,996	1,118,488	5,282	1,574,751	80,000
Internal activity - receipts for interfund services	-	766,272	167,388	250,947	1,184,607	327,568,491
Internal activity - payments to other funds	(3,308,568)	(8,550,288)	(1,060,070)	(3,902,024)	(16,820,950)	(10,259,678)
Net Cash Provided (Used) by Operating Activities	<u>45,147,949</u>	<u>(13,002,866)</u>	<u>15,711,156</u>	<u>8,486,371</u>	<u>56,342,610</u>	<u>17,757,408</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Property tax collections	-	-	974	-	974	-
Insurance reimbursement claims	8,313	106,522	80,195	-	195,030	-
Operating subsidies and transfers from other funds	-	-	-	25,000	25,000	7,382,913
Operating subsidies and transfers to other funds	(40,481,143)	(3,537,816)	(6,174,807)	(8,034,981)	(58,228,747)	4,685,750
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(40,472,830)</u>	<u>(3,431,294)</u>	<u>(6,093,638)</u>	<u>(8,009,981)</u>	<u>(58,007,743)</u>	<u>12,068,663</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(576,546)	(2,787,740)	(4,135,878)	-	(7,500,164)	(9,530,859)
Proceeds from the sale of capital assets	-	-	-	-	-	556,992
Principal paid on capital debt	(3,357,804)	-	(1,970,000)	-	(5,327,804)	-
Interest paid on capital debt	(852,865)	-	(330,810)	-	(1,183,675)	-
Lease receipts	-	-	2,106,876	-	2,106,876	-
Lease payment	(5,923,061)	-	(112,148)	-	(6,035,209)	(1,273,132)
Subscription payment	-	-	(1,088,405)	(423,098)	(1,511,503)	(371,750)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(10,710,276)</u>	<u>(2,787,740)</u>	<u>(5,530,365)</u>	<u>(423,098)</u>	<u>(19,451,479)</u>	<u>(10,618,749)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Investment income from pooled investments	430,672	5,352,233	1,775,092	3,975,464	11,533,461	19,183,975
Investment income from non-pooled investments	143,639	-	-	-	143,639	-
Net Cash Provided (Used) by Investing Activities	<u>574,311</u>	<u>5,352,233</u>	<u>1,775,092</u>	<u>3,975,464</u>	<u>11,677,100</u>	<u>19,183,975</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(5,460,846)</u>	<u>(13,869,667)</u>	<u>5,862,245</u>	<u>4,028,756</u>	<u>(9,439,512)</u>	<u>38,391,297</u>
Balances - Beginning of Year	15,923,481	121,802,581	23,345,822	59,065,689	220,137,573	284,563,526
Balances - End of Year	<u>\$ 10,462,635</u>	<u>\$ 107,932,914</u>	<u>\$ 29,208,067</u>	<u>\$ 63,094,445</u>	<u>\$ 210,698,061</u>	<u>\$ 322,954,823</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating income (loss)	\$ 37,095,005	\$ (11,965,248)	\$ 5,064,803	\$ 3,821,884	\$ 34,016,444	\$ 21,781,201
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	7,834,738	1,887,589	9,816,400	586,519	20,125,246	9,596,516
Pension expense	577,088	582,384	268,075	1,212,021	2,639,568	510,903
Other revenue	420,985	29,996	1,118,488	5,282	1,574,751	80,000
(Increase) Decrease in accounts receivable	1,759,340	821,634	(785,430)	906,839	2,702,383	(18,254,597)
(Increase) Decrease in due from other funds	-	-	-	-	-	(1,418,145)
(Increase) Decrease in due from component units	-	-	66,001	-	66,001	560,123
(Increase) Decrease in due from other governments	-	4,287	19,037	-	23,324	(202,659)
(Increase) Decrease in inventory of supplies	(1,632,612)	-	-	-	(1,632,612)	(736,639)
(Increase) Decrease in prepaid expenses	-	-	-	-	-	4,046
Increase (Decrease) in accounts payable and other liabilities	5,192,451	761,900	(9,811)	(40,990)	5,903,550	2,345,900
Increase (Decrease) in retainage payable	(110,969)	-	27,837	-	(83,132)	-
Increase (Decrease) in deposits	-	-	-	184,051	184,051	-
Increase (Decrease) in claims payable	-	-	-	-	-	1,903,759
Increase (Decrease) in accrued liabilities	(6,356,412)	416,245	330,009	255,706	(5,354,452)	677,888
Increase (Decrease) in due to other fund	86,738	32,197	12,233	71,301	202,469	573,240
Increase (Decrease) in due to component units	-	-	-	2,204,320	2,204,320	(29,531)
Increase (Decrease) in due to other governments	(102,856)	(5,631,567)	(5,623)	-	(5,740,046)	101,016
Increase (Decrease) in unearned revenue	12,726	-	(84,463)	(1,077,530)	(1,149,267)	-
Increase (Decrease) in compensated absences	371,727	(55,277)	(126,400)	356,968	547,018	264,387
Increase (Decrease) in landfill closure costs and gude landfill remediation costs	-	112,994	-	-	112,994	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 45,147,949</u>	<u>\$ (13,002,866)</u>	<u>\$ 15,711,156</u>	<u>\$ 8,486,371</u>	<u>\$ 56,342,610</u>	<u>\$ 17,757,408</u>
Noncash investing, capital and financing activities:						
Change of Subscription-based information technology arrangements	\$ -	\$ -	\$ 262,554	\$ 2,968	\$ 265,522	\$ -
Notes to Financial Statements are an integral part of this statement.						

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	Pension and Other Employee Benefit Trusts	Custodial Funds	
		External Investment Pool	Other
ASSETS			
Current Assets:			
Equity in pooled cash and investments	\$ 3,166,053	\$ 23,135,076	\$ 4,898,922
Cash	-	-	175,081
Investments:			
Government and agency obligations	149,270,845	-	-
Municipal/Provincial bonds	5,416,286	-	-
Corporate bonds	499,823,886	-	-
Commercial mortgage-backed securities	1,711,516	-	-
Common and preferred stock	1,520,583,630	-	-
Mutual and commingled funds	3,679,014,551	-	-
Short-term investments	315,020,435	-	-
Cash collateral received under securities lending agreements	102,558,576	-	-
Private real assets	601,064,780	-	-
Private equity/debt	1,402,607,365	-	-
Total Investments	8,277,071,870	-	-
Receivables (net of allowances for uncollectibles):			
Receivables and accrued interest	17,606,262	-	-
Accounts	55,262	-	4,613,623
Due from other funds	11,257,062	-	-
Due from component units	198,452	-	-
Due from other governments	2,010	-	-
Total Current Assets	8,309,356,971	23,135,076	9,687,626
Noncurrent Assets:			
Capital assets:			
Miscellaneous	900,043	-	-
Less: Accumulated depreciation	(900,043)	-	-
Total Capital Assets (net of accumulated depreciation)	-	-	-
Total Assets	8,309,356,971	23,135,076	9,687,626
LIABILITIES			
Current Liabilities:			
Accounts payable	105,277,141	-	73,801
Accrued liabilities	5,570,771	-	-
Deposits	-	-	2,319,399
Claims payable	4,813,655	-	-
Due to other funds	7,588,027	-	-
Due to other governments	-	-	1,681,824
Unearned revenue	158,000	-	4,019,583
Other liabilities	-	-	856,955
Total Current Liabilities	123,407,594	-	8,951,562
Noncurrent Liabilities:			
Compensated absences	138,742	-	-
Total Liabilities	123,546,336	-	8,951,562
DEFERRED INFLOWS OF RESOURCES			
Unavailable property taxes	-	-	57,599
Total Deferred Inflows of Resources	-	-	57,599
NET POSITION			
Restricted for:			
Pensions	6,368,224,070	-	-
Other postemployment benefits	1,817,586,565	-	-
External investment pool participants	-	23,135,076	-
Individuals, organizations, and other governments	-	-	678,465
Net Position	\$ 8,185,810,635	\$ 23,135,076	\$ 678,465

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Pension and Other Employee Benefit Trusts	Custodial Funds	
		External Investment Pool	Other
ADDITIONS			
Contributions:			
Employers	\$ 217,569,113	\$ -	\$ -
Members	73,510,641	-	-
Federal government - Medicare Part D	30,598,827	-	-
Share purchases	-	2,728,700	-
Total Contributions	<u>321,678,581</u>	<u>2,728,700</u>	<u>-</u>
Investment income (loss)	769,150,162	1,195,500	66,854
Less: Investment expenses	30,750,213	-	-
Net Investment Income (Loss)	<u>738,399,949</u>	<u>1,195,500</u>	<u>66,854</u>
Other income	535,589	-	45,474
Total Additions, net	<u>1,060,614,119</u>	<u>3,924,200</u>	<u>112,328</u>
DEDUCTIONS			
Benefits:			
Annuities:			
Retirees	252,974,673	-	-
Survivors	12,719,539	-	-
Disability	61,121,142	-	-
Claims	<u>129,644,051</u>	<u>-</u>	<u>-</u>
Total Benefits	<u>456,459,405</u>	<u>-</u>	<u>-</u>
Share redemptions	-	3,140,000	-
Member refunds	84,597,645	-	-
Administrative expenses	8,745,677	-	-
Total Deductions	<u>549,802,727</u>	<u>3,140,000</u>	<u>-</u>
Net Increase (Decrease)	<u>510,811,392</u>	<u>784,200</u>	<u>112,328</u>
Net Position - Beginning of Year	<u>7,674,999,243</u>	<u>22,350,876</u>	<u>566,137</u>
Net Position - End of Year	<u>\$ 8,185,810,635</u>	<u>\$ 23,135,076</u>	<u>\$ 678,465</u>

Notes to Financial Statements are an integral part of this statement.

**STATEMENT OF NET POSITION
COMPONENT UNITS
June 30, 2024**

	MCPS	HOC	Nonmajor Component Units	Total
ASSETS				
Equity in pooled cash and investments	\$ 148,276,441	\$ -	\$ 74,137,816	\$ 222,414,257
Cash with fiscal agents	-	91,308,014	4,294,318	95,602,332
Cash	30,566,281	26,433	12,902,842	43,495,556
Investments - cash equivalents	23,667,888	43,382,757	9,257,350	76,307,995
Investments	-	-	49,148,306	49,148,306
Receivables (net of allowance for uncollectibles):				
Accounts	24,798,857	6,246,639	13,098,312	44,143,808
Notes	-	-	-	-
Mortgage	-	748,648,149	-	748,648,149
Interest	-	23,407,961	-	23,407,961
Other	-	12,846,168	6,805,932	19,652,100
Lease receivable	24,704,056	8,568,359	11,527,605	44,800,020
Due from primary government	6,590,580	520,843	8,346,463	15,457,886
Due from other governments	173,249,322	15,330,521	1,264,749	189,844,592
Inventory of supplies	9,953,807	290,352	966,747	11,210,906
Prepays	641,896	6,695,219	898,265	8,235,380
Other assets	29,381	84,887,482	2,458,194	87,375,057
Restricted Assets:				
Equity in pooled cash and investments	-	-	3,714,725	3,714,725
Cash with fiscal agents	-	44,776,614	-	44,776,614
Cash	-	-	1,090,615	1,090,615
Investments - cash equivalents	-	178,348,814	32,795,009	211,143,823
Investments	-	271,647,267	-	271,647,267
Capital Assets:				
Nondepreciable assets	411,742,153	399,959,246	186,740,849	998,442,248
Depreciable assets, net	3,608,654,671	1,079,790,692	615,246,378	5,303,691,741
Total Assets	4,462,875,333	3,016,681,530	1,034,694,475	8,514,251,338
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of debt	-	-	99,336	99,336
Pension deferrals	254,589,922	31,161,638	10,341,861	296,093,421
OPEB deferrals	583,717,069	4,972,776	23,162,039	611,851,884
Accumulated decrease in fair value of hedging derivatives	-	20,005,625	-	20,005,625
Total Deferred Outflow of Resources	838,306,991	56,140,039	33,603,236	928,050,266
LIABILITIES				
Accounts payable	115,657,674	27,400,261	21,984,061	165,041,996
Interest payable	-	47,278,937	467,047	47,745,984
Retainage payable	16,805,955	-	3,025,445	19,831,400
Accrued liabilities	68,167,956	15,870,789	6,207,186	90,245,931
Deposits	-	28,806,391	449,670	29,256,061
Due to primary government	124,946,666	121,462,994	2,034,131	248,443,791
Due to other governments	-	-	74,537	74,537
Unearned revenue	8,788,252	39,476,194	9,512,384	57,776,830
Other liabilities	-	75,482,633	696,550	76,179,183
Noncurrent Liabilities:				
Due within one year	41,507,526	61,861,469	13,785,488	117,154,483
Due in more than one year	2,990,803,160	2,216,415,742	154,483,757	5,361,702,659
Total Liabilities	3,366,677,189	2,634,055,410	212,720,256	6,213,452,855
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	100,822,448	40,544,784	7,568,499	148,935,731
OPEB deferrals	1,286,173,357	12,212,769	60,932,462	1,359,318,588
Leases	24,282,349	8,067,195	11,661,527	44,011,071
Accumulated increase in fair value of hedging derivatives	-	4,512,438	339,793	4,852,231
Total Deferred Inflow of Resources	1,411,278,154	65,337,186	80,502,281	1,557,117,621
NET POSITION				
Net investment in capital assets	3,681,935,124	(127,904,865)	689,809,503	4,243,839,762
Restricted for:				
Capital projects	-	-	263,071	263,071
Debt service	-	99,230,751	1,623,209	100,853,960
Other purposes	4,713,512	37,029,600	49,086,057	90,829,169
Unrestricted (deficit)	(3,163,421,655)	365,073,487	34,293,334	(2,764,054,834)
Total Net Position	\$ 523,226,981	\$ 373,428,973	\$ 775,075,174	\$ 1,671,731,128

**STATEMENT OF ACTIVITIES
COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	MCPS	HOC	Nonmajor Component Units	Total
Component Units:								
General government	\$ 5,702,687	\$ 5,701,747	\$ 188,000	\$ -	\$ -	\$ -	\$ 187,060	\$ 187,060
Culture and recreation	29,494,967	31,964,825	-	394,923	-	-	2,864,781	2,864,781
Community development and housing	411,099,631	190,243,109	173,266,668	14,092,415	-	(33,497,439)	-	(33,497,439)
Education:								
Secondary education	3,712,348,806	29,664,538	297,757,067	85,882,102	(3,299,045,099)	-	-	(3,299,045,099)
Higher education	365,566,226	59,873,506	22,676,061	49,194,852	-	-	(233,821,807)	(233,821,807)
Total component units	<u>\$ 4,524,212,317</u>	<u>\$ 317,447,725</u>	<u>\$ 493,887,796</u>	<u>\$ 149,564,292</u>	<u>(3,299,045,099)</u>	<u>(33,497,439)</u>	<u>(230,769,966)</u>	<u>(3,563,312,504)</u>
General revenues:								
Grants and contributions not restricted to specific programs					3,338,815,519	-	260,434,261	3,599,249,780
Investment income					1,195,939	7,711,833	9,684,696	18,592,468
Gain (loss) on sale of capital assets					-	889,954	67,300	957,254
Miscellaneous					33,985,848	-	54,876	34,040,724
Total general revenues					<u>3,373,997,306</u>	<u>8,601,787</u>	<u>270,241,133</u>	<u>3,652,840,226</u>
Change in net position					74,952,207	(24,895,652)	39,471,167	89,527,722
Net position - beginning					<u>448,274,774</u>	<u>398,324,625</u>	<u>735,604,007</u>	<u>1,582,203,406</u>
Net position - ending					<u>\$ 523,226,981</u>	<u>\$ 373,428,973</u>	<u>\$ 775,075,174</u>	<u>\$ 1,671,731,128</u>

Notes to Financial Statements are an integral part of this statement.





NOTES TO
FINANCIAL
STATEMENTS



Notes To Financial Statements

Annual Comprehensive Financial Report
Fiscal Year 2024 | July 1, 2023 - June 30, 2024

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NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local government entities. The following is a summary of significant policies:

A) Reporting Entity

Background

Montgomery County, Maryland (the County) is a charter government under the constitution and general laws of the State of Maryland (the State). The charter provides for separate legislative and executive branches with legislative responsibility vested in an elected eleven-member county council and executive responsibility vested in an elected county executive. The County provides its residents with services in areas of general government, public safety, transportation, health and human services, education, culture and recreation, community development and housing, and environment.

As required by GAAP, these financial statements present the primary government and its component units, which are entities for which the primary government is considered financially accountable. The County reporting entity is determined by criteria established by the Governmental Accounting Standards Board (GASB). The judgment to include or exclude activities is dependent on evaluation of the GASB criteria. Various departments and agencies governed directly by the County Executive and the County Council of Montgomery County are included in the reporting entity as the primary government and are referred to hereafter as the Primary Government. The component units (as discussed below) are included in the reporting entity because the Primary Government approves the budget requests, provides a significant amount of funding for each of these units, and/or appoints the governing boards.

Discretely Presented Component Units

The financial data of the County's component units are discretely presented in a column separate from the financial data of the primary government to emphasize that the component units are legally separate from the Primary Government. Financial information regarding the component units is included in the component units' combining statements. The following are the County's component units, each of which has a June 30 fiscal year-end:

Major Component Units

- Montgomery County Public Schools (MCPS)

MCPS provides public education in kindergarten through twelfth grade to children residing within Montgomery County. Members of the Board of Education, including one student member, are elected by the voters. However, MCPS is fiscally dependent upon the Primary Government, because the Primary Government approves the budget, levies taxes to provide the majority of the fiscal support, and issues debt for construction of school facilities.

- Housing Opportunities Commission of Montgomery County (HOC)

HOC is governed by seven commissioners who are appointed by the County Executive with the approval of the County Council. In addition, the County Council provides for a subsidy to the operating budget of HOC and guarantees a relatively small portion of its debt (up to \$50,000,000). The HOC operating budget approval occurs on a project basis, with the County Council having authority to approve project budgets that include County funding. HOC presents its proposed budget to the Council for review and comment only, as required by the Housing and Community Development Article of the Annotated Code of Maryland, as amended, known as the Housing Authorities Law. Even though there is a large dependence on the U.S. Department of Housing and Urban Development (HUD), HOC has sufficient financial accountability to the Primary Government to be included as a component unit.

Nonmajor Component Units

- Bethesda Urban Partnership, Inc (BUP)

BUP has its entire eleven-member Board of Directors appointed by the County Executive with the approval of the County Council. The primary purpose of BUP is to execute service contracts for the benefit of one of the Primary Government's special taxing districts (Bethesda Urban District). Substantially all of BUP's funding is granted through the Primary Government's operating budget. The County Council annually approves the BUP operating budget and is able to modify it in a manner similar to the way Primary Government agency budgets are modified.

- Montgomery County Revenue Authority (MCRA)

MCRA is governed by a five-member Board of Directors. All members are appointed by the County Executive subject to the confirmation of the County Council. The County Council approves the capital budget of MCRA. MCRA approves its own operating budget. MCRA is an instrumentality of the Primary Government for the purpose of constructing, improving, and maintaining self-sustaining projects devoted to public use, good or welfare.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Montgomery College (MC)

MC provides educational services to County citizens by offering two-year associate degrees and a continuing education program. MC is responsible for post secondary education within the government's jurisdiction. The Montgomery County Board of Community College trustees is the governing authority. The State Governor appoints the trustees from a list of candidates supplied by a nominating committee. The nominating committee is controlled by the County Executive and the County Council. Therefore, essentially the Primary Government and the State Governor must agree upon the trustees to serve on the College's Governing Board. In addition, the County Council reviews and approves both the operating and capital budgets and budgetary amendments of MC. The Primary Government contributes substantial funding for both the operating and capital budgets, as well as issues debt for the construction of college facilities.

Complete financial statements can be obtained from the component units' administrative offices listed below:

Montgomery County Public Schools 15 West Gude Drive Rockville, MD 20850	Montgomery College 9221 Corporate Boulevard Rockville, MD 20850	Bethesda Urban Partnership, Inc. 7700 Old Georgetown Road Bethesda, MD 20814
Housing Opportunities Commission of Montgomery County, Maryland 10400 Detrick Avenue Kensington, MD 20895	Montgomery County Revenue Authority 13501 Penn Shop Road Mt. Airy, MD 21771	

Joint Ventures and Jointly Governed Organization

The following organizations are considered joint ventures of the County: Maryland-National Capital Park and Planning Commission (M-NCPPC), Washington Suburban Sanitary Commission (WSSC), Washington Suburban Transit Commission (WSTC), Washington Metropolitan Area Transit Authority (WMATA), and Northeast Maryland Waste Disposal Authority (NEMWDA). Metropolitan Washington Council of Governments (COG) is a jointly governed organization. Disclosure of the County's participation in these joint entities is presented in Note IV-D. Complete financial statements can be obtained at the joint entities' offices as follows:

Maryland-National Capital Park and Planning Commission 6611 Kenilworth Avenue Riverdale, MD 20737	Washington Suburban Sanitary Commission 14501 Sweitzer Lane Laurel, MD 20707	Washington Suburban Transit Commission 8400 Corporate Dr, Suite 120 Landover, MD 20785
Washington Metropolitan Area Transit Authority 300 7th Street, SW Washington, DC 20024	Northeast Maryland Waste Disposal Authority 100 South Charles St, Tower II-Suite 402 Baltimore, MD 21201	Metropolitan Washington Council of Governments 777 N. Capitol Street, NE, #300 Washington, DC 20002

B) Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the Primary Government and its component units. Since by definition, assets of fiduciary funds are held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities of the Primary Government, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

Statement of Net Position

This statement is designed to display the financial position of the reporting entity as of year-end. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense (the cost of "using up" capital assets) in the Statement of Activities. Net position is divided into three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statement of Activities

This statement demonstrates the degree to which the direct expenses of a given function or segment for the fiscal year are offset by program revenues. Therefore, this statement reflects both the gross and net costs per functional category (general government, public safety, transportation, health and human services, culture and recreation, community development and housing, environment, and education) that are otherwise being supported by general revenues. Direct expenses (including depreciation) are those that are clearly identifiable with a specific function or segment. Program revenues include 1) 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 as general revenues. The County does not allocate indirect expenses. The operating grants column includes operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise of assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund balance/net position, revenues, expenditures/expenses and other financing sources (uses).

Budget-to-Actual Comparison Schedules

Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many residents participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the financial progress of their governments over the course of the year. Budget-to-actual comparison schedules for the General Fund and the County's major special revenue funds (Housing Initiative and Grants) are presented as Required Supplementary Information.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement Focus and Basis of Accounting

Full Accrual Basis Financial Statements

The government-wide, proprietary fund, and fiduciary fund (pension and other employee benefit trusts and custodial funds) 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. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets and related depreciation are also recorded in these statements. The custodial funds use the economic resource measurement focus and the full accrual basis of accounting to recognize revenues and expenses.

Modified Accrual Basis Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. In the governmental funds, revenues are recorded as soon as they are susceptible to accrual (both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service principal and interest expenditures on general long-term debt, including lease liabilities and subscription liabilities are recorded only when payment has matured and is due. Similarly, expenditures related to claims and judgments and compensated absences are recorded only to the extent that they are expected to be liquidated with expendable available financial resources. General capital asset acquisitions, including entering into agreements giving the County the right to use lease assets and subscription assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology agreements are reported as other financing sources.

In applying the susceptible to accrual concept to income taxes (distributed by the State), property taxes, and intergovernmental revenues other than grants, the County defines "available" to mean received within 30 days after year-end.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The State has assumed the responsibility for the collection of all income taxes and for distributing those collections to the respective counties. The counties set their individual tax rates within limits provided by State law. However, collections and pursuit of delinquent taxes are the responsibility of the State.

The County records estimated receivables relating to income taxes when the underlying income is earned. Amounts not received within 30 days are reported as deferred inflows. At year-end, unavailable revenue relating to income taxes primarily includes amounts related to late filers, delinquent returns and audits, and unallocated withholding, not received within the County's availability period. Amounts relating to late filers are expected to be received from the State within the next fiscal year; however, collections related to delinquent returns and audits and unallocated withholding may not occur and be remitted to the County for several years.

In applying the susceptible to accrual concept to operating and capital grants, classified with intergovernmental revenues in the fund financial statements, the County records receivables when the applicable eligibility requirements including time requirements are met. Related revenues are recognized to the extent that cash is expected to be received within one year of year-end. Resources received before the eligibility requirements are met are reported as unearned revenue within the governmental funds and unearned revenue in the government-wide financial statements.

Charges for services, licenses and permits, fines and penalties, and miscellaneous revenues (except earnings on investments) are generally recorded as revenues when received in cash during the year. At year-end, receivables are recorded for significant amounts due. If such amounts are received in cash after year-end within the County's 30 day availability period, they are recognized as revenue; if not, such amounts are reported as unavailable revenue.

Financial Statement Presentation

Major Governmental Funds

- General Fund

This fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund. For financial reporting purposes, the General Fund also includes amounts maintained in a legally separate Revenue Stabilization Fund. (See Note II-A.) The Revenue Stabilization Fund was created to establish a "rainy day" or reserve account to accommodate future funding shortfalls. It was designed to accrue a balance during periods of economic growth and prosperity, when revenue collections exceed estimates. The Fund may be drawn upon during periods of economic slowdown, when collections fall short of revenue estimates. The Economic Development Fund and the Urban District Funds are reported in the General Fund.

- Housing Initiative Fund

This fund is used to account for the fiscal activity for financing, supplementing, and constructing affordable residential facilities for eligible participants. The Fund's revenue sources consist of a portion of each County-owned property sold, repayments on loans, and recordation taxes. All of these revenue sources are restricted, as all funds received must be used to finance, supplement, and construct affordable residential housing for eligible participants.

- Grants Fund

This fund accounts for the Federal and State grant-funded activities of the tax supported General Fund and special revenue funds. These grant funds must be spent according to the restrictions prescribed by the respective funding agencies.

- Debt Service Fund

This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

- Capital Projects Fund

This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Major Enterprise Funds

- Liquor Enterprise Fund

This fund accounts for the operations of twenty-seven liquor stores and one Montgomery County alcohol beverage warehouse. Under State law, Montgomery County Alcohol Beverage Services has sole control of the distribution of alcoholic beverages, and the sale of spirits within the County.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- Solid Waste Activities Enterprise Fund

This fund accounts for the fiscal activity of all solid waste disposal operations, including recycling and leaf vacuuming. The fund utilizes the Dickerson, Maryland Resource Recovery Facility for refuse incineration, in combination with the out-of-County landfill haul and local recycling operations, to meet its disposal and recycling requirements. The fund also accounts for the fiscal activity related to County contracted refuse collection within the Solid Waste Collection District. This district is essentially comprised of the higher density, non-municipal, residential areas of the County. The Vacuum Leaf Collection program provides leaf collection services to down county residents during the late fall and winter months.

- Parking Lot Districts Enterprise Fund

This fund accounts for the fiscal activity related to serving the parking needs of the people who work and shop in the three central business districts zoned for commercial or industrial use identified as Silver Spring, Bethesda, and Wheaton.

Other Fund Types

- Other Governmental Funds

The other governmental funds used by the County are special revenue. Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

- Nonmajor Enterprise Funds

The nonmajor enterprise funds used by the County are Permitting Services, which accounts for most of the fiscal activity of permitting programs within the County, and Community Use of Public Facilities, which accounts for the fiscal activity related to renting public facilities to community organizations.

- Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or to other governmental units, on a cost-reimbursement basis. There are four internal service funds reported by the County: Motor Pool, Liability and Property Coverage Self-Insurance, Employee Health Benefits Self-Insurance, and Central Duplicating.

Fiduciary Fund Types

- Pension and Other Employee Benefit Trust Fund

This fund is used to account for all activities of the Employees' Retirement System of Montgomery County (defined benefit plan), Employees' Retirement Savings Plan (defined contribution plan), Deferred Compensation Plan, and Retiree Health Benefits Trust, including accumulation of resources for, and payment of, retirement annuities or other benefits and administrative costs.

- Custodial Funds

These funds are used to account for activities carried out exclusively for the benefit of those outside of the government but not administered through plans that meet the GASB definition of postemployment benefit or other fiduciary trusts. The custodial funds used by the County are the External Investment Pool Fund, which accounts for assets sponsored by the County that belong to participating governments that are not part of the County reporting entity and Other Custodial Funds, including West Germantown Development District, Escrow Deposits, Inter Agency Facility Scheduling, and Miscellaneous Custodial Fund.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds are eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Assets and liabilities of internal service funds are included in governmental activities in the Statement of Net Position. The effect of interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The County may defer the use of restricted assets based on a review of the specific transaction.

D) Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

1) Cash and Investments

Pooled Cash and Investments

The County sponsors an external investment pool. Participants in the pool include the County, certain component unit agencies, and other legally separate entities. The portion of pooled cash and investments applicable to other legally separate entities (not included in the County reporting entity) is accounted for in a separate External Investment Pool Custodial Fund. During the year, investments are stated at cost plus accrued interest and are adjusted for amortization of premiums and accretion of discounts. At year-end, investments in the pool are adjusted to fair value plus accrued interest with the exception of the Maryland Local Government Investment Pool (MLGIP) which is reported at amortized cost. See Note III-A for additional information.

Non-pooled Investments

Pension and Other Employee Benefit Trust Fiduciary Fund Type

Investments are stated at fair value. The fair value is generally based on quoted market prices as of June 30, 2024. Fair value for private investment funds, including private equity and private real assets, is determined using unit values supplied by the fund managers, which are based upon the fund managers' appraisals of the funds' underlying holdings. Such values involve subjective judgment and may differ from amounts which would be realized if such holdings were actually sold. The fair value of limited partnership investments is based on valuations of the underlying assets of the limited partnerships as reported by the general partner. Cash received as collateral on securities lending transactions and investments made with such cash are reported as assets along with a related liability for collateral received.

Cash and Cash Equivalents

For statement of cash flows reporting purposes, "cash equivalents" are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Generally, only investments with original maturities of three months or less, at the time of purchase, meet this definition. The balance sheet classification for "cash and cash equivalents" in the statement of cash flows includes the following: "Equity in pooled cash and investments," "Cash," "Cash with fiscal agents," and "Restricted Equity in pooled cash and investments."

2) Receivables and Payables

Due From/To Other Funds and Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the year and where repayment is expected within a reasonable time are referred to as "due from/to other funds." Such outstanding balances not expected to be repaid within a reasonable time are included in interfund "transfers in/out." Any residual balances of "due from/to other funds" outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Trade Accounts Receivable

Trade and other receivables are shown net of an allowance for uncollectibles. The allowance for uncollectibles is calculated based on historical collection data and, in some cases, specific account analysis.

3) Inventories and Prepaids

Inventories

Inventories are valued at the lower of cost (principally first-in, first-out) or market in the Liquor Enterprise Fund and consist of goods held for sale. Inventories valued at cost (principally moving-average) are carried in the Motor Pool Internal Service Fund and the governmental fund types. All inventories are maintained by perpetual records and adjusted by annual physical counts. Inventories in the governmental funds and Motor Pool Internal Service Fund consist of items held for consumption. The cost is recorded as an expenditure at the time individual items are withdrawn for use. In governmental funds, fund balance equivalent to the year-end inventory value is classified as nonspendable to indicate that portion of fund balance which is not available in a spendable form.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Prepays

The County uses the consumption method to account for prepaids. Prepaids include payments made to vendors for services that will benefit periods beyond the end of the fiscal year. In governmental funds, fund balance equivalent to the year-end prepaid value is classified as nonspendable to indicate that portion of fund balance which is not available in a spendable form.

4) Restricted Assets

Certain proceeds of the County's bonds, as well as certain resources set aside for revenue bond repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

5) Capital Assets

Capital assets, which include property, plant, equipment, computer software, infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items), and the intangible right-to-use of lease assets and subscription assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$10,000 or more, or assets whose individual acquisition costs are less than \$10,000 but those assets in the aggregate are significant, and an estimated useful life in excess of one year. Such assets are valued at actual market transactions for identical or similar items, the current cost to replace the service capacity of an asset, or discounting the current value of future cash flows. Donated capital assets are recorded at acquisition value at the date of donation.

An asset's cost basis may be adjusted after acquisition due to improvements or impairments to the asset. However, the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and structures	20 - 40
Improvements other than buildings	3 - 40
Infrastructure	20 - 60
Furniture, fixtures, equipment and machinery	3 - 20
Automobiles and trucks	2 - 15
Intangibles	3 - 20
Other assets	3 - 50

For statement of cash flows reporting purposes, proceeds from insurance on capital assets that are stolen or destroyed are classified as proceeds from sale of capital assets. Intangible right-to-use lease assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset. Intangible right-to-use subscription assets are amortized over the shorter of the subscription term or the useful life of the underlying information technology assets.

6) Deferred Outflows of Resources

Deferred outflows are the consumption of net assets by the County that is applicable to a future reporting period. The County's deferred outflows of resources consist of deferred charges on refunding of debt and changes relating to pension and OPEB activity. Deferred charges on refunding are being amortized over the term of the respective bonds using the bonds outstanding method which approximates the effective interest method. Deferred outflows of resources relating to pensions are described in Note IV-F1. Deferred outflows of resources relating to other post-employment benefits (OPEB) are described in Note IV-G. For the County's component units, deferred outflows consist of accumulated decreases in fair value of hedging derivatives.

7) Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources has been determined by the County to be immaterial and is therefore not reported as an expenditure and a liability of the governmental fund that will pay the leave. Vested or accumulated vacation leave is reported as a liability and expense in the government-wide financial statements and proprietary fund types in the fund financial statements, along with the corresponding employer's share of social security and medicare taxes. Based on a historical analysis of leave usage, accrued leave is classified as current and long-term. In the proprietary fund financial statements, the current portion of compensated absences is classified as accrued liabilities. Such amounts have been reclassified to non-current liabilities

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(due within one year and due in more than one year) in the government-wide financial statements. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

8) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable in the proprietary fund financial statements and noncurrent liabilities in the government-wide financial statements are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

9) Deferred Inflows of Resources

Deferred inflows are the acquisition of net assets by the County that is applicable to a future reporting period. The County's deferred inflows of resources consist of unavailable income taxes, unavailable property taxes, unavailable revenues, amounts relating to leases (see Note III-E) changes relating to pension expenses, and changes (see Note IV-F1) relating to OPEB (see Note IV-G).

10) Fund Balance/Net Position

In the government-wide financial statements, the County has reported negative unrestricted net position. This is due to the fact that the County issues general obligation bonded debt for purposes of capital construction on behalf of MCPS, MC, and M-NCPPC. The related capital assets are reported on the financial statements of these governments. For MCPS and MC, component units of the County, this amount is also classified as net investment in capital assets in the Component Units column of the government-wide Statement of Net Position (Exhibit A-1). For primary government purposes, since the issuance of such debt has not resulted in a capital asset, the effect of this debt is reflected in unrestricted net position (deficit) in the Governmental Activities column of the government-wide Statement of Net Position. As of June 30, 2024, the County has reported outstanding general obligation bond, variable rate demand obligation, and bond anticipation note debt related to MCPS, MC, and M-NCPPC amounting to \$1,671.3 million. Absent the effect of this relationship, the County would have reported an unrestricted net position of governmental activities in the amount of \$736.9 million.

Classification of Fund Balance

The County classifies fund balance based on the extent to which the County is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The constraints are a hierarchy of five classifications. First identified are *nonspendable* fund balances including amounts that are not in spendable form or the government is legally or contractually required to maintain the resources intact. The next four classifications are based on the relative strength of the constraints that control how specific amounts can be spent:

The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

The *committed* fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. In the County's case this would be the County Council. The highest act of this body is for it to pass a bill, which becomes a public law.

Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. The County Council may make assignments of fund balance or can delegate this authority to the Chief Administrative Officer (CAO). The CAO may then make additional assignments of fund balance, but only at the direction of the County Council.

Unassigned fund balance is the residual classification for the County's general fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification can only be used to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County has established a spending prioritization policy for those instances where an expenditure is incurred for a purpose for which amounts in any of the restricted or unrestricted fund balance classifications (committed, assigned, or unassigned) can be used. The County will apply expenditures against restricted amounts first, followed by committed, assigned and unassigned amounts.

11) Property Taxes

Real and personal property taxes are levied at rates enacted by the County Council in the tax levy resolution on the assessed value as determined by the Maryland State Department of Assessments and Taxation. State law stipulates that the constant yield tax rate furnished by the Maryland State Department of Assessments and Taxation cannot be exceeded without public notice of the intent to exceed, and only after public hearings. The general property tax rate was levied below the constant yield rate for FY24, excluding the supplemental tax for MCPS. Following the Fairness in Taxation (FIT) legislation, the County Charter requires an affirmative vote of nine members of the Council to increase the real property tax rate to a level that will produce total revenues exceeding the total revenue produced by the tax on real property in the preceding year, plus 100 percent of any increase in the Consumer Price Index with exemptions for revenue from newly constructed, rezoned property and development district tax to fund capital improvement projects. The tax rate adopted for Levy Year 2023 (i.e., FY24), in conjunction with a one-time income tax offset credit, generated revenues at the Charter limit for that year.

Generally, property taxes are levied as of July 1 and become delinquent on October 1. Interest and penalty amounts are assessed annually at 20 percent on delinquent tax bills. Owner-occupied residential and "small business" property owners pay their tax on a semi-annual schedule, with the first and second installments due on September 30 and December 31, respectively. Taxpayers may opt to make both semi-annual payments on or before September 30. Property tax revenue is reported net of refunds paid.

The County usually collects delinquent real property taxes through a public tax lien sale. Tax liens, representing delinquent taxes on real property are sold in random groups, utilizing a sealed bid process, on the second Monday in June, when taxes have remained overdue since the preceding October 1 or in the case of a semi-annual schedule, January 1.

12) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Pension Plans (Plans) and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the Plans. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, information about fiduciary net position of the OPEB Plan and addition to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the Plan. For these purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14) Leases

County as Lessee

The County is a lessee for noncancellable leases of equipment, office space and land. The County recognizes lease liabilities and intangible right-to-use lease assets (lease assets) in the government-wide financial statements and proprietary fund financial statements.

At the commencement of a lease, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The County uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the County is reasonably certain to exercise. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Payments due under the lease contracts include fixed payments plus, for many of the County's leases, variable payments. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. For office equipment leases for which the County has elected not to separate lease and non-lease components, maintenance services are provided by the lessor at a fixed cost and are included in the fixed lease payments for the single, combined lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- amounts expected to be payable by the County under residual value guarantees;
- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the County exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the County, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), are initially measured using the index or rate as of the commencement of the lease term.

County as Lessor

The County is lessor for a number of noncancellable leases. The County recognizes a lease receivable and deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease at the commencement date. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The County uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

15) Subscription-Based Information Technology Arrangements

The County is an end user for noncancellable subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The County initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the sum of the initial amount of the subscription liability, payments made to the SBITA vendor before commencement of the subscription term and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying asset. The County recognizes subscription liabilities and right-to-use subscription assets in the government-wide financial statements and proprietary fund financial statements.

Key estimates and judgments related to SBITAs include how the County determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

The County uses the interest rate charged by the SBITA vendor as the discount rate, if provided. When the interest rate charged by the SBITA vendor is not provided, the County generally uses its estimated incremental borrowing rate as the discount rate.

The subscription term includes the noncancellable period of the SBITA and periods covered by an option to extend (if it is reasonably certain that the option will be exercised) or to terminate (if it is reasonably certain that the option will not be exercised).

The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term including the following:

- Fixed payments
- Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), measured using the index or rate as of the commencement of the subscription term
- Variable payments that are fixed in substance
- Payments for penalties for terminating the SBITA, if the subscription term reflects the government exercising an option to terminate or a fiscal funding or cancellation clause
- Any subscription contract incentives receivable from the vendor
- Any other payments to the vendor associated with the contract that are reasonably certain of being required based on an assessment of all relevant factors

The County monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

E) New Accounting Standards

The County has adopted GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement related to financial guarantees and derivative instruments have been implemented for FY24 reporting purposes and have no impact on the County's FY24 financial statements and notes to the statements. The requirements of this Statement related to the extension of the use of LIBOR, accounting for Supplemental Nutrition Assistance Program (SNAP) distributions, disclosure of nonmonetary transactions, pledge of future revenues by pledging governments, clarification of focus of the government-wide financial statements, and terminology updates were implemented in FY22. The requirements of this Statement related to leases, PPPs and SBITAs were implemented in FY23.

The County has adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement establishes accounting and financial reporting requirements for accounting changes and the correction of an error in previously issued financial statements. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, changes to or within the financial reporting entity. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement was implemented for FY24 reporting purposes and has no impact on the County's FY24 financial statements and notes to the statements.

NOTE II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A) Additional Fund Information

Revenue Stabilization Fund

This fund is used to account for the accumulation of resources at a targeted reserve level sufficient to address unexpected increases or decreases in revenues and expenditures. By an affirmative vote of 7 Councilmembers, the Council, after holding a public hearing, reviewing relevant economic indicators, and seeking the recommendation of the Executive, may transfer any amount from the Fund to the General Fund to support appropriations which have become unfunded.

These requirements ensure that fund draws would not be used to cover revenue shortfalls that occur during the normal course of government operations. As a result, the RSF balance is classified as committed in accordance with GASB Statement No. 54. For financial reporting purposes this fund is included within the General Fund. Through Resolution No. 20-526 issued on May 23, 2024, the County Council approved a one-time action not to make mandatory contribution to the Revenue Stabilization Fund in FY24 due to the fund's maintaining a total reserve of 10% of the Adjusted Governmental Revenues. Below is the change in the RSF balance for the fiscal year ended June 30, 2024.

Revenue Stabilization Fund (RSF)

Balance – Beginning of Year	\$	609,965,009
Investment Income		39,267,465
Balance – End of Year	\$	649,232,474

White Flint Special Taxing District

The White Flint Special Taxing District (WFSTD) was established in 2011 and is used to account for property tax revenues related to the White Flint Sector. These revenues are used to fund transportation infrastructure improvements and other development costs in the WFSTD. Expenditures for the WFSTD are accounted for in the Capital Projects Fund and resulting advances are offset by the property tax collections each year. Currently, expenditures exceed the property tax revenue collected in the WFSTD, resulting in a \$42.2 million advance from the General Fund. Below is the inception-to-date revenue collection activity for the WFSTD balance as of June 30, 2024.

White Flint Special Taxing District (WFSTD)

Balance – Beginning of Year	\$	19,662,350
Property Taxes		2,320,118
Balance – End of Year	\$	21,982,468

NOTE III. DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

1) Overview

The following is a schedule of total cash and investments:

	Primary Government	Component Units *	Total Reporting Entity
<u>Statement of Net Position Amounts:</u>			
Equity in pooled cash and investments	\$ 2,125,758,107	\$ 222,414,257	\$ 2,348,172,364
Cash with fiscal agents	24,177,820	95,602,332	119,780,152
Cash	235,173	43,495,556	43,730,729
Investments - cash equivalents	-	76,307,995	76,307,995
Investments	8,277,071,870	49,148,306	8,326,220,176
Restricted equity in pooled cash and investments	44,439,072	3,714,725	48,153,797
Restricted cash with fiscal agents	-	44,776,614	44,776,614
Restricted cash	175,081	1,090,615	1,265,696
Restricted investments - cash equivalents	-	211,143,823	211,143,823
Restricted investments	-	271,647,267	271,647,267
Total	<u>\$ 10,471,857,123</u>	<u>\$ 1,019,341,490</u>	<u>\$ 11,491,198,613</u>
<u>Deposit and Investment Summary:</u>			
Deposits	\$ 245,055,903	\$ 328,910,208	\$ 573,966,111
Investments	10,202,213,146	363,596,616	10,565,809,762
Cash on hand, fiscal agents, safe deposit escrow	24,588,074	326,834,666	351,422,740
Total	<u>\$ 10,471,857,123</u>	<u>\$ 1,019,341,490</u>	<u>\$ 11,491,198,613</u>

* Includes \$154,064 in County Investment Pool

Primary Government cash and investments reconciles to the basic financial statements as follows:

Government-wide	\$ 2,163,410,121
Fiduciary funds	8,308,447,002
Total	<u>\$ 10,471,857,123</u>

Primary Government

2) External Investment Pool

Overview

The County maintains an external investment pool that is subject to oversight by the County's Internal Investment Committee but is not subject to regulatory oversight by the Securities and Exchange Commission (SEC). Participants in the pool include the County, certain component unit agencies, and other legally separate entities. The equity position of each fund and component unit is reported as an asset by the funds and component units. The external portion of the pool (i.e., participation by legally separate entities) is reported as the External Investment Pool in the accompanying financial statements. Participants' shares redeemed during the year are based on actual cost; participants' shares are then adjusted to fair value at year-end. The County has not provided or obtained any legally binding guarantees during the year to support the value of shares.

During the year, investments are stated at cost plus accrued interest and are adjusted for amortization of premiums and accretion of discounts. The fair value of U.S. Government securities, repurchase agreements, commercial paper, and bankers' acceptances are provided by the County's custodian, which is based on various industry standard pricing sources. For interest-bearing investments, market value quotations do not include accrued interest. However, for reporting purposes, immaterial amounts of accrued interest are typically classified with the fair value of investments in the accompanying financial statements.

Investment income during the year, and any adjustment to fair value at year-end, is allocated to pool participants based on their average equity in the pool. The adjustment to fair value related to all County funds (exclusive of legally separate entities' accounts reflected in the External Investment Pool) is typically recorded in the General Fund since this amount is not material. At year-end, based on the nature of investments held, there was no adjustment to fair value, since fair value was the same as cost.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

External investment pools, included in the schedule above, are as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total Reporting Entity</u>
<u>Statement of Net Position Amounts:</u>			
Equity in pooled cash and investments	\$ 2,125,758,107	\$ 154,064	\$ 2,125,912,171
Restricted equity in pooled cash and investments	44,439,072	-	44,439,072
Total	<u>\$ 2,170,197,179</u>	<u>\$ 154,064</u>	<u>\$ 2,170,351,243</u>
<u>Deposit and Investment Summary:</u>			
Deposits	\$ 245,055,903	\$ -	\$ 245,055,903
Investments, including accrued interest	1,925,141,276	154,064	1,925,295,340
Total	<u>\$ 2,170,197,179</u>	<u>\$ 154,064</u>	<u>\$ 2,170,351,243</u>

Deposits

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the County will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require that securities underlying certificates of deposit have a market value that equals or exceeds the cost of the deposit while County investment policy requires a market value of at least 102 percent of the cost of the deposit. Appropriate sections of these cited statutes also require that funds on deposit in financial institutions be fully secured. The form of such security shall be in compliance with State statutes and the County Code. Collateral pledged for the protection of these banking deposits is held in the County's name at a third-party depository, in the trust department of pledging banks, or insured by a surety bond by a State approved insurance company.

Deposits typically include bank accounts and non-negotiable certificates of deposit; at year-end, the County held no non-negotiable certificates of deposit. Deposits at financial institutions were fully insured or collateralized at year-end. Therefore, the County has no significant exposure to custodial credit risk.

Investments

The County, through its external investment pool, maintains a cash and investment management program. The primary objectives of the program are the preservation of capital, providing liquidity to meet financial obligations and maximization of the investment yield on short-term working capital. Working capital is managed pursuant to the Annotated Code of Maryland, the County Code, and the County's investment policies as approved by the County Council. At year-end, the investment portfolio was comprised of commercial paper, the Maryland Local Government Investment Pool (MLGIP), and U.S. Government securities (U.S. Treasury and U.S. Agency Securities). The County was in compliance with all applicable investment statutes throughout the fiscal year.

The MLGIP provides all local government units of the State a safe investment vehicle for the short-term investment of funds. The State Legislature created the Maryland Local Government Investment Pool within the Annotated Code of Maryland and more recently defined by Title 17, subtitle 3 of the Local Government Article of the Maryland Annotated Code. The Pool's purpose is to assist the public finance officer by providing an investment medium in which the participants may invest their idle balances. A pooled fund strategy is utilized to create a money market fund for municipalities that is a very safe, highly efficient, programmed approach to investing. Participants are provided professional money management, a well-diversified portfolio and reduced cost. The MLGIP is rated "AAAm" by Standard and Poor's (their highest rating). The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC and custodied by PNC Bank, N.A. An MLGIP Advisory Committee of current participants was formed to review, on a semi-annual basis, the activities of the Fund and to provide suggestions to enhance the Pool. Investments held by the MLGIP are measured at amortized cost, which approximates fair value. Unit value is computed using the amortized cost method and maintains a \$1 per share value.

The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and 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).

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The following is a summary of the fair value hierarchy of the fair value of investments of the County as of June 30, 2024:

<u>Investments by fair value level</u>	June 30, 2024	Fair Value Measurements Using	
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2
Repurchase Agreements	\$ 450,000,000	\$ -	\$ 450,000,000
U.S. Agency Securities	752,326,574	-	752,326,574
U.S. Treasury Securities	197,947,496	197,947,496	-
Commercial Paper	183,588,702	-	183,588,702
Total investments by fair value level	1,583,862,772	\$ 197,947,496	\$ 1,385,915,276
<u>Investments measured at amortized cost:</u>			
Maryland Local Government Investment Pool	326,583,829		
Total investments measured at amortized cost	326,583,829		
Total investments	\$ 1,910,446,601		

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County structures the pooled investment portfolio so that sufficient investments mature to meet the cash requirements for ongoing operations. The County's investment policy requires the majority of investments to have maturities of 18 months or less. However, a portion of the portfolio may be invested in investments with longer maturities (up to three years); any investment with a maturity of over 18 months must be approved by the Director of Finance prior to execution. As of June 30, 2024, the County had a total fair value \$222,960,705 in investments with final maturities over 12 months (1-3 years).

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County is authorized to invest in: a) obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, b) obligations that a federal agency or instrumentality issues in accordance with an act of Congress, or c) repurchase agreements that any of the foregoing listed obligations secure. Cited statutes also authorize investments in bankers' acceptances, secured certificates of deposit issued by Maryland banks, commercial paper of the highest investment grade, the MLGIP, and money market mutual funds that are registered and operate in accordance with Maryland State Code. State statutes and County policies require that these money market mutual funds invest only in obligations of U.S. Treasuries, U.S. Agencies and repurchase agreements collateralized by an obligation of the United States, its agencies or instrumentalities.

The County's fixed income investments held at year-end or during the year were rated as follows:

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Investment Type:	Ratings		
	Standard & Poor's	Fitch	Moody's
Repurchase Agreements ⁽¹⁾	N/R	N/R	N/R
U.S. Treasury Securities	AA+	AAA	Aaa
U.S. Agency Securities ⁽²⁾			
Short Term Debt / Discount Notes	A-1+	F1+	P-1
Farmer Mac (FAMCA) Long Term Debt	N/R	N/R	N/R
Federal Farm Credit (FFCB) Long Term Debt	AA+	AAA	Aaa
Federal Home Loan Bank (FHLB) Long Term Debt	AA+	N/R	Aaa
Federal Home Loan Mortgage Corporation "Freddie Mac"	AA+	AAA	Aaa
Fannie Mae (FNMA) Long Term Debt	AA+	AAA	Aaa
Commercial Paper ⁽³⁾	A-1	F1	P-1
Bankers' Acceptances ⁽⁴⁾	N/R	N/R	N/R
Certificates of Deposit	N/R	N/R	N/R
Local Government Investment Pool (MLGIP)	AAAm	N/R	N/R
Money Market Mutual Funds	AAA	AAA	Aaa

N/R - Not Rated

⁽¹⁾- Collateralized in an amount not less than 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities.⁽²⁾- Implicitly guaranteed by the U.S. Government.⁽³⁾- Not all commercial paper issues are rated by all agencies (NRSROs). However, each commercial paper holding is rated by at least two rating agencies (NRSROs). Each such rating is of the highest investment grade.⁽⁴⁾- While Bankers' Acceptances are not rated, County policy requires that the underlying issuer is of the highest short-term investment grade.**Custodial Credit Risk**

Custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, the County will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name.

County and State statutes require that securities underlying repurchase agreements have a market value of at least 102 percent of the cost of the investment. County policies require that a third-party custodian hold investment securities and the collateral underlying all repurchase agreements. As of June 30, 2024, the County's investments were not exposed to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk for investments is the risk that, in the event of failure of an issuer, the County will not be able to recover the value of the investment or suffer a loss as a result of the magnitude of the County's investment in that single issuer. It is the County's practice to manage the investment portfolio according to the County's investment policy and the guidelines, as outlined in the Annotated Code of Maryland, to insure diversification by investment type and institution in order to avoid unreasonable and foreseeable risks but in conjunction with the need to ensure safety, liquidity and return in an ever-changing economic environment.

The County's policy provides the maximum limits as follows:

<u>Diversification by Investment Type:</u>	<u>Maximum percent of Portfolio*</u>
U.S. Treasury Obligations	100%
U.S. Government Agencies	75
Repurchase Agreements	50
Bankers' Acceptances	25
Money Market Mutual Funds	50
Maryland Local Government Investment Pool (MLGIP)	50
Collateralized Certificates of Deposit and Time Deposits** (Including Brokered Certificates of Deposit)	25
Commercial Paper	10

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Diversification by Institution:	<u>Maximum percent of Portfolio*</u>
Approved Broker/Dealers and Commercial Banks (Repurchase Agreements)	30%
Money Market Mutual Funds by Fund	25
Banker's Acceptances by Institution and Country	15
Commercial Banks (Certificates of Deposit - does not include Brokered Certificates of Deposit)**	10
U.S. Government Agencies by Agency	20
Commercial Paper by Issuer	5

* At time of purchase

** Certificates of Deposit are classified as deposits for financial reporting purposes.

The County's investments are all under 5% for any one issuer other than 16.5% Federal Home Loan Banks (FHLB), 5.08% Farmer Mac (FAMCA), 9.23% Freddie Mac (FHLMC), 5.61% Fannie Mae (FNMA), and 16.75% MLGIP. Per GASB 40, U.S. Obligations (U.S. Treasury and Agency Debt), Mutual Funds, and external investment pools (MLGIP) are exempt from the 5% of any one issuer maximum. Per GASB 40, investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from the disclosure requirement of investments in any one issuer that represent 5% or more of total investments.

External Investment Pool Condensed Financial Statements:

The condensed financial statements of the County's external investment pool as of June 30, 2024 are as follows:

Statement of Net Position June 30, 2024

Assets:	
Investment in securities, at fair value	\$ 1,910,446,601
Cash	245,055,903
Accrued interest receivable	14,848,739
Total assets and net position	<u>\$ 2,170,351,243</u>
Net position consists of:	
Internal participants' units outstanding (\$1.00 par), unrestricted	\$ 2,147,216,167
External participants' units outstanding (\$1.00 par)	23,135,076
Net position	<u>\$ 2,170,351,243</u>
Participants net position value, offering price and redemption price per share (\$2,170,351,243/2,170,742,493 units)	<u>\$ 1</u>

Statement of Changes in Net Position For the Fiscal Year Ended June 30, 2024

Investment Income *	\$ 111,991,213
Distributions to participants:	
Distributions paid and payable	(111,991,213)
Share transactions at net position value of \$1.00 per share:	
Purchase of units	\$ 17,233,493,085 *
Redemption of units	<u>(16,971,578,592)</u>
Net increase (decrease) in net position and shares resulting from share transactions	<u>261,914,493 *</u>
Total increase (decrease) in net position	261,914,493 *
Net position, July 1, 2023	<u>1,908,436,750</u>
Net position, June 30, 2024	<u>\$ 2,170,351,243</u>

* The pool has no expenses.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

3) Major and Nonmajor Fund Deposit and Investment Risks

Primary government (non-fiduciary) cash and investments are primarily invested in the County's external investment pool. Funds with significant cash balances other than what is invested in the external investment pool include the following:

General Fund

Cash with fiscal agents of \$3,564,400 relates to amounts held by Marriott Hotels, pursuant to a management agreement, for the operation of the County's Conference Center.

Debt Service Fund

Cash with fiscal agents of \$10,797,698 represents lease revenue bond and revenue bond debt service reserve funds which are held in money market mutual funds and U.S. Government securities.

Capital Projects Fund

Cash with fiscal agents of \$7,713,581 is held in money market mutual funds for the purpose of reimbursing construction expenditures incurred for various capital projects in the County.

Liquor Fund

Cash with fiscal agents of \$2,102,141 is held in money market funds for the purpose of debt service.

4) Fiduciary Funds

Investment Overview

The Montgomery County's codes authorize the Board of Investment Trustees (Board) to manage the Employee's Retirement System, Retirement Savings Plan and Deferred Compensation Plan, including the investments. The Board consists of thirteen trustees and functions as part of the County. Another board, the Board of Trustees, is authorized to make investments as stated in the County code for the Consolidated Retiree Health Benefits Trust. The Board of Trustees consists of nineteen trustees and functions as the part of the County. The following is the summary information for the investments of the three plans and the Consolidated Retiree Health Benefits Trust.

Employees' Retirement System (ERS):

Section 33-61C of the County Code (Code) authorizes the Board of Investment Trustees (Board) (see Note IV-F) to act with the care, skill, prudence and diligence under the circumstances that a prudent person acting in a similar capacity and familiar with the same matters would use to conduct a similar enterprise with similar purposes. The Code also requires that such investments be diversified so as to minimize the risk of large losses unless it is clearly not prudent to diversify under the circumstances. The Board has adopted an investment policy that works to control the extent of downside risk to which the ERS is exposed while maximizing the potential for long term increases in the value of assets. The overall investment policies do not address specific levels of credit risk, interest rate risk or foreign currency risk. The Board believes that risks can be managed, but not eliminated, by establishing constraints on the investment portfolios and by monitoring the financial markets, the ERS's asset allocation and the investment managers hired by the ERS. Each investment manager has a specific benchmark and investment guidelines appropriate for the type of investments they are managing.

Employees' Retirement Savings Plan (RSP):

Section 33-125 of the Code authorizes the Board to establish a diversified slate of mutual and commingled investment funds from which participants may select an option. The Board exercises the Standard of Care as delineated in Section 33-61 of the Code. As of June 30, 2024, the fair value of the mutual and commingled investment funds was \$791,085,713. The fair value of the investments in international mutual funds was \$173,028,331.

Employees' Deferred Compensation Plan (DCP):

The Board is required to establish a diversified slate of mutual and commingled funds from which participants may select investment options. The Board exercises the Standard of Care as delineated in Section 33-61 of the Code. As of June 30, 2024, the fair value of the mutual and commingled investment funds was \$658,958,818. The fair value of the investments in international mutual funds included in the County DCP was \$85,463,739.

Consolidated Retiree Health Benefits Trust (CRHBT):

Section 33-163 of the Code authorizes the Board of Trustees of the Consolidated Retiree Health Benefits Trust to act with the care, skill, prudence and diligence under the circumstances that a prudent person acting in a similar capacity and

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

familiar with the same matters would use to conduct a similar enterprise with similar purposes. The Code also requires that such investments be diversified so as to minimize the risk of large losses unless it is clearly not prudent to diversify under the circumstances. The Board of Trustees has adopted an investment policy that works to control the extent of downside risk to which the CRHBT Fund is exposed while maximizing the potential for long term increases in the value of assets. The overall investment policies do not address specific levels of credit risk, interest rate risk or foreign currency risk. The Board of Trustees believes that risks can be managed, but not eliminated, by establishing constraints on the investment portfolios and by monitoring the financial markets, the CRHBT Fund's asset allocation and the investment managers hired by the Board of Trustees. Each investment manager has a specific benchmark and investment guidelines appropriate for the type of investments they are managing.

Fair Value Measurement

Each employee retirement plan (ERS, RSP, and DCP) and CRHBT categorizes its fair value measurements within the fair value hierarchy established by the generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and 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).

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The employee retirement plans' and trust's (ERS, RSP, DCP, and CRHBT) assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The following table shows the fair value leveling summary of investments of ERS, RSP, DCP and CRHBT.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Investments by fair value level	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Government and agency obligations	\$ 149,270,845	\$ -	\$ 149,270,845	\$ -
Municipal/Provincial obligations	5,416,286	-	5,416,286	-
Corporate bonds	499,823,886	-	499,201,078	622,808
Commercial mortgage-backed securities	1,711,516	-	1,711,516	-
Total debt securities	<u>656,222,533</u>	-	<u>655,599,725</u>	<u>622,808</u>
Equity Securities				
Self directed - various securities	39,305,791	39,305,791	-	-
Consumer goods	162,868,764	162,847,368	-	21,396
Energy	103,144,902	102,723,031	916	420,955
Financial services	144,744,109	144,744,109	-	-
Health care	132,870,002	132,867,408	-	2,594
Industrials	197,337,318	197,123,666	-	213,652
Information technology	244,763,483	244,744,450	-	19,033
Materials	41,521,861	41,476,933	-	44,928
Telecommunication services	68,197,136	67,692,001	-	505,135
Utilities	116,720,119	116,596,359	123,760	-
Real estate	308,154,521	308,048,770	-	105,751
Miscellaneous	261,415	57,499	15,470	188,446
Total equity securities	<u>1,559,889,421</u>	<u>1,558,227,385</u>	<u>140,146</u>	<u>1,521,890</u>
Securities lending collateral fund	<u>102,558,576</u>	-	<u>102,558,576</u>	-
Total investments by fair value level	<u>2,318,670,530</u>	<u>\$ 1,558,227,385</u>	<u>\$ 758,298,447</u>	<u>\$ 2,144,698</u>

Investments measured at the net asset value (NAV)

Commingled equity funds	1,377,986,462
Commingled bond funds	834,522,526
Commingled funds (other)	757,711,458
Hedge fund	291,334,673
Fund-of-hedge funds	312,938,819
Private real assets	601,064,780
Private equity/debt	<u>1,402,607,365</u>
Total investments measured at the NAV	<u>5,578,166,083</u>

Investments measured at amortized cost

Short-term investments	<u>315,020,435</u>
Total investment measured at amortized cost	315,020,435
Synthetic guaranteed investments contracts measured at contract value	<u>65,214,822</u>
Total investments	<u>\$ 8,277,071,870</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments derivative instruments:				
Foreign exchange contracts	\$ (1,643,750)	\$ -	\$ (1,643,750)	\$ -
Credit default swaps	1,140,913	-	1,140,913	-
Total investments derivative instruments	<u>\$ (502,837)</u>	<u>\$ -</u>	<u>\$ (502,837)</u>	<u>\$ -</u>

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

Debt securities classified in Level 2 and Level 3 are valued using either a bid evaluation, or matrix pricing techniques. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Level 2 debt securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market. Level 3 debt securities use proprietary information or single source pricing. Equity securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume. Short-term investments are cash or cash equivalents and generally include investments in money market-type securities reported at cost plus accrued interest, which approximates market or fair value.

Additional information regarding the holdings of the individual retirement plans (ERP, RSP, DCP, and CRHBT) is available in a separately issued annual comprehensive financial report and CRHBT audited financial statements by Montgomery County Employee Retirement Plans (MCERP). Information on how these may be viewed can be found online: <https://www.montgomerycountymd.gov/mcerp>

The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the table below.

Employees' Retirement System:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled equity funds	\$ 544,452,273	\$ -	Daily, Weekly, Monthly	0-30 days
Commingled bond funds	559,834,892	-	Daily, Monthly	0-5 days
Commingled funds (other)	10,037,192	-	Daily	None
Hedge funds	222,161,960	-	Monthly, Quarterly	5-90 days
Fund-of-hedge funds	234,210,441	-	Quarterly	95 days
Private real assets	518,870,577	91,581,608	Not eligible	N/A
Private equity/debt	1,164,000,733	268,377,892	Not eligible	N/A
Total investments measured at the NAV	<u>\$ 3,253,568,068</u>	<u>\$ 359,959,500</u>		

Employees' Retirement Savings Plan:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled equity funds	\$ 152,737,550	\$ -	Daily	None
Commingled bond funds	13,058,338	-	Daily	None
Commingled funds (other)	588,736,666	-	Daily	None
Total investments measured at the NAV	<u>\$ 754,532,554</u>	<u>\$ -</u>		

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Employees' Deferred Compensation Plan:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled equity funds	\$ 398,137,496	\$ -	Daily	None
Commingled bond funds	34,924,532	-	Daily	None
Commingled funds (other)	158,937,600	-	Daily	None
Total investments measured at the NAV	<u>\$ 591,999,628</u>	<u>\$ -</u>		

Consolidated Retiree Health Benefits Trust:

Investments Measured at the NAV

	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled equity funds	\$ 282,659,143	\$ -	Daily, Weekly, Monthly	0-30 days
Commingled bond funds	226,704,764	-	Daily, Monthly	0-5 days
Hedge fund	69,172,713	-	Monthly	5 days
Fund-of-hedge funds	78,728,378	-	Quarterly	95 days
Private real assets	82,194,203	17,662,462	Not eligible	N/A
Private equity/debt	238,606,632	22,258,805	Not eligible	N/A
Total investments measured at the NAV	<u>\$ 978,065,833</u>	<u>\$ 39,921,267</u>		

Commingled Bond Funds, Equity Funds and Other

Five bond funds, eight equity funds and one other fund are considered to be commingled in nature for the ERS and five bond funds and nine equity funds are considered for RSP and DCP while four bond funds, seven equity funds, are considered to be commingled in nature for CRHBT. Other commingled funds include eleven life cycle funds and one other fund for RSP and DCP. The fair value of the investments in these types of funds has been determined using the NAV per share of the investments.

Hedge Funds

The fair values of the investments have been determined using the NAV per share of the investments. Three funds and one fund are categorized in this category for the ERS and CRHBT, respectively. For ERS, all funds in this category could be subject to varying degrees of redemption restrictions based on market conditions that may impact their underlying portfolios.

Fund-of-Hedge Funds

The fair value of these funds are based upon information provided by underlying hedge fund investments using the NAV per share of the funds. Fund-of-hedge funds provide additional opportunities in terms of manager access, investment structuring, and fees. These funds also could be subject to varying degrees of redemption restrictions based on market conditions that may impact their underlying portfolios.

Private Real Assets

The portfolios consist of forty-nine and forty-five private real asset limited partnerships for the ERS and CRHBT, respectively. Private real asset funds include U.S. real estate, oil and gas, timber, agriculture and other real asset investments. The fair value of these funds has been determined using the net asset values as of June 30, 2024. Net asset values one quarter in arrears plus current quarter cash flows are used when the most recent information is not available. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 5 to 10 years.

Private Equity/Debt

The portfolios consist of one hundred-six and eighty three private equity/debt limited partnerships for the ERS and CRHBT, respectively. Private equity funds include buyout, turnaround, fund-of-funds, and growth of equity investments. Private debt funds include distressed and structured equity investments. The fair value of these funds has been determined using the net asset values as of June 30, 2024. Net asset values one quarter in arrears plus current quarter cash flows are used

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

when the most recent information is not available. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over a span of 3 to 10 years.

Credit Risk/Concentration of Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Board's investment policies and guidelines limit the percentage of the total fund and individual manager's account which can be invested in fixed income securities rated below investment grade. In addition, the Board's investment policies and guidelines, for the majority of public fund managers, limit the percentage of each investment manager's account that may be allocated to any one security, position, issuer or affiliated issuer, to less than 5 percent of the fair value of the investment manager's account. The ERS does not have investments (other than those issued or explicitly guaranteed by the U.S. Government or pooled investments) in any one company that represents 5 percent or more of net position held in trust for pension benefits while the CRHBT does not have investments (other than those issued or explicitly guaranteed by the U.S. Government, or pooled investments) in any one company that represents 5 percent or more of net position.

The quality ratings of investments in fixed income securities as described by nationally recognized rating organizations as of June 30, 2024 are as follows:

Employees' Retirement System:

Type of Investment	Quality Rating	Fair Value	Percentage of Portfolio
U.S. Government Obligations*	AA+	\$ 102,287,665	8.42%
Foreign Government Obligations	BBB	64,469	0.01
	BB	404,768	0.03
	B	805,680	0.07
	CCC	173,851	0.01
	Unrated	697,809	0.06
Commercial Mortgage Backed Securities	B	697,809	0.06
	Unrated	438,866	0.04
Municipal/Provincial Bonds	AAA	3,163,922	0.26
	AA	115,119	0.01
	A	451,208	0.04
Corporate Bonds	AAA	1,345,375	0.11
	AA	3,183,128	0.26
	A	20,109,367	1.66
	BBB	63,424,738	5.22
	BB	120,090,192	9.89
	B	83,378,776	6.87
	CCC	23,574,088	1.94
	CC	898,029	0.07
	C	347,169	0.03
	D	332,070	0.03
Commingled Bond Funds	Unrated	10,990,101	0.90
	AA	491,704,261	40.49
	BB	68,130,631	5.61
Short-term Investments and Other	Unrated	218,199,003	17.97
Total Fixed Income Securities		\$ 1,214,310,285	100.00%

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**Consolidated Retiree Health Benefits Trust:**

Type of Investment	Quality Rating	Fair Value	Percentage of Portfolio
U.S. Government Obligations*	AA+	\$ 44,890,683	8.26%
Foreign Government Obligations	BBB	138,293	0.02
	BB	300,590	0.05
	B	204,846	0.04
Commercial Mortgage-Backed Securities	B	65,645	0.01
	CCC	94,756	0.02
	Unrated	414,439	0.08
Municipal/Provincial Bonds	AAA	1,442,658	0.27
	AA	41,114	0.01
	A	202,266	0.04
Corporate Bonds	AAA	596,728	0.11
	AA	1,302,865	0.24
	A	8,278,941	1.52
	BBB	30,481,898	5.61
	BB	70,568,349	12.98
	B	42,450,160	7.81
	CCC	11,268,763	2.07
	CC	918,656	0.17
	C	49,520	0.01
	D	98,419	0.02
	Unrated	6,136,554	1.13
Fixed Income Pooled Funds	AA	179,747,864	33.07
	BB	46,956,900	8.64
Short-term Investments and Others	Unrated	96,821,432	17.82
Total Fixed Income Securities		\$ 543,472,339	100.00%

* Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not have purchase limitations.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The Board's investment policies and guidelines manage interest rate risk by establishing duration constraints on each fixed income manager's portfolio based on the duration of each manager's respective benchmark. Duration is a measure of interest rate risk based on a bond price's sensitivity to a 100-basis point change in interest rates. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates and vice-versa. Duration of eight would mean that, given a 100-basis point change up/down in rates, a bond's price would move down/up by 8 percent.

As of June 30, 2024, the ERS and CRHBT's fixed income portfolios had the following sensitivity to changes in interest rates:

Employees' Retirement System:

Type of Investment	Effective Duration in Years	Fair Value	Percentage of Portfolio
U.S. Government Obligations	15.25	\$ 102,287,665	8.42%
Foreign Government Obligations	3.89	1,448,768	0.12
Commercial Mortgage-Backed Securities	0.67	1,136,675	0.10
Municipal/Provincial Obligations	10.32	3,730,249	0.31
Corporate Bonds	5.59	327,673,033	26.98
Commingled Bond Funds	10.34	559,834,892	46.10
Short-term Investments and Other *	N/A	218,199,003	17.97
Total Fixed Income Securities		\$ 1,214,310,285	100.00%

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Consolidated Retiree Health Benefits Trust:

Type of Investment	Effective Duration in Years	Fair Value	Percentage of Portfolio
U.S. Government Obligations	14.88	\$ 44,890,683	8.26%
Foreign Government Obligations	1.93	643,729	0.12
Commercial Mortgage-Backed Securities	0.06	574,841	0.11
Municipal/Provincial Obligations	10.26	1,686,037	0.31
Corporate Bonds	5.22	172,150,853	31.68
Fixed Income Pooled Funds	10.45	226,704,764	41.70
Short-term Investments and Other *	N/A	96,821,432	17.82
Total Fixed Income Securities		\$ 543,472,339	100.00%

* Short-term investments consist of U.S. Treasury and government sponsored securities, money market funds, commercial paper, certificates of deposit, repurchase agreements, asset backed securities, notes and bonds issued by U.S. corporations, and other allowable instruments that meet short-term maturity or average life, diversification, and credit quality restrictions.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Board's International Investing Policy's objective is to achieve long-term capital appreciation and current income by investing in diversified portfolios of non-U.S. equities and bonds. Both the ERS and CRHBT have indirect exposure to foreign currency risk as follows:

Employees' Retirement System:

International Securities	Equity	Fixed Income	Short-term and Other	Total Non-U.S. Dollar
Indian rupee	\$ -	\$ -	\$ 38,373,808	\$ 38,373,808
British pound sterling	52,122,405	-	(14,668,657)	37,453,748
Japanese yen	45,952,755	-	(9,346,355)	36,606,400
Indonesian rupiah	-	-	34,806,807	34,806,807
Mexican peso	6,442,821	-	21,020,494	27,463,315
Colombian peso	-	-	24,763,508	24,763,508
Brazilian real	361,403	-	23,962,416	24,323,819
Norwegian krone	2,467,027	-	20,940,488	23,407,515
Hungarian forint	-	-	14,511,682	14,511,682
South Korean won	-	-	11,906,476	11,906,476
Other currencies	161,571,359	-	(394,708,412)	(233,137,053)
Total International Securities	\$ 268,917,770	\$ -	\$ (228,437,745)	\$ 40,480,025

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**Consolidated Retiree Health Benefits Trust:**

International Securities	Equity	Fixed Income	Short-term and Other	Total Non-U.S. Dollar
British pound sterling	\$ 22,998,455	\$ -	\$ (3,646,449)	\$ 19,352,006
Japanese yen	20,337,249	-	(2,309,457)	18,027,792
Indian rupee	-	-	9,593,454	9,593,454
Indonesian rupiah	-	-	8,701,703	8,701,703
Mexican peso	2,395,819	-	5,254,118	7,649,937
Norwegian krone	1,240,002	-	5,235,535	6,475,537
Colombian peso	-	-	6,190,878	6,190,878
Brazilian real	133,274	-	5,990,796	6,124,070
Danish krone	5,295,407	-	-	5,295,407
Hong Kong dollar	5,652,979	-	(683,409)	4,969,570
Other currencies	56,796,079	-	(94,409,295)	(37,613,216)
Total International Securities	\$ 114,849,264	\$ -	\$ (60,082,126)	\$ 54,767,138

Derivatives

In accordance with the two Boards' Statement of Investment Policy and Objectives, the ERS and CRHBT Fund regularly invest in derivative financial instruments in the normal course of its investing activities to manage exposure to certain risks within the fund. During FY24, the ERS and CRHBT invested directly in various derivatives including, exchange-traded future contracts, forward currency contracts, and swaps. Investment managers are prohibited from purchasing securities on margin or using leverage unless specifically permitted within the investment manager's guidelines. These investments generally contain market risk resulting from fluctuations in interest and currency rates. The credit risk of these investments is associated with the creditworthiness of the related parties to the contracts. The ERS and CRHBT Fund could be exposed to risk if the counterparties to the contracts are unable to meet the terms of the contracts. The two Boards' Statement of Investment Policy and Objectives seeks to control this risk through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures. In addition, the ERS and CRHBT Fund have indirect exposure to market and credit risk through its ownership interests in certain mutual and commingled funds which may hold derivative financial instruments. The ERS and CRHBT Fund are not dealers, but end-users of these instruments.

The notional or contractual amounts of derivatives indicate the extent of the ERS and CRHBT Fund's involvement in the various types of derivative financial instruments and do not measure the ERS or CRHBT Fund's exposure to credit or market risk and do not necessarily represent amounts exchanged by the parties. The amounts exchanged are determined by reference to the notional amounts and the other terms of the derivatives.

As permitted by the Board's policies, the ERS and CRHBT Fund holds off-financial statements derivatives in the form of exchange-traded financial futures, and ERS also holds foreign currency exchange contracts.

Futures contracts are contracts in which the buyer agrees to purchase and the seller agrees to make delivery of a specified financial instrument at a predetermined date and price. Gains and losses on future contracts are settled daily. Futures contracts are standardized and are traded on exchanges. The exchange assumes the risk that a counterparty will not pay. As of June 30, 2024, the ERS held 110 long U.S. Treasury futures contracts with notional exposure of \$13,394,063 and the CRHBT Fund held 105 long U.S. Treasury futures contracts with total notional exposure of \$12,781,406. The ERS also held 19 currency futures contracts and 538 equity futures contracts with notional exposure of \$1,390,800 and \$65,927,802, respectively and the CRHBT held 14 currency futures contracts with total notional exposure of \$1,024,800 and 377 equity futures contracts with total notional exposure of \$48,236,158. In addition, the ERS held 939 commodity futures contracts with fair value of \$219,782,470 and the CRHBT held 293 commodity futures contracts with notional exposure of \$68,584,491.

Foreign exchange contracts involve an agreement to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. Foreign exchange contracts contain market risk resulting from fluctuations in currency rates. The credit risk is associated with the creditworthiness of the related parties to the contracts. As of June 30, 2024, the ERS held \$853,499,385 buy foreign exchange contracts and \$854,813,652 sell foreign exchange contracts with unrealized loss of \$1,314,267 while the CRHBT held \$213,398,791 buy foreign exchange contracts and \$213,728,274 sell foreign exchange contracts with unrealized loss of \$329,483.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Credit default swaps are financial instruments used to replicate the effect of investing in debt obligations or corporate bond issuers as a means to manage bond exposure, effectively buying or selling insurance protection in case of default. Credit default may be specific to an individual security or to a specific market sector (index swaps). As of June 30, 2024, the ERS held one credit default swap index sell contract with a fair value of \$673,487 and notional amount of \$10,509,500 and the CRHBT held one credit default swap sell contract with a fair value of \$467,426 and notional exposure of \$7,294,000.

Securities Lending

Board policy permits the ERS and CRHBT to lend its securities to broker-dealers and other entities (borrowers) for collateral that will be returned for the same securities in the future. The ERS or CRHBT's custodian is the agent in lending the ERS securities for 102 percent for domestic and 105 percent for international securities or CRHBT's securities for collateral of 103 percent for domestic and 106 percent for international securities. The custodian receives cash, securities or irrevocable bank letters of credit as collateral. All securities loans can be terminated on demand by either the ERS/CRHBT or the borrower. Cash collateral received from the borrower is invested by the lending agent, as an agent for the ERS or CRHBT, in a short-term investment pool in the name of the ERS or CRHBT, with guidelines approved by the two boards. Such investments are considered a collateralized investment pool. The relationship between the maturities of the investment pool and the ERS or CRHBT's loans is affected by the maturities of securities loans made by other plan entities that invest cash collateral in the investment pool, which the ERS or CRHBT cannot determine. The ERS and CRHBT record a liability for the return of the cash collateral shown as collateral held for securities lending in the statement of fiduciary net position. The agent indemnifies the ERS or CRHBT by agreeing to purchase replacement securities, or return the cash collateral thereof, in the event a borrower fails to return loaned securities or pay distributions thereon. There were no such failures by any borrower during the fiscal year, nor were there any losses during the period resulting from a default of the borrower or lending agent.

As of June 30, 2024, the fair value of securities on loan was \$358,966,985 and \$106,862,838 for the ERS and CRHBT, respectively. Cash received as collateral and the related liability of \$81,601,717 and \$20,956,859 as of June 30, 2024 for the ERS and CRHBT, respectively, are shown on the Statement of Fiduciary Net Position. Securities received as collateral are not reported as assets since the ERS or CRHBT does not have the ability to pledge or sell the collateral securities absent borrower default. For ERS, securities lending revenues and expenses amounting to \$7,203,767 and \$6,355,641, respectively, have been classified with investment income and investment expenses, respectively, in the accompanying financial statements. For CRHBT, securities lending revenues and expenses amounting to \$1,347,618 and \$1,063,616, respectively, have been classified with investment income and investment expenses, respectively, in the accompanying financial statements.

The following two tables represents the balances relating to the securities lending transactions for ERS and CRHBT as of June 30, 2024:

Employees' Retirement System:

Securities Lent	Underlying Securities	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for Cash Collateral:			
Government Obligations	\$ 3,754,900	\$ -	\$ 3,862,089
Corporate Bonds	67,112,364	-	68,930,443
Equities	8,502,668	-	8,809,185
Lent for Non-Cash Collateral:			
Government Obligations	90,872,404	96,964,193	-
Corporate Bonds	24,539,243	25,478,436	-
Equities	164,185,406	174,608,793	-
Total	<u>\$ 358,966,985</u>	<u>\$ 297,051,422</u>	<u>\$ 81,601,717</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**Consolidated Retiree Health Benefits Trust:**

Securities Lent	Underlying Securities	Non-Cash Collateral Value	Cash Collateral Investment Value
Lent for Cash Collateral:			
Government Obligations	\$ 22,174	\$ -	\$ 22,795
Corporate Bonds	17,308,610	-	17,751,348
Equities	3,078,502	-	3,182,716
Lent for Non-Cash Collateral:			
Government Obligations	40,646,069	43,377,055	-
Corporate Bonds	2,157,060	2,206,857	-
Equities	43,650,423	46,464,084	-
Total	<u>\$ 106,862,838</u>	<u>\$ 92,047,996</u>	<u>\$ 20,956,859</u>

At year-end, the ERS and CRHBT have no credit risk exposure to borrowers because the amounts the ERS and CRHBT owe the borrowers exceeded the amounts the borrowers owe the ERS and CRHBT. The ERS and CRHBT are fully indemnified by its custodial bank against any losses incurred as a result of borrower default.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the ERS or CRHBT will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of June 30, 2024, there were no funds held by a counterparty that was acting as the ERS or CRHBT's agent in securities lending transactions.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Component Units

HOC

At year-end, HOC's cash and investments are significant in relation to the total component unit cash and investments. HOC's cash balances as of June 30, 2024, were entirely insured or collateralized with securities held by HOC's agent in HOC's name. HOC's investments are subject to interest rate, credit, and custodial risk as described below:

Interest Rate Risk

HOC's investment policy which applies to the General Fund, Public Fund and the Opportunity Housing Fund, requires that the majority of HOC's investments must be on a short-term basis (less than one year); however a portion of the portfolio may be invested in investments with longer maturities (up to two years). The investment requirements for the Multi-Family Fund and Single-Family Fund are specified within each of the bond trust indentures. The bond trustee is required to invest money in obligations with the objective that sufficient money will be available to pay the interest due on the bonds and will mature or be subject to redemption with the objective that sufficient money will be available for the purposes intended in accordance with the Indenture.

Credit Risk

HOC's investment policy for the General Fund, Public Fund and the Opportunity Housing Fund permits the following investment types: U.S. government and federal agencies; repurchase agreements; banker's acceptances; money market mutual funds; Maryland local government investment pool; Montgomery County investment pool; certificates of deposit and time deposits; and commercial paper. Bankers acceptances of domestic banks and commercial paper must maintain the highest rating from one of the Nationally Recognized Statistical Rating Organizations (NRSRO) as designated by the SEC or State Treasurer. Repurchase agreements require collateralization at 102% of the principal amount by an obligation of the United States, its agencies or instrumentalities provided the collateral is held by a custodian other than the seller. Certificates of deposit or time deposits must be collateralized at 102% of the fair value and held by a custodian other than the seller. HOC invests in the Maryland State Local Government Investment Pool (MLGIP). The MLGIP is not subject to regulatory oversight by the SEC, however the MLGIP is operated pursuant to the annotated code of Maryland.

The Single Family and Multi-Family Bond Funds require that the trustee invest moneys on deposit under the indenture in investment obligations as defined by the respective bond indenture agreements. Investment obligations are defined as the following: (i) Government obligations; (ii) bond debentures or other obligations issued by government agencies or corporations; (iii) time deposits or certificate of deposits insured by the Federal Deposit Insurance Corporation; (iv) repurchase agreements backed by obligations described in (i) and (ii) above; (v) investment agreements; (vi) tax exempt obligations; and (vii) money market funds.

Custodial Risk

Amounts held in trust accounts and other demand accounts are covered by federal depository insurance, or collateralized at a level of at least 100% of fair value of principal and accrued interest. Repurchase agreement collateral for the MLGIP is segregated and held in the name of PNC Bank Safe Deposit and Trust's account at the Federal Reserve Bank. The cash and cash equivalents held by PNC Bank for the General Fund, Housing Opportunity Fund and Public Fund are in bank money market accounts and interest bearing accounts. These amounts are unrated by an independent rating agency. The Moody's rating for PNC Bank short-term deposits as of June 30, 2024 was P-1.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

As of June 30, 2024, HOC had the following cash, cash equivalents, investments and maturities:

	<u>Fair Value</u>				<u>Rating</u>
<u>Cash and Cash Equivalents:</u>					
General Sub-Fund:					
Money Market Accounts	\$ 41,804,549				N/A
Opportunity Housing Sub-Fund:					
Investment in MLGIP	2,980,479				AAAm
Money Market Accounts	21,625,600				N/A
Public Sub-Fund:					
Investment in MLGIP	5,009,045				AAAm
Multi-Family Sub-Fund:					
Money Market Accounts	90,894,201				N/A
Single Family Fund:					
Money Market Accounts	52,427,127				N/A
Real Estate Limited Partnership:					
Investment in MLGIP	-				N/A
Certificate of Deposit	-				N/A
Money Market Accounts	6,990,569				N/A
Total cash, cash equivalents and investments	<u>221,731,570</u>				
<u>Short-term Investments:</u>					
Single Family Sub-Fund:					
FNMA Pass through Certificates	1,128,715				Aaa
GNMA Pass through Certificates	933,987				Aaa
FHLMC MBS	703,915				Aaa
Total short-term investments	<u>2,766,617</u>				
<u>Long-term Investments:</u>					
Multi-Family Sub Fund:					
Bank One Investment Agreement	591,525	591,525	-	-	AA/Aa2
Fannie Mae	2,579,900	1,749,954	829,946	-	Aaa
Federal Farm Credit Banks	5,054,910	552,867	1,159,369	3,342,674	Aaa
Federal Home Loan Banks	52,760,485	51,953,922	806,563	-	Aaa
Federal Home Loan Mtg Corp	731,904	-	731,904	-	Aaa
Idaho Housing & Finance Association	1,500,000	-	-	1,500,000	Aaa
Mass Mutual Life Ins GIC	3,580,000	3,580,000	-	-	Unrated
Toronto-Dominium Bank GIC	64,745,022	64,745,022	-	-	Aaa
U.S. Treasuries	254,883	254,883	-	-	Aaa
Single Family Sub-Fund:					
Fannie Mae	880,465	880,465	-	-	Aaa
Federal Farm Credit Banks	2,096,983	-	2,096,983	-	Aaa
Federal Home Loan Banks	4,037,773	-	-	4,037,773	Aaa
Federal Home Loan Mtg Corp	3,403,311	-	1,325,380	2,077,931	Aaa
FHLMC MBS	32,083,924	-	-	32,083,924	Aaa
FNMA Pass-through Certificates	51,242,215	-	-	51,242,215	Aaa
GNMA Pass-through Certificates	40,745,625	-	-	40,745,625	Aaa
Tennessee Valley Authority	2,591,725	-	2,591,725	-	AA+
Total long-term investments	<u>268,880,650</u>	<u>124,308,638</u>	<u>9,541,870</u>	<u>135,030,142</u>	
Cash balances	<u>136,111,062</u>				
Total cash, cash equivalents and investments	<u>\$ 629,489,899</u>				

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Fair Value Measurement

The HOC Commission 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 market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

Level 1 – Unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 – Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy. In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. HOC's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability. The table below shows the fair value leveling of the HOC's investments.

Investments by fair value level	June 30, 2024	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Fannie Mae	\$ 3,460,365	\$ -	\$ 3,460,365	\$ -
Federal Farm Credit Banks	7,151,893	-	7,151,893	-
Federal Home Loan Banks	56,798,258	-	56,798,258	-
Federal Home Loan Mortgage Corp	4,135,215	-	4,135,215	-
FNMA Pass-Through Certificates	52,370,930	-	52,370,930	-
GNMA Pass-Through Certificates	41,679,612	-	41,679,612	-
FHLMC Pass-Through Certificates	32,787,839	-	32,787,839	-
Investment Agreements	591,525	-	591,525	-
Idaho Housing & Finance Association	1,500,000	-	1,500,000	-
Mass Mutual Life Insurance GIC	3,580,000	-	3,580,000	-
Tennessee Valley Authority	2,591,725	-	2,591,725	-
Toronto-Dominium Bank GIC	64,745,022	-	64,745,022	-
U.S. Treasuries	254,883	254,883	-	-
Subtotal - Debt Securities	271,647,267	254,883	271,392,384	-
Investment Derivative Instruments				
Hedging Derivative Instrument-Asset	4,512,438	-	4,512,438	-
Total investments by fair value level	\$ 276,159,705	\$ 254,883	\$ 275,904,822	\$ -

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

B) Receivables

1) Accounts Receivable

Amounts other than lease receivable are aggregated in to a single accounts receivable (net of allowance for uncollectible accounts) line for certain funds and aggregated columns. The detail of receivables as of June 30, 2024, for the County's major funds and internal service funds in the aggregate, including the allowances for uncollectible accounts, were as follows:

	General Fund	Housing Initiative	Grants	Debt Service	Other Governmental Funds	Total Governmental Funds
Receivables						
Income taxes	\$ 483,903,626	\$ -	\$ -	\$ -	\$ -	\$ 483,903,626
Property taxes	24,203,218	-	-	-	19,421,164	43,624,382
Accounts	13,684,345	-	-	-	76,656,712	90,341,057
Notes	248,026	-	3,780,550	19,350,000	-	23,378,576
Parking violations	1,054,250	-	-	-	581,994	1,636,244
Mortgages	290,864	360,470,478	57,625,355	-	1,350,103	419,736,800
Interest	50,557	-	-	-	-	50,557
Total receivables	523,434,886	360,470,478	61,405,905	19,350,000	98,009,973	1,062,671,242
Allowance for uncollectible accounts	(8,688,337)	(29,367,092)	(3,780,550)	-	(28,091,499)	(69,927,478)
Total receivable (net)	\$ 514,746,549	\$ 331,103,386	\$ 57,625,355	\$ 19,350,000	\$ 69,918,474	\$ 992,743,764
Amounts not scheduled for collection during the subsequent year	\$ 290,864	\$ 360,470,478	\$ 61,405,905	\$ -	\$ 1,350,103	\$ 423,517,350
	Liquor	Solid Waste Activities	Parking Lot Districts	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Property taxes	\$ -	\$ -	\$ 271,214	\$ -	\$ 271,214	\$ -
Accounts	6,662,149	1,002,831	36,475	4,255,355	11,956,810	18,530,931
Parking violations	-	-	6,590,160	-	6,590,160	-
Interest	-	-	83,000	-	83,000	-
Total receivables	6,662,149	1,002,831	6,980,849	4,255,355	18,901,184	18,530,931
Allowance for uncollectible accounts	(5,130,978)	(6,613)	(3,693,449)	(337,282)	(9,168,322)	-
Total receivable (net)	\$ 1,531,171	\$ 996,218	\$ 3,287,400	\$ 3,918,073	\$ 9,732,862	\$ 18,530,931
Amounts not scheduled for collection during the subsequent year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

2) Due from/to Component Units

The balances as of June 30, 2024, were:

Due from Component Units / Due to Primary Government:

Due from Component Units:	MCPS	MC	MCRA	HOC	Total
Due to Primary Government:					
General	\$ 41,481	\$ 5,712	\$ 45,631	\$ 29,512	\$ 122,336
Housing Initiative	-	-	-	95,657,616	95,657,616
Grants	-	-	-	12,146,615	12,146,615
Debt Service	-	-	1,860,185	-	1,860,185
Capital Projects	124,829,113	-	-	13,170,816	137,999,929
Parking Lot Districts Enterprise	-	-	-	230,048	230,048
Internal Service	76,072	-	115,209	37,329	228,610
Fiduciary	-	-	7,394	191,058	198,452
Total Due to Primary Government	<u>\$ 124,946,666</u>	<u>\$ 5,712</u>	<u>\$ 2,028,419</u>	<u>\$ 121,462,994</u>	<u>\$ 248,443,791</u>

Due to Component Units / Due from Primary Government:

Due to Component Units:	MCPS	MC	MCRA	HOC	BUP	Total
Due from Primary Government:						
General	\$ 2,454,080	\$ 5,901	\$ 75,005	\$ 53,901	\$ 86,518	\$ 2,675,405
Housing Initiative	-	-	-	63,257	-	63,257
Debt Service	-	484	-	-	-	484
Grants	8,004	11,617	-	37,688	-	57,309
Capital Projects	-	8,119,702	-	365,997	-	8,485,699
Nonmajor Governmental	6,860	-	-	-	46,792	53,652
Parking Lot Districts Enterprise	-	-	-	-	444	444
Nonmajor Enterprise	4,116,614	-	-	-	-	4,116,614
Internal Service	5,022	-	-	-	-	5,022
Total Due from Primary Government	<u>\$ 6,590,580</u>	<u>\$ 8,137,704</u>	<u>\$ 75,005</u>	<u>\$ 520,843</u>	<u>\$ 133,754</u>	<u>\$ 15,457,886</u>

Primary due from/to component unit balances are due to the following:

- \$12.1 million due from HOC to the Grants Special Revenue Fund and \$13.2 million due from HOC to the Capital Projects Fund represent loan receivables in the Opportunity Housing Development Fund and Moderately Priced Dwelling Unit (MPDU)/Property Acquisition Fund, respectively, which are revolving loan funds that are set up between the County and HOC. The County issues loans to HOC to purchase MPDUs or other similar properties which HOC repays to the County based on future cash flows.
- \$95.7 million due from HOC to the Housing Initiative Special Revenue Fund represents mortgage loans, which are generally repayable based on project cash flows, specified future dates, or sales of the respective properties.
- \$124.8 million due from MCPS to the Capital Projects Fund represents the amount of capital cash advanced to MCPS and \$8.1 million due to MC from the Capital Projects Fund represents the amount of capital cash requests that have not yet been paid by the County.

Remaining balances resulted from normal business activities between the County and its component units.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**3) Due from Other Governments**

The total amount due from other governments as of June 30, 2024, was comprised of the following:

	General	Grants	Capital Projects	Solid Waste Activities	Parking Lot Districts	Nonmajor Governmental	Internal Service	Fiduciary	Total
Federal government	\$ 243,177	\$ 31,970,656	\$ 2,210	\$ 9,881	\$ -	\$ -	\$ -	\$ -	\$ 32,225,924
State of Maryland	29,592,355	9,274,349	7,094,394	3,090	-	555,258	267,914	-	46,787,360
Other	159,487	11,849,313	5,706,931	-	182,511	121,367	931,157	2,010	18,952,776
Total	<u>\$ 29,995,019</u>	<u>\$ 53,094,318</u>	<u>\$ 12,803,535</u>	<u>\$ 12,971</u>	<u>\$ 182,511</u>	<u>\$ 676,625</u>	<u>\$ 1,199,071</u>	<u>\$ 2,010</u>	<u>\$ 97,966,060</u>

4) Due to Other Governments

The total amount due to other governments as of June 30, 2024 is \$156.4 million. This amount is comprised mainly of \$120.2 million due to the State of Maryland for claims processed as a result of the final ruling by the United States Supreme Court in the case of Comptroller of the Treasury of Maryland v Wynne et ux. This government-wide amount will be replenished to the State's local reserve account through reduced quarterly income tax distributions which started with the third distribution (May) in FY2021 with a total of eighty equal installments ending in FY2041.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

C) Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities				
Nondepreciable Capital Assets:				
Land	\$ 1,176,752,022	\$ 16,647,493	\$ (9,709,254)	\$ 1,183,690,261
Construction in progress	1,361,571,497	227,543,117	(114,433,890)	1,474,680,724
Total Nondepreciable Capital Assets	<u>2,538,323,519</u>	<u>244,190,610</u>	<u>(124,143,144)</u>	<u>2,658,370,985</u>
Buildings	1,450,978,389	5,208,915	-	1,456,187,304
Improvements other than buildings	199,647,978	16,606,001	(400,773)	215,853,206
Furniture, fixtures, equipment and machinery	270,395,919	7,359,341	(14,254)	277,741,006
Leasehold improvements	17,924,190	-	-	17,924,190
Automobiles and trucks	362,087,625	28,529,358	(18,166,511)	372,450,472
Infrastructure	2,927,137,288	90,231,949	(741)	3,017,368,496
Other assets	142,462,098	2,880,063	-	145,342,161
Lease assets - buildings	158,726,236	990,386	(1,373,321)	158,343,301
Lease assets - land	4,446,531	-	(9,925)	4,436,606
Lease assets - equipment	6,069,375	-	(5,750,640)	318,735
Subscription assets	16,819,345	13,069,638	(1,091,584)	28,797,399
Total Depreciable and Amortizable Capital Assets	<u>5,556,694,974</u>	<u>164,875,651</u>	<u>(26,807,749)</u>	<u>5,694,762,876</u>
Less Accumulated Depreciation and Amortization for:				
Buildings	(582,246,944)	(30,933,770)	-	(613,180,714)
Improvements other than buildings	(44,674,141)	(4,472,531)	7,348	(49,139,324)
Furniture, fixtures, equipment and machinery	(226,069,987)	(6,390,779)	12,129	(232,448,637)
Leasehold improvements	(16,045,976)	(992,773)	-	(17,038,749)
Automobiles and trucks	(275,750,998)	(23,827,124)	17,829,077	(281,749,045)
Infrastructure	(1,058,697,512)	(56,737,228)	-	(1,115,434,740)
Other assets	(52,117,615)	(3,832,279)	-	(55,949,894)
Lease assets - buildings	(47,178,739)	(16,097,880)	1,354,193	(61,922,426)
Lease assets - land	(611,211)	(202,237)	9,925	(803,523)
Lease assets - equipment	(5,213,230)	(840,978)	5,750,640	(303,568)
Subscription assets	(4,383,123)	(5,842,863)	1,091,584	(9,134,402)
Total Accumulated Depreciation and Amortization	<u>(2,312,989,476)</u>	<u>(150,170,442)</u>	<u>26,054,896</u>	<u>(2,437,105,022)</u>
Total Depreciable and Amortizable Assets, net	<u>3,243,705,498</u>	<u>14,705,209</u>	<u>(752,853)</u>	<u>3,257,657,854</u>
Governmental Activities Capital Assets, net	<u>\$ 5,782,029,017</u>	<u>\$ 258,895,819</u>	<u>\$ (124,895,997)</u>	<u>\$ 5,916,028,839</u>
Business-Type Activities				
Nondepreciable Capital Assets:				
Land	\$ 58,370,976	\$ -	\$ -	\$ 58,370,976
Construction in progress	7,181,137	1,190,788	(6,712,134)	1,659,791
Total Nondepreciable Capital Assets	<u>65,552,113</u>	<u>1,190,788</u>	<u>(6,712,134)</u>	<u>60,030,767</u>
Depreciable and Amortizable Capital Assets:				
Buildings	304,812,703	203,422	-	305,016,125
Improvements other than buildings	210,081,735	10,820,467	-	220,902,202
Furniture, fixtures, equipment and machinery	38,778,603	1,594,106	(48,209)	40,324,500
Infrastructure	14,351	-	-	14,351
Automobiles and trucks	8,918,875	403,516	(250,343)	9,072,048
Lease assets - buildings	57,610,619	15,657,535	-	73,268,154
Subscription assets	4,919,008	712,572	-	5,631,580

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Total Depreciable and Amortizable Capital Assets	\$ 625,135,894	\$ 29,391,618	\$ (298,552)	\$ 654,228,960
Less Accumulated Depreciation and Amortization for:				
Buildings	(199,248,941)	(7,251,356)	-	(206,500,297)
Improvements other than buildings	(153,267,791)	(3,131,071)	-	(156,398,862)
Furniture, fixtures, equipment and machinery	(31,579,275)	(1,942,238)	34,655	(33,486,858)
Infrastructure	(9,615)	(574)	-	(10,189)
Automobiles and trucks	(4,689,139)	(628,280)	250,343	(5,067,076)
Lease assets - buildings	(18,144,699)	(5,716,782)	-	(23,861,481)
Subscription assets	(2,201,785)	(1,454,945)	-	(3,656,730)
Total Accumulated Depreciation and Amortization	(409,141,245)	(20,125,246)	284,998	(428,981,493)
Total Depreciable and Amortizable Assets, net	<u>215,994,649</u>	<u>9,266,372</u>	<u>(13,554)</u>	<u>225,247,467</u>
Business-Type Activities Capital Assets, net	<u>\$ 281,546,762</u>	<u>\$ 10,457,160</u>	<u>\$ (6,725,688)</u>	<u>\$ 285,278,234</u>

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

Governmental activities:	
General government	\$ 45,385,930
Public safety	10,507,784
Transportation	82,524,596
Health and human services	585,841
Culture and recreation	8,179,467
Community development and housing	583,634
Environment	2,403,190
Total depreciation/amortization expense-governmental activities	<u>\$ 150,170,442</u>
Business-type activities:	
Liquor	\$ 7,834,738
Solid waste activities	1,887,589
Parking lot districts	9,816,400
Permitting services	586,519
Total depreciation/amortization expense-business-type activities	<u>\$ 20,125,246</u>

Construction commitments as of June 30, 2024, are as follows:

General Government	\$ 69,423,405
Public Safety	19,372,600
Transportation	180,525,891
Culture & Recreation	243,255
Community Development and Housing	4,545,188
Environment	47,275,919
Total	<u>\$ 321,386,258</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Component Units

Capital assets of MCPS, amounting to \$4,020.4 million as of June 30, 2024, are significant in relation to the total component unit capital assets.

	Balance July 1, 2023	Increases	Decreases	Balance June 30, 2024
Governmental Activities				
Nondepreciable capital assets:				
Land	\$ 113,117,160	\$ -	\$ -	\$ 113,117,160
Construction in progress	349,315,209	203,121,583	(253,811,799)	298,624,993
Total nondepreciable capital assets	<u>462,432,369</u>	<u>203,121,583</u>	<u>(253,811,799)</u>	<u>411,742,153</u>
Depreciable capital assets:				
Buildings and improvements	4,406,718,191	254,182,554	(29,679,386)	4,631,221,359
Site improvements	545,934,915	25,865,171	-	571,800,086
Vehicles and equipment	222,412,951	7,047,484	(12,213,185)	217,247,250
Lease assets - buildings	86,661,455	20,050,276	-	106,711,731
Lease assets - vehicles	12,957,472	-	-	12,957,472
Subscription asset	31,789,174	10,220,748	-	42,009,922
Total depreciable capital assets	<u>5,306,474,158</u>	<u>317,366,233</u>	<u>(41,892,571)</u>	<u>5,581,947,820</u>
Less accumulated depreciation for:				
Buildings and improvements	(1,738,901,010)	(118,963,158)	25,994,322	(1,831,869,846)
Site improvements	(127,817,692)	(9,633,604)	-	(137,451,296)
Vehicles and equipment	(135,252,738)	(15,040,783)	12,098,129	(138,195,392)
Lease assets - buildings	(3,388,696)	(3,402,978)	-	(6,791,674)
Lease assets - vehicles	(1,910,397)	(996,729)	-	(2,907,126)
Subscription asset	(4,110,272)	(6,072,004)	-	(10,182,276)
Total accumulated depreciation	<u>(2,011,380,805)</u>	<u>(154,109,256)</u>	<u>38,092,451</u>	<u>(2,127,397,610)</u>
Total depreciable capital assets, net	<u>3,295,093,353</u>	<u>163,256,977</u>	<u>(3,800,120)</u>	<u>3,454,550,210</u>
Government activities capital assets, net	<u>\$ 3,757,525,722</u>	<u>\$ 366,378,560</u>	<u>\$ (257,611,919)</u>	<u>\$ 3,866,292,363</u>
Business-Type Activities				
Depreciable capital assets:				
Vehicles and equipment	\$ 23,768,572	\$ -	\$ (161,635)	\$ 23,606,937
Lease assets - buildings	161,281,632	-	-	161,281,632
Total depreciable capital assets	<u>185,050,204</u>	<u>-</u>	<u>(161,635)</u>	<u>184,888,569</u>
Less accumulated depreciation for:				
Vehicles and equipment	(18,819,454)	(1,108,434)	157,437	(19,770,451)
Lease assets - buildings	(6,528,094)	(4,485,563)	-	(11,013,657)
Total accumulated depreciation	<u>(25,347,548)</u>	<u>(5,593,997)</u>	<u>157,437</u>	<u>(30,784,108)</u>
Business-type activities capital assets, net	<u>\$ 159,702,656</u>	<u>\$ (5,593,997)</u>	<u>\$ (4,198)</u>	<u>\$ 154,104,461</u>
Total MCPS government-wide capital assets				<u>\$ 4,020,396,824</u>

Depreciation expense of MCPS was charged to functions/programs as follows:

Governmental activities:	
Regular instruction	\$ 108,992,056
Special education	90,920
Student transportation	14,240,690
Operation of plant	3,831,983
Maintenance of plant	20,772,372
Administration	6,171,105
Community services	10,130
Total depreciation expense-governmental activities	<u>\$ 154,109,256</u>
Business-type activities:	
Food services	\$ 1,093,116
Real estate management	4,485,563
Entrepreneurial	15,318
Total depreciation expense-business type activities	<u>\$ 5,593,997</u>

Commitments for ongoing construction in progress as of June 30, 2024, were \$431,127,211.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**D) Interfund Receivables, Payables, and Transfers**

The composition of interfund receivables and payables as of June 30, 2024 , is as follows:

Due To Fund	Due From Fund			
	General	Internal Service	Fiduciary	Total
General	\$ -	\$ 4,942,122	\$ 3,269,691	\$ 8,211,813
Housing Initiative	-	17,060	13,888	30,948
Grants	25,337,091	189,591	107,221	25,633,903
Debt Service	1,132,195	-	-	1,132,195
Capital Projects	276,602,312	150,762	116,056	276,869,130
Liquor	-	344,309	137,599	481,908
Solid Waste Activities	-	86,295	59,316	145,611
Parking Lot Districts	-	34,698	21,638	56,336
Nonmajor Governmental	-	2,007,530	2,400,477	4,408,007
Nonmajor Enterprise	-	213,938	148,751	362,689
Internal Service	-	212,529	4,967,796	5,180,325
Fiduciary	-	7,573,398	14,629	7,588,027
Total	<u>\$ 303,071,598</u>	<u>\$ 15,772,232</u>	<u>\$ 11,257,062</u>	<u>\$ 330,100,892</u>

Included in the amounts presented above are the following short-term loans from the General Fund that were, or will be, repaid during FY25:

- \$25.3 million to the Grants Special Revenue Fund to cover vendor payments prior to revenues being received from other government agencies.
- \$276.6 million to the Capital Projects Fund to cover construction payments, due primarily to the timing of reimbursements from Federal, State and other agencies, and the lag time between programming and collection of certain impact taxes.

Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) payroll accruals are charged to fiduciary funds.

Interfund transfers for the year ended June 30, 2024 , consisted of the following:

Transfers Out Fund	Transfers In Fund				Subtotal Major Governmental
	General	Housing Initiative	Debt Service	Capital Projects	
General	\$ -	\$ 33,257,439	\$ 369,639,360	\$ 109,671,448	\$ 512,568,247
Housing Initiative	553,515	-	15,300,975	50,226,034	66,080,524
Capital Projects	-	51,666,917	228,877	-	51,895,794
Debt Service	-	-	-	79,229,640	79,229,640
Liquor	34,629,492	-	4,442,921	1,408,730	40,481,143
Solid Waste Activities	3,537,816	-	-	-	3,537,816
Parking Lot Districts	6,174,807	-	-	-	6,174,807
Nonmajor Governmental	32,050,857	-	64,480,322	26,317,555	122,848,734
Nonmajor Enterprise	6,832,379	-	1,202,602	-	8,034,981
Internal Service Funds	-	-	514,250	-	514,250
Total	<u>\$ 83,778,866</u>	<u>\$ 84,924,356</u>	<u>\$ 455,809,307</u>	<u>\$ 266,853,407</u>	<u>\$ 891,365,936</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Transfers Out Fund	Transfers In Fund				Total
	Parking Lot Districts	Nonmajor Governmental	Nonmajor Enterprise	Internal Service	
General	\$ -	\$ 43,815,010	\$ 25,000	\$ 5,200,000	\$ 561,608,257
Housing Initiative	-	-	-	-	66,080,524
Capital Projects	-	-	-	-	51,895,794
Debt Service	-	-	-	-	79,229,640
Liquor	-	-	-	-	40,481,143
Solid Waste Activities	-	-	-	-	3,537,816
Parking Lot Districts	-	-	-	-	6,174,807
Nonmajor Governmental	-	3,400,000	-	-	126,248,734
Nonmajor Enterprise	-	-	-	-	8,034,981
Internal Service Funds	-	-	-	-	514,250
Total	\$ -	\$ 47,215,010	\$ 25,000	\$ 5,200,000	\$ 943,805,946

Primary activities include:

- Transfers from major and nonmajor governmental funds to the Debt Service Fund to provide funding for debt service principal and interest payments;
- Transfers of current receipts and pay as you go (PAYGO) from the General Fund to the Capital Projects Fund;
- Transfer of Liquor Enterprise Fund profits to the General Fund; and
- Transfers from Capital Projects to Housing Initiative to build multi-family housing.

E) Leases

1) County as Lessee

The County has entered into various lease agreements as lessee primarily for office space, land and office equipment. Most leases have initial terms of up to 20 years, and contain one or more renewals at the County's option, generally for three- or five-year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expensed as incurred as variable lease payments. For the County's transportation equipment leases, variable payments include those for property taxes and mileage. For office space leases that include variable payments, those include payments for the County's proportionate share of the building's property taxes, insurance, and common area maintenance. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

As of June 30, 2024, the statement of net position includes the following amounts relating to leases:

	Governmental Activities	Business-type Activities	Total
Lease assets:			
Buildings	\$ 158,343,301	\$ 73,268,154	\$ 231,611,455
Land	4,436,606	-	4,436,606
Equipment	318,735	-	318,735
Total lease assets	163,098,642	73,268,154	236,366,796
Less accumulated amortization for:			
Lease assets:			
Buildings	(61,922,426)	(23,861,481)	(85,783,907)
Land	(803,523)	-	(803,523)
Equipment	(303,568)	-	(303,568)
Total accumulated amortization	(63,029,517)	(23,861,481)	(86,890,998)
Total lease assets, net:			
Buildings	96,420,875	49,406,673	145,827,548
Land	3,633,083	-	3,633,083
Equipment	15,167	-	15,167
Total	<u>\$ 100,069,125</u>	<u>\$ 49,406,673</u>	<u>\$ 149,475,798</u>
Lease payable:			
Current	\$ 15,202,735	\$ 5,074,512	\$ 20,277,247
Non-current	94,115,517	47,508,292	141,623,809
Total	<u>\$ 109,318,252</u>	<u>\$ 52,582,804</u>	<u>\$ 161,901,056</u>

The future principal and interest lease payments as of June 30, 2024, are as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 15,202,735	\$ 2,021,540	\$ 17,224,275	\$ 5,074,512	\$ 1,298,639	\$ 6,373,151
2026	14,591,419	1,707,537	16,298,956	5,001,862	1,101,431	6,103,293
2027	11,949,827	1,429,433	13,379,260	4,794,785	991,154	5,785,939
2028	9,127,644	1,212,388	10,340,032	4,355,456	888,580	5,244,036
2029	7,715,224	1,042,410	8,757,634	4,083,499	789,819	4,873,318
2030-2034	21,619,734	3,663,265	25,282,999	16,375,004	2,706,931	19,081,935
2035-2039	14,110,707	1,977,380	16,088,087	9,857,511	1,072,595	10,930,106
2040-2044	7,840,840	860,845	8,701,685	3,040,175	209,313	3,249,488
2045-2049	3,969,035	370,682	4,339,717	-	-	-
2050-2054	3,191,087	97,603	3,288,690	-	-	-
Total	<u>\$109,318,252</u>	<u>\$ 14,383,083</u>	<u>\$123,701,335</u>	<u>\$ 52,582,804</u>	<u>\$ 9,058,462</u>	<u>\$ 61,641,266</u>

In December 2021, the County entered into a 25-year ground lease with the Montgomery County Revenue Authority (MCRA) to lease approximately 3.6 acres of land that was to be developed into a customer winery, education and events center, and vineyard (the facilities). Under the lease agreement, the County will make payments sufficient to cover the debt service on the \$15,940,000 Crossvines Lease Revenue Bonds, Series 2021, that were issued by MCRA to finance the construction of the facilities. The County simultaneously entered into an operating agreement with MCRA whereby MCRA will construct, operate, and maintain the facilities. Net operating profits collected by MCRA will be used to reimburse the County for payments made under the lease agreement. The lease and operating agreements represent a lease-leaseback transaction under GASB Statement No. 87, *Leases*, and the net transaction has been determined by the County to be immaterial. As such, the transaction is not reflected in the right-of-use asset or lease payable balances noted above. During FY24, the County made \$860,113 of payments under the lease agreement.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

The future principal and interest lease payments as of June 30, 2024, are as follows:

Fiscal Year	Lease Payment Requirements		
	Principal	Interest	Total
2025	\$ 430,000	\$ 429,113	\$ 859,113
2026	455,000	406,988	861,988
2027	475,000	383,738	858,738
2028	500,000	359,363	859,363
2029	525,000	333,738	858,738
2030-2034	3,025,000	1,274,938	4,299,938
2035-2039	3,435,000	869,763	4,304,763
2040-2044	3,805,000	500,181	4,305,181
2045-2047	2,490,000	89,150	2,579,150
Total	<u>\$ 15,140,000</u>	<u>\$ 4,646,972</u>	<u>\$ 19,786,972</u>

2) County as Lessor

The County leases out some of its buildings and land. Most leases have initial terms of up to 20 years, and contain one or more renewals at the County's option, generally for three or five-year periods. The County has included these renewal periods in the lease term when they are both noncancellable and reasonably certain to be exercised. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments. Although the County is exposed to changes in the residual value at the end of the current leases, the County typically enters into new operating leases and therefore will not immediately realize any reduction in residual value at the end of these leases.

The total amount of inflows of resources relating to leases recognized in the current fiscal year are as follows:

	Governmental Activities	Business-type Activities	Total
Lease revenue	\$ 4,769,615	\$ 1,820,118	\$ 6,589,733
Interest revenue	1,318,079	526,306	1,844,385

As of June 30, 2024, the principle and interest requirements to maturity for the lease receivable are as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 1,533,762	\$ 1,141,438	\$ 2,675,200	\$ 1,607,632	\$ 501,045	\$ 2,108,677
2026	1,561,261	1,103,170	2,664,431	1,633,756	476,776	2,110,532
2027	1,628,303	1,063,333	2,691,636	1,611,480	452,582	2,064,062
2028	1,635,012	1,024,053	2,659,065	1,631,792	429,736	2,061,528
2029	1,603,891	976,706	2,580,597	1,651,571	404,374	2,055,945
2030-2034	5,971,872	4,303,611	10,275,483	8,605,211	1,648,017	10,253,228
2035-2039	4,603,411	3,734,837	8,338,248	9,242,683	991,546	10,234,229
2040-2044	3,441,235	3,275,648	6,716,883	7,932,641	296,154	8,228,795
2045-2049	2,446,719	2,970,593	5,417,312	202,556	31,673	234,229
2050-2054	2,667,002	2,678,150	5,345,152	184,550	8,627	193,177
2055-2059	2,303,666	2,419,472	4,723,138	-	-	-
2060-2064	2,910,987	2,136,784	5,047,771	-	-	-
2065-2069	2,771,616	1,802,477	4,574,093	-	-	-
2070-2074	2,520,319	1,532,866	4,053,185	-	-	-
2075-2079	3,041,292	1,229,820	4,271,112	-	-	-
2080-2084	3,658,684	865,066	4,523,750	-	-	-
2085-2089	3,963,276	427,638	4,390,914	-	-	-
2090-2094	1,901,834	87,235	1,989,069	-	-	-
Total	<u>\$ 50,164,142</u>	<u>\$ 32,772,897</u>	<u>\$ 82,937,039</u>	<u>\$ 34,303,872</u>	<u>\$ 5,240,530</u>	<u>\$ 39,544,402</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**F) Subscription-Based Information Technology Arrangements**

The County has entered into various subscription-based information technology arrangements (SBITAs) for software use. Most arrangements have initial terms of up to 5 years, and contain one or more renewals at the County's option, generally for one or two-year periods. The County has generally included these renewal periods in the subscription term when it is reasonably certain that the County will exercise the renewal option. Variable payments that are not fixed in substance and those that do not depend on an index rate, or a rate measured using the index or rate as of the commencement of the subscription term are not included in the measurement of the subscription liability. As the interest rate implicit in the County's SBITAs is not readily determinable, the County utilizes its incremental borrowing rate to discount the subscription payments.

As of June 30, 2024, the statement of net position includes the following amounts relating to SBITAs:

	Governmental Activities	Business-type Activities	Total
Subscription assets	\$ 28,797,399	\$ 5,631,580	\$ 34,428,979
Less accumulated amortization for:			
Subscription assets	(9,134,402)	(3,656,730)	(12,791,132)
 Total subscription assets, net	 <u>\$ 19,662,997</u>	 <u>\$ 1,974,850</u>	 <u>\$ 21,637,847</u>
 Subscription liabilities:			
Current	\$ 5,070,149	\$ 690,155	\$ 5,760,304
Non-current	14,129,972	885,375	15,015,347
 Total	 <u>\$ 19,200,121</u>	 <u>\$ 1,575,530</u>	 <u>\$ 20,775,651</u>

The future principal and interest subscription payments as of June 30, 2024, are as follows:

Fiscal Year	Governmental activities			Business-type activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 5,070,149	\$ 612,066	\$ 5,682,215	\$ 690,155	\$ 48,424	\$ 738,579
2026	4,108,566	461,354	4,569,920	499,616	27,423	527,039
2027	2,878,038	333,649	3,211,687	215,893	12,113	228,006
2028	1,884,532	254,283	2,138,815	162,297	5,334	167,631
2029	829,610	188,648	1,018,258	7,569	238	7,807
2030-2034	1,529,316	682,674	2,211,990	-	-	-
2034-2039	1,838,527	373,463	2,211,990	-	-	-
2040-2044	1,061,383	51,748	1,113,131	-	-	-
Total	<u>\$ 19,200,121</u>	<u>\$ 2,957,885</u>	<u>\$ 22,158,006</u>	<u>\$ 1,575,530</u>	<u>\$ 93,532</u>	<u>\$ 1,669,062</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

G) Long-Term Debt

Primary Government

1) Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2024, was as follows:

Governmental Activities	Balance			Balance	Due within
	July 1, 2023	Additions	Reductions		
Bonds payable:					
General obligation bonds	\$ 3,075,830,000	\$ 280,000,000	\$ (275,080,000)	\$ 3,080,750,000	\$ 286,840,000
Variable rate demand obligations	170,000,000	-	-	170,000,000	-
Bond anticipation notes	217,000,000	250,000,000	(217,000,000)	250,000,000	250,000,000
Revenue bonds					
Liquor	38,787,762	-	(3,227,196)	35,560,566	3,291,322
Water quality protection	74,597,949	4,500,888	(6,346,994)	72,751,843	6,759,252
Lease revenue bonds payable	6,400,000	-	(2,985,000)	3,415,000	440,000
Add remaining original issue premium	261,709,670	17,051,580	(43,839,498)	234,921,752	-
Total bonds payable	<u>3,844,325,381</u>	<u>551,552,468</u>	<u>(548,478,688)</u>	<u>3,847,399,161</u>	<u>547,330,574</u>
Other long-term obligations:					
Certificates of participation	114,390,000	-	(11,900,000)	102,490,000	11,785,000
Taxable limited obligation certificates	138,875,000	-	(8,680,000)	130,195,000	8,895,000
Notes payable	24,806,084	-	(1,680,416)	23,125,668	1,759,658
Equipment notes	31,148,084	16,613,629	(6,148,084)	41,613,629	7,529,110
Leases payable	124,215,226	990,386	(15,887,360)	109,318,252	15,202,735
Subscription liabilities	11,863,610	13,069,638	(5,733,127)	19,200,121	5,070,149
Other obligations	45,385,000	-	(2,225,000)	43,160,000	2,235,000
Add remaining original issue premium	14,242,252	-	(1,919,551)	12,322,701	-
Total other long-term obligations	<u>504,925,256</u>	<u>30,673,653</u>	<u>(54,173,538)</u>	<u>481,425,371</u>	<u>52,476,652</u>
Other non-debt related liabilities:					
Compensated absences	125,890,131	83,639,267	(75,817,744)	133,711,654	80,226,992
Net OPEB liability	791,607,659	-	(64,011,873)	727,595,786	-
Claims payable - self-insurance	232,947,560	238,466,463	(236,562,704)	234,851,319	59,043,335
Net pension liability - county	-	115,187,188	-	115,187,188	-
Net pension liability - county (LOSAP)	38,635,472	5,170,160	(3,804,077)	40,001,555	1,920,974
Net pension liability - state	5,959,980	-	(19,321)	5,940,659	-
Total other non-debt related	<u>1,195,040,802</u>	<u>442,463,078</u>	<u>(380,215,719)</u>	<u>1,257,288,161</u>	<u>141,191,301</u>
Total Governmental Activities Liabilities	\$ 5,544,291,439	\$ 1,024,689,199	\$ (982,867,945)	\$ 5,586,112,693	\$ 740,998,527
Business-Type Activities					
Revenue bonds:					
Liquor	\$ 23,877,238	\$ -	\$ (2,962,804)	\$ 20,914,434	\$ 3,068,678
Parking revenue bonds	18,968,000	-	(1,970,000)	16,998,000	1,996,000
Add remaining original issue premium	1,917,646	-	(453,035)	1,464,611	-
Total revenue bonds	<u>44,762,884</u>	<u>-</u>	<u>(5,385,839)</u>	<u>39,377,045</u>	<u>5,064,678</u>
Other long-term obligations:					
Certificates of participation	740,000	-	(395,000)	345,000	345,000
Leases payable	42,021,366	15,657,535	(5,096,097)	52,582,804	5,074,512
Subscription liabilities	2,322,235	712,572	(1,459,277)	1,575,530	690,155
Add remaining original issue premium	7,057	-	(7,057)	-	-
Total other long-term obligations	<u>45,090,658</u>	<u>16,370,107</u>	<u>(6,957,431)</u>	<u>54,503,334</u>	<u>6,109,667</u>
Other non-debt related liabilities:					
Compensated absences	10,861,274	735,663	(725,781)	10,871,156	6,522,693
Net pension liability - county	-	3,922,397	-	3,922,397	-
Landfill closure costs	14,891,687	2,988,534	(3,173,795)	14,706,426	1,862,962
Gude landfill remediation	44,054,403	-	(22,938,382)	21,116,021	-
Total other non-debt related	<u>69,807,364</u>	<u>7,646,594</u>	<u>(26,837,958)</u>	<u>50,616,000</u>	<u>8,385,655</u>
Total Business-Type Activities Liabilities	\$ 159,660,906	\$ 24,016,701	\$ (39,181,228)	\$ 144,496,379	\$ 19,560,000

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Funding Source for Other Non-debt Related Liabilities

Long-term liabilities for internal service funds are included as part of the above totals for governmental activities. At year-end, \$4,628,177 (\$2,776,906 due within one year and \$1,851,271 due in more than one year), \$773,404 (\$345,020 due within one year and \$428,384 due in more than one year) and \$810,942 (\$336,850 due within one year and \$474,092 due in more than one year) of internal service fund compensated absences, leases payable and subscription liabilities were included, respectively, in the above amounts. Compensated absences liabilities of governmental activities are generally liquidated by the governmental funds that incurred the associated personnel cost. The general fund normally liquidates 61%, and the fire and mass transit funds normally liquidate 19% and 8%, respectively. The remaining 12% is liquidated by other governmental funds.

Net other post-employment benefit (OPEB) liabilities are liquidated with General Fund resources.

Net pension liabilities are liquidated with General Fund resources.

Landfill related obligations are liquidated from the Solid Waste Activities funds.

2) General Obligation Bonds Payable

General obligation bonds are authorized, issued, and outstanding for the following purposes: (1) General County Facilities, (2) Roads and Storm Drainage, (3) Parks, (4) Public Schools, (5) College, (6) Consolidated Fire Tax District, (7) Mass Transit Facilities, and (8) Public Housing Facilities. All bonds are valid and legally binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Such bonds are payable from ad valorem taxes, unlimited as to rate or amount, on all real, tangible personal, and certain intangible property that is subject to taxation at full rates for local purposes in the County.

Proceeds from general obligation bonds for public schools and the community college are appropriated by the County Council to MCPS and MC (component units), respectively, and remitted to such component units by the County. For GAAP purposes, proceeds from debt issuance for these purposes and any related expenditures incurred and reimbursed to the component units are reflected as other financing sources and expenditures, respectively, in the accompanying fund financial statements. These amounts are not budgeted by the County since this activity is appropriated for budget purposes to the component units. Any general obligation bond proceeds, not yet expended by the component units at year end, are reflected as Restricted Fund Balance of the Capital Projects Fund.

The County issued Series A \$280,000,000 in new money general obligation bonds dated September 28, 2023 with a true interest cost of 3.75%. The County received a premium of \$17,051,580.

General obligation bond issues outstanding as of June 30, 2024, are as follows:

Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2024	Unamortized Premium	Carrying Value June 30, 2024
11/26/13 *	2023-24	5.00 %	\$ 24,915,000	\$ 8,485,000	\$ 82,893	\$ 8,567,893
11/19/14	2015-34	4.00 - 5.00	500,000,000	25,000,000	527,913	25,527,913
11/19/14 *	2016-28	5.00	297,990,000	148,465,000	6,197,100	154,662,100
12/01/15	2016-35	3.00 - 5.00	300,000,000	180,000,000	9,029,229	189,029,229
12/13/16	2017-36	3.00 - 5.00	340,000,000	221,000,000	12,547,586	233,547,586
11/15/17	2018-27	5.00	170,000,000	68,000,000	3,998,941	71,998,941
11/15/17 *	2018-26	5.00	78,270,000	19,010,000	702,453	19,712,453
11/15/17 *	2019-31	3.00 - 5.00	294,625,000	204,340,000	15,580,870	219,920,870
11/15/17 *	2020-29	3.00 - 4.00	143,830,000	86,420,000	4,425,465	90,845,465
11/08/18	2019-38	3.50 - 5.00	330,000,000	247,500,000	16,643,593	264,143,593
11/07/19	2020-39	3.00 - 5.00	320,000,000	256,000,000	28,674,759	284,674,759
08/05/20	2021-40	1.75 - 4.00	320,000,000	272,000,000	26,083,962	298,083,962
08/05/20 *	2023-32	4.00	163,950,000	150,655,000	20,816,468	171,471,468
08/05/20 *	2023-34	0.50 - 1.85	370,845,000	368,875,000	1,137,644	370,012,644
09/08/21	2022-41	2.00 - 5.00	310,000,000	279,000,000	36,671,301	315,671,301
09/01/22	2023-42	4.00 - 5.00	280,000,000	266,000,000	29,192,484	295,192,484
09/28/23	2024-43	4.00 - 5.00	280,000,000	280,000,000	16,375,199	296,375,199
Total			<u>\$ 4,524,425,000</u>	<u>\$ 3,080,750,000</u>	<u>\$ 228,687,860</u>	<u>\$ 3,309,437,860</u>

* Issue represents refunding bonds.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

General obligation bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	General Obligation Bond Requirements		
	Principal	Interest	Total
2025	\$ 286,840,000	\$ 112,404,555	\$ 399,244,555
2026	279,850,000	99,401,675	379,251,675
2027	270,395,000	86,803,880	357,198,880
2028	257,365,000	75,477,590	332,842,590
2029	236,075,000	65,848,709	301,923,709
2030-2034	963,460,000	212,197,037	1,175,657,037
2035-2039	566,265,000	77,309,951	643,574,951
2040-2044	220,500,000	13,755,000	234,255,000
Total	<u>\$ 3,080,750,000</u>	<u>\$ 743,198,397</u>	<u>\$ 3,823,948,397</u>

Article 25A, Section 5(P), of the Annotated Code of Maryland, authorizes borrowing of funds and issuance of bonds to a maximum of six percent of the assessable base of real property and 15 percent of the assessable base of personal property and operating real property. The legal debt margin as of June 30, 2024 is \$10,013,955,777.

Prior Year Defeasance of Debt

In prior years, the County defeased certain general obligations and other bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2024, \$250,000,000 of bonds outstanding are considered defeased.

General obligation bonds authorized and unissued as of June 30, 2024 are \$1,056,573,000 and \$872,276,001, respectively. These amounts include amounts related to variable rate demand obligations (see Note III-G3). In addition to this bond authority, the County has authority under the provisions of Section 56-13 of the 1994 Montgomery County Code, as amended, to issue County bonds within statutory debt limits to finance approved urban renewal projects.

3) Variable Rate Demand Obligations

On December 19, 2017, the County issued VRDOs in the amount of \$170,000,000. The bonds are subject to optional redemption at par in whole on any date or in part on any interest payment date upon 15 days' notice. Additionally, the County is subject to mandatory sinking fund redemption on November 1 in each of the years 2028 through 2037.

The interest rate on the obligations, which re-sets daily, is established by the remarketing agents and is payable on the first business day of each month. Other potential modes for the obligations include a Weekly Mode, a Commercial Paper Mode, a Term Rate Mode or a Fixed Rate Mode. Subject to certain terms and conditions in the Note Order, the County may affect a change in mode with respect to the obligations. The obligations are subject to optional tender and purchase on the demand of the owners thereof, upon certain terms. All such obligations are general obligations of the County to the payment of which the full faith and credit and unlimited taxing power of the County is irrevocably pledged.

In connection with VRDOs, on December 1, 2017, the County entered into a Standby Bond Purchase Agreement with U.S. Bank National Association. The Agreement which has been renewed for an additional term ending on November 7, 2025 requires U.S. Bank National Association to provide funds for the purchase of VRDOs that have been tendered and not remarketed pursuant to such agreement. Because the County entered into a financing agreement that ensures the VRDOs can be refinanced on a long-term basis, these obligations are classified as noncurrent liabilities at year-end.

VRDOs outstanding as of June 30, 2024, are as follows:

Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2023	Bond Addition	Bonds Retired	Balance June 30, 2024
12/19/17	2028-37	Variable	<u>\$170,000,000</u>	<u>\$ 170,000,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,000,000</u>

For budget and bond authority purposes, VRDO activity is reported with general obligation bonds.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

VRDO requirements to maturity are as follows:

Fiscal Year Ending June 30	Variable Rate Demand Obligation Requirements		
	Principal	Interest*	Total
2025	\$ -	\$ 7,820,000	\$ 7,820,000
2026	-	7,820,000	7,820,000
2027	-	7,820,000	7,820,000
2028	-	7,820,000	7,820,000
2029	17,000,000	7,429,000	24,429,000
2030-2034	85,000,000	25,415,000	110,415,000
2035-2038	68,000,000	6,256,000	74,256,000
Total	\$ 170,000,000	\$ 70,380,000	\$ 240,380,000

* Interest is calculated based on the interest rate as of the financial statement date. The interest rate for the VRDOs as of June 30, 2024 was 4.60%.

4) Revenue Bonds Payable

Revenue bonds are authorized, issued, and outstanding to finance specific projects such as parking garages for the Bethesda Parking Lot District, Alcohol Beverage Service facilities, and Water Quality stormwater management facilities. Net revenues of respective funds are pledged against the timely repayment of principal and interest of the outstanding revenue bonds. Revenue bonds authorized and unissued as of June 30, 2024 are \$633,398,000 and \$75,203,680, respectively.

Parking Revenue Bonds

In May 2021, the County issued \$16,934,000 and \$5,874,000 in Parking Revenue Refunding Bonds 2021 Series A and Series B, respectively. These bonds were issued with a true interest cost of 1.81% and 1.25%, respectively. The proceeds privately placed with Truist and STI International were used to refund \$17,860,000 in Parking System Projects Revenue Bonds Series 2012A, \$1,820,000 in Refunding Revenue Bonds Series 2012B and \$5,848,000 in Parking Revenue Refunding Bonds Series 2015.

	Dated Date	Original Maturity	Rate of Interest	Originally Issued	Years Refunded	Amount Refunded
Parking Revenue Bonds Refunded:						
Bethesda Parking Lot District 2012	05/16/12	2015-32	3.000 - 5.000 %	\$ 24,190,000	2021-32	\$ 17,860,000
Bethesda Parking Lot District 2012 Ref.	05/16/12	2013-21	2.000 - 5.000	13,750,000	2021	1,820,000
Bethesda Parking Lot District 2015 Ref.	10/19/15	2017-25	3.570	8,541,000	2021-25	5,848,000

Debt service savings from this refunding was \$1,081,628. At the time of refunding, the present value of the debt service savings (or economic gain) on the refunding was \$1,389,969.

Water Quality Protection Charge Revenue Bonds

In April 2016, the County issued \$46,500,000 Water Quality Protection Charge Revenue Bonds Series 2016. The proceeds of the Series 2016 Bonds were used to finance and refinance the planning, design, acquisition and construction of stormwater management facilities and other related projects as such facilities are included in and approved in the County's Capital Improvements Program.

On December 1, 2022, the County issued Water Quality Protection Charge (WQPC) Project and Refunding Revenue Bonds Series 2022A in the amount of \$28,550,000. The new money Project bonds of \$9,785,000 were issued with a true interest rate of 3.7%, and premium of \$448,480 was received. The WQPC Series 2022A refunding revenue bonds of \$18,765,000 refunded Series 2012A WQPC bonds for debt service savings. The refunding bonds were issued with a true interest rate of 2.91% and the County received a premium of \$1,844,987.

Debt service savings from refunding of Water Quality Protection Charge Revenue Bonds, Series 2012A was \$2,951,552. At the time of refunding, the present value of the debt service savings (or economic gain) on the refunding was \$2,073,860.

A detailed listing of refunded bonds is as follows:

	Dated Date	Original Maturity	Rate of Interest	Originally Issued	Years Refunded	Amount Refunded
Water Quality Protection 2012A	07/18/12	2013-32	0.25-5.00 %	\$ 37,835,000	2023-32	\$ 23,310,000

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Maryland Water Infrastructure Financing Administration Loans

During 2022, Maryland Water Quality Financing Administration was renamed to Maryland Water Infrastructure Financing Administration; the name of the debt will still be disclosed as the legal name upon issuance.

On December 20, 2019, the County entered into two drawdown loans with the Maryland Water Quality Financing Administration, totaling \$50,677,320 and the principal amount of one of the loans was reduced to \$645,948 in 2022. On January 31, 2024, the County entered a drawdown loan with Maryland Water Infrastructure Financing Administration, \$4,821,600. The loans will be secured by Water Quality Protection Charge revenues and proceeds will fund stormwater management projects. The amount drawn down for the three drawdown loans for fiscal year ended on June 30, 2024 was \$4,500,888.

Alcohol Beverage Services Revenue Bonds

In June 2021, the County issued \$15,895,000 and \$30,205,000 in Alcohol Beverage Services Refunding Revenue Bonds 2021 Series A and Series B, respectively. The County received a premium of \$5,421,165 and \$141,470, respectively. These bonds were issued with true interest costs of 1.05% and 1.52%, respectively. The proceeds were held in an escrow account to be used to refund \$20,975,000 in Department of Liquor Control 2011 Series A bonds and \$27,920,000 in Department of Liquor Control 2013 Series A bonds, maturing on and after April 1, 2022.

	<u>Dated Date</u>	<u>Original Maturity</u>	<u>Rate of Interest</u>	<u>Originally Issued</u>	<u>Years Refunded</u>	<u>Amount Refunded</u>	<u>Amount Unrefunded</u>
Liquor Control Revenue Bond:* Liquor Control & Transportation Series 2011	04/28/11	2012-31	2.000-5.000 %	\$ 34,360,000	2022-31	\$ 20,975,000	\$ -
Liquor Control & Transportation Series 2013	07/30/13	2014-33	3.125-5.000	46,645,000	2024-33	27,920,000	4,365,000

* In July 2020, Montgomery County Department of Liquor Control changed its name to Alcohol Beverage Services; the name of the debt series will still be disclosed as the legal name upon issuance and will not reflect the new department name.

Debt service savings from this refunding were \$4,015,369 for Series A and \$3,976,506 for Series B. At the time of refunding, the present value of the debt service savings (or economic gain) on the refunding was \$4,314,377 and \$3,478,347, respectively.

The term of the commitments and approximate amounts of the pledged revenues are as follows:

	<u>Terms of Commitment (Years)</u>	<u>Approximate Amount of Pledge</u>
Bethesda Parking Lot District	8	\$ 18,409,208
Water Quality Protection	20	122,192,159
Alcohol Beverage Service	9	65,257,273
Total		\$ 205,858,640

The pledged net revenues recognized during FY24 for the payment of the outstanding principal and interest of the revenue bonds are as follows:

	<u>Net Available Revenue for Debt Service</u>	<u>Debt Service</u>		
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Bethesda Parking Lot District	\$ 9,273,093	\$ 1,970,000	\$ 330,810	\$ 2,300,810
Alcohol Beverage Service	45,933,839	6,190,000	2,052,690	8,242,690
Water Quality Protection	21,422,547	6,346,995	2,450,438	8,797,433

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Revenue bond issues outstanding as of June 30, 2024, are as follows:

	Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2024	Unamortized Premium	Carrying Value June 30, 2024
Parking Revenue Bonds:							
Bethesda Parking Lot District 2021 Ref. Series A	05/06/21	2022-32	1.81 %	\$ 16,934,000	\$ 16,634,000	\$ -	\$ 16,634,000
Bethesda Parking Lot District 2021 Ref. Series B	05/06/21	2022-25	1.25	5,874,000	364,000	-	364,000
Water Quality Protection 2016A	04/13/16	2017-36	2.25 - 5.00	46,500,000	31,200,000	734,551	31,934,551
Water Quality Protection 2022A	12/01/22	2024-43	4.00 - 5.00	9,785,000	9,480,000	389,583	9,869,583
Water Quality Protection Refunding 2022A	12/01/22	2023-32	5.00	18,765,000	15,465,000	1,314,491	16,779,491
Maryland Water Quality Financing Administration*:							
Kemp Mill	12/20/19	2020-40	1.10	677,320	522,075	-	522,075
MS4	12/20/19	2020-40	1.10	50,000,000	15,354,108	-	15,354,108
National Capital Park and Planning Commission MS4 Permit Water Quality Project	01/31/24	2025-44	1.60	4,821,600	730,660	-	730,660
Liquor Control Revenue Bonds:**							
Liquor Control & Transportation 2019 Ref.	03/29/19	2021-29	4.00 - 5.00	24,700,000	16,090,000	1,332,822	17,422,822
Alcohol Beverage Services 2021 Ref. Series A	06/09/21	2029-31	5.00	15,895,000	15,895,000	3,577,830	19,472,830
Alcohol Beverage Services 2021 Ref. Series B	06/09/21	2022-33	1.00 - 2.05	30,205,000	24,490,000	76,373	24,566,373
Total				\$ 224,156,920	\$ 146,224,843	\$ 7,425,650	\$ 153,650,493

* During 2022, Maryland Water Quality Financing Administration was renamed to Maryland Water Infrastructure Financing Administration; the name of the debt will still be disclosed as the legal name upon issuance.

** Liquor Control Revenue bonds are allocated to Governmental and Business-type Activities on the Statement of Activities. See Note III-G1 for allocation. In July 2020, Montgomery County Department of Liquor Control changed its name to Alcohol Beverage Services; the name of the debt series will still be disclosed as the legal name upon issuance and will not reflect the new department name.

Revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Bethesda Parking Lot District		Liquor Control*				
	Principal	Interest	Principal	Interest			
2025	\$ 1,996,000	\$ 305,625	\$ 6,360,000	\$ 1,879,590			
2026	2,030,000	271,536	6,540,000	1,699,190			
2027	2,066,000	234,793	8,315,000	1,511,190			
2028	2,104,000	197,398	8,535,000	1,289,240			
2029	2,142,000	159,316	8,750,000	1,079,420			
2030-2033	6,660,000	242,540	17,975,000	1,323,643			
Total	\$ 16,998,000	\$ 1,411,208	\$ 56,475,000	\$ 8,782,273			
Fiscal Year Ending June 30	Water Quality Protection**		Total Revenue Bond Requirements				
	Principal	Interest	Principal	Interest	Total		
2025	\$ 6,759,252	\$ 2,578,562	\$ 15,115,252	\$ 4,763,777	\$ 19,879,029		
2026	6,955,797	2,447,754	15,525,797	4,418,480	19,944,277		
2027	7,151,420	2,267,568	17,532,420	4,013,551	21,545,971		
2028	7,361,989	2,056,673	18,000,989	3,543,311	21,544,300		
2029	7,572,912	1,841,250	18,464,912	3,079,986	21,544,898		
2030-2034	36,481,071	5,805,139	61,116,071	7,371,322	68,487,393		
2035-2039	23,794,616	1,925,894	23,794,616	1,925,894	25,720,510		
2040-2044	6,825,213	367,049	6,825,213	367,049	7,192,262		
Total	\$ 102,902,270	\$ 19,289,889	\$ 176,375,270	\$ 29,483,370	\$ 205,858,640		

* In July 2020, Montgomery County Department of Liquor Control changed its name to Alcohol Beverage Services; the name of the debt series will still be disclosed as the legal name upon issuance and will not reflect the new department name.

** The principal includes three drawdown loans with the Maryland Water Infrastructure Financing Administration in the amount of \$55,467,548. Since inception, the County had drawn down \$25,317,121.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Restricted assets classified as "Investments" or "Equity in Pooled Cash and Investments" for statement of net asset purposes, include the following:

Purpose	Bethesda Parking Lot District	Solid Waste Disposal*
Operation and Maintenance Account - Available to pay current expenses	\$ 2,015,513	\$ -
Debt Service Account - Used to pay debt service on bonds	191,802	-
Renewal and Renovation Account - Available for payment of renewals, replacements, renovations, and unusual and extraordinary repairs	1,000,000	4,533,297
Rate Stabilization Account - In case of short-term extraordinary expenses	-	5,492,473
Revenue Account - To maintain the revenues of the District	5,936	-
Total	\$ 3,213,251	\$ 10,025,770

* Solid Waste Disposal also has a management reserve of \$29,318,102 set aside to meet both current and future contingencies. This reserve is equal to at least 75 days (2.5 months) of the subsequent year's operating budget net of any scheduled debt payments, but not less than \$20,000,000.

5) Bond Anticipation Notes Payable

Commercial paper bond anticipation notes (BANs) are authorized, issued, and outstanding as financing sources for capital construction and improvements. Changes in BANs during FY24 are as follows:

	Balance June 30, 2023	BANs Issued	BANs Retired	Balance June 30, 2024
BAN Series 2010-A	\$ 109,000,000	\$ 125,000,000	\$ 109,000,000	\$ 125,000,000
BAN Series 2010-B	108,000,000	125,000,000	108,000,000	125,000,000
Total	\$ 217,000,000	\$ 250,000,000	\$ 217,000,000	\$ 250,000,000

BANs totaling \$250,000,000 were issued during FY24, \$125,000,000 Series 2010-A and \$125,000,000 Series 2010-B respectively. BANs are issued at varying maturities to a maximum of 270 days, under a program whose authority was adopted on September 15, 2009, as amended, to consolidate additional authority to borrow money and incur indebtedness. The County reissued the notes upon maturity and continues to do so, until they are replaced with long-term bonds.

In connection with the BANs, the County renewed credit agreements with State Street Bank and PNC Bank to provide liquidity with respect to the 2010 Series BANs for \$150,000,000 each. The agreements will expire on July 31, 2025. Because the County entered into a financing agreement that ensures the BANs can be refinanced on a long-term basis, these BANs are classified as noncurrent liabilities at year-end.

During FY24, the County Council passed Resolution No. 20-398 dated February 6, 2024 to increase the County's authority to issue BANs by \$289,037,000. Cumulative BANs authorized and unissued as of June 30, 2024, including amounts authorized and unissued from prior years, is \$1,047,276,000.

6) Certificates of Participation

In July 2016, the County was authorized and entered into a loan agreement with Montgomery College Foundation to issue its Certificates of Participation (Montgomery College Improvements), \$23,050,000 Series 2016A and \$1,810,000 Series 2016B to finance part of the costs of the acquisition, design, construction and equipping of certain facilities of Montgomery College, which such facilities are owned by Montgomery College Foundation and leased to the College, to be used by the College pursuant to the lease agreement between the Foundation and College. The proceeds of Certificates of Participation were also used to pay off costs incurred by the College in connection with the College's termination of certain lease agreements and the costs of issuing COPS (Montgomery College Improvements). The debt service is to be paid from pledged lease payments and fees pursuant to a lease agreement between the Foundation and College dated as of July 1, 2016.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

In FY24, the pledged lease payments from the Montgomery College Foundation equals the scheduled debt service on the Certificates of Participation schedule. The Certificates for Participation were issued at interest rates ranging from 1.0 to 5.0 percent and have maturity schedules as follows:

Fiscal Year Ending June 30	Certificates of Participation (College)		
	Principal	Interest	Total
2025	\$ 1,390,000	\$ 471,104	\$ 1,861,104
2026	1,445,000	414,679	1,859,679
2027	1,490,000	370,654	1,860,654
2028	1,525,000	333,054	1,858,054
2029	1,555,000	302,254	1,857,254
2030-2034	8,320,000	972,969	9,292,969
2035-2036	3,625,000	94,628	3,719,628
Total	\$ 19,350,000	\$ 2,959,342	\$ 22,309,342

In October 2020, the County issued \$95,360,000 in Certificate of Participation, Series 2020 A to finance and refinance the acquisition, construction and equipping of certain real and personal property. The County received a premium of \$16,255,213. The County also issued Series B and Series C for \$27,555,000 and \$2,975,000 respectively, to provide for the prepayment of certain outstanding taxable and tax-exempt lease obligations under a Master Lease Agreement between the County and an affiliate of a financial institution. Series C also funded the acquisition of certain personal property. The premiums received for Series B and Series C were \$2,683,828 and \$109,023, respectively.

The Certificates of Participation, Series 2020 debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Certificates of Participation, Series 2020		
	Principal	Interest	Total
2025	\$ 10,740,000	\$ 3,175,356	\$ 13,915,356
2026	7,365,000	2,643,006	10,008,006
2027	7,415,000	2,268,831	9,683,831
2028	7,555,000	1,891,781	9,446,781
2029	5,010,000	1,580,356	6,590,356
2030-2034	20,235,000	4,535,130	24,770,130
2035-2039	17,600,000	1,715,230	19,315,230
2040-2041	7,565,000	161,554	7,726,554
Total	\$ 83,485,000	\$ 17,971,244	\$ 101,456,244

Certificates of Participation outstanding as of June 30, 2024 is as follows:

	Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2024	Unamortized Premium	Carrying Value June 30, 2024
COPS College	07/26/16	2017-35	1.0-5.0%	\$ 24,860,000	\$ 19,350,000	\$ 514,574	\$ 19,864,574
COPS, Series 2020 A	10/15/20	2021-40	2.0-5.0	95,360,000	77,890,000	9,548,494	87,438,494
COPS, Series 2020 B	10/15/20	2021-27	4.0-5.0	27,555,000	4,615,000	1,576,511	6,191,511
COPS, Series 2020 C	10/15/20	2021-31	2.0	2,975,000	980,000	64,040	1,044,040
				<u>\$ 150,750,000</u>	<u>\$ 102,835,000</u>	<u>\$ 11,703,619</u>	<u>\$ 114,538,619</u>

7) Equipment Notes

The County has entered into purchase agreements to provide financing for the acquisition of capital asset equipment. The agreements have terms of three to ten years with interest rates identified in the agreements. Some arrangements provide that proceeds are to be held by a trustee and disbursed to vendors. If assets are acquired prior to the note agreement, the trustee reimburses the County.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

The following is a schedule by fiscal year for the debt service requirement as of June 30, 2024:

Fiscal Year Ending June 30	Equipment Notes Requirements		
	Principal	Interest	Total
2025	\$ 7,529,110	\$ 1,601,977	\$ 9,131,087
2026	7,669,944	1,307,255	8,977,199
2027	7,882,106	1,001,354	8,883,460
2028	7,458,950	685,426	8,144,376
2029	5,148,842	391,170	5,540,012
2030-2033	5,924,677	487,513	6,412,190
Total	<u>\$ 41,613,629</u>	<u>\$ 5,474,695</u>	<u>\$ 47,088,324</u>

8) Lease Revenue Bonds

On October 13, 2011, the County issued Series 2011 Bonds to finance a portion of the costs, and construction of the parking structure and related facilities at the Glenmont Metrorail Station within the County; and refunded the County's outstanding Lease Revenue Bonds Series 2002 and Series 2004 Lease Revenue Bonds.

The bonds are payable from and secured by a pledge of revenues from WMATA's lease payments and certain reserve funds. The approximate amount of the pledge is \$3,964,239. WMATA's obligation to make payments under the leases is payable solely from amounts held in a Surcharge Reserve Account which is funded by revenues from a surcharge on the parking facilities.

In the event that the County's Reserve Subfund of \$1,543,734 included in Debt Service Fund cash with fiscal agents in the accompanying financial statements, is less than the required amount, the County Executive is obligated to include, in the next subsequent appropriation request to the County Council, a request for sufficient resources to reimburse the Reserve Subfund. The Lease Revenue Bonds are not a debt of the County within the meaning of any constitutional, compact, charter or statutory debt limit or restriction. Neither the faith and credit nor the taxing power of the County is pledged to the payment of the bonds.

In FY24, pledged revenue of \$3,262,363 equals the principal and interest on the lease revenue bonds.

Lease revenue bonds outstanding as of June 30, 2024, are as follows:

	Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2024	Unamortized Premium	Carrying Value June 30, 2024
Lease Revenue Bonds	10/13/11	2012-31	2.0-5.0%	\$ 35,465,000	\$ 3,415,000	\$ 272,853	\$ 3,687,853

Lease revenue bond debt service requirements to maturity are as follows:

Fiscal Year Ending June 30	Lease Revenue Bond Requirements		
	Principal	Interest	Total
2025	\$ 440,000	\$ 128,113	\$ 568,113
2026	450,000	113,813	563,813
2027	465,000	98,625	563,625
2028	485,000	82,350	567,350
2029	505,000	61,738	566,738
2030-2031	1,070,000	64,600	1,134,600
Total	<u>\$ 3,415,000</u>	<u>\$ 549,239</u>	<u>\$ 3,964,239</u>

9) Taxable Limited Obligation Certificates

In November 2013, the County issued Taxable Limited Obligation Certificates in the amount of \$38,015,000; the County issued the certificates to finance the Montgomery Housing Initiative program established by the County to promote a broad range of housing opportunities in the County. The Certificates were issued at interest rates ranging from 0.3 to 4.8 percent. A portion of the certificate was refunded in November 2021. The County paid off the unrefunded portion of the 2013 Series in November 2023.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

On November 19, 2018, the County issued Taxable Limited Obligation Certificates Series 2018A in the amount of \$33,715,000 the County issued the certificates to finance the Montgomery Housing Initiative program established by the County to promote a broad range of housing opportunities in the County. The Certificates were issued at interest rates ranging from 2.6 to 4.4 percent and will mature on May 1, 2038. On November 19, 2018, the County also issued Series 2018B which refunded 2010 Series A in the amount of \$22,420,000 with certificate interest rates ranging from 3.05 to 4.15 percent and will mature on May 1, 2030.

On November 15, 2021, the County issued Series 2021A Taxable Limited Obligation Certificates in the amount of \$57,410,000; the County issued the certificates to finance certain projects of the Montgomery Housing Initiative program established to promote a broad range of housing opportunities in the County. The Certificates were issued at interest rates ranging from 2.0 to 2.8 percent and will mature on November 1, 2041. On November 15, 2021, the County also issued Series 2021B Certificates which refunded the 2011 and a portion of 2013 Series in the amount of \$41,345,000 with certificate interest rates ranging from 1.4 to 2.2 percent. The Series 2021B Refunding Certificates will mature on November 1, 2033.

Debt service savings from refunding certificates was \$5,420,233. At the time of refunding, the present value of the debt service savings (or economic gain) on the refunding was \$5,122,933.

Taxable Limited Obligation Certificates outstanding as of June 30, 2024 are as follows:

	Dated Date	Maturity	Interest Rate	Originally Issued	Balance June 30, 2024	Unamortized Premium	Carrying Value June 30, 2024
MHI Affordable Housing 2018 Series A	11/19/18	05/01/38	2.6 to 4.4%	\$ 33,715,000	\$ 26,375,000	\$ 45,936	\$ 26,420,936
MHI Affordable Housing 2018 Series B Ref.	11/19/18	05/01/30	3.1 to 4.2	22,420,000	12,440,000	-	12,440,000
MHI Affordable Housing 2021 Series A	11/15/21	11/01/41	2.0 to 2.8	57,410,000	52,695,000	396,841	53,091,841
MHI Affordable Housing 2021 Series B Ref.	11/15/21	11/01/33	1.4 to 2.2	41,345,000	38,685,000	176,305	38,861,305
			Total	\$ 154,890,000	\$ 130,195,000	\$ 619,082	\$ 130,814,082

The following is a schedule by fiscal year for the debt service requirements as of June 30, 2024:

Fiscal Year Ending June 30	Taxable Limited Obligation Requirements		
	Principal	Interest	Total
2025	\$ 8,895,000	\$ 3,473,153	\$ 12,368,153
2026	10,310,000	3,220,853	13,530,853
2027	10,565,000	2,963,706	13,528,706
2028	10,825,000	2,705,693	13,530,693
2029	11,100,000	2,431,432	13,531,432
2030-2034	43,280,000	8,267,542	51,547,542
2035-2039	24,795,000	3,484,904	28,279,904
2040-2042	10,425,000	438,874	10,863,874
Total	\$ 130,195,000	\$ 26,986,157	\$ 157,181,157

10) Notes Payable

From October 2013 through December 2019 the County has entered into a series of lease agreements to finance energy efficiency projects. These leases were part of a six year, \$40,000,000 program that improves energy efficiency of County facilities. Leases range from \$1,916,645 to \$5,258,848 and interest rates range from 2.10% to 5.17%. Leases maturities range from 13 to 20 years.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

The following is a schedule by fiscal year for the debt service requirements as of June 30, 2024:

Fiscal Year Ending June 30	Energy Performance Lease		
	Principal	Interest	Total
2025	\$ 1,759,658	\$ 703,878	\$ 2,463,536
2026	1,847,318	651,463	2,498,781
2027	1,931,606	596,530	2,528,136
2028	2,019,084	539,085	2,558,169
2029	2,109,855	479,034	2,588,889
2030-2034	11,207,385	1,346,477	12,553,862
2035-2039	2,250,762	78,573	2,329,335
Total	\$ 23,125,668	\$ 4,395,040	\$ 27,520,708

11) Other Obligations

In August 2021, the Housing Opportunity Commission (HOC) issued \$50,000,000 Limited Obligation Bonds, Series 2021. The bond proceeds funded the establishment of a revolving housing production fund, which is to be used for construction bridge financing for residential rental projects. The County and HOC entered into a funding agreement whereby the County will make periodic contract payments in amounts sufficient to pay the scheduled debt service on the bonds.

The County's future contract payments under the funding agreement are as follows:

Fiscal Year Ending June 30	Contract Payments		
	Principal	Interest	Total
2025	\$ 2,235,000	\$ 834,493	\$ 3,069,493
2026	2,255,000	817,082	3,072,082
2027	2,275,000	795,231	3,070,231
2028	2,300,000	768,750	3,068,750
2029	2,335,000	737,838	3,072,838
2030-2034	12,265,000	3,088,818	15,353,818
2035-2039	13,590,000	1,761,054	15,351,054
2040-2041	5,905,000	231,770	6,136,770
Total	\$ 43,160,000	\$ 9,035,036	\$ 52,195,036

12) Unused Lines of Credit and Collateral Pledges

The Master Equipment Lease/Purchase agreement for Energy Efficiency Program was entered into between the County and Banc of America Public Capital Corp in September 2016. The agreement expired on June 30, 2021. The outstanding balance of leases to be repaid as of June 30, 2024 is \$23,125,668.

The County entered into a Master Equipment Lease/Purchase agreement with Banc of America Public Capital Corp in April 2021. The agreement provides capital equipment financing up to a maximum of \$50,000,000. As of June 30, 2024, the unused commitment is \$6,346,496.

In connection with Long-Term Debt activity, the County's notes and leases are direct borrowing debt with lenders, and no asset is pledged as collateral.

13) Conduit Debt Obligations

Conduit debt obligations refer to certain limited-obligation revenue bonds or similar debt instruments issued by the County for the purpose of providing capital financing for a third party that is not part of the County's reporting entity (see Note I-A). From time to time, the County issued Industrial Revenue Bonds and Economic Development Revenue Bonds for the purposes of financing or refinancing costs of acquiring and/or renovating facilities for third party facility users. Facility users may be individuals, public or private corporations, or other entities. The bonds are sometimes secured by the facilities financed or by a financial institution and are payable from the revenues or monies to be received by the County under loan agreements with the facility users and from other monies made available to the County for such purpose. The bonds do not constitute a debt or charge against the general credit or taxing powers of the County, the State, or any political subdivision thereof. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

As of June 30, 2024, there were fifteen issues of Industrial Revenue Bonds and Economic Development Revenue Bonds outstanding. The principal amount payable as of June 30, 2024, is \$542,983,960.

14) Special Taxing and Development Districts

The County has two active special taxing districts: West Germantown and White Flint. West Germantown was created in accordance with Chapter 14 of the Montgomery County Code, the Montgomery County Development District Act enacted in 1994. The White Flint Taxing District was created in accordance with Chapter 68C of the Montgomery County Code, which was enacted in 2010. The creation of these districts allows the County to provide financing, refinancing, or reimbursement for the cost of infrastructure improvements necessary for the development of land in areas of the County with high priority for new development or redevelopment.

Pursuant to Chapter 14 and 68C, special taxes or special assessments may be levied to fund the costs of bonds or other obligations issued on behalf of the respective districts. Any bond issued under Chapter 14 and 68C is not an indebtedness of the County within the meaning of Section 312 of the Charter. Additionally, any bond issued must not pledge the full faith and credit of the County, and must state that the full faith and credit is not pledged to pay its principal, interest, or premium, if any. Any bonds issued are not considered liabilities of the County and are not reported in the County's financial statements. However, unlike the West Germantown development districts, the County may issue financing or provide funding for certain infrastructure projects within the White Flint Taxing District that are not derived under the authority of 68C.

In April 2002, the County issued two series of special obligation bonds for the West Germantown Development District. The County issued \$11,600,000 of Senior Series 2002A bonds and \$4,315,000 of Junior Series 2002B bonds to finance the construction of infrastructure in the development district. Special taxes and assessments were levied beginning in FY03 to repay this debt.

On August 13, 2014, the County issued \$12,025,000 of special Obligation Refunding Bonds (Senior Series 2014) to refund West Germantown Development District Series 2002A, 2004A, and 2004B bonds. The outstanding principal balance as of June 30, 2024 is \$5,145,000.

Component Units

As of June 30, 2024 HOC's noncurrent liabilities are comprised of the following:

	Due within		
	one year	Long-Term	Total
Revenue bonds payable	\$ 27,873,721	\$ 906,722,108	\$ 934,595,829
Lease payable	330,432	3,537,432	3,867,864
Notes and other payable	33,657,316	1,281,244,091	1,314,901,407
Net pension liability	-	11,931,037	11,931,037
Net OPEB liability	-	12,981,074	12,981,074
Total	<u>\$ 61,861,469</u>	<u>\$2,216,415,742</u>	<u>\$2,278,277,211</u>

HOC revenue bonds, which are significant in relation to the total component unit long-term debt, are outstanding as follows:

Purpose	
Multi-Family Mortgage Purchase Program Fund	\$ 729,968,357
Single Family Mortgage Purchase Program Fund	204,627,472
Total	<u>\$ 934,595,829</u>

Interest rates on the HOC Multi-Family and Single Family Mortgage Purchase Program Fund bonds ranges from 0.32 to 11.25 percent and ranges from 0.60 to 6.09 percent, respectively, as of June 30, 2024.

Pursuant to Section 16-202 of Title 16 of the Annotated Code of Maryland, the County may, by local law, provide its full faith and credit as guarantee of bonds issued by HOC in principal amount not exceeding \$50,000,000. Section 20-32 of the Montgomery County Code provides the method by which the County has implemented the guarantee.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

The debt service requirements by fiscal year for the HOC debt guaranteed by the Primary Government are as follows:

Fiscal Year Ending June 30	Guaranteed Revenue Bond Requirements		
	Principal	Interest	Total
2025	\$ 660,000	\$ 167,155	\$ 827,155
2026	690,000	133,068	823,068
2027	725,000	97,339	822,339
2028	765,000	59,716	824,716
2029	800,000	20,200	820,200
Total	<u>\$ 3,640,000</u>	<u>\$ 477,478</u>	<u>\$ 4,117,478</u>

The total debt service requirements for HOC revenue bonds, which include the portion guaranteed by the Primary Government (presented above), are as follows:

Fiscal Year Ending June 30	Total Revenue Bond Requirements		
	Principal	Interest	Total
2025	\$ 27,873,721	\$ 28,010,265	\$ 55,883,986
2026	35,519,239	27,902,750	63,421,989
2027	26,130,154	27,250,054	53,380,208
2028	26,186,367	26,129,839	52,316,206
2029	26,353,733	25,841,835	52,195,568
2030-2034	135,113,860	118,028,930	253,142,790
2035-2039	126,035,710	98,338,565	224,374,275
2040-2044	123,711,491	80,162,773	203,874,264
2045-2049	114,695,599	57,923,908	172,619,507
2050-2054	185,972,153	37,318,447	223,290,600
2055-2059	49,865,000	18,583,644	68,448,644
2060-2064	43,310,000	7,905,905	51,215,905
2065-2069	9,710,000	868,778	10,578,778
Unamortized Bond Discount	<u>4,118,802</u>	-	<u>4,118,802</u>
Total	<u>\$934,595,829</u>	<u>\$554,265,693</u>	<u>\$ 1,488,861,522</u>

Changes in the HOC revenue bonds during FY24 are as follows:

Purpose	Balance July 1, 2023	Bonds Issued*	Bonds Retired/Refunded	Balance June 30, 2024
Multi-Family Mortgage Purchase Program Fund	\$ 591,481,006	\$ 153,465,493	\$ (14,978,142)	\$ 729,968,357
Single Family Mortgage Purchase Program Fund	203,747,634	30,000,000	(29,120,162)	204,627,472
Total	<u>\$ 795,228,640</u>	<u>\$ 183,465,493</u>	<u>\$ (44,098,304)</u>	<u>\$ 934,595,829</u>

* Includes accretions and bond discounts.

HOC has issued a number of individual bonds for financing multi-family developments for which HOC has no legal liability for repayment or administration (conduit debt). Accordingly, the bonds are not included in the accompanying financial statements. HOC participates in such issuances in order to increase the availability of affordable housing in the County. The bonds outstanding are summarized below:

Bonds outstanding, July 1, 2023	\$ 140,868,646
Redemptions during the year	(1,608,336)
Bonds outstanding, June 30, 2024	<u>\$ 139,260,310</u>

The County is not liable in any manner for the remaining debt of HOC or any debt of MCPS, MC, or MCRA. BUP has no long-term debt.

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**H) Segment Information**

The County has issued revenue bonds to finance activities relating to the Bethesda Parking Lot district (PLD). The Bethesda PLD is accounted for within the Parking Lot Districts Fund. However, investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the activity as of and for the year ended June 30, 2024, is presented below:

Condensed Statement of Net Position

	Bethesda PLD
ASSETS	
Current assets	\$ 18,321,950
Other assets	35,836,986
Capital assets	88,438,792
Total Assets	<u>142,597,728</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources	294,491
Total Deferred Outflows	<u>294,491</u>
LIABILITIES	
Current liabilities	3,838,001
Due to other funds	25,662
Long-term liabilities	15,491,962
Total Liabilities	<u>19,355,625</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources	34,008,076
Total Deferred Inflows	<u>34,008,076</u>
NET POSITION	
Net investment in capital assets	70,860,668
Restricted for debt service	3,213,251
Restricted for transportation	15,454,599
Total Net Position	<u>\$ 89,528,518</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Condensed Statement of Revenues, Expenses, and Changes in Fund Net Position

	Bethesda PLD
OPERATING REVENUES (EXPENSES):	
Operating Revenues:	
Charges for services	\$ 13,573,012
Fines and penalties	3,467,980
Total Operating Revenues (pledged against bonds)	<u>17,040,992</u>
Depreciation and amortization	(5,348,254)
Other operating expenses	<u>(8,852,234)</u>
Operating Income (Loss)	<u>2,840,504</u>
NONOPERATING REVENUES (EXPENSES):	
Property taxes	(1,576)
Gain(loss) on disposal of capital assets	(6,777)
Investment income	1,084,335
Interest expense	(344,402)
Other revenue	2,649,774
Insurance recoveries	4,865
Transfers in	-
Transfers out	<u>(4,254,025)</u>
Non Operating Income (Loss)	<u>(867,806)</u>
NET POSITION	
Change in Net Position	1,972,698
Beginning Net Position	<u>87,555,820</u>
Ending Net Position	<u>\$ 89,528,518</u>

Condensed Statement of Cash Flows

	Bethesda PLD
Net Cash Provided (Used) By:	
Operating activities	\$ 8,458,982
Noncapital financing activities	(4,248,997)
Capital and related financing activities	(3,169,879)
Investing activities	<u>1,084,335</u>
Net Increase (Decrease)	<u>2,124,441</u>
Beginning Cash and Cash Equivalents	16,754,128
Ending Cash and Cash Equivalents	<u>\$ 18,878,569</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**I) Fund Balance****1) Governmental Fund Balances**

The governmental fund balances as of June 30, 2024 are composed of the following:

Fund Balances:	General	Housing Initiative	Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds
Inventory	\$ 9,101,899	\$ -	\$ -	\$ -	\$ 1,664	\$ -
Prepays	1,602,139	-	-	391,210	2,039,798	-
Total nonspendable	10,704,038	-	-	391,210	2,041,462	-
General government						
Restricted donations	-	-	-	-	-	169,950
Cable TV	-	-	-	-	-	7,017,655
Urban districts	308,974	-	-	-	-	-
Economic development	20,688,412	-	-	-	-	-
Agricultural transfer tax	-	-	-	-	-	3,692,787
Other	-	-	288,406	-	-	-
Public safety						
Restricted donations	-	-	-	-	-	1,308,760
Drug enforcement forfeitures	-	-	-	-	-	1,243,324
Fire tax district	-	-	-	-	-	10,875,722
Detention center canteen profits	-	-	-	-	-	1,090,685
Health and human services						
Restricted donations	-	-	-	-	-	577,056
Opioid abatement	-	-	-	-	-	10,649,559
Other	10,763,585	-	-	-	-	-
Mass transit	-	-	-	-	-	101,180,346
Community development and housing						
Rehabilitation loan	-	-	-	-	-	5,414,095
Housing initiative	-	454,379,950	-	-	-	-
Restricted donations	-	-	-	-	-	64,335
Culture and recreation						
Recreation	-	-	-	-	-	9,090,966
Recreation non-tax supported	-	-	-	-	-	623,979
Restricted donations	-	-	-	-	-	862,658
Environment						
Water quality protection	-	-	-	-	-	25,209,321
Restricted donations	-	-	-	-	-	6,847,660
Debt service	-	-	-	11,084,868	-	-
Capital projects	-	-	-	-	182,418,566	-
Total restricted	31,760,971	454,379,950	288,406	11,084,868	182,418,566	185,918,858
Culture and recreation	5,029,000	-	-	-	-	-
Revenue stabilization	649,232,474	-	-	-	-	-
Capital projects	99,566,383	-	-	-	-	-
Total committed	753,827,857	-	-	-	-	-

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)

Fund Balances:	General	Housing Initiative	Grants	Debt Service	Capital Projects	Nonmajor Governmental Funds
General government	34,728,769	-	-	-	-	-
Public safety	15,151,057	-	-	-	-	-
Transportation	3,087,489	-	-	-	-	-
Health and human services	30,137,162	-	-	-	-	-
Culture and recreation	805,265	-	-	-	-	-
Community development and housing	464,709	-	-	-	-	-
Environment	4,877,289	-	-	-	-	-
Total assigned	<u>89,251,740</u>	-	-	-	-	-
General government	378,758,731	-	-	-	-	-
Total unassigned	<u>378,758,731</u>	-	-	-	-	-
Total fund balances	<u>\$1,264,303,337</u>	<u>\$454,379,950</u>	<u>\$ 288,406</u>	<u>\$11,476,078</u>	<u>\$ 184,460,028</u>	<u>\$ 185,918,858</u>

2) Encumbrances

Encumbrance accounting is employed as part of the budgetary integration for all governmental funds. As of June 30, 2024, certain amounts which were available for specific purposes have been encumbered in the governmental funds. Encumbrances are included in the County's governmental fund balances as follows:

Governmental Fund	Amount
General Fund	\$ 89,358,072
Housing Initiative	10,733,514
Grants	15,441,622
Debt Service	115,544
Nonmajor Governmental Funds	18,509,026
Total Governmental Funds	<u>\$ 134,157,778</u>

3) Net Position Restricted by Enabling Legislation

Net position restricted by enabling legislation represents legislative restrictions that a party external to the government can compel the government to honor. For the County, such amounts represent primarily accumulated net position attributed to revenue streams, such as taxes or fees, which are restricted for specified purposes in the County Code. This generally includes Capital Project Fund recordation and impact tax collections on hand for a component unit and municipal governments, ending fund balances of substantially all special revenue funds, and ending restricted net position of the Liquor, Solid Waste Activities and Parking Lot Districts enterprise funds. Such amounts, which are included with restricted net position in the government-wide Statement of Net Position, are as follows at year-end:

Governmental activities	\$ 855,831,147
Business-type activities	84,302,766
Total	<u>\$ 940,133,913</u>

NOTE III. DETAILED NOTES ON ALL FUNDS (Continued)**J) Significant Transactions with Discretely Presented Component Units****1) Operating and Capital Funding**

Expenditures incurred for operating and capital funding of discretely presented component units amounted to the following for the year ended June 30, 2024:

	General Fund			Capital	
	Operating	Capital *	Total	Projects	Total
MCPS	\$ 2,014,012,639	\$ 28,603,000	\$ 2,042,615,639	\$ 43,300,602	\$ 2,085,916,241
MC	150,766,656	13,802,514	164,569,170	36,306,542	200,875,712
HOC	7,972,501	16,898,807	24,871,308	3,026,641	27,897,949
Total	<u>\$ 2,172,751,796</u>	<u>\$ 59,304,321</u>	<u>\$ 2,232,056,117</u>	<u>\$ 82,633,785</u>	<u>\$ 2,314,689,902</u>

* Represents current receipt and PAYGO funding transferred from the General Fund for component units' use towards their capital projects.

For GAAP financial statement reporting purposes, General Fund expenditures incurred for funding of MCPS and MC are classified as education expenditures; HOC funding is classified under community development and housing.

2) Other Transactions

BUK charges for service revenue include \$5,455,135 earned under contracts with the County. For mortgages receivable due from HOC, see Note III-B2. For MCRA Crossvines Lease, see Note III-E1. For HOC Limited Obligation Bonds, see Note III-G11.

NOTE IV. OTHER INFORMATION

A) Risk Management

The County, for itself and certain component units and other governments, maintains two self-insurance internal service funds. County management believes it is more economical to manage its risks internally and set aside assets for claim settlements in these internal service funds.

One fund is maintained for liability and property coverage under which participants share the costs of workers' compensation, comprehensive general, automobile and professional liability (errors and omissions), property coverage including fire and theft, and other selected areas which require coverage. Commercial insurance is purchased for claims in excess of coverage provided by the self-insurance fund and for other risks not covered by the fund. In addition to all funds of the County, participants in this program include MCPS, HOC, MC, MCRA, BUP, M-NCPPC, the independent fire/rescue corporations, the Bethesda-Chevy Chase Rescue Squad, the Rockville Housing Enterprises, the Town of Somerset, the City of Gaithersburg, the Village of Drummond, Chevy Chase Village, and the Village of Friendship Heights. The liability for claims with respect to all participants transfers to the self-insurance fund, except for M-NCPPC which retains ultimate liability for its own claims.

The second fund is maintained for employee health benefits under which participants share medical, prescription, dental, vision, and life insurance. While the majority of coverage is self-insured, certain fully insured plan options, including health maintenance organizations (HMOs), are offered to participants. Participating Agencies, including Arts & Humanities Council, MD Department of Assessment & Taxation, Bethesda Urban Partnership, Chevy Chase Village, Circuit Court, District Court, Housing Opportunities Commission, MC Volunteer Fire & Rescue Association, Montgomery Community Television, Revenue Authority, Strathmore Hall Foundation, Town of Chevy Chase View, Town of Garrett Park, Town of Somerset, Village of Friendship Heights, Washington Suburban Transit Commission, and certain employees of the State of Maryland in addition to some of the participants in the Liability and Property Coverage Program, also participate in this program.

Both internal service funds use the full accrual basis of accounting. Payments to the Liability and Property Coverage Self-Insurance Fund by participants and recognition of the fund's liability for unpaid claims including those incurred but not reported are based on actuarial estimates. For the Employee Health Benefits Fund, charges to participants are based on actuarial estimates. Liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported which incorporate incremental claims adjustment expenses incurred only because of the claim, but do not include non-incremental claims adjustment expenses such as internal salary costs. Because actual claims liabilities depend on complex factors such as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. During the year, there were no significant reductions in commercial insurance coverage in the Liability and Property Coverage Self-Insurance Fund from the prior year. For the past three years, no insurance settlements exceeded commercial insurance coverage in either fund.

Changes in the balances of claims payable for the self-insurance funds for FY23 and FY24 are as follows:

	Liability and Property Coverage	Employee Health Benefits	Total
Balance June 30, 2022	\$ 194,387,470	\$ 17,942,357	\$ 212,329,827
Claims and changes in estimates	73,933,640	160,937,415	234,871,055
Claim payments ⁽¹⁾	<u>(53,268,221)</u>	<u>(160,985,101)</u>	<u>(214,253,322)</u>
Balance June 30, 2023 ⁽²⁾	<u>215,052,889</u>	<u>17,894,671</u>	<u>232,947,560</u>
Claims and changes in estimates	66,124,113	172,342,350	238,466,463
Claim payments ⁽¹⁾	<u>(66,060,691)</u>	<u>(170,502,013)</u>	<u>(236,562,704)</u>
Balance June 30, 2024 ⁽²⁾	<u>\$ 215,116,311</u>	<u>\$ 19,735,008</u>	<u>\$ 234,851,319</u>

⁽¹⁾ Includes non-monetary settlements.

⁽²⁾ Includes incurred but not reported (IBNR) claims of \$99,542,713 and \$19,735,008 for the Liability and Property Coverage and the Employee Health Benefits Self-Insurance Funds, respectively.

NOTE IV. OTHER INFORMATION (Continued)

B) Significant Commitments and Contingencies

1) Landfill

The County, in its effort to provide for estimated landfill capping and post closure maintenance costs, accrues such costs and recognizes those costs as expenses as the landfill is utilized. The October 9, 1991 U.S. Environmental Protection Agency (EPA) rule, "Solid Waste Disposal Criteria," established closure requirements for all municipal solid waste landfills (MSWLFs) that receive waste after October 9, 1991. The County has been accruing closure expenses since FY91 in an attempt to match the costs of closure against the revenues associated with the use of the landfill. The Oaks Landfill closed on October 22, 1997, and the County began using out-of-County waste hauling during FY98. At the time the landfill was closed, total cumulative capacity used was 6,990,437 tons. The total closure and post closure costs are estimated at \$78,077,843, which have been fully accrued through June 30, 2024. Of the total amount accrued, \$60,197,624 in actual costs have been paid out in prior years, and \$3,173,795 was paid in FY24, resulting in a net liability of \$14,706,426 as of June 30, 2024. The current and non-current portions of the adjusted liability at year-end are estimated at \$1,862,962 and \$12,843,464 respectively. These costs are subject to change based on cost differences, changes in technology, or applications of laws and regulations. The County plans to use primarily operating cash to pay for these closure and post closure costs as they are incurred in the future.

2) Pollution Remediation

In FY09, the County identified the closed Gude Landfill as requiring pollution remediation or post-closure due to ground water and surface contamination. The landfill was used for the disposal of County municipal solid waste and received approximately 4.8 million tons of municipal waste from 1965 until the site was closed in 1982. A Consent Order was issued in May 2013 by the Maryland Department of the Environment (MDE) to address groundwater contamination, landfill gas migration, and non-stormwater discharges from the closed Gude Landfill. The total remediation cost estimated as of FY24 was \$61,746,000, and the County is now recognizing 100% of the estimated remediation cost. In FY24 actual costs of \$22,938,382 were paid, resulting in a net liability of \$21,116,021 as of June 30, 2024. The Department of Environmental Protection (DEP) completed an Assessment of Corrective Measures (ACM) report, which evaluates the effectiveness of a range of remediation alternatives and included a recommended approach for remediation of environmental contamination at the Gude Landfill, which was not initially approved. MDE approved a resubmittal of the ACM report in July 2016 which specifically outlined the approved remediation method to include: toupee capping (regrading and capping the top of the landfill and selected slope areas with a synthetic liner and two feet of soil); and additional gas collection through the installation of additional gas extraction wells. These measures will reduce infiltration of rainwater into the landfill resulting in the generation of less leachate and fewer leachate seeps. They will also result in better control of landfill migration. This construction phase is scheduled to be completed in FY27, at which time a twenty-year post-closure maintenance plan will be implemented if approved and accepted by MDE.

3) Litigation

In addition to those suits in which claims for liability are adequately covered by insurance, the County may be a defendant in various suits involving tort claims, violations of civil rights, breach of contract, inverse condemnation, and other suits arising in the normal course of business. In the opinion of the County Attorney, the estimated liability of the County in the resolution of these cases is \$0, as the County's liability on these claims is determined to be not probable.

4) Grants, Entitlements, and Shared Revenues

The County participates in a number of Federal and State assisted grant, entitlement, and/or reimbursement programs, principal of which are the Community Development Block Grant, the Head Start Grant, Community Mental Health Grant, and the Medical Assistance Grant. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of most of these programs for, or including, the year-ended June 30, 2024, have not yet been completed. In accordance with the provisions of the Uniform Grant Guidance, issued by the U.S. Office of Management and Budget, the County participates in single audits of federally assisted programs. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although management does not believe amounts ultimately disallowed, if any, would be material.

NOTE IV. OTHER INFORMATION (Continued)

5) Other Commitments

County proprietary funds have entered into contract commitments that remain uncompleted as of year-end. The amounts of outstanding commitments as of June 30, 2024 are as follows:

<u>Enterprise Funds:</u>	<u>Operating</u>	<u>Capital</u>	<u>Total</u>
Major Funds:			
Liquor	\$ 2,358,441	\$ 1,358,370	\$ 3,716,811
Solid Waste Activities:			
Disposal operations	27,132,011	7,365,296	34,497,307
Leafing operations	37,514	-	37,514
Parking Lot Districts:			
Silver Spring	812,223	3,175,435	3,987,658
Bethesda	717,922	3,185,147	3,903,069
Wheaton	196,191	260,270	456,461
Subtotal	<u>31,254,302</u>	<u>15,344,518</u>	<u>46,598,820</u>
Nonmajor Funds:			
Permitting Services	1,215,335	-	1,215,335
Community Use of Public Facilities	101,431	-	101,431
Subtotal	<u>1,316,766</u>	<u>-</u>	<u>1,316,766</u>
Total Enterprise Funds	<u>32,571,068</u>	<u>15,344,518</u>	<u>47,915,586</u>
Internal Service Funds:			
Motor Pool	14,232,190	-	14,232,190
Central Duplicating	204,388	-	204,388
Liability & Property Coverage Self-Insurance	240,032	-	240,032
Employee Health Benefits Self-Insurance	370,950	-	370,950
Total Internal Service Funds	<u>15,047,560</u>	<u>-</u>	<u>15,047,560</u>
Total Proprietary Funds	<u>\$ 47,618,628</u>	<u>\$ 15,344,518</u>	<u>\$ 62,963,146</u>

As of June 30, 2024, the County has \$10,765,000 in outstanding offers of loans and/or grants that have been extended to various companies under its Economic Development programs. To help fund such offers, the fund balance of the Economic Development programs at the end of the year is typically re-appropriated in the following year.

C) Subsequent Events

On October 10, 2024, the County issued Consolidated Public Improvement Project and Refunding Bonds of 2024, Series A and B in the amount of \$725,125,000. The new money portion of these General Obligation Bonds in the amount of \$280,000,000 will be used to (i) refinance all or a portion of certain commercial paper bond anticipation notes, the proceeds of which financed capital projects in the County and (ii) finance and refinance the acquisition, construction and equipping of certain other capital public projects. Refunding Bonds in the amount of \$445,125,000 refunded prior issuances for debt service savings.

D) Joint Ventures and Jointly Governed Organization

Joint Ventures

The Primary Government participates in five joint ventures and one jointly governed organization which are not included as part of the reporting entity. The Primary Government does not have a separable financial interest in any of the joint ventures. Therefore, no "Investment in Joint Ventures" is included in the accompanying financial statements. Audited financial statements are available from each of the six organizations. A general description of each entity follows:

Maryland-National Capital Park and Planning Commission (M-NCPPC)

M-NCPPC is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. M-NCPPC is a bi-county agency. The Board of Commissioners consists of ten members, five each from Montgomery and Prince George's Counties. The Montgomery County members are appointed by the County Council with the approval of the County Executive. The counties' oversight of M-NCPPC also includes budget approval over their respective shares of the operating and capital budgets. Each county is also required by law to guarantee the general obligation bonds of M-NCPPC issued for its jurisdiction.

As of June 30, 2024, M-NCPPC had outstanding notes payable and bonds payable in the amount of \$193,004,354 of which zero dollars were self-supporting. Of the total amount payable, \$13,421,838 represented debt due within one year. Generally, debt of M-NCPPC is payable from its resources; however, the participating counties must guarantee payment of interest and principal on the debt that is not self-supporting. Montgomery County's contingent liability for non self-supporting M-NCPPC

NOTE IV. OTHER INFORMATION (Continued)

debt as of June 30, 2024 is \$73,133,980, which represents general obligation bonds outstanding for the Montgomery County jurisdiction at year-end.

Washington Suburban Sanitary Commission (WSSC)

WSSC is a bi-county instrumentality of the State of Maryland created to provide water supply and sewage disposal services for Montgomery and Prince George's Counties. The two participating counties share equal control over WSSC in the selection of the six-member governing body, budgeting authority, and financing responsibility.

As of June 30, 2024, WSSC had outstanding notes payable and bonds payable in the amount of \$4,431,430,000 which were fully self-supporting. Of the total amount payable, \$304,346,000 represented debt due within one year. Pursuant to Section 22-106 of the Public Utilities Article of the Annotated Code of Maryland, the County must guarantee payment of principal and interest on WSSC bonds, unless WSSC waives such guarantee requirement in accordance with Section 22-104 of the Public Utilities Article. WSSC has waived such guarantee requirement with respect to all outstanding WSSC bonds. As of June 30, 2024, all WSSC debt relating to the County is self-supporting.

Washington Suburban Transit Commission (WSTC)

The Washington Suburban Transit District (WSTD) encompasses Prince George's and Montgomery Counties, Maryland, and was chartered by the State of Maryland in 1965 to coordinate and participate in the formulation of the transit plan of the Washington Metropolitan Area Transit Authority. The WSTD is governed by the WSTC, which is composed of three representatives each from Prince George's and Montgomery Counties and one representative from the Maryland Department of Transportation. One commissioner from each county is appointed by the Governor of the State of Maryland, and the other two commissioners are appointed by the chief executive officer of the organizations they represent. The two participating counties have equal budgetary authority and financial responsibility for WSTC; however, both are required to act in consultation with the Maryland Department of Transportation. WSTC's liabilities are limited to funds payable from the participating counties and the State under outstanding grant agreements and State legislation. Montgomery County made an operating contribution totaling \$153,026 to WSTC during FY24.

Washington Metropolitan Area Transit Authority (WMATA)

WMATA was created in 1967 by interstate compact among the State of Maryland, the Commonwealth of Virginia, and the District of Columbia. WMATA's primary function is to plan, construct, finance, and operate transit facilities serving the Washington metropolitan area. The governing authority of WMATA is a sixteen-member Board of Directors. Maryland, Virginia, the District of Columbia, and the federal government each appoint four directors. Of Maryland's four directors, two are appointed by the Governor of the State of Maryland, and one each is appointed by the respective county from among its appointees to WSTC. Since WSTC is a joint venture of Montgomery and Prince George's Counties, Montgomery County participates in WMATA through WSTC.

Montgomery County is committed to participation in WMATA and its regional Metrorail, Metrobus, and Metro Access programs. Pursuant to Section 87-13 of the County Code, the County guarantees its obligations imposed on WSTD by contracts or agreements with WMATA. As a result of State legislation, the State of Maryland is required to fund 100 percent of the County's share of rail, bus, and paratransit expenses. In addition, the State is required to fund 100 percent of the annual debt service on revenue bonds issued by WMATA in connection with the construction of the Metro Rail System. The County's share of the cost of construction of the Metro Rail System has been totally assumed by the State. In addition, State legislation mandates that the State provide 100 percent of the County's share of WMATA capital equipment replacement costs.

Under State statutes, the State of Maryland is required to cover its related 100 percent of the combined operating deficit of WMATA and County Ride On operations (that began on or after June 30, 1989), assuming that 35 percent (effective in FY09) of gross operating costs are recovered by revenues.

NOTE IV. OTHER INFORMATION (Continued)

A summary reflecting WMATA's expenditures incurred for the County's share of WMATA's activities for FY24 which are fully funded by the State and not reflected in the accompanying financial statements, is as follows:

MetroBus Operating Subsidy	\$ 78,431,993
MetroRail Operating Subsidy	82,179,919
MetroAccess Operating Subsidy	31,973,413
Total Operating	<u>192,585,325</u>
Legislative Exclusions	4,158,907
Debt Service	15,418,272
Capital Improvement Program	49,007,735
State and Local PRIIA	49,500,000
Dedicated Funding	167,000,000
Project Development Program	458,360
Total Capital	<u>265,966,095</u>
Local Bus Operating Program	<u>36,145,000</u>
Total	<u>\$ 514,273,599</u>

As of June 30, 2024, WMATA had outstanding bonds payable of \$810,655,000 of which \$31,680,000 represented bonds payable due within one year. This debt is payable from the resources of WMATA.

Northeast Maryland Waste Disposal Authority (NEMWDA)

NEMWDA is a body politic and corporate, and a public instrumentality of the State of Maryland. NEMWDA was established to assist the political subdivisions in the Northeast Maryland Region, the private sector in waste management, and the development of waste disposal facilities adequate to accommodate the region's requirements for disposal of solid waste. NEMWDA has the following eight member jurisdictions from the State of Maryland: Montgomery County, Anne Arundel County, Baltimore City, Baltimore County, Carroll County, Frederick County, Harford County, and Howard County. The Maryland Environmental Service is an ex-officio member.

NEMWDA operates the County's Resource Recovery Project. NEMWDA has entered into a service contract with the County under which the County pays a waste disposal fee calculated in accordance with the agreement. Waste disposal fee expense incurred by the Solid Waste Activities Enterprise Fund during FY24 amounted to \$22,379,626.

Jointly Governed Organization

Metropolitan Washington Council of Governments (COG)

COG is a multi-governmental regional planning organization, in partnership with State and Federal government agencies, to create and implement solutions to regional issues. The County is a COG member along with other Washington metropolitan area governments. The governing body of COG is a Board of Directors. Each participating governmental unit is allotted a member or members on the Board in accordance with a specified population formula. Budgetary authority rests with the Board. Member dues finance approximately nine percent of the total funding for COG, with State and Federal grants and private contributions providing the remainder. COG does not utilize debt financing. As a participating government in COG, the County paid \$874,962, \$158,190 and \$117,643 in Member Dues, Environmental Fund Dues, and Public Safety Dues in FY24, respectively.

NOTE IV. OTHER INFORMATION (Continued)

E) Employee Benefits

1) Deferred Compensation

During FY05, the Montgomery County Council passed legislation enabling the County to establish and maintain one or more additional deferred compensation plans for employees covered by a collective bargaining agreement. All County non-represented employees, those County represented employees who elected to participate, and employees who were retired at the time of transfer continue to participate in the Montgomery County Deferred Compensation Plan administered by the County (the County Plan). County represented employees who elected, and all represented employees hired after March 1, 2005, participate in the newly created Montgomery County Union Employees Deferred Compensation Plan (the Union Plan) administered by the bargaining units. The purpose of these Plans is to extend to employees deferred compensation plans pursuant to Section 457 of the Internal Revenue Code of 1986, as amended.

During FY99, in accordance with Federal legislation, the assets of the County Plan were placed in trust for the sole benefit of participants and their beneficiaries. Trust responsibilities were assigned to the Board of Investment Trustees (Board). The County Plan therefore is accounted for and included in the accompanying financial statements as a pension and other employee benefit trust fund. The assets of the Union Plan are not included in the accompanying financial statements since the County has no fiduciary or other responsibility for the Union Plan except as required by federal law, including any regulation, ruling, or other guidance issued under law.

Under Section 33-11 of the Code, all eligible employees hired after July 1, 2008 are automatically enrolled in the appropriate Plan with a 1% contribution unless they elect out within 60 days from the date of hire.

Under both Plans, contributions are sent to contracted third party administrator investment vendors for different types of investments as selected by participants. A separate account, which reflects the monies deferred, investment of the monies, and related investment earnings, is maintained for each participant. Withdrawals are made upon retirement, termination of employment, death, and/or in unforeseeable emergencies. Administrative expenses relating to the County Plan, which are not significant to the County Plan, have been paid by the General Fund.

2) Annual, Sick Leave, and Other Compensated Absences

Employees of the County earn annual, compensatory, and sick leave in varying amounts. Employees who are part of the County Management Leadership Service and participate in the Retirement Savings Plan (RSP) earn only paid time off (PTO) leave. In the event of termination, employees are reimbursed for accumulated annual, reimbursable sick leave, PTO (where applicable), and compensatory leave (up to a limit if applicable). Under the Employees' Retirement System of Montgomery County, covered employees are given credited service toward retirement benefits for accumulated sick leave at retirement. Earned but unused annual, reimbursable sick leave, PTO, and compensatory leave is accounted for in the proprietary funds as a liability. The liability for unused annual, reimbursable sick leave, PTO, and compensatory leave payable from governmental fund types is reflected only at the government-wide level because it will be paid from future periods' resources. Liabilities for compensated absences have not been recorded in governmental funds since the portion expected to be liquidated with expendable available financial resources has been determined to be immaterial. Earned but unused regular sick leave is not recorded as a liability because upon termination, regular sick leave is not paid. Regular sick leave is paid only in the event of employee illness, at which time the payments will be made from current resources. Certain employees who participate in the RSP and GRIP retirement plans who have met requirements for both years of service and accumulated unused sick leave balances are entitled to a lump sum reimbursement upon termination. The County has determined these lump sum reimbursements to be reimbursable sick leave, which are accrued when requirements are met.

3) Group Insurance Benefits

The County provides comprehensive group insurance programs to its employees. These benefits include, but are not limited to, medical, dental, and vision benefits, long-term disability, term life, and accidental death and dismemberment insurance. The cost of each insurance program is shared between the employer and the employees. During FY24, the County and its employees contributed \$45,512,371 and \$150,988,405, respectively. Employees of MCRA, HOC, and BUP participate in the comprehensive insurance program of the County. Employer contributions totaled \$827,123, \$5,393,221, and \$196,567 for these component units, respectively, for FY24.

NOTE IV. OTHER INFORMATION (Continued)

F) Pension Plan Obligations

As of June 30, 2024, the County reported a total pension liability of \$40,001,555, a net pension liability of \$125,050,244, total deferred outflow of \$424,609,200, total deferred inflow of \$52,776,841 and a total expense of \$81,539,654.

The County's aggregate of all defined benefit plans is as follows:

As of Fiscal Year Ended June 30, 2024

	<u>Total Pension Liability</u>	<u>Net Pension Liability</u>	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>	<u>Pension Expense</u>
Defined Benefit Pension Plan	N/A	\$ 119,109,585	\$ 421,391,983	\$ 40,025,170	\$ 85,889,116
State Retirement Plan	N/A	5,940,659	1,324,267	10,357,623	(3,251,667)
Length of Service Award Program (LOSAP)	40,001,555	N/A	1,892,950	2,394,048	(1,097,795)
Total Pension Plans	<u>\$ 40,001,555</u>	<u>\$ 125,050,244</u>	<u>\$ 424,609,200</u>	<u>\$ 52,776,841</u>	<u>\$ 81,539,654</u>

1) Defined Benefit Pension Plan

Plan Description

The Employees' Retirement System of Montgomery County (System) is a cost-sharing multiple-employer defined benefit pension plan sponsored by the County. Other agencies and political subdivisions have the right to elect participation. Montgomery County Employee Retirement Plans has the exclusive authority to manage the assets of the System. The Board of Investment Trustees consists of thirteen trustees and functions as part of the County. A publicly available annual report that includes financial statements and required supplementary information for the System, the Defined Contribution Plan (see Note IV-F2), and the Deferred Compensation Plan (see Note IV-E1), can be accessed on the County's website at <http://www.montgomerycountymd.gov/mcerp>, or can be obtained by writing the Montgomery County Employee Retirement Plans, 101 Monroe Street, Rockville, Maryland 20850.

This Plan is closed to employees hired on or after October 1, 1994, except public safety bargaining unit employees and Guaranteed Retirement Income Plan (GRIP) participants. Substantially all employees hired prior to October 1, 1994, of the County, MCRA, HOC, the Town of Chevy Chase, the Strathmore Hall Foundation, Inc., WSTC, SkyPoint Federal Credit Union, certain employees of the State Department of Assessments and Taxation, and the District Court of Maryland are provided retirement benefits under the System. The System, established under Section 33 of Montgomery County Code, 2001, as amended, is a contributory plan with employees contributing a percentage of their base annual salary, depending on their group classification which determines retirement eligibility.

Benefit provisions are established under the Montgomery County Code beginning with Section 33-35. All benefits vest at five years of service. There are different retirement groups and retirement membership classes within the System. Members enrolled before July 1, 1978, belong to either the optional non-integrated group or the optional integrated group. Members enrolled on or after July 1, 1978, belong to the mandatory integrated group. Within the groups are different retirement membership classes. The retirement class assigned depends upon the job classification of the member (i.e., non-public safety, police, fire, sheriffs and correctional staff). Normal and early retirement eligibility, the formula for determining the amount of benefit, and the cost of living adjustment varies depending upon the retirement group and retirement membership class. Normal retirement is a percentage of earnings multiplied by years of credited service. Earnings for optional non-integrated group members and optional integrated group members is defined as the high 12 months and for mandatory integrated group members, the high 36 months. The percentage of earnings, the maximum years of credited service and the cost of living adjustment varies depending upon the retirement membership class and group.

Members who retire early receive normal retirement benefits reduced by a minimum of 2 percent to a maximum of 60 percent depending on the number of years early retirement precedes normal retirement. Disability benefits are contingent upon service-connected or non-service connected occurrences and total or partial permanent disablement. Death benefits are contingent upon service-connected or non-service connected occurrences. Effective July 1, 1989, when members terminate employment before their retirement date and after completion of five years of credited service, they may elect to leave their member contributions in the System and receive a pension upon reaching their normal retirement date, based on the amount of their normal retirement pension that has accrued to the date of termination. Vested benefits and eligibility

NOTE IV. OTHER INFORMATION (Continued)

requirements are described under Section 33-45 of the Montgomery County Code of 2001, as amended. A member who terminates employment prior to five years of credited service is refunded their accumulated contributions with interest.

Deferred Retirement Option Plans (DROP), established in 2000, allow any employee who is a member of a specified membership class or bargaining unit, and who meets certain eligibility requirements, to elect to “retire” but continue to work for a specified time period, during which pension payments are deferred. When the member’s participation in the DROP Plan ends, the member must stop working for the County, draw a pension benefit based on the member’s credited service and earnings as of the date that the member began to participate in the DROP Plan, and receive the value of the DROP Plan payoff.

For members of the GRIP, employee contributions vest immediately, and employer contributions are vested after three years of service or upon death, disability, or reaching retirement age. Members are fully vested upon reaching normal retirement (age 62) regardless of years of service. At separation, a participant’s benefit is determined based upon the account balance which includes contributions and earnings.

Funding Policy

Required employee contribution rates varying from 6 to 11.25 percent of regular earnings are fixed and specified under Section 33-39 (a) of the Montgomery County Code of 2001, as amended. Employee contributions for the Elected Officials’ Plan are 4 percent of regular earnings. The County and each participating agency are required to contribute the remaining amounts necessary to fund the System, using the actuarial basis as specified in Section 33-40 of the Montgomery County Code of 2001, as amended. Under the current procedures, an actuarial valuation is performed to determine the employer contribution rate for the System. The contribution rate developed is a percentage of active member payroll. The dollar amount of each year’s employer contribution is determined by applying the contribution rate to the actual payroll for each year. Funding of the System during the period is the sum of the normal costs and amortization of the unfunded accrued liability over a twenty-year period.

The GRIP, as defined in Section 33-35 of the Code, requires non-public safety employees to contribute 4 percent of regular earnings up to the Social Security wage base and 8 percent above the Social Security wage base. Public safety employees are required to contribute 3 percent of regular earnings up to the Social Security wage base and 6 percent above the Social Security wage base. Section 33-40 of the Code requires the County and each participating agency to contribute 8 percent and 10 percent of regular earnings for non-public safety and public safety employees, respectively.

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

As of June 30, 2024, the County reported a liability of \$119,109,585 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on the County’s proportion of Unfunded Accrued Actuarial Liability (UAAL) relative to the UAAL of all agencies, actuarially determined. As of June 30, 2023, the County’s proportion was 86.38% as compared to June 30, 2022 of 110.73%, a decrease of 24.35%.

For the fiscal year ended June 30, 2024 the County recognized pension expense of \$85,889,116. As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 104,549,371	\$ 13,783,904
Assumption changes	-	26,241,266
Net difference between projected and actual earnings on pension plan investments	194,876,189	-
Changes in proportion and differences between		
County contributions and proportionate share of contributions	58,938,882	-
County contributions subsequent to the measurement date	63,027,541	-
Total	<u>\$ 421,391,983</u>	<u>\$ 40,025,170</u>

NOTE IV. OTHER INFORMATION (Continued)

The \$63,027,541 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ 49,926,423
2026	33,114,007
2027	178,018,132
2028	57,280,710

Actuarial Assumptions

The total pension liability (asset) in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	July 1, 2022
Measurement date	June 30, 2023
Actuarial cost method	Individual Entry Age Normal
Amortization method for funding	Level percentage of payroll, separate closed period bases for Public Safety and GRIP; single closed period amortization base for non-Public Safety.
Amortization period for funding	For Public Safety and GRIP: Initial amortization period of 20 years for the base established July 1, 2015. Initial amortization period of 20 years for subsequent bases. For non-Public Safety: Single closed amortization period of 9 years established July 1, 2015.
Asset valuation method	Fair value
Actuarial assumptions:	
Investment rate of return	7.50% per year
Projected salary increases depending on service	3.00% - 10.75% per year
Cost-of-living (inflation rate) adjustments	2.50% on the benefit attributable to credited service earned prior to June 30, 2011. 2.20% on the benefit attribution to credited service earned on or after July 1, 2011, reflecting the 2.50% cap.
Post-retirement increases	Consumer Price Index – by Group
Mortality rates after retirement	Pub-2010 Healthy Retiree Mortality Table (for General Employees), sex-distinct for healthy mortality. To provide a margin for future mortality improvements, generational mortality improvements from 2010 using projection scale MP-2021 was used.

An experience study was conducted in September 2019 for the period July 1, 2014 to July 1, 2018. An actuarial experience study is conducted every five years.

NOTE IV. OTHER INFORMATION (Continued)

The long-term expected rate of return on pension 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 pension 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 pension plan's target asset allocation as of June 30, 2023 (see Note III.A4 for discussion of the System's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	1.90%
International Equity	2.30
Emerging Market Equity	6.50
Global Equity	3.00
Private Equity	6.40
Credit Opportunities	5.90
High Yield Bonds	4.10
Emerging Market Debt	5.00
Directional Hedge Funds	3.00
Long Duration Fixed Income	2.90
Cash	1.30
Diversifying Hedge Funds	4.20
Global IIs	1.80
Private Real Assets	5.30
Public Real Assets	3.60

Discount Rate

The discount rate used to measure the total liability was 7.50%. The projection of cash flows to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and contributions from the County and other participating agencies will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
County's proportionate share of the net pension liability (asset)	\$535,522,041	\$ 119,109,585	\$(240,310,428)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report by the Montgomery County Employee Retirement Plans.

Allocated Insurance Contract

On August 1, 1986, the County entered into an agreement with Aetna Life Insurance Company (Aetna) wherein Aetna accepted future responsibility for monthly payments to all members retired prior to January 1, 1986, in exchange for a lump sum payment. The County is liable for cost of living increases effective January 1, 1986, and later. The transactions related to this agreement have not been recognized in the System's financial statements.

NOTE IV. OTHER INFORMATION (Continued)

2) Defined Contribution Plan

Plan Description

The Employees' Retirement Savings Plan (Plan) is a cost-sharing multiple-employer defined contribution plan established by the County under Section 33-114 of the County Code. Other agencies or political subdivisions have the right to elect participation. All non-public safety and certain public safety employees not represented by a collective bargaining agreement and hired on or after October 1, 1994, are covered under this Plan, unless they elect to participate in the GRIP. In addition to the County, other participant agencies include MCRA, HOC, the Town of Chevy Chase, the Strathmore Hall Foundation, Inc., WSTC, SkyPoint Federal Credit Union, the District Court and the State Department of Taxation and Assessments. Employees covered under the defined benefit plan may make an irrevocable decision to move into this Plan, provided they are unrepresented employees, or represented by a collective bargaining agreement that allows for participation in this Plan.

Under Section 33-116 of the Code, the Plan requires non-public safety employees to contribute 4 percent of regular earnings up to the Social Security wage base and 8 percent above the Social Security wage base. Public safety employees are required to contribute 3 percent of regular earnings up to the Social Security wage base and 6 percent above the Social Security wage base. Section 33-117 of the Code requires the County and each participating agency to contribute 8 percent and 10 percent of regular earnings for non-public safety and public safety employees, respectively. Employee contributions and earnings thereon are always vested under this Plan and employer contributions and earnings thereon are vested after 3 years of service or upon death, disability, or retirement age of the employee. Members are fully vested upon reaching normal retirement age (62) regardless of years of service. At separation, a participant's benefit is determined based upon the account balance which includes contributions and investment gains or losses. The Board of Investment Trustees monitors the Plan and offers investment options to the participating employees. Required employer and employee contributions to this Plan for FY24 were \$24,864,797 and \$12,828,789, respectively. In accordance with IRS regulations and the County Code, \$200,000 accumulated revenue was used to reduce employer contributions in FY24.

The Montgomery County Council passed legislation in FY09 enabling the County to establish and maintain a Guaranteed Retirement Income Plan (GRIP), a cash balance plan that is part of the Employees' Retirement System, for employees. During FY10, eligible County employees who were members of the Plan were granted the option to elect to participate in the GRIP and to transfer their Plan member account balance to the GRIP and cease being a member of the Plan.

3) State Retirement Plan

Plan Description

Certain employees of the County participate in the cost sharing multi-employer defined benefit retirement plans sponsored by the Maryland State Retirement Agency and administered by the Maryland State Retirement and Pension System (MSRP System). The MSRP System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to the employees of the State and participating governmental units. The MSRP System is administered by a 15-member Board of Trustees. The MSRP System issues a publicly available financial report that can be obtained at <http://www.sra.state.md.us>.

Benefits Provided

The MSRP System provides retirement allowances and other benefits to the covered employees. For employees who became members of the Employees Retirement and Pension System on or before June 30, 2011, retirement/pension allowances are computed using both the highest three years Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For employees, who become members on or after July 1, 2011, pension allowances are computed using both the highest five years AFC and the actual number of years of accumulated creditable service.

A member is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals 1/55 (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service. An individual who is a member on or before June 30, 2011 is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member on or after July 1, 2011 is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least 65 and has accrued at least 10 years of eligibility service.

NOTE IV. OTHER INFORMATION (Continued)

Contributions

The County and its covered employees are required by the State statute to contribute to the MSRP System. The required FY24 employee contributions is 7% of salary. The required employer contribution rate for FY24 is 21.13% of annual payroll, actuarially determined. The contribution requirements of the County and its covered employees are established and may be amended by the Board of Trustees of the MSRP System.

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

At June 30, 2024, the County reported a liability of \$5,940,659 for its proportionate share of the net pension liability of the MSRP System. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The County's total proportionate share and change from prior year is as follows:

	FY24	FY23	Change
Montgomery County (Supplemental)	<u>0.0257950%</u>	<u>0.0297872%</u>	<u>(0.0039922%)</u>

Montgomery County has four withdrawn Participating Governmental Units (PGU) - Montgomery County, Montgomery County Public Library, Bethesda Fire Department and Chevy Chase Fire Department. The County was paying amortized amounts each fiscal year for these four withdrawn units over a forty-year period ending June 30, 2021.

For the year ended June 30, 2024, the County recognized negative pension expense of \$3,251,667. At June 30, 2024, the County reported the total amount of deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Investment return difference	\$ 484,142	\$ -
Difference between actual and expected experience	208,797	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	10,357,623
County contributions subsequent to the measurement date	<u>631,328</u>	<u>-</u>
Total	<u>\$ 1,324,267</u>	<u>\$ 10,357,623</u>

The \$631,328 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Amount
2025	\$ (3,787,328)
2026	(3,864,754)
2027	(1,767,141)
2028	(203,129)
2029	(42,332)

NOTE IV. OTHER INFORMATION (Continued)

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2023
Actuarial cost method	Individual Entry Age Normal
Actuarial assumptions:	
Inflation	2.25% general, 2.75% wage
Salary increases	2.75% to 11.25%
Investment rate of return	6.80% per year
Mortality rates after retirement	Various versions of the Pub-2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality Improvements scale for males and females.

Investments

The long-term expected rate of return on pension 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 pension plan investment expenses 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 geometric real rates of return were adopted by the Board after considering input from the System's investment consultants and actuaries. For each major asset class that is included in the System's target asset allocation as of June 30, 2023, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34.0%	6.9%
Private Equity	16.0	8.6
Rate Sensitive	20.0	2.6
Credit Opportunity	9.0	5.6
Real Assets	15.0	5.4
Absolute Return	6.0	4.4
Total	<u>100%</u>	

The above was the Board of Trustees' adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2023. For the years ended June 30, 2023 and 2022, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expenses, was 3.11% and (2.97)%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rate and the member rate. Based on these assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE IV. OTHER INFORMATION (Continued)

Sensitivity of the County's Total Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following presents the County's total proportionate share of the net pension liability calculated using 6.80%, as well as what the County's total proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point (5.80%) lower or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5.80%	6.80%	7.80%
County's proportionate share of the net pension liability	\$ 8,808,795	\$ 5,940,659	\$ 3,560,603

4) Length of Service Award Program (LOSAP)

Plan Description

Under Section 21-21 of the Montgomery County Code, the County has established a Length of Service Award Program (LOSAP) for the County's Department of Fire and Rescue Service volunteers who meet certain age and service criteria. This program is a single-employer defined benefit pension plan because the benefits are based on the age and years of service. According to the general accounting standards, volunteers who provide services to state and local governments are included as the employees of those governments. Any local fire and rescue volunteer is eligible for this program if the volunteer is at least 16 years old and satisfies the following conditions: (a) was an active volunteer on or after August 15, 1965 or (b) on August 15, 1965, had completed 25 years as an active volunteer and (c) if less than 18 years old, meets any additional requirements established by Executive regulation.

Benefit provisions for this program are established under Section 21-21(c - g) of the County Code. The types of benefits included in this program are monthly award payments, disability benefits, survivor's benefits, death benefits, and other benefits. Effective January 1, 1985, normal benefits are payable earlier of (a) at any age with 25 years of credited service, or (b) age 60 with 15 years of credited service, or (c) age 65 with 10 years of credited service. The lifetime benefit is equal to (a) \$10.37 per month for each year of service up to 25 years plus (b) \$13.01 per month for each year of service as an active volunteer over 25 years. The maximum total benefit is \$389.35 per month. Benefits continue to accrue for service earned after payments commence. There is no provision with respect to benefit change for automatic cost of living adjustment. The benefit terms are established by and may be amended by the County Council.

The credited service is based on the point system as described under Section 21-21 (k) of the County Code. An active volunteer is one who accumulates at least 50 points in a calendar year under the point system. The points are not transferable to another year. An individual must not receive points for any activity performed as a County employee.

The number of members covered under this program as of December 31, 2022 are as follows:

Inactive members or beneficiaries currently receiving benefits	730
Inactive members entitled to but not yet receiving benefits	309
Active members	1,101
Total	2,140

There is neither accumulated assets to pay benefits under this program nor there is any trust established for this program.

The County must pay benefits under this program from the fire tax funds as required under Section 21-21 (h) of the County Code. Benefit expenditures amounting to \$1,804,169 in FY24 are reported in the Fire Tax District Special Revenue Fund on a "pay-as-you-go" basis.

Total Pension Liability

The County's total pension liability of \$40,001,555 was measured as of June 30, 2023 and was determined by an actuarial valuation date of December 31, 2022 and rolled forward to the measurement date of June 30, 2023.

NOTE IV. OTHER INFORMATION (Continued)

Actuarial Assumptions

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation date	December 31, 2022
Actuarial Method	Entry Age Normal
Retirement Age	100 percent of members are assumed to commence benefits at earliest eligibility of: 1. Age 65 with 10 years of LOSAP service 2. Age 60 with 15 years of LOSAP service 3. Any age with 25 years of LOSAP service
Mortality	The Pub-2010 Healthy Retiree Mortality Table (for Safety Employees), sex distinct, with projected generational mortality improvements based on the MP-2021 table for post-retirement non-disabled mortality. The Pub-2010 Disabled Retiree Mortality Table (for Safety Employees), sex distinct, with projected generational mortality improvements based on the MP-2021 table for post-retirement disabled mortality. The Pub-2010 Employee Morality Table (for Safety Employees), sex distinct, with projected generational mortality improvements based on the MP-2021 table for non-service connected pre-retirement mortality. 15% of the rates from the Pub-2010 Employee Morality Table (for Safety Employees), sex distinct, with projected generational mortality improvements based on the MP-2021 table for non-service connected pre-retirement mortality. The mortality assumptions contain a provision for future mortality improvements.

Discount Rate

A discount rate of 3.69% was used to measure the total pension liability as of June 30, 2022. A discount rate of 3.86% was used to measure the total pension liability as of June 30, 2023.

The discount rate as of June 30, 2022 and June 30, 2023, respectively, are the fixed-income municipal bonds rate with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of June 30, 2022 and June 30, 2023, respectively. In describing this index, Fidelity notes that the municipal curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax exempt securities.

Sensitivity of the Total Pension Liability to Changes in the Discount Rate

The following presents the total pension liability calculated using the discount rate of 3.86%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86%) or 1-percentage-point higher (4.86%) than the current discount rate:

	1% Decrease 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Total Pension liability	\$ 46,838,701	\$ 40,001,555	\$ 34,713,845

NOTE IV. OTHER INFORMATION (Continued)**Changes in the Total Pension Liability**

	<u>Total Pension Liability</u>
Balance as of June 30, 2023	<u>\$ 38,635,472</u>
Changes for the year:	
Service cost	648,369
Interest on the total pension liability	1,406,028
Benefit changes	3,115,763
Difference between expected and actual experience	(588,028)
Assumptions changes	(1,494,514)
Benefit payments	<u>(1,721,535)</u>
Net Changes	<u>1,366,083</u>
Balance as of June 30, 2024	<u>\$ 40,001,555</u>

The change in the Total Pension Liability due to the change in the Single Discount Rate from 3.69% as of the beginning of the year to 3.86% as of the end of the year is included as an assumption change.

There are no assets accumulated under this program to pay related benefits.

LOSAP Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources related to LOSAP

For the year ended June 30, 2024, the County recognized negative LOSAP Pension expense of \$1,097,795. As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to LOSAP as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 88,781	\$ 312,192
Changes in assumptions	-	2,081,856
County benefit payment subsequent to the measurement date	<u>1,804,169</u>	-
Total	<u>\$ 1,892,950</u>	<u>\$ 2,394,048</u>

The \$1,804,169 reported as deferred outflows of resources related to pensions resulting from the County contributions subsequent to the measurement date will be recognized as a reduction in net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources will be recognized in future pension expense as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ (2,176,511)
2026	(128,756)

G) Other Postemployment Benefits (OPEB)**Plan Description**

Plan administration. During FY08, the Montgomery County Council enacted legislation (Bill No. 28-07) to establish a new trust effective July 1, 2007 to fund certain County retiree benefit plans. Effective July 1, 2011, the Montgomery County Council enacted legislation (Bill No. 17-11) to change the name to Consolidated Retiree Health Benefits Trust (CRHBT) due to the addition of County-funded agency retiree benefits plans. The County-funded agencies are MCPS and MC, both component units of the reporting entity. During FY24, the County contributed \$62,251,472 to the CRHBT on behalf of MCPS and MC for the health benefits of its retirees. The claims paid reflected on the accompanying financial statements include claims amounting to \$37,200,000 reimbursed to MCPS during FY24, as required per the County Council Resolution No. 20-505. The allocated portions of investments relating to MCPS and MC as of June 30, 2024 were \$864,229,994 and \$101,250,568, respectively, and these investments are included in the investments of the CRHBT as reflected on the accompanying financial statements.

The CRHBT is a cost-sharing multiple-employer defined benefit healthcare plan sponsored by the County. Other agencies and political subdivisions have the right to elect participation. The Board of Trustees (Board) has the exclusive authority to manage

NOTE IV. OTHER INFORMATION (Continued)

the assets of the CRHBT. The Board consists of nineteen trustees and functions as part of the County. A publicly available annual report that includes financial statements and required supplementary information for the CRHBT can be accessed on the County's website at <http://www.montgomerycountymd.gov/mcerp>, or can be obtained by writing the Montgomery County Employee Retirement Plans, 101 Monroe Street, Rockville, Maryland 20850.

Benefits provided. Substantially all retirees of the County (including Circuit Court and District Court), MCRA, HOC, WSTC, the Strathmore Hall Foundation, Inc., the Village of Friendship Heights, SkyPoint Federal Credit Union, and certain retirees of the State Department of Assessments and Taxation are provided postemployment benefits such as medical, life, dental, vision, and prescription coverage under the Montgomery County Group Insurance Plan (Plan). Retirees may also elect coverage for their eligible dependents. A member of the Employees' Retirement System of Montgomery County, who retires under a normal, early, disability or discontinued service retirement, is eligible for group insurance benefits under the Plan. However, the member is not eligible for group insurance benefits if the member leaves County service prior to retirement eligibility with a deferred vested benefit payable upon member's retirement date. A member of the Employees' Retirement Savings Plan or the GRIP is eligible for group insurance upon separation from service based upon the member's age and credited service at the time of separation. Postemployment benefit provisions and eligibility requirements for retirees are described under the Montgomery County Group Insurance Summary Plan Description.

Contributions

The County Council has the authority to establish and amend contribution requirements of the plan members and the County. The Plan is a contributory plan in which the County and the retired members and beneficiaries contribute, based on an actuarial valuation, certain amounts toward the current cost of healthcare benefits. During FY24, the County contributed \$62,251,472 to the CRHBT on behalf of MCPS for the health benefits of their retirees. The County and other contributing entities contributed \$65,574,696 for current premiums, claims and administrative expenses. Contributions also include Medicare Part D contributions in the amount of \$30,598,827.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the County reported a liability of \$727,595,786 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The County's proportion of the net OPEB liability was based on a projection of the County's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating agencies actuarially determined. As of June 30, 2023 and 2022, the County's proportion was 97.534% and 97.534% respectively.

For the fiscal year ended June 30, 2024, the County recognized negative OPEB expense of \$85,833,811. As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,558,325	\$ 292,986,161
Assumption changes	117,686,187	225,259,734
Net difference between projected and actual earnings on OPEB plan investments	57,875,771	-
Changes in proportion and differences between		
County contributions and proportionate share of contributions	3,780,698	-
County contributions subsequent to the measurement date	63,900,353	-
Total	<u>\$ 272,801,334</u>	<u>\$ 518,245,895</u>

NOTE IV. OTHER INFORMATION (Continued)

The \$63,900,353 reported as deferred outflows of resources related to OPEB resulting from the County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30	Amount
2025	\$ (51,816,380)
2026	(51,816,380)
2027	(51,816,380)
2028	(51,816,380)
2029	(66,285,323)
Thereafter	(35,794,071)

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	July 1, 2023
Measurement Date	June 30, 2023
Actuarial cost method	Entry Age Normal
Discount Rate	6.80%
20 Yr. Municipal Bond Rate	3.86%
Municipal Bond Rate Basis	20-year tax exempt general obligation municipal bond with average rating of AA/Aa
Expected Return on Assets	7.50%
Salary Increases	4.25%-8.25%
General Inflation	3.00%
Mortality:	
Healthy Retirees and Beneficiaries	Group A, H, J, GRIP - Pub-2010 Healthy Mortality, Headcount weighted, General Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018 Group E, F, G - Pub-2010 Healthy Mortality, Headcount weighted, Public Safety Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018
Disabled Retirees	Group A, H, J, GRIP - Pub-2010 Disabled Mortality, Headcount weighted, General Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018 Group E, F, G - Pub-2010 Disabled Mortality, Headcount weighted, Public Safety Employees, Sex Distinct, Fully Generational projected from 2010 using scale MP-2018
Health care cost trend rates:	The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model, version 2019 b. The initial rate is 5.30% and the ultimate rate is 3.68%.The dental trend is set to 4.5% per year.

The actuarial assumptions used in the June 30, 2023 valuation, with the exception of the mortality assumptions, were based on the results of an actuarial experience study conducted by the County in September 2019 for the period July 1, 2014 to July 1, 2018 and the phase 1 experience study report covering the period July 1, 2018 through July 1, 2022 for the Montgomery County Employees' Retirement System.

NOTE IV. OTHER INFORMATION (Continued)

The long-term expected rate of return on OPEB 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 OPEB 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 geometric real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2023 (see Note III.A4 discussion of the OPEB plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equities	1.90%
International Equities	2.30
Emerging Market Equities	6.50
Global Equities	3.00
Private Equity	6.40
Credit Opportunities	5.90
High Yield Bonds	4.10
Emerging Market Debt	5.00
Directional Hedge Funds	3.00
Long Duration Fixed Income	1.70
Cash	1.30
Diversifying Hedge Funds	4.20
Global ILs	1.80
Private Real Assets	5.30
Public Real Assets	3.60

A single discount rate of 6.80% was used to measure the total OPEB liability as of June 30, 2023. This single discount rate was blended based on the expected long-term rate of return on OPEB plan investments of 7.5% and the municipal long-term high quality bond index yield (at the measurement date) of 3.86% as described under the terms of the GASB standard. The projection of cash flows used to determine the single discount rate assumes that employer contributions will be made based on the current funding policy (contributions equal to the employer normal cost plus a 30-year open level percent of pay amortization of the unfunded employer liability). Based on these assumptions, the OPEB plan's fiduciary net position was projected to not be sufficient to make all projected future benefit payments on behalf of current plan members. Therefore, the long-term expected rate of return on plan investments was applied only to those payments prior to the depletion of the fiduciary net position and the bond yield index rate was applied to those benefit payments subsequent to the projected depletion of the fiduciary net position. For this valuation, the bond rate used as of June 30, 2023 was 3.86%. Therefore, the blended discount rate used as of June 30, 2023 was 6.80%.

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability calculated using the discount rate of 6.80%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
Net OPEB Liability	\$ 910,991,769	\$ 727,595,786	\$ 574,681,373

NOTE IV. OTHER INFORMATION (Continued)

Sensitivity of the County's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the Plan, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 562,757,512	\$ 727,595,786	\$ 930,178,115

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued financial report by the Montgomery County Employee Retirement Plans.





REQUIRED
SUPPLEMENTARY
INFORMATION



**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive
	Original Budget	Final Budget		(Negative)
Revenues:				
Taxes:				
Property	\$ 1,418,649,383	\$ 1,418,649,383	\$ 1,514,411,876	\$ 95,762,493
Property - penalty and interest	-	-	2,182,317	2,182,317
Total Property Tax	1,418,649,383	1,418,649,383	1,516,594,193	97,944,810
County Income Tax	1,925,076,241	1,925,076,241	2,023,561,278	98,485,037
Other Local Taxes:				
Real property transfer	118,050,247	118,050,247	96,468,076	(21,582,171)
Recordation	56,501,236	56,501,236	44,958,808	(11,542,428)
Fuel energy	193,151,409	193,151,409	182,130,483	(11,020,926)
Hotel-motel	22,067,616	22,067,616	23,084,973	1,017,357
Telephone	55,641,296	55,641,296	55,607,943	(33,353)
Other	4,953,271	4,953,271	4,882,138	(71,133)
Total Other Local Taxes	450,365,075	450,365,075	407,132,421	(43,232,654)
Total Taxes	3,794,090,699	3,794,090,699	3,947,287,892	153,197,193
Licenses and Permits:				
Business	4,324,395	4,324,395	4,185,336	(139,059)
Non business	8,304,310	8,304,310	8,134,275	(170,035)
Total Licenses and Permits	12,628,705	12,628,705	12,319,611	(309,094)
Intergovernmental Revenue:				
State Aid and Reimbursements:				
DHR State reimbursement	36,500	36,500	36,169	(331)
Highway user revenue	10,573,697	10,573,697	10,416,338	(157,359)
Police protection	17,194,527	17,194,527	17,000,548	(193,979)
Health and human services programs	5,172,911	5,172,911	7,263,394	2,090,483
Public libraries	5,120,281	5,120,281	5,357,519	237,238
911 Emergency	12,000,000	12,000,000	15,944,049	3,944,049
Other	3,072,634	3,072,634	14,679,919	11,607,285
Total State Aid and Reimbursements	53,170,550	53,170,550	70,697,936	17,527,386
Federal Reimbursements:				
Federal financial participation	16,977,916	16,977,916	13,120,685	(3,857,231)
Other	8,475,465	8,475,465	73,438,820	64,963,355
Total Federal Reimbursements	25,453,381	25,453,381	86,559,505	61,106,124
Other Intergovernmental	3,889,960	3,889,960	4,343,742	453,782
Total Intergovernmental Revenue	82,513,891	82,513,891	161,601,183	79,087,292
Charges for Services:				
General government	5,314,674	5,314,674	3,857,026	(1,457,648)
Public safety	4,237,775	4,237,775	4,231,944	(5,831)
Health and human services	1,647,119	1,647,119	1,724,408	77,289
Culture and recreation	400	400	1,019	619
Environment	-	-	4,750	4,750
Transportation	525,400	525,400	1,250,088	724,688
Total Charges for Services	11,725,368	11,725,368	11,069,235	(656,133)
Fines and forfeitures	29,378,950	29,378,950	28,536,036	(842,914)
Investment and Interest Income:				
Pooled investment income	9,233,720	9,233,720	31,707,877	22,474,157
Other interest income	-	-	149,139	149,139
Total Investment and Interest Income	9,233,720	9,233,720	31,857,016	22,623,296
Miscellaneous Revenue:				
Property rentals	4,653,593	4,653,593	3,505,896	(1,147,697)
Sundry	6,152,408	6,485,306	12,344,916	5,859,610
Total Miscellaneous Revenue	10,806,001	11,138,899	15,850,812	4,711,913
Total Revenues	3,950,377,334	3,950,710,232	4,208,521,785	257,811,553
Expenditures:				
Departments or Offices:				
County Council:				
Personnel	15,190,685	15,251,652	14,024,784	1,226,868
Operating	1,587,331	1,924,773	1,265,024	659,749
Totals	16,778,016	17,176,425	15,289,808	1,886,617

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Board of Appeals:				
Personnel	608,568	614,686	614,116	570
Operating	36,347	36,347	21,782	14,565
Totals	644,915	651,033	635,898	15,135
Legislative Oversight:				
Personnel	2,261,133	2,360,444	2,360,443	1
Operating	105,341	156,061	85,607	70,454
Totals	2,366,474	2,516,505	2,446,050	70,455
Merit System Protection Board:				
Personnel	273,527	278,144	269,323	8,821
Operating	414,504	814,504	802,913	11,591
Totals	688,031	1,092,648	1,072,236	20,412
Zoning and Administrative Hearings:				
Personnel	685,088	756,718	756,717	1
Operating	70,900	66,040	66,034	6
Totals	755,988	822,758	822,751	7
Inspector General:				
Personnel	2,780,183	2,757,598	2,634,257	123,341
Operating	137,138	432,499	420,606	11,893
Totals	2,917,321	3,190,097	3,054,863	135,234
Circuit Court:				
Personnel	11,316,588	11,891,258	11,891,248	10
Operating	2,549,879	2,581,993	2,550,979	31,014
Totals	13,866,467	14,473,251	14,442,227	31,024
State's Attorney:				
Personnel	20,698,408	20,952,158	20,952,152	6
Operating	1,168,168	1,269,495	1,218,523	50,972
Totals	21,866,576	22,221,653	22,170,675	50,978
County Executive:				
Personnel	5,724,359	5,808,492	5,808,487	5
Operating	1,346,164	1,408,144	884,401	523,743
Totals	7,070,523	7,216,636	6,692,888	523,748
Community Engagement:				
Personnel	5,893,698	6,223,069	6,223,061	8
Operating	2,774,215	3,161,896	2,840,294	321,602
Totals	8,667,913	9,384,965	9,063,355	321,610
Ethics Commission:				
Personnel	352,921	359,499	309,280	50,219
Operating	38,332	38,332	38,208	124
Totals	391,253	397,831	347,488	50,343
Intergovernmental Relations:				
Personnel	839,393	876,905	876,899	6
Operating	116,995	105,225	56,020	49,205
Totals	956,388	982,130	932,919	49,211
Public Information:				
Personnel	6,894,801	6,917,737	6,541,588	376,149
Operating	251,908	271,114	266,832	4,282
Totals	7,146,709	7,188,851	6,808,420	380,431
Board of Elections:				
Personnel	4,897,928	5,220,324	5,220,320	4
Operating	7,763,533	7,456,642	7,210,084	246,558
Totals	12,661,461	12,676,966	12,430,404	246,562
Racial Equity and Social Justice:				
Personnel	1,158,683	1,158,683	951,779	206,904
Operating	240,296	256,226	173,732	82,494
Totals	1,398,979	1,414,909	1,125,511	289,398

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Labor Relations:				
Personnel	1,237,680	1,242,831	1,227,192	15,639
Operating	383,490	413,583	410,204	3,379
Totals	1,621,170	1,656,414	1,637,396	19,018
Grants Management:				
Personnel	567,243	618,317	618,310	7
Operating	42,135	52,663	52,660	3
Totals	609,378	670,980	670,970	10
Food Resilience:				
Personnel	385,131	408,821	408,815	6
Operating	733,000	5,179,310	4,629,725	549,585
Totals	1,118,131	5,588,131	5,038,540	549,591
County Attorney:				
Personnel	6,785,993	7,493,485	7,493,476	9
Operating	837,655	1,527,242	1,527,238	4
Totals	7,623,648	9,020,727	9,020,714	13
Management and Budget:				
Personnel	6,763,561	6,842,739	6,842,738	1
Operating	480,137	453,187	429,845	23,342
Totals	7,243,698	7,295,926	7,272,583	23,343
Finance:				
Personnel	14,132,837	13,870,811	13,848,832	21,979
Operating	2,693,081	7,656,006	5,409,550	2,246,456
Totals	16,825,918	21,526,817	19,258,382	2,268,435
Procurement:				
Personnel	4,676,044	4,700,283	4,700,279	4
Operating	392,562	535,614	535,614	-
Totals	5,068,606	5,235,897	5,235,893	4
Human Resources:				
Personnel	7,924,852	7,552,559	6,727,723	824,836
Operating	3,433,402	4,323,642	4,218,175	105,467
Totals	11,358,254	11,876,201	10,945,898	930,303
Technology and Enterprise Business Solutions:				
Personnel	24,438,923	23,922,919	23,639,101	283,818
Operating	27,774,713	35,424,734	35,327,264	97,470
Totals	52,213,636	59,347,653	58,966,365	381,288
General Services:				
Personnel	16,160,211	18,893,263	18,893,255	8
Operating	22,580,929	31,697,007	31,697,000	7
Totals	38,741,140	50,590,270	50,590,255	15
Animal Services:				
Personnel	7,697,357	8,042,621	8,042,620	1
Operating	1,700,089	1,742,457	1,742,455	2
Totals	9,397,446	9,785,078	9,785,075	3
Consumer Protection:				
Personnel	2,435,913	2,458,127	2,458,117	10
Operating	130,881	145,067	125,053	20,014
Totals	2,566,794	2,603,194	2,583,170	20,024
Correction and Rehabilitation:				
Personnel	67,281,664	70,760,070	70,760,068	2
Operating	9,032,577	12,261,241	12,261,234	7
Totals	76,314,241	83,021,311	83,021,302	9
Human Rights:				
Personnel	1,591,362	1,602,008	1,282,786	319,222
Operating	372,433	374,526	229,623	144,903
Totals	1,963,795	1,976,534	1,512,409	464,125
Police:				
Personnel	265,796,424	259,398,997	259,398,993	4
Operating	46,724,330	65,683,600	65,683,594	6

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Totals	312,520,754	325,082,597	325,082,587	10
Sheriff:				
Personnel	22,632,317	22,966,914	22,966,910	4
Operating	5,424,109	5,869,869	5,869,861	8
Totals	28,056,426	28,836,783	28,836,771	12
Emergency Management and Homeland Security:				
Personnel	1,774,771	1,786,779	1,617,934	168,845
Operating	1,248,433	4,390,447	3,954,647	435,800
Totals	3,023,204	6,177,226	5,572,581	604,645
Transportation:				
Personnel	25,148,388	26,354,928	26,150,294	204,634
Operating	27,042,556	44,165,962	44,165,953	9
Totals	52,190,944	70,520,890	70,316,247	204,643
Health and Human Services:				
Personnel	165,590,265	154,394,697	153,850,079	544,618
Operating	191,492,843	224,637,457	224,133,567	503,890
Totals	357,083,108	379,032,154	377,983,646	1,048,508
Public Libraries:				
Personnel	39,668,647	37,322,503	37,322,430	73
Operating	9,750,082	10,163,160	10,133,457	29,703
Totals	49,418,729	47,485,663	47,455,887	29,776
Housing and Community Affairs:				
Personnel	8,794,312	9,166,126	8,373,670	792,456
Operating	1,831,406	2,815,351	2,300,268	515,083
Totals	10,625,718	11,981,477	10,673,938	1,307,539
Agriculture:				
Personnel	865,874	876,238	861,846	14,392
Operating	494,468	496,474	489,854	6,620
Totals	1,360,342	1,372,712	1,351,700	21,012
Environmental Protection:				
Personnel	3,774,116	3,401,945	3,343,493	58,452
Operating	5,309,731	8,596,311	8,596,307	4
Totals	9,083,847	11,998,256	11,939,800	58,456
Total Departments	1,154,205,941	1,254,089,549	1,242,087,602	12,001,947
Nondepartmental:				
Arts and Humanities Council	6,649,029	6,649,029	6,649,029	-
Boards, Committees and Commissions	49,665	49,665	18,713	30,952
Charter Review Commission	1,150	1,150	320	830
Children's Opportunity Alliance	728,387	728,387	728,387	-
Climate Change Initiative	486,500	489,833	484,509	5,324
Community Grants	11,617,948	14,738,707	13,596,448	1,142,259
Compensation and Employee Benefit Adjustments - personnel	7,790,773	7,158,317	6,263,702	894,615
Compensation and Employee Benefit Adjustments - operating	990,400	1,007,005	565,213	441,792
Conference Center - personnel	136,458	136,798	136,794	4
Conference Center - operating	465,737	465,397	5,226	460,171
Conference and Visitors Bureau	2,196,819	2,361,034	2,361,034	-
Consolidated Retiree Health Benefit and Trust (MCPS)	62,251,472	62,251,472	62,251,472	-
Contributions To Self Insurance Fund - Risk Management	26,469,813	26,469,813	25,781,408	688,405
County Associations	74,728	74,728	74,728	-
County Leases - personnel	100,000	100,000	45,223	54,777
County Leases - operating	17,956,606	17,972,543	17,754,223	218,320
COVID-19 Response - Community Assistance	-	5,379,120	(44,000)	5,423,120
Device Client Management	13,801,195	14,600,776	14,597,140	3,636
Early Care and Education	11,178,526	26,950,097	18,119,687	8,830,410
Grants To Municipalities in Lieu Of Shared Tax	28,020	28,020	28,012	8
Group Insurance Retirees	51,438,503	51,438,503	51,438,500	3
Guaranteed Income	3,298,345	4,924,548	4,017,209	907,339
Historical Activities	166,860	166,860	166,860	-
Homeowners' Association Road Maintenance Reimbursement	62,089	62,089	62,089	-

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive
	Original Budget	Final Budget		(Negative)
Incubator Program	2,659,874	3,673,193	3,267,090	406,103
Independent Audit	431,510	445,968	321,026	124,942
Interagency Technology, Policy and Coordination Commission	3,000	3,000	-	3,000
KID Museum	1,860,798	1,860,798	1,860,798	-
Labor Management Relations Committee	-	197,759	9,121	188,638
Legislative Branch Communications Outreach	2,382,054	2,523,782	2,045,564	478,218
Metro Washington Council Of Governments	1,957,533	1,957,533	1,718,724	238,809
Montgomery Coalition for Adult English Literacy	2,277,032	2,277,032	2,277,032	-
Montgomery County Green Bank	18,647,957	18,957,957	18,957,957	-
Montgomery County Economic Development Corp.	5,950,000	8,713,076	8,713,076	-
Municipal Tax Duplication	18,894,482	19,971,066	19,873,759	97,307
Police Accountability Board	509,222	624,322	624,304	18
Prisoner Medical Services	20,000	20,000	-	20,000
Public Technologies Inc	5,000	5,000	5,000	-
Rockville Parking District	422,300	422,300	412,242	10,058
Skills for the Future	284,774	426,153	229,408	196,745
Small Business Support Services	1,485,000	1,485,000	1,381,061	103,939
Snow Removal	2,884,990	-	-	-
State Positions Supplement	60,756	60,756	-	60,756
State Property Tax Services	3,565,615	3,565,615	3,540,899	24,716
Takoma Park - Library Transition	172,416	172,416	172,416	-
Telecommunications	5,086,126	6,493,686	6,493,150	536
UM 3- Institute for Health Computing	3,700,000	3,700,000	3,700,000	-
Universities at Shady Grove	225,000	225,000	225,000	-
Utilities	24,276,203	35,793,025	35,793,022	3
Vision Zero	201,944	201,989	191,038	10,951
Working Families Income Supplement	27,490,751	27,490,751	27,249,255	241,496
WorkSource Montgomery, Inc.	2,014,594	3,947,188	2,409,594	1,537,594
Total - Nondepartmental	<u>345,407,954</u>	<u>389,418,256</u>	<u>366,572,462</u>	<u>22,845,794</u>
Total Expenditures	<u>1,499,613,895</u>	<u>1,643,507,805</u>	<u>1,608,660,064</u>	<u>34,847,741</u>
Excess of Revenues over (under) Expenditures	<u>2,450,763,439</u>	<u>2,307,202,427</u>	<u>2,599,861,721</u>	<u>292,659,294</u>
Other Financing Sources (Uses):				
Transfers In:				
Special Revenue Funds:				
Fire Tax District	520,750	520,750	520,750	-
Recreation	8,330,500	8,330,500	8,330,500	-
Mass Transit	18,729,815	18,729,815	18,729,815	-
Water Quality Protection	2,095,891	2,095,891	2,095,891	-
Urban Districts	903,204	903,204	903,204	-
Housing Initiative	553,516	553,516	553,516	-
Cable TV	4,137,111	4,137,111	4,137,111	-
Total Special Revenue Funds	<u>35,270,787</u>	<u>35,270,787</u>	<u>35,270,787</u>	<u>-</u>
Enterprise Funds:				
Liquor	34,629,492	34,629,492	34,629,492	-
Parking Lot Districts	1,028,392	1,028,392	1,028,392	-
Solid Waste Activities	3,537,816	3,537,816	3,537,816	-
Community Use of Public Facilities	883,994	883,994	883,994	-
Permitting Services	5,948,385	5,948,385	5,948,385	-
Total Enterprise Funds	<u>46,028,079</u>	<u>46,028,079</u>	<u>46,028,079</u>	<u>-</u>
Total Transfers In	<u>81,298,866</u>	<u>81,298,866</u>	<u>81,298,866</u>	<u>-</u>
Total Transfers In - MCG	<u>81,298,866</u>	<u>81,298,866</u>	<u>81,298,866</u>	<u>-</u>

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Transfers (Out):				
Special Revenue Funds:				
Recreation	(1,009,700)	(1,009,700)	(1,009,700)	-
Fire Tax District	(250,000)	(250,000)	(250,000)	-
Urban Districts	(3,979,523)	(3,979,523)	(3,979,523)	-
Mass Transit	(531,310)	(42,555,310)	(42,555,310)	-
Housing Initiative	(33,257,439)	(33,257,439)	(33,257,439)	-
Economic Development	(3,025,739)	(22,171,497)	(22,171,497)	-
Total Special Revenue Funds	<u>(42,053,711)</u>	<u>(103,223,469)</u>	<u>(103,223,469)</u>	-
Internal Service Funds:				
Self insurance liability and property	-	(5,200,000)	(5,200,000)	-
Total Internal Service Funds	<u>-</u>	<u>(5,200,000)</u>	<u>(5,200,000)</u>	-
Enterprise Funds:				
Community Use of Public Facilities	(160,000)	(160,000)	(160,000)	-
Solid Waste Activities	(735,800)	(735,800)	(735,800)	-
Total Enterprise Funds	<u>(895,800)</u>	<u>(895,800)</u>	<u>(895,800)</u>	-
Debt Service Fund	(377,650,234)	(377,650,234)	(369,639,362)	8,010,872
Capital Projects Fund	(26,899,000)	(145,597,813)	(92,772,640)	52,825,173
Total Transfers (Out)	<u>(447,498,745)</u>	<u>(632,567,316)</u>	<u>(571,731,271)</u>	<u>60,836,045</u>
Transfers (Out) - Component Units and Joint Venture:				
Montgomery County Public Schools - operating	(2,003,770,321)	(2,013,770,321)	(2,014,012,639)	(242,318)
Montgomery County Public Schools - capital	(29,123,000)	(64,032,840)	(28,603,000)	35,429,840
Total Montgomery County Public Schools	<u>(2,032,893,321)</u>	<u>(2,077,803,161)</u>	<u>(2,042,615,639)</u>	<u>35,187,522</u>
Montgomery College - operating	(150,766,656)	(150,766,656)	(150,766,656)	-
Montgomery College - capital	(17,034,000)	(32,057,492)	(13,802,514)	18,254,978
Total Montgomery College	<u>(167,800,656)</u>	<u>(182,824,148)</u>	<u>(164,569,170)</u>	<u>18,254,978</u>
Housing Opportunities Commission - operating	(7,972,501)	(7,972,501)	(7,972,501)	-
Housing Opportunities Commission - capital	(1,250,000)	(20,892,659)	(16,898,807)	3,993,852
Total Housing Opportunity Commission	<u>(9,222,501)</u>	<u>(28,865,160)</u>	<u>(24,871,308)</u>	<u>3,993,852</u>
M-NCPPC - operating	(2,013,465)	(2,013,465)	(2,013,465)	-
Total Transfers (Out) - Component Units and JV	<u>(2,211,929,943)</u>	<u>(2,291,505,934)</u>	<u>(2,234,069,582)</u>	<u>57,436,352</u>
Total Transfers (Out) - MCG	<u>(2,659,428,688)</u>	<u>(2,924,073,250)</u>	<u>(2,805,800,852)</u>	<u>118,272,398</u>
Total Other Financing Sources (Uses)	<u>(2,578,129,822)</u>	<u>(2,842,774,384)</u>	<u>(2,724,501,986)</u>	<u>118,272,398</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (127,366,383)</u>	<u>\$ (535,571,957)</u>	<u>(124,640,265)</u>	<u>\$ 410,931,692</u>
Adjustments required under generally accepted accounting principles:				
Non budgeted Item - Bad debt expense			(1,376,797)	
Elimination of encumbrances outstanding			89,358,072	
Conference Center activity			(1,543,325)	
Non-budgeted Item-Leases			868,710	
Other non-budgeted items			(3,125)	
Non-budgeted Item- Recovered Bad Debt			18,617	
Prepaid adjustment			(1,887,594)	
Consolidation:				
Revenue Stabilization			39,267,465	
Economic Development			19,666,167	
Urban Districts			(1,029,644)	
GAAP - Net Change in Fund Balance			<u>18,698,281</u>	
Fund Balance - Beginning of Year			<u>1,245,605,056</u>	
Fund Balance - End of Year			<u>\$ 1,264,303,337</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
HOUSING INITIATIVE SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes - recordation premium	\$ 23,979,590	\$ 23,979,590	\$ 20,865,147	\$ (3,114,443)
Charges for services	5,048,950	5,048,950	77,120	(4,971,830)
Investment and interest income:				
Pooled investment income	4,043,580	4,043,580	5,094,951	1,051,371
Other interest income	-	-	5,494,516	5,494,516
Total Investment and interest income	4,043,580	4,043,580	10,589,467	6,545,887
Miscellaneous:				
Property rentals, MPDU and other contributions	2,659,516	2,659,516	2,915,301	255,785
Total Miscellaneous	2,659,516	2,659,516	2,915,301	255,785
Total Revenues	35,731,636	35,731,636	34,447,035	(1,284,601)
Expenditures: Community development and housing				
Personnel	3,081,939	2,773,749	2,699,245	74,504
Operating	54,205,753	87,811,581	87,811,573	8
Total Expenditures	57,287,692	90,585,330	90,510,818	74,512
Excess of Revenues over (under) Expenditures	(21,556,056)	(54,853,694)	(56,063,783)	(1,210,089)
Other Financing Sources (Uses):				
Transfers In (Out):				
From General Fund	33,257,439	33,257,439	33,257,439	-
To General Fund	(553,516)	(553,516)	(553,516)	-
To Debt Service Fund	(19,155,600)	(19,155,600)	(15,300,975)	3,854,625
Mortgage repayment	3,300,000	3,300,000	70,010,565	66,710,565
Sale of property	-	-	641,703	641,703
Total Other Financing Sources (Uses)	16,848,323	16,848,323	88,055,216	71,206,893
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ (4,707,733)	\$ (38,005,371)	31,991,433	\$ 69,996,804
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			10,733,514	
Repayment of loan not considered revenue under GAAP ⁽¹⁾			(120,236,597)	
Loan disbursement not considered expenditure under GAAP ⁽²⁾			78,558,991	
Non budgeted Item - Leases			6,861	
Non budgeted Item - Recovered bad debt			51,548	
Non budgeted Item - Bad debt expense			(4,497,680)	
GAAP - Net Change in Fund Balance			(3,391,930)	
Fund Balance - Beginning of Year			457,771,880	
Fund Balance - End of Year			<u>\$ 454,379,950</u>	

⁽¹⁾ Repayment of loan includes repayment transfer to Capital Projects Fund in the amount of \$50,226,033.

⁽²⁾ This amount includes \$51,666,917 of loan disbursement transfer-in from Capital Projects Fund.

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance
	Original Budget	Final Budget		Positive (Negative)
Revenues:				
Intergovernmental:				
Federal grants	\$ 65,721,065	\$ 71,637,147	\$ 105,783,391	\$ 34,146,244
State grants	92,336,212	90,679,778	82,696,133	(7,983,645)
Other non-state and non-federal reimbursements	285,303	867,953	14,136,528	13,268,575
Total Intergovernmental	158,342,580	163,184,878	202,616,052	39,431,174
Investment and interest income:				
Other principal and interest income	1,000,000	1,000,000	2,845,633	1,845,633
Total Investment Income	1,000,000	1,000,000	2,845,633	1,845,633
Miscellaneous	148,233	116,233	12,355,930	12,239,697
Total Revenues	159,490,813	164,301,111	217,817,615	53,516,504
Expenditures:				
Departments or Offices:				
General Government:				
Board of Elections:				
Personnel	-	(1,603,428)	-	(1,603,428)
Totals	-	(1,603,428)	-	(1,603,428)
County Executive				
Operating	-	(181,529)	7,102,572	(7,284,101)
Totals	-	(181,529)	7,102,572	(7,284,101)
Finance:				
Personnel	-	(855)	-	(855)
Operating	-	(1,005,934)	(2,663,276)	1,657,342
Totals	-	(1,006,789)	(2,663,276)	1,656,487
Community Engagement:				
Personnel	64,387	64,387	93,947	(29,560)
Operating	10,613	364,593	199,753	164,840
Totals	75,000	428,980	293,700	135,280
Agriculture:				
Operating	-	(20,897)	-	(20,897)
Totals	-	(20,897)	-	(20,897)
General Services:				
Personnel	-	-	239	(239)
Totals	-	-	239	(239)
Technology and Enterprise Business Solutions:				
Operating	-	(623,497)	23,392,917	(24,016,414)
Totals	-	(623,497)	23,392,917	(24,016,414)
Total General Government	75,000	(3,007,160)	28,126,152	(31,133,312)
Public Safety:				
Circuit Court:				
Personnel	3,002,719	3,047,560	3,061,895	(14,335)
Operating	297,059	243,733	196,298	47,435
Totals	3,299,778	3,291,293	3,258,193	33,100
Correction and Rehabilitation:				
Operating	-	(17)	-	(17)
Totals	-	(17)	-	(17)
Fire and Rescue Service:				
Personnel	-	2,201,493	2,520,474	(318,981)
Operating	-	4,094,606	1,464,719	2,629,887
Totals	-	6,296,099	3,985,193	2,310,906
Police:				
Personnel	-	774,671	387,340	387,331
Operating	-	1,492,261	1,613,609	(121,348)
Totals	-	2,266,932	2,000,949	265,983

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance
	Original Budget	Final Budget		Positive (Negative)
State's Attorney:				
Personnel	257,006	1,133,530	348,161	785,369
Operating	-	96,394	138,769	(42,375)
Totals	257,006	1,229,924	486,930	742,994
Sheriff:				
Personnel	586,099	1,171,760	801,726	370,034
Operating	317,125	691,053	380,647	310,406
Totals	903,224	1,862,813	1,182,373	680,440
Emergency Management & Homeland Security:				
Personnel	1,097,846	2,135,805	1,028,631	1,107,174
Operating	-	5,495,248	5,572,724	(77,476)
Totals	1,097,846	7,631,053	6,601,355	1,029,698
Total Public Safety	5,557,854	22,578,097	17,514,993	5,063,104
Transportation:				
Personnel	1,629,189	1,470,956	839,165	631,791
Operating	3,635,978	2,848,810	7,483,461	(4,634,651)
Total Transportation	5,265,167	4,319,766	8,322,626	(4,002,860)
Health and Human Services:				
Personnel	57,807,321	53,152,883	62,480,296	(9,327,413)
Operating	61,519,643	42,858,415	84,995,124	(42,136,709)
Total Health and Human Services	119,326,964	96,011,298	147,475,420	(51,464,122)
Culture and Recreation:				
Public Libraries:				
Personnel	228,121	210,969	256,315	(45,346)
Operating	37,479	242,594	303,030	(60,436)
Totals	265,600	453,563	559,345	(105,782)
Recreation:				
Personnel	154,096	283,229	225,247	57,982
Operating	-	60,746	107,531	(46,785)
Totals	154,096	343,975	332,778	11,197
Total Culture and Recreation	419,696	797,538	892,123	(94,585)
Housing:				
Permitting Service:				
Operating	-	-	385	(385)
Totals	-	-	385	(385)
Housing and Community Affairs:				
Personnel	2,261,501	839,068	1,777,518	(938,450)
Operating	6,584,631	3,862,992	12,304,290	(8,441,298)
Totals	8,846,132	4,702,060	14,081,808	(9,379,748)
Total Housing	8,846,132	4,702,060	14,082,193	(9,380,133)
Environmental Protection:				
Personnel	-	(6,301)	-	(6,301)
Operating	-	1,712,825	1,331,736	381,089
Total Environmental Protection	-	1,706,524	1,331,736	374,788

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
GRANTS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance
	Original Budget	Final Budget		Positive (Negative)
Nondepartmental:				
Compensation and Employee Benefit Adjustments	1,000,000	-	-	-
Conference and Visitors Bureau	-	(34,383,153)	-	(34,383,153)
COVID-19 Response - Community Assistance	-	(12,825,551)	-	(12,825,551)
Early Care and Education	-	(34,440,289)	-	(34,440,289)
Future Federal/State/Other Grants - Operating	20,000,000	5	-	5
Total Nondepartmental	21,000,000	(81,648,988)	-	(81,648,988)
Total Expenditures	160,490,813	45,459,135	217,745,243	(172,286,108)
Excess of Revenues over (under) Expenditures	(1,000,000)	118,841,976	72,372	118,769,604

Adjustments required under generally accepted accounting principles:

GAAP - Net Change in Fund Balance	72,372
Fund Balance - Beginning of Year	<u>216,034</u>
Fund Balance - End of Year	<u>\$ 288,406</u>

Reconciliation of Budgetary Schedule to GAAP Basis

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances:

	Revenues	Expenditures & Encumbrances	Other Financing Sources (Uses)	Effect on Fund Balance
As reported - budgetary basis	\$ 217,817,615	\$ 217,745,243	\$ -	\$ 72,372
Reconciling items:				
Encumbrances outstanding at year-end	<u>(15,441,622)</u>	<u>(15,441,622)</u>	-	-
As reported - GAAP basis	<u>\$ 202,375,993</u>	<u>\$ 202,303,621</u>	<u>\$ -</u>	<u>\$ 72,372</u>

**REQUIRED SUPPLEMENTARY INFORMATION
CONSOLIDATED RETIREE HEALTH BENEFITS TRUST
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30	County's Proportion		Share of the Net OPEB Liability as a % of its Covered Payroll	County's Covered Payroll	Plan Fiduciary Net Position as a % of Total OPEB Liability
	% of Net OPEB Liability	Share of the Net OPEB Liability			
2018	97.62%	\$ 1,486,051,494	202.70%	\$ 733,142,945	22.38%
2019	97.06	1,291,983,847	173.74	743,618,488	26.99
2020	96.74	825,636,740	108.66	759,800,866	39.35
2021	97.23	983,532,109	125.87	781,367,096	38.02
2022	97.23	819,410,047	103.10	794,782,430	49.28
2023	97.53	791,607,659	96.54	819,956,332	47.82
2024	97.53	727,595,786	85.58	850,210,248	50.98

**SCHEDULE OF COUNTY CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ended June 30	Contractually Required Contributions	Contributions in Relation to Contractually Required Contributions	Contribution Deficiency (excess)	County's Covered Payroll	Actual Contributions as a % of Covered Payroll
2018	\$ 110,024,000	\$ 119,823,414	\$ (9,799,414)	\$ 743,618,488	16.11%
2019	114,025,000	61,184,301	52,840,699	759,800,866	8.05
2020	112,936,000	74,434,514	38,501,486	781,367,096	9.53
2021	70,154,000	87,150,749	(16,996,749)	794,782,430	10.97
2022	73,877,000	91,813,414	(17,936,414)	819,956,332	11.20
2023	63,507,000	67,606,428	(4,099,428)	850,210,248	7.95
2024	64,319,000	66,405,088	(2,086,088)	867,543,750*	7.65

These two schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

*Estimated. Actual will be available with the fiscal year 2025 GASB 75 valuation.

**REQUIRED SUPPLEMENTARY INFORMATION
EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS**

Fiscal Year Ending June 30	County's Proportion			County's Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
	% of Net Pension Liability	Share of the Net Pension Liability (Asset)	Share of the Net Pension Liability as a % of its Covered Payroll		
2015	97.79%	\$ 298,751,284	75.83%	\$ 393,995,026	92.28%
2016	96.94	407,854,987	100.48	405,915,489	89.69
2017	96.36	521,396,382	126.54	412,057,017	87.06
2018	94.78	324,129,748	76.97	421,097,825	92.00
2019	93.64	180,738,135	41.25	438,197,425	95.55
2020	80.34	42,214,310	11.02	382,929,175	98.80
2021	68.42	75,030,704	21.77	344,614,523	97.53
2022	107.07	(790,452,877)	(145.79)	542,198,922	116.20
2023	110.73	(170,936,618)	(0.30)	565,490,308	103.30
2024	86.38	119,109,585	0.24	487,994,547	97.20

**SCHEDULE OF COUNTY CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (excess)	County's Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 141,511,591	\$ 141,511,591	\$ -	\$ 405,915,489	34.86%
2016	146,672,030	146,672,030	-	412,057,017	35.60
2017	129,899,308	129,899,308	-	421,097,825	30.85
2018	90,422,232	90,422,232	-	438,197,425	20.64
2019	87,235,355	87,235,355	-	382,929,175	22.78
2020	69,564,401	69,564,401	-	344,614,523	20.19
2021	59,663,581	59,663,581	-	542,198,922	11.00
2022	75,744,787	75,744,787	-	565,490,308	13.39
2023	75,429,372	75,429,372	-	487,994,547	15.46
2024	45,369,960	45,369,960	-	584,015,326*	7.77

* Estimated. Actual will be available with the fiscal year 2024 GASB 68 valuation.

**REQUIRED SUPPLEMENTARY INFORMATION
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS**

Fiscal Year Ending June 30	County's Proportion		Share of the Net Pension Liability as a % of its Covered Payroll	County's Covered Payroll	Plan Fiduciary Net Position as a % of Total Pension Liability
	% of Net Pension Liability	Share of the Net Pension Liability			
2015	0.1007417%	\$ 17,878,357	276.62%	\$ 6,463,239	71.87%
2016	0.1175148	24,421,562	305.33	7,998,461	68.78
2017	0.1276071	30,107,615	408.16	7,376,386	65.79
2018	0.1274055	27,549,791	401.31	6,865,033	69.38
2019	0.1288069	27,025,721	442.75	6,104,094	71.18
2020	0.1248049	25,741,768	470.58	5,470,272	72.34
2021	0.1229735	27,793,691	588.92	4,719,436	70.72
2022	0.0410770	6,162,500	137.86	4,470,143	81.84
2023	0.0297872	5,959,980	178.06	3,347,264	76.27
2024	0.0257950	5,940,659	187.37	3,170,590	73.81

**SCHEDULE OF COUNTY CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Fiscal Year Ending June 30	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (excess)	County's Covered Payroll	Contribution as a % of Covered Payroll
2015	\$ 2,347,645	\$ 2,347,645	\$ -	\$ 7,998,461	29.35%
2016	2,476,892	2,476,892	-	7,376,386	33.58
2017	2,485,889	2,485,889	-	6,865,033	36.21
2018	2,593,137	2,593,137	-	6,104,094	42.48
2019	2,568,505	2,568,505	-	5,470,272	46.95
2020	2,562,867	2,562,867	-	4,719,436	54.30
2021	2,636,630	2,636,630	-	4,470,143	58.98
2022	905,142	905,142	-	3,347,264	27.04
2023	679,834	679,834	-	3,170,590	21.44
2024	629,118	629,118	-	3,006,326	20.93

REQUIRED SUPPLEMENTARY INFORMATION
LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF CHANGES IN THE TOTAL PENSION LIABILITY

Actuarial Valuation Date	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2017	January 1, 2015
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	December 31, 2017	June 30, 2016
County's Fiscal Year Ending Date for GASB 73	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability								
Service cost	\$ 648,369	\$ 1,107,334	\$ 950,903	\$ 763,719	\$ 665,258	\$ 474,699	\$ 1,578,468	\$ 886,540
Interest on the Total Pension Liability	1,406,028	973,522	1,080,126	1,196,108	1,305,864	621,258	1,750,442	1,273,361
Benefit Changes	3,115,763	128,034	1,310,473	-	-	-	478,969	-
Difference between Expected and Actual Experience	(588,028)	956,211	3,561	403,319	(691,351)	-	(1,343,359)	-
Assumptions Changes ⁽¹⁾	(1,494,514)	(13,876,563)	4,762,616	4,915,075	2,247,328	(1,927,565)	(3,166,298)	6,088,358
Benefit Payments	(1,721,535)	(1,604,982)	(1,530,654)	(1,466,186)	(1,403,828)	(674,853)	(2,009,855)	(1,309,686)
Net Change in Total Pension Liability	1,366,083	(12,316,444)	6,577,025	5,812,035	2,123,271	(1,506,461)	(2,711,633)	6,938,573
Total Pension Liability – Beginning	38,635,472	50,951,916	44,374,891	38,562,856	36,439,585	37,946,046	40,657,679	33,719,106
Total Pension Liability – Ending	\$ 40,001,555	\$ 38,635,472	\$ 50,951,916	\$ 44,374,891	\$ 38,562,856	\$ 36,439,585	\$ 37,946,046	\$ 40,657,679
Total Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

⁽¹⁾ For fiscal year ending June 30, 2024, the change in the Total Pension Liability due to the change in the Single Discount Rate from 3.69% as of the beginning of the year to 3.86% as of the end of the year is included as an assumption change.

There are no assets accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement 73 to pay related benefits.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Information

Overview

Annual appropriated operating budgets are adopted for the General Fund, Debt Service Fund, substantially all Special Revenue Funds (except for the Agricultural Transfer Tax Fund and Restricted Donations Fund), Enterprise Funds, the Liability and Property Coverage Self-Insurance Internal Service Fund, and the Employee Health Benefits Self-Insurance Internal Service Fund. The Capital Projects Fund budget is appropriated at the project level on a biennial basis. All unencumbered appropriations lapse at year-end except for those related to Federal and State grants and the Capital Projects Fund.

Encumbrance accounting is employed for budgetary purposes in the governmental and proprietary funds. Encumbrances (purchase orders and contracts awarded for which goods and services have not been received at year-end), and other commitments for the expenditure of funds are recorded in order to preserve that portion of the appropriation. In the governmental funds for GAAP purposes, outstanding encumbrances are reported as restricted, committed, or assigned category of fund balance because they do not constitute expenditures or liabilities. In the proprietary funds, encumbrances are eliminated for GAAP financial statement presentation since neither goods nor services have been provided. For GAAP purposes, all encumbrances are charged to expenditures/expenses in the period in which goods or services are received.

Approval

Pursuant to the Montgomery County Charter, the Capital Improvements Program (CIP) is presented to the County Council by January 15 in even numbered years. An Amended CIP is presented to the County Council by January 15 in odd numbered years. The annual capital budget, with the CIP or Amended CIP, is presented to the County Council by January 15 of every year, and the operating budget is presented to the County Council by March 15 of every year. The County Council holds public hearings and, pursuant to the County Charter, an annual appropriation resolution must be passed by the County Council by June 1. This resolution becomes effective for the one-year period beginning the following July 1. For the operating budget, the annual resolution provides the spending authority at the department level in two major categories (personnel costs and operating expenses) with the unencumbered appropriation authority expiring the following June 30. Encumbered appropriations are reappropriated and carried forward to the subsequent fiscal year. Encumbrances are reported as a restricted or committed component of the current fiscal year's fund balance. The annual budget must be consistent with the six-year program for public services and fiscal policy. Multi-year planning provides a framework to make informed decisions about the levels of public services and project the impact of what may happen as a result of current decisions and policies. For the capital projects budget, the annual resolution provides spending authority at the project level. The unencumbered appropriation of the CIP budget is appropriated in the following year's budget unless specifically closed out by County Council action.

The County Executive has authority to transfer appropriations within departments up to 10 percent of the original appropriation. Transfers between departments are also limited to 10 percent of original appropriation and require County Council action. During the operating year the County Council may adopt a supplemental appropriation if recommended by the County Executive and after holding a public hearing. Supplemental appropriations enacted during the first half of the fiscal year require: six Councilmember votes if they are to avail the County of, or put into effect the provision of Federal, State, or local legislation or regulation or seven Councilmember votes for any other purpose. Supplemental appropriations approved during the second half of the fiscal year require six Councilmember votes. During the operating year the County Council may also adopt, with seven Councilmember votes, special appropriations to meet an unforeseen disaster or other emergency or to act without delay in the public interest. Special appropriations require only public notice by news release. During FY24, the County Council increased the operating budget for all funds through supplemental and special appropriations by \$158.6 million. In addition, the County Council approved a special appropriation of \$10 million to the MCPS Employee Benefits Fund, the source of which was General Fund reserves. Supplemental appropriations increased the CIP budget by \$132.6 million.

Presentation

The basis used to prepare the legally adopted budget is different from GAAP in a number of ways, including the following:

- Encumbrances outstanding are charged to budgetary appropriations and considered expenditures of the current period; any cancellations of such encumbrances in a subsequent year are classified with miscellaneous revenue for budgetary purposes.
- Certain interfund revenues/expenditures are classified as transfers for budget purposes.
- Fund budgets do not include depreciation and bad debts, however they do include debt service payments and capital outlay.
- Mortgages and loans made and related repayments are generally budgeted for as expenditures and revenues, respectively.
- Certain proceeds and expenditures related to leases and SBITAs activities are not budgeted.
- Certain activity is not budgeted by the County, since it is included in the budget of a component unit that is legally adopted by the County Council, such as certain pass-through expenditures, and bond proceeds and related transfers to MCPS and MC.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Pension Trend Information

The Schedule of County Contributions provides historical context for the amount of contributions in the current period. The actuarially determined contribution rates are calculated as of June 30, twenty-four months prior to the beginning of the fiscal year in which contributions are reported. Significant methods and assumptions used to determine the contributions for the Employees' Retirement System (ERS) include:

Valuation date	July 1, 2021
Actuarial cost method	Individual Entry Age Normal
Amortization method for funding	Level percentage of pay, separate closed period bases
Amortization period for funding	Amortization Period (beginning with the valuation as of July 1, 2015): For Public Safety and GRIP: Initial amortization period of 20 years for the base established July 1, 2015. Initial amortization period of 20 years for subsequent bases. For non-Public Safety: Single closed amortization period of 9 years established July 1, 2015. Average remaining amortization period for all plans is 28 years as of July 1, 2021.
Asset valuation method	5-year smoothed fair value
Inflations	2.50% per year
Salary Increases	Wage inflation of 3.00% per year plus additional service-based increases of up to 7.75%. Total increases of 3.00%-10.75%
Investment rate of return	7.50% net of investment expense, including inflation
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition and years of service. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Pub2010 Public Sector Mortality Table (for General and Safety employees), sex distinct, with rates projected from 2010 using projection scale MP-2018 (generational mortality).
Cost-of-living (inflation rate) adjustments	2.50% compound for service before July 1, 2011 (1.50% compound for service before July 1, 2011 for defined groups) and 2.20% compound for service on or after July 1, 2011

OPEB Trend Information

The Schedule of County Contributions provides historical context for the amount of contributions in the current period. The actuarially determined contribution rates are calculated as of June 30, one year prior to the beginning of the fiscal year in which contributions are reported. Significant methods and assumptions used to determine the contributions for OPEB plan include:

Valuation date	July 1, 2023
Methods and assumptions used to determine contributions rates:	
Actuarial cost method	Projected Unit Credit
Amortization method	Level percentage of payroll
Amortization period	30 year open
Asset valuation method	Fair value of assets
Investment rate of return	7.50%
Payroll growth rate	3.00%
Inflation	3.00%
Mortality	For healthy retirees and beneficiaries - PUB-2010 Healthy Mortality, Headcount weighted Sex Distinct, Fully Generational projected from 2010 using scale MP-2018. Public safety employees are assumed to use the public safety version of the mortality table and the rest of the employees are assumed to use the general employees version of the mortality table. For disabled retirees - PUB-2010 Disabled Mortality, Headcount weighted Sex Distinct, Fully Generational projected from 2010 using scale MP-2018. Public safety employees are assumed to use the public safety version of the mortality table and the rest of the employees are assumed to use the general employees version of the mortality table.
Healthcare cost trend rates	The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model, version 2019_b. The SOA model is flexible and allows for adjustments that ultimately control how quickly the current trend converges to the percentage increase in the GDP.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)

Montgomery County has selected the following assumptions were used as input variables into the SOA model:

Rate of Inflation	2.40%
Rate of Growth in Real Income / GDP per Capita	1.25%
Excess Medical Growth	1.20%
Expected Health Share of DCP in 2028	20.50%
Health Share of GDP Resistance Point	15.00%
Year for Limiting Cost Growth to GDP Growth	2040

The initial trend rate is 5.40% in 2020 and decreases until reaching the ultimate rate of 3.68% in 2040.

The dental trend is set to 4.50% per year.





SUPPLEMENTARY DATA



NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes.

Special Taxing Districts:

Recreation

Accounts for the fiscal activity related to providing recreational services throughout the County, except for certain cities and towns that provide their own recreational services.

Fire Tax District

Accounts for the fiscal activities related to providing fire and rescue services throughout the County. To a great extent, tax revenues are distributed to independent fire and rescue corporations that provide these services.

Mass Transit Facilities

Accounts for the fiscal activities of planning, developing, and financing transit facilities within the County-wide Mass Transit District.

Rehabilitation Loan

Accounts for loans to homeowners of eligible income to finance rehabilitation required to make their homes conform to applicable Montgomery County Code requirements.

Cable TV

Accounts for the franchise fee and gross receipts revenues and the administration of cable television activities in the County.

Other:

Agricultural Transfer Tax

Accounts for agricultural transfer tax revenues to be used for an approved agricultural land preservation program.

Drug Enforcement Forfeitures

Accounts for the fiscal activity of cash and other property forfeited to the County during drug enforcement operations. These resources are used for law enforcement and public education programs.

Water Quality Protection

Accounts for the fiscal activity related to the maintenance of certain storm water management facilities.

Restricted Donations

Accounts for donations and contributions received by the County that are restricted for use in specific County programs.

Detention Center Canteen Profit

Accounts for recreational activities, certain programs and hygiene kits for the inmates housed in Montgomery County Detention facilities.

Recreation Non-Tax Supported

Accounts for the generated proceeds from specific recreation programs and projects.

Opioid Abatement

Accounts for the settlement funds received from opioid litigation against pharmaceutical companies and distributors.

MAJOR GOVERNMENTAL FUNDS

This section also includes budget-to-actual schedules for the following major governmental funds:

Debt Service

Capital Projects



**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2024**

	Special Taxing Districts	Rehabilitation Loan	Cable TV	Other	Total Nonmajor Governmental Fund
ASSETS					
Equity in pooled cash and investments	\$ 133,156,509	\$ 4,063,992	\$ 3,150,438	\$ 54,655,984	\$ 195,026,923
Cash	12,300	-	-	25,000	37,300
Receivables (net of allowances for uncollectibles):					
Property taxes	5,358,513	-	-	981,267	6,339,780
Accounts	19,388,182	-	5,032,000	37,226,415	61,646,597
Mortgages	-	1,350,103	-	-	1,350,103
Parking violations	581,994	-	-	-	581,994
Due from other governments	676,625	-	-	-	676,625
Total Assets	<u>\$ 159,174,123</u>	<u>\$ 5,414,095</u>	<u>\$ 8,182,438</u>	<u>\$ 92,888,666</u>	<u>\$ 265,659,322</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 2,789,462	\$ -	\$ 256,591	\$ 3,259,478	\$ 6,305,531
Retainage payable	3,020	-	-	44,286	47,306
Accrued liabilities	20,159,248	-	239,838	1,045,576	21,444,662
Deposits	501,772	-	-	-	501,772
Due to other funds	4,303,245	-	30,696	74,066	4,408,007
Due to component units	53,652	-	-	-	53,652
Due to other governments	299,566	-	637,658	2,816	940,040
Unearned revenue	1,107	-	-	312,412	313,519
Total Liabilities	<u>28,111,072</u>	<u>-</u>	<u>1,164,783</u>	<u>4,738,634</u>	<u>34,014,489</u>
Deferred Inflows of Resources:					
Unavailable property taxes	5,482,328	-	-	977,429	6,459,757
Unavailable revenue	4,433,689	-	-	34,832,529	39,266,218
Total Deferred Inflows of Resources	<u>9,916,017</u>	<u>-</u>	<u>-</u>	<u>35,809,958</u>	<u>45,725,975</u>
Fund Balances:					
Restricted	121,147,034	5,414,095	7,017,655	52,340,074	185,918,858
Total Fund Balances	<u>121,147,034</u>	<u>5,414,095</u>	<u>7,017,655</u>	<u>52,340,074</u>	<u>185,918,858</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 159,174,123</u>	<u>\$ 5,414,095</u>	<u>\$ 8,182,438</u>	<u>\$ 92,888,666</u>	<u>\$ 265,659,322</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Special Taxing Districts	Rehabilitation Loan	Cable TV	Other	Total Nonmajor Governmental Fund
REVENUES					
Taxes	\$ 525,147,150	\$ -	\$ -	\$ 52,008,470	\$ 577,155,620
Licenses and permits	57,115	-	-	-	57,115
Intergovernmental	61,020,134	-	-	1,461,470	62,481,604
Charges for services	30,080,982	-	20,237,036	8,959,123	59,277,141
Fines and forfeitures	1,030,727	-	-	256,580	1,287,307
Investment and interest income	-	255,945	73,979	3,310,155	3,640,079
Miscellaneous	1,017,634	-	-	4,920,583	5,938,217
Total Revenues	<u>618,353,742</u>	<u>255,945</u>	<u>20,311,015</u>	<u>70,916,381</u>	<u>709,837,083</u>
EXPENDITURES					
General government	-	-	12,490,789	1,229,782	13,720,571
Public safety	287,784,460	-	-	1,338,337	289,122,797
Transportation	187,961,647	-	-	-	187,961,647
Health and human services	-	-	-	622,217	622,217
Culture and recreation	56,849,538	-	-	5,094,726	61,944,264
Community development and housing	-	-	-	203,773	203,773
Environment	-	-	-	31,653,806	31,653,806
Total Expenditures	<u>532,595,645</u>	<u>-</u>	<u>12,490,789</u>	<u>40,142,641</u>	<u>585,229,075</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>85,758,097</u>	<u>255,945</u>	<u>7,820,226</u>	<u>30,773,740</u>	<u>124,608,008</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	47,215,010	-	-	-	47,215,010
Transfers (out)	(93,481,114)	-	(4,524,513)	(28,243,107)	(126,248,734)
Total Other Financing Sources (Uses)	<u>(46,266,104)</u>	<u>-</u>	<u>(4,524,513)</u>	<u>(28,243,107)</u>	<u>(79,033,724)</u>
Net Change in Fund Balances	39,491,993	255,945	3,295,713	2,530,633	45,574,284
Fund Balances - Beginning of Year	81,655,041	5,158,150	3,721,942	49,809,441	140,344,574
Fund Balances - End of Year	<u>\$ 121,147,034</u>	<u>\$ 5,414,095</u>	<u>\$ 7,017,655</u>	<u>\$ 52,340,074</u>	<u>\$ 185,918,858</u>

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL TAXING DISTRICTS
June 30, 2024

	Recreation	Fire Tax District	Mass Transit Facilities	Total
ASSETS				
Equity in pooled cash and investments	\$ 12,965,961	\$ 12,958,018	\$ 107,232,530	\$ 133,156,509
Cash	7,300	5,000	-	12,300
Receivables (net of allowances for uncollectibles):				
Property taxes	573,627	2,932,813	1,852,073	5,358,513
Accounts	62,056	18,546,387	779,739	19,388,182
Parking violations	-	-	581,994	581,994
Due from other governments	-	-	676,625	676,625
Total Assets	<u>\$ 13,608,944</u>	<u>\$ 34,442,218</u>	<u>\$ 111,122,961</u>	<u>\$ 159,174,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 909,455	\$ 534,901	\$ 1,345,106	\$ 2,789,462
Retainage payable	-	-	3,020	3,020
Accrued liabilities	2,534,042	12,633,607	4,991,599	20,159,248
Deposits	-	-	501,772	501,772
Due to other funds	215,864	3,102,525	984,856	4,303,245
Due to component units	6,860	-	46,792	53,652
Due to other governments	26,042	1,084	272,440	299,566
Unearned revenue	-	-	1,107	1,107
Total Liabilities	<u>3,692,263</u>	<u>16,272,117</u>	<u>8,146,692</u>	<u>28,111,072</u>
Deferred Inflows of Resources:				
Unavailable property taxes	825,715	2,860,690	1,795,923	5,482,328
Unavailable service revenues	-	4,433,689	-	4,433,689
Total Deferred Inflows of Resources	<u>825,715</u>	<u>7,294,379</u>	<u>1,795,923</u>	<u>9,916,017</u>
Fund Balances:				
Restricted	9,090,966	10,875,722	101,180,346	121,147,034
Total Fund Balances	<u>9,090,966</u>	<u>10,875,722</u>	<u>101,180,346</u>	<u>121,147,034</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,608,944</u>	<u>\$ 34,442,218</u>	<u>\$ 111,122,961</u>	<u>\$ 159,174,123</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL TAXING DISTRICTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Recreation</u>	<u>Fire Tax District</u>	<u>Mass Transit Facilities</u>	<u>Total</u>
REVENUES				
Taxes	\$ 65,014,084	\$ 267,596,023	\$ 192,537,043	\$ 525,147,150
Licenses and permits	-	-	57,115	57,115
Intergovernmental	-	18,908,764	42,111,370	61,020,134
Charges for services	5,601,811	15,069,828	9,409,343	30,080,982
Fines and forfeitures	-	-	1,030,727	1,030,727
Miscellaneous	38,388	926,777	52,469	1,017,634
Total Revenues	<u>70,654,283</u>	<u>302,501,392</u>	<u>245,198,067</u>	<u>618,353,742</u>
EXPENDITURES				
Public safety	-	287,784,460	-	287,784,460
Transportation	-	-	187,961,647	187,961,647
Culture and recreation	56,849,538	-	-	56,849,538
Total Expenditures	<u>56,849,538</u>	<u>287,784,460</u>	<u>187,961,647</u>	<u>532,595,645</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>13,804,745</u>	<u>14,716,932</u>	<u>57,236,420</u>	<u>85,758,097</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,409,700	250,000	42,555,310	47,215,010
Transfers (out)	(17,437,234)	(17,561,074)	(58,482,806)	(93,481,114)
Total Other Financing Sources (Uses)	<u>(13,027,534)</u>	<u>(17,311,074)</u>	<u>(15,927,496)</u>	<u>(46,266,104)</u>
Net Change in Fund Balances	777,211	(2,594,142)	41,308,924	39,491,993
Fund Balances - Beginning of Year	<u>8,313,755</u>	<u>13,469,864</u>	<u>59,871,422</u>	<u>81,655,041</u>
Fund Balances - End of Year	<u>\$ 9,090,966</u>	<u>\$ 10,875,722</u>	<u>\$ 101,180,346</u>	<u>\$ 121,147,034</u>

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - OTHER
June 30, 2024**

	Agricultural Transfer Tax	Drug Enforcement Forfeitures	Water Quality Protection	Restricted Donations	Detention Center Canteen Profit	Recreation Non-Tax Supported	Opioid Abatement	Total
ASSETS								
Equity in pooled cash and investments	\$ 3,694,803	\$ 1,223,380	\$ 28,662,757	\$ 10,011,558	\$ 1,128,563	\$ 152,892	\$ 9,782,031	\$ 54,655,984
Cash	-	25,000	-	-	-	-	-	25,000
Receivables (net of allowances for uncollectibles):								
Property taxes	-	-	981,267	-	-	-	-	981,267
Accounts	-	-	-	-	-	1,223,510	36,002,905	37,226,415
Total Assets	<u>\$ 3,694,803</u>	<u>\$ 1,248,380</u>	<u>\$ 29,644,024</u>	<u>\$ 10,011,558</u>	<u>\$ 1,128,563</u>	<u>\$ 1,376,402</u>	<u>\$ 45,784,936</u>	<u>\$ 92,888,666</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ 4,317	\$ 2,902,187	\$ 18,057	\$ 20,905	\$ 314,012	\$ -	\$ 3,259,478
Retainage payable	-	-	44,286	-	-	-	-	44,286
Accrued liabilities	-	739	435,935	163,082	16,973	125,999	302,848	1,045,576
Due to other funds	-	-	74,066	-	-	-	-	74,066
Due to other governments	2,016	-	800	-	-	-	-	2,816
Unearned revenue	-	-	-	-	-	312,412	-	312,412
Total Liabilities	<u>2,016</u>	<u>5,056</u>	<u>3,457,274</u>	<u>181,139</u>	<u>37,878</u>	<u>752,423</u>	<u>302,848</u>	<u>4,738,634</u>
Deferred Inflows of Resources:								
Unavailable property taxes	-	-	977,429	-	-	-	-	977,429
Unavailable revenues	-	-	-	-	-	-	34,832,529	34,832,529
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>977,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,832,529</u>	<u>35,809,958</u>
Fund Balances:								
Restricted	<u>3,692,787</u>	<u>1,243,324</u>	<u>25,209,321</u>	<u>9,830,419</u>	<u>1,090,685</u>	<u>623,979</u>	<u>10,649,559</u>	<u>52,340,074</u>
Total Fund Balances	<u>3,692,787</u>	<u>1,243,324</u>	<u>25,209,321</u>	<u>9,830,419</u>	<u>1,090,685</u>	<u>623,979</u>	<u>10,649,559</u>	<u>52,340,074</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,694,803</u>	<u>\$ 1,248,380</u>	<u>\$ 29,644,024</u>	<u>\$ 10,011,558</u>	<u>\$ 1,128,563</u>	<u>\$ 1,376,402</u>	<u>\$ 45,784,936</u>	<u>\$ 92,888,666</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS - OTHER
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Agricultural Transfer Tax	Drug Enforcement Forfeitures	Water Quality Protection	Restricted Donations	Detention Center Canteen Profit	Recreation Non-Tax Supported	Opioid Abatement	Total
REVENUES								
Taxes	\$ 1,567,084	\$ -	\$ 50,441,386	\$ -	\$ -	\$ -	\$ -	\$ 52,008,470
Intergovernmental	-	-	-	-	-	-	1,461,470	1,461,470
Charges for services	-	-	257,774	-	-	8,701,349	-	8,959,123
Fines and forfeitures	-	256,580	-	-	-	-	-	256,580
Investment and interest income	242,617	73,540	2,314,887	-	64,266	108,800	506,045	3,310,155
Miscellaneous	-	43,074	62,306	301,770	454,938	-	4,058,495	4,920,583
Total Revenues	<u>1,809,701</u>	<u>373,194</u>	<u>53,076,353</u>	<u>301,770</u>	<u>519,204</u>	<u>8,810,149</u>	<u>6,026,010</u>	<u>70,916,381</u>
EXPENDITURES								
General government	627,326	-	-	602,456	-	-	-	1,229,782
Public safety	-	591,300	-	457,258	289,779	-	-	1,338,337
Health and human services	-	-	-	150,455	-	-	471,762	622,217
Community development and housing	-	-	-	203,773	-	-	-	203,773
Culture and recreation	-	-	-	260,713	-	4,834,013	-	5,094,726
Environment	-	-	31,653,806	-	-	-	-	31,653,806
Total Expenditures	<u>627,326</u>	<u>591,300</u>	<u>31,653,806</u>	<u>1,674,655</u>	<u>289,779</u>	<u>4,834,013</u>	<u>471,762</u>	<u>40,142,641</u>
Excess (Deficiency) of Revenues over (under) Expenditures	<u>1,182,375</u>	<u>(218,106)</u>	<u>21,422,547</u>	<u>(1,372,885)</u>	<u>229,425</u>	<u>3,976,136</u>	<u>5,554,248</u>	<u>30,773,740</u>
OTHER FINANCING SOURCES (USES)								
Transfers (out)	(320,930)	-	(24,522,177)	-	-	(3,400,000)	-	(28,243,107)
Total Other Financing Sources (Uses)	<u>(320,930)</u>	<u>-</u>	<u>(24,522,177)</u>	<u>-</u>	<u>-</u>	<u>(3,400,000)</u>	<u>-</u>	<u>(28,243,107)</u>
Net Change in Fund Balances	861,445	(218,106)	(3,099,630)	(1,372,885)	229,425	576,136	5,554,248	2,530,633
Fund Balances - Beginning of Year	<u>2,831,342</u>	<u>1,461,430</u>	<u>28,308,951</u>	<u>11,203,304</u>	<u>861,260</u>	<u>47,843</u>	<u>5,095,311</u>	<u>49,809,441</u>
Fund Balances - End of Year	<u>\$ 3,692,787</u>	<u>\$ 1,243,324</u>	<u>\$ 25,209,321</u>	<u>\$ 9,830,419</u>	<u>\$ 1,090,685</u>	<u>\$ 623,979</u>	<u>\$ 10,649,559</u>	<u>\$ 52,340,074</u>

Exhibit B-7

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final		
Revenues:				
Intergovernmental	\$ 1,953,785	\$ 1,953,785	\$ 212,255	\$ (1,741,530)
Investment and interest income	-	-	556,736	556,736
Total Revenues	<u>1,953,785</u>	<u>1,953,785</u>	<u>768,991</u>	<u>(1,184,794)</u>
Expenditures:				
Operating:				
Principal and interest for general obligation bonds:				
General county	82,724,440	82,724,440	82,200,133	524,307
Roads and storm drainage	84,555,130	84,555,130	83,774,512	780,618
Parks and recreation	10,365,560	10,365,560	10,074,160	291,400
Public schools	149,963,800	149,963,800	149,416,584	547,216
Montgomery College	30,214,960	30,214,960	29,860,869	354,091
Public housing	46,640	46,640	46,640	-
Recreation	11,350,400	11,350,400	10,869,944	480,456
Fire and rescue	9,311,730	9,311,730	9,216,828	94,902
Mass transit	22,579,220	22,579,220	22,275,821	303,399
Issuing costs	3,820,000	3,864,324	2,428,580	1,435,744
Bond anticipation note interest	7,000,000	7,000,000	4,198,250	2,801,750
Principal and interest on revenue bonds	9,772,900	9,772,900	8,797,433	975,467
Long-term obligations:				
General Fund	10,913,489	10,913,489	9,924,214	989,275
Montgomery Housing Initiative	19,210,110	19,210,110	15,255,500	3,954,610
Mass Transit	7,374,900	7,374,900	6,029,769	1,345,131
Fire and Rescue	6,511,050	6,511,050	6,345,321	165,729
Water Quality Protection	943,240	943,240	943,218	22
Permitting Services	872,497	872,497	872,476	21
Community Use of Public Facilities	330,134	330,134	330,126	8
Motor Pool Fund	514,250	514,250	514,250	-
Total Expenditures	<u>468,374,450</u>	<u>468,418,774</u>	<u>453,374,628</u>	<u>15,044,146</u>
Excess of Revenues over (under) Expenditures	<u>(466,420,665)</u>	<u>(466,464,989)</u>	<u>(452,605,637)</u>	<u>13,859,352</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
From General Fund	377,650,234	377,650,234	369,639,360	(8,010,874)
From Capital Projects Fund	-	-	228,877	228,877
Transfer to Capital Projects Fund	-	-	(79,229,640)	(79,229,640)
From Internal Service Funds	514,250	514,250	514,250	-
From Enterprise Funds:				
Community Use of Public Facilities	330,134	330,134	330,126	(8)
Permitting Services	872,497	872,497	872,476	(21)
From Special Revenue Funds:				
Recreation	11,350,400	11,350,400	10,869,944	(480,456)
Mass Transit	29,954,120	29,954,120	28,305,590	(1,648,530)
Fire Tax District	15,822,780	15,822,780	15,659,756	(163,024)
Montgomery Housing Initiative	19,155,600	19,155,600	15,300,975	(3,854,625)
Water Quality Protection	10,716,140	10,716,140	9,645,032	(1,071,108)
Total Other Financing Sources (Uses)	<u>466,366,155</u>	<u>466,366,155</u>	<u>372,136,746</u>	<u>(94,229,409)</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (54,510)</u>	<u>\$ (98,834)</u>	<u>(80,468,891)</u>	<u>\$ (80,370,057)</u>

Exhibit B-7 (Concluded)

Adjustments required under generally accepted accounting principles:

Elimination of encumbrances outstanding	115,544
Bond anticipation note activity	(217,000,000)
Premium on general obligation bonds	17,051,580
Issuing costs for general obligation bonds/certificates of participation	(821,940)
Proceeds of:	
General obligation bonds	280,000,000
Non-budgeted item - Lease revenue bonds	860,113
GAAP - Net Change in Fund Balance	<u>(263,594)</u>
Fund Balance - Beginning of Year	<u>11,739,672</u>
Fund Balance - End of Year	<u>\$ 11,476,078</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
CAPITAL PROJECTS FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance
	Original Budget	Final Budget		Positive (Negative)
Revenues:				
Taxes	\$ 23,739,000	\$ 23,739,000	\$ 90,620,743	\$ 66,881,743
Intergovernmental	110,374,000	132,460,975	68,386,159	(64,074,816)
Charges for services	17,929,000	18,388,000	16,084,710	(2,303,290)
Investment and interest income	287,000	51,000	482,954	431,954
Miscellaneous	2,265,000	60,299,466	4,699,744	(55,599,722)
Total Revenues	154,594,000	234,938,441	180,274,310	(54,664,131)
Expenditures - Capital Projects	458,399,000	860,390,032	713,913,480	146,476,552
Excess of Revenues over (under) Expenditures	(303,805,000)	(625,451,591)	(533,639,170)	91,812,421
Other Financing Sources (Uses):				
Transfers in	62,253,000	105,169,785	216,627,374	111,457,589
Transfers out	-	-	(228,877)	(228,877)
Sale of property	12,419,000	12,419,000	1,925,109	(10,493,891)
Financing under notes payable	16,567,000	16,567,000	16,613,629	46,629
Proceeds from certificates of participation	19,277,000	19,277,000	-	(19,277,000)
Proceeds from general obligation bonds	180,365,000	174,424,360	-	(174,424,360)
Proceeds from bond anticipation notes	-	-	250,000,000	250,000,000
Proceeds from issuance of revenue bonds	12,924,000	11,924,000	4,500,888	(7,423,112)
Premium on general obligation refunding bonds	-	16,229,640	-	(16,229,640)
Total Other Financing Sources (Uses)	303,805,000	356,010,785	489,438,123	133,427,338
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (269,440,806)	(44,201,047)	\$ 225,239,759
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			314,700,887	
Transfer from Housing Initiative special revenue fund			48,734,033	
GAAP - Net Change in Fund Balance			319,233,873	
Fund Balance - Beginning of Year			(134,773,845)	
Fund Balance - End of Year			\$ 184,460,028	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
RECREATION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes - property	\$ 64,112,132	\$ 64,112,132	\$ 65,014,084	\$ 901,952
Charges for services - activity fees	3,820,000	3,820,000	5,601,811	1,781,811
Miscellaneous	120,232	120,232	37,112	(83,120)
Total Revenues	<u>68,052,364</u>	<u>68,052,364</u>	<u>70,653,007</u>	<u>2,600,643</u>
Expenditures:				
Personnel costs	36,102,953	35,453,626	35,453,591	35
Operating	19,852,612	21,936,306	21,828,521	107,785
Total Expenditures	<u>55,955,565</u>	<u>57,389,932</u>	<u>57,282,112</u>	<u>107,820</u>
Excess of Revenues over (under) Expenditures	<u>12,096,799</u>	<u>10,662,432</u>	<u>13,370,895</u>	<u>2,708,463</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
From General Fund	1,009,700	1,009,700	1,009,700	-
From Recreation Non Tax Supported Fund	4,500,000	3,400,000	3,400,000	-
To General Fund	(8,330,500)	(8,330,500)	(8,330,500)	-
To Debt Service Fund	(11,350,400)	(11,350,400)	(10,869,944)	480,456
Total Other Financing Sources (Uses)	<u>(14,171,200)</u>	<u>(15,271,200)</u>	<u>(14,790,744)</u>	<u>480,456</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,074,401)</u>	<u>\$ (4,608,768)</u>	<u>(1,419,849)</u>	<u>\$ 3,188,919</u>
Adjustments required under generally accepted accounting principles:				
Interfund activity- Maintenance cost reimbursement budgeted as a transfer to General Fund			(1,763,210)	
Transfer to General Fund			1,763,210	
Non-budgeted item - Bad debt expense			(5,885)	
Non-budgeted item - Recovered bad debt			1,276	
Elimination of encumbrances outstanding			<u>2,201,669</u>	
GAAP - Net Change in Fund Balance			777,211	
Fund Balance - Beginning of Year			<u>8,313,755</u>	
Fund Balance - End of Year			<u>\$ 9,090,966</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
FIRE TAX DISTRICT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes - property	\$ 264,401,586	\$ 264,401,586	\$ 267,596,023	\$ 3,194,437
Intergovernmental	13,000,000	15,010,810	18,908,764	3,897,954
Charges for services	20,000,000	20,000,000	15,069,828	(4,930,172)
Miscellaneous	244,882	244,882	923,459	678,577
Total Revenues	<u>297,646,468</u>	<u>299,657,278</u>	<u>302,498,074</u>	<u>2,840,796</u>
Expenditures:				
Personnel costs	222,586,325	237,398,368	237,398,361	7
Operating	44,208,829	55,179,151	55,179,146	5
Total Expenditures	<u>266,795,154</u>	<u>292,577,519</u>	<u>292,577,507</u>	<u>12</u>
Excess of Revenues over (under) Expenditures	<u>30,851,314</u>	<u>7,079,759</u>	<u>9,920,567</u>	<u>2,840,808</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
From General Fund	250,000	250,000	250,000	-
To General Fund	(520,750)	(520,750)	(520,750)	-
To Debt Service Fund	(15,822,780)	(15,822,780)	(15,659,756)	163,024
To Capital Projects Fund	(6,380,000)	(6,380,000)	(1,380,568)	4,999,432
Total Other Financing Sources (Uses)	<u>(22,473,530)</u>	<u>(22,473,530)</u>	<u>(17,311,074)</u>	<u>5,162,456</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 8,377,784</u>	<u>\$ (15,393,771)</u>	<u>(7,390,507)</u>	<u>\$ 8,003,264</u>
Adjustments required under generally accepted accounting principles:				
Non-budgeted item - Recovered bad debt			3,318	
Elimination of encumbrances outstanding			<u>4,793,047</u>	
GAAP - Net Change in Fund Balance			(2,594,142)	
Fund Balance - Beginning of Year			<u>13,469,864</u>	
Fund Balance - End of Year			<u>\$ 10,875,722</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
MASS TRANSIT FACILITIES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes - property	\$ 190,261,951	\$ 190,261,951	\$ 192,537,043	\$ 2,275,092
Licenses and permits	80,000	80,000	57,115	(22,885)
Intergovernmental	41,271,840	41,271,840	42,111,370	839,530
Charges for services:				
Fare receipts	13,130,036	13,130,036	8,538,055	(4,591,981)
Parking fees	828,704	828,704	871,288	42,584
Total Charges for Services	13,958,740	13,958,740	9,409,343	(4,549,397)
Fines and forfeitures	800,000	800,000	1,030,727	230,727
Miscellaneous	-	-	52,321	52,321
Total Revenues	<u>246,372,531</u>	<u>246,372,531</u>	<u>245,197,919</u>	<u>(1,174,612)</u>
Expenditures:				
Division of Transit Services:				
Personnel costs	100,945,520	108,012,537	107,619,680	392,857
Operating	73,517,067	84,329,750	84,259,242	70,508
Total Division of Transit Services	174,462,587	192,342,287	191,878,922	463,365
Washington Suburban Transit Commission				
Operating	153,026	153,026	153,026	-
Total Expenditures	174,615,613	192,495,313	192,031,948	463,365
Excess of Revenues over (under) Expenditures	<u>71,756,918</u>	<u>53,877,218</u>	<u>53,165,971</u>	<u>(711,247)</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
From General Fund	531,310	42,555,310	42,555,310	-
To General Fund	(18,729,815)	(18,729,815)	(18,729,815)	-
To Debt Service Fund	(29,954,120)	(29,954,120)	(28,305,590)	1,648,530
To Capital Projects Fund	(20,215,000)	(62,239,000)	(11,447,401)	50,791,599
Total Other Financing Sources (Uses)	<u>(68,367,625)</u>	<u>(68,367,625)</u>	<u>(15,927,496)</u>	<u>52,440,129</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,389,293</u>	<u>\$ (14,490,407)</u>	<u>37,238,475</u>	<u>\$ 51,728,882</u>
Adjustments required under generally accepted accounting principles:				
Non-budget item - Recovered bad debt			148	
Elimination of encumbrances outstanding			4,070,301	
GAAP - Net Change in Fund Balance			41,308,924	
Fund Balance - Beginning of Year			59,871,422	
Fund Balance - End of Year			<u>\$ 101,180,346</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
REHABILITATION LOAN SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Investment and interest income				
Pooled investment income	\$ -	\$ -	\$ 245,205	\$ 245,205
Other investment income	-	-	10,740	10,740
Total Revenues	-	-	255,945	255,945
Total Expenditures	-	3,612,081	-	3,612,081
Excess of Revenues over (under) Expenditures	-	(3,612,081)	255,945	3,868,026
Other Financing Sources (Uses):				
Mortgage loans	-	-	195,966	195,966
Total Other Financing Sources (Uses)	-	-	195,966	195,966
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -	\$ (3,612,081)	451,911	\$ 4,063,992
Adjustments required under generally accepted accounting principles:				
Repayment of loan principal not considered revenue under GAAP			(195,966)	
GAAP - Net Change in Fund Balance			255,945	
Fund Balance - Beginning of Year			5,158,150	
Fund Balance - End of Year			\$ 5,414,095	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
CABLE TV SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Charges for services	\$ 20,576,931	\$ 20,576,931	\$ 20,237,036	\$ (339,895)
Investment and interest income	167,490	167,490	73,979	(93,511)
Miscellaneous	1,000,000	1,000,000	-	(1,000,000)
Total Revenues	<u>21,744,421</u>	<u>21,744,421</u>	<u>20,311,015</u>	<u>(1,433,406)</u>
Expenditures:				
Personnel costs	3,891,231	3,902,729	3,188,452	714,277
Operating	10,170,782	12,217,350	11,881,255	336,095
Total Expenditures	<u>14,062,013</u>	<u>16,120,079</u>	<u>15,069,707</u>	<u>1,050,372</u>
Excess of Revenues over (under) Expenditures	<u>7,682,408</u>	<u>5,624,342</u>	<u>5,241,308</u>	<u>(383,034)</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
To General Fund	(4,137,111)	(4,137,111)	(4,137,111)	-
To Capital Projects Fund	(1,868,000)	(1,868,000)	(387,402)	1,480,598
Total Other Financing Sources (Uses)	<u>(6,005,111)</u>	<u>(6,005,111)</u>	<u>(4,524,513)</u>	<u>1,480,598</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 1,677,297</u>	<u>\$ (380,769)</u>	<u>716,795</u>	<u>\$ 1,097,564</u>
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			<u>2,578,918</u>	
GAAP - Net Change in Fund Balance			<u>3,295,713</u>	
Fund Balance - Beginning of Year			<u>3,721,942</u>	
Fund Balance - End of Year			<u>\$ 7,017,655</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
DRUG ENFORCEMENT FORFEITURES SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Fines and forfeitures	\$ -	\$ -	\$ 256,580	\$ 256,580
Investment and interest income	-	-	73,540	73,540
Miscellaneous	-	-	43,074	43,074
Total Revenues	-	-	373,194	373,194
Expenditures:				
Operating	-	1,461,401	714,742	746,659
Total Expenditures	-	1,461,401	714,742	746,659
Excess of Revenues over (under) Expenditures	\$ -	\$ (1,461,401)	(341,548)	\$ 1,119,853
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			123,442	
GAAP - Net Change in Fund Balance			(218,106)	
Fund Balance - Beginning of Year			1,461,430	
Fund Balance - End of Year			\$ 1,243,324	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
WATER QUALITY PROTECTION SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Taxes	\$ 48,294,760	\$ 48,294,760	\$ 50,441,386	\$ 2,146,626
Charges for services	47,500	47,500	257,774	210,274
Investment and interest income	1,266,820	1,266,820	2,314,887	1,048,067
Miscellaneous	-	-	62,306	62,306
Total Revenues	<u>49,609,080</u>	<u>49,609,080</u>	<u>53,076,353</u>	<u>3,467,273</u>
Expenditures:				
Personnel costs	11,669,775	11,693,781	10,960,432	733,349
Operating	22,260,200	24,975,523	24,323,750	651,773
Total Expenditures	<u>33,929,975</u>	<u>36,669,304</u>	<u>35,284,182</u>	<u>1,385,122</u>
Excess of Revenues over (under) Expenditures	<u>15,679,105</u>	<u>12,939,776</u>	<u>17,792,171</u>	<u>4,852,395</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
To General Fund	(2,095,891)	(2,095,891)	(2,095,891)	-
To Capital Projects Fund	(6,941,000)	(6,941,000)	(12,781,254)	(5,840,254)
To Debt Service Fund	<u>(10,716,140)</u>	<u>(10,716,140)</u>	<u>(9,645,032)</u>	<u>1,071,108</u>
Total Other Financing Sources (Uses)	<u>(19,753,031)</u>	<u>(19,753,031)</u>	<u>(24,522,177)</u>	<u>(4,769,146)</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,073,926)</u>	<u>\$ (6,813,255)</u>	<u>(6,730,006)</u>	<u>\$ 83,249</u>
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			3,630,376	
GAAP - Net Change in Fund Balance			<u>(3,099,630)</u>	
Fund Balance - Beginning of Year			<u>28,308,951</u>	
Fund Balance - End of Year			<u>\$ 25,209,321</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
RESTRICTED DONATIONS SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Miscellaneous - contributions	\$ -	\$ 22,674	\$ 301,770	\$ 279,096
Total Revenues	-	22,674	301,770	279,096
Expenditures:				
Operating	-	5,178,879	2,751,337	2,427,542
Total Expenditures	-	5,178,879	2,751,337	2,427,542
Excess of Revenues over (under) Expenditures	\$ -	\$ (5,156,205)	(2,449,567)	\$ 2,706,638
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			1,076,682	
GAAP - Net Change in Fund Balance			(1,372,885)	
Fund Balance - Beginning of Year			11,203,304	
Fund Balance - End of Year			\$ 9,830,419	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
(NON-GAAP BUDGETARY BASIS)
DETENTION CENTER CANTEEN PROFIT SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Investment and interest income	\$ 36,450	\$ 36,450	\$ 64,266	\$ 27,816
Miscellaneous	245,065	245,065	454,938	209,873
Total Revenues	<u>281,515</u>	<u>281,515</u>	<u>519,204</u>	<u>237,689</u>
Expenditures:				
Operating	543,000	579,941	323,035	256,906
Total Expenditures	<u>543,000</u>	<u>579,941</u>	<u>323,035</u>	<u>256,906</u>
Excess of Revenues over (under) Expenditures	<u>\$ (261,485)</u>	<u>\$ (298,426)</u>	<u>196,169</u>	<u>\$ 494,595</u>
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			<u>33,256</u>	
GAAP - Net Change in Fund Balance			229,425	
Fund Balance - Beginning of Year			<u>861,260</u>	
Fund Balance - End of Year			<u>\$ 1,090,685</u>	

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

**(NON-GAAP BUDGETARY BASIS)
RECREATION NON-TAX SUPPORTED SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Charges for services - activity fees	\$ 8,100,000	\$ 8,100,000	\$ 8,701,349	\$ 601,349
Investment and interest income	3,100	3,100	108,800	105,700
Total Revenues	<u>8,103,100</u>	<u>8,103,100</u>	<u>8,810,149</u>	<u>707,049</u>
Expenditures:				
Operating	3,600,000	4,835,350	4,835,348	2
Total Expenditures	<u>3,600,000</u>	<u>4,835,350</u>	<u>4,835,348</u>	<u>2</u>
Excess of Revenues over (under) Expenditures	<u>4,503,100</u>	<u>3,267,750</u>	<u>3,974,801</u>	<u>707,051</u>
Other Financing Sources (Uses):				
Transfers In (Out):				
To Special Revenue Fund - Recreation	(4,500,000)	(3,400,000)	(3,400,000)	-
Total Other Financing Sources (Uses)	<u>(4,500,000)</u>	<u>(3,400,000)</u>	<u>(3,400,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ 3,100</u>	<u>\$ (132,250)</u>	<u>574,801</u>	<u>\$ 707,051</u>
Adjustments required under generally accepted accounting principles:				
Elimination of encumbrances outstanding			1,335	
GAAP - Net Change in Fund Balance			<u>576,136</u>	
Fund Balance - Beginning of Year			<u>47,843</u>	
Fund Balance - End of Year			<u>\$ 623,979</u>	

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 (NON-GAAP BUDGETARY BASIS)
 OPIOID ABATEMENT SPECIAL REVENUE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,461,470	\$ 1,461,470
Investment and interest income	-	-	506,045	506,045
Miscellaneous	-	3,088,862	4,058,495	969,633
Total Revenues	-	3,088,862	6,026,010	2,937,148
Expenditures:				
Personnel costs	-	145,862	-	145,862
Operating	-	2,943,000	471,762	2,471,238
Total Expenditures	-	3,088,862	471,762	2,617,100
Excess of Revenues over (under) Expenditures	\$ -	\$ -	5,554,248	\$ 5,554,248
Adjustments required under generally accepted accounting principles:				
GAAP - Net Change in Fund Balance			5,554,248	
Fund Balance - Beginning of Year			5,095,311	
Fund Balance - End of Year			\$ 10,649,559	

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for operations where:

- The activity is financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity;
- Laws or regulations require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or
- The pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs.

Permitting Services

Accounts for most of the fiscal activity of permitting programs within the County, such as building permits, construction code enforcement, flood plain management, land use compliance, plan review, sediment control, storm water management, well and septic regulatory services, fire code review, and public access construction.

Community Use of Public Facilities

Accounts for the fiscal activity related to renting public facilities to community organizations.

MAJOR ENTERPRISE FUNDS

This section also includes budget-to-actual schedules for the following major enterprise funds:

Liquor

Solid Waste Activities

Parking Lot Districts



**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2024**

	<u>Permitting Services</u>	<u>Community Use of Public Facilities</u>	<u>Total Nonmajor Enterprise Funds</u>
ASSETS			
Current Assets:			
Equity in pooled cash and investments	\$ 56,971,133	\$ 6,123,312	\$ 63,094,445
Receivables (net of allowance for uncollectibles):			
Accounts	5,943	3,912,130	3,918,073
Total Current Assets	<u>56,977,076</u>	<u>10,035,442</u>	<u>67,012,518</u>
Noncurrent Assets:			
Capital Assets:			
Furniture, fixtures, equipment, and machinery	1,682,208	-	1,682,208
Automobiles and trucks	218,967	-	218,967
Subscription assets	1,714,204	-	1,714,204
Subtotal	<u>3,615,379</u>	<u>-</u>	<u>3,615,379</u>
Less: Accumulated depreciation	<u>(2,528,007)</u>	<u>-</u>	<u>(2,528,007)</u>
Total Capital Assets (net of accumulated depreciation)	<u>1,087,372</u>	<u>-</u>	<u>1,087,372</u>
Total Noncurrent Assets	<u>1,087,372</u>	<u>-</u>	<u>1,087,372</u>
Total Assets	<u>58,064,448</u>	<u>10,035,442</u>	<u>68,099,890</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension deferrals	<u>5,239,330</u>	<u>470,046</u>	<u>5,709,376</u>
Total Deferred Outflows of Resources	<u>5,239,330</u>	<u>470,046</u>	<u>5,709,376</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	75,463	189,337	264,800
Interest payable	10,250	-	10,250
Deposits	9,750,647	-	9,750,647
Accrued liabilities	3,649,077	360,938	4,010,015
Due to other funds	324,226	38,463	362,689
Due to component units	-	4,116,614	4,116,614
Unearned revenue	399,962	4,103,631	4,503,593
Subscription liabilities	409,810	-	409,810
Total Current Liabilities	<u>14,619,435</u>	<u>8,808,983</u>	<u>23,428,418</u>
Noncurrent Liabilities:			
Subscription liabilities	276,492	-	276,492
Compensated absences	1,685,422	159,462	1,844,884
Net pension liability	1,496,493	127,566	1,624,059
Total Noncurrent Liabilities	<u>3,458,407</u>	<u>287,028</u>	<u>3,745,435</u>
Total Liabilities	<u>18,077,842</u>	<u>9,096,011</u>	<u>27,173,853</u>
DEFERRED INFLOWS OF RESOURCES			
Pension deferrals	<u>502,876</u>	<u>42,867</u>	<u>545,743</u>
Total Deferred Inflows of Resources	<u>502,876</u>	<u>42,867</u>	<u>545,743</u>
NET POSITION			
Net investment in capital assets	401,070	-	401,070
Unrestricted	<u>44,321,990</u>	<u>1,366,610</u>	<u>45,688,600</u>
Total Net Position	<u>\$ 44,723,060</u>	<u>\$ 1,366,610</u>	<u>\$ 46,089,670</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Permitting Services</u>	<u>Community Use of Public Facilities</u>	<u>Total Nonmajor Enterprise Funds</u>
OPERATING REVENUES			
Charges for services	\$ 1,891,448	\$ 10,388,730	\$ 12,280,178
Licenses and permits	43,751,481	-	43,751,481
Fines and penalties	115,591	-	115,591
Total Operating Revenues	<u>45,758,520</u>	<u>10,388,730</u>	<u>56,147,250</u>
OPERATING EXPENSES			
Personnel costs	34,607,770	3,783,652	38,391,422
Postage	8,918	336	9,254
Insurance	954,579	-	954,579
Supplies and materials	237,707	268,717	506,424
Contractual services	953,947	3,915,274	4,869,221
Communications	258,933	29,154	288,087
Transportation	1,222,975	11,266	1,234,241
Public utility services	-	2,010,678	2,010,678
Rentals	1,298,458	104,967	1,403,425
Maintenance	1,526,110	438	1,526,548
Depreciation and amortization	586,519	-	586,519
Other	81,172	463,796	544,968
Total Operating Expenses	<u>41,737,088</u>	<u>10,588,278</u>	<u>52,325,366</u>
Operating Income (Loss)	<u>4,021,432</u>	<u>(199,548)</u>	<u>3,821,884</u>
NONOPERATING REVENUES (EXPENSES)			
Investment income	3,502,739	472,725	3,975,464
Interest expense	(27,001)	-	(27,001)
Other revenue	5,282	-	5,282
Total Nonoperating Revenues (Expenses)	<u>3,481,020</u>	<u>472,725</u>	<u>3,953,745</u>
Income (Loss) Before Transfers	<u>7,502,452</u>	<u>273,177</u>	<u>7,775,629</u>
Transfers In (Out):			
Transfers in	-	25,000	25,000
Transfers out	(6,820,861)	(1,214,120)	(8,034,981)
Total Transfers In (Out)	<u>(6,820,861)</u>	<u>(1,189,120)</u>	<u>(8,009,981)</u>
Change in Net Position	<u>681,591</u>	<u>(915,943)</u>	<u>(234,352)</u>
Total Net Position - Beginning of Year	<u>44,041,469</u>	<u>2,282,553</u>	<u>46,324,022</u>
Total Net Position - End of Year	<u>\$ 44,723,060</u>	<u>\$ 1,366,610</u>	<u>\$ 46,089,670</u>

**COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Permitting Services	Community Use of Public Facilities	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 45,858,646	\$ 9,866,966	\$ 55,725,612
Payments to suppliers	(2,955,805)	(4,306,370)	(7,262,175)
Payments to employees	(32,866,492)	(3,648,830)	(36,515,322)
Receipt of customer deposits	4,763,410	-	4,763,410
Return of customer deposits	(4,579,359)	-	(4,579,359)
Other receipts	5,282	-	5,282
Internal activity - receipts for interfund services	-	250,947	250,947
Internal activity - payments to other funds	(3,605,548)	(296,476)	(3,902,024)
Net cash provided (Used) by Operating Activities	<u>6,620,134</u>	<u>1,866,237</u>	<u>8,486,371</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating subsidies and transfers from other funds	-	25,000	25,000
Operating subsidies and transfers to other funds	(6,820,861)	(1,214,120)	(8,034,981)
Net cash provided (Used) by Noncapital Financing Activities	<u>(6,820,861)</u>	<u>(1,189,120)</u>	<u>(8,009,981)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on subscription	(389,348)	-	(389,348)
Interest paid on subscription	(33,750)	-	(33,750)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(423,098)</u>	<u>-</u>	<u>(423,098)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income from pooled investments	3,502,739	472,725	3,975,464
Net cash provided (Used) by Investing Activities	<u>3,502,739</u>	<u>472,725</u>	<u>3,975,464</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,878,914	1,149,842	4,028,756
Balances - Beginning of Year	54,092,219	4,973,470	59,065,689
Balances - End of Year	<u>\$ 56,971,133</u>	<u>\$ 6,123,312</u>	<u>\$ 63,094,445</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 4,021,432	\$ (199,548)	\$ 3,821,884
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	586,519	-	586,519
Pension expense	1,132,656	79,365	1,212,021
Other revenues	5,282	-	5,282
(Increase) Decrease in accounts receivable	(3,025)	909,864	906,839
Increase (Decrease) in accounts payable and other liabilities	(35,653)	(5,337)	(40,990)
Increase (Decrease) in deposits	184,051	-	184,051
Increase (Decrease) in accrued liabilities	236,512	19,194	255,706
Increase (Decrease) in due to other fund	60,139	11,162	71,301
Increase (Decrease) in due to component units	-	2,204,320	2,204,320
Increase (Decrease) in unearned revenue	103,151	(1,180,681)	(1,077,530)
Increase (Decrease) in compensated absences	329,070	27,898	356,968
Net Cash Provided (Used) by Operating Activities	<u>\$ 6,620,134</u>	<u>\$ 1,866,237</u>	<u>\$ 8,486,371</u>
Noncash investing, capital and financing activities:			
Change of Subscription-based information technology arrangements	\$ 2,968	\$ -	\$ 2,968

**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
LIQUOR				
Personnel costs	\$ 43,294,917	\$ 42,982,450	\$ 42,982,441	\$ 9
Operating	27,444,660	31,132,080	31,123,280	8,800
Total	<u>\$ 70,739,577</u>	<u>\$ 74,114,530</u>	<u>74,105,721</u>	<u>\$ 8,809</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation and amortization			7,834,738	
Cost of goods sold			215,697,248	
Interest expense			1,386,455	
Bad debt expense			77,482	
CIP - other operating costs			247,325	
Pension expense			577,088	
Deductions:				
Capital outlay			(576,546)	
Principal paid on bonds			(6,190,000)	
Interest paid on bonds			(2,052,690)	
Certificates of participation principal payments			(395,000)	
Certificates of participation interest payments			(15,900)	
Encumbrances outstanding at year-end			(2,358,441)	
Lease principal payments			(5,013,360)	
Lease interest payments			(909,701)	
GAAP Expenses			<u>\$ 282,414,419</u>	*
* Includes operating and nonoperating expenses				
PERMITTING SERVICES				
Personnel costs	\$ 33,120,183	\$ 33,475,115	\$ 33,475,114	\$ 1
Operating	8,542,713	9,965,225	8,181,232	1,783,993
Total	<u>\$ 41,662,896</u>	<u>\$ 43,440,340</u>	<u>41,656,346</u>	<u>\$ 1,783,994</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation and amortization			586,519	
Interest expense			27,001	
Pension expense			1,132,656	
Deductions:				
Encumbrances outstanding at year-end			(1,215,335)	
Subscription principal payments			(389,348)	
Subscription interest payments			(33,750)	
GAAP Expenses			<u>\$ 41,764,089</u>	*
* Includes operating and nonoperating expenses				
COMMUNITY USE OF PUBLIC FACILITIES				
Personnel costs	\$ 3,767,617	\$ 3,782,799	\$ 3,704,287	\$ 78,512
Operating	7,371,719	7,376,173	6,906,057	470,116
Total	<u>\$ 11,139,336</u>	<u>\$ 11,158,972</u>	<u>10,610,344</u>	<u>\$ 548,628</u>
Reconciliation to GAAP expenses:				
Additions:				
Pension expense			79,365	
Deductions:				
Encumbrances outstanding at year-end			(101,431)	
GAAP Expenses			<u>\$ 10,588,278</u>	
SOLID WASTE DISPOSAL				
Personnel costs	\$ 12,970,652	\$ 12,662,857	\$ 12,662,833	\$ 24
Operating	118,313,548	136,413,079	136,413,075	4
Total	<u>\$ 131,284,200</u>	<u>\$ 149,075,936</u>	<u>149,075,908</u>	<u>\$ 28</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation			1,883,554	
CIP - other operating costs			20,515,177	
Pension expense			421,076	
Deductions:				
Capital outlay expenditures			(2,787,740)	
Encumbrances outstanding at year-end			(27,132,011)	
GAAP Expenses			<u>\$ 141,975,964</u>	

Exhibit C-4 (Continued)

SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
ENTERPRISE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
SOLID WASTE COLLECTION				
Personnel costs	\$ 1,783,817	\$ 1,648,817	\$ 1,623,611	\$ 25,206
Operating	9,582,976	9,717,971	9,700,538	17,433
Total	<u>\$ 11,366,793</u>	<u>\$ 11,366,788</u>	<u>11,324,149</u>	<u>\$ 42,639</u>
Reconciliation to GAAP expenses:				
Additions:				
Pension expense			75,736	
Deductions:				
Encumbrances outstanding at year-end			-	
GAAP Expenses			<u>\$ 11,399,885</u>	
SOLID WASTE LEAFING				
Personnel costs	\$ 3,599,921	\$ 3,599,921	\$ 2,634,086	\$ 965,835
Operating	3,674,002	3,674,002	3,636,730	37,272
Total	<u>\$ 7,273,923</u>	<u>\$ 7,273,923</u>	<u>6,270,816</u>	<u>\$ 1,003,107</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation			4,035	
Interfund activities budgeted as transfers - charges for services from disposal			1,708,880	
Pension expense			85,572	
Deductions:				
Encumbrances outstanding at year-end			(37,514)	
GAAP Expenses			<u>\$ 8,031,789</u>	
Reconciliation of GAAP expenses to Statement of Revenues, Expenses, and Changes in Fund Net Position:				
GAAP Expenses:				
Solid Waste Disposal			141,975,964	
Solid Waste Collection			11,399,885	
Solid Waste Leafing			8,031,789	
Total Solid Waste Activities			<u>\$ 161,407,638</u>	
SILVER SPRING PARKING				
Personnel costs	\$ 2,851,562	\$ 2,857,172	\$ 2,355,678	\$ 501,494
Operating	8,376,285	8,387,710	7,917,905	469,805
Total	<u>\$ 11,227,847</u>	<u>\$ 11,244,882</u>	<u>10,273,583</u>	<u>\$ 971,299</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation and amortization			4,312,109	
Interest expense			37,072	
Bad debt expense			881,999	
CIP - other operating costs			2,394,783	
Pension expense			119,534	
Deductions:				
Capital outlay			(1,715,346)	
Encumbrances outstanding at year-end			(812,223)	
Lease principal payments			(82,737)	
Lease interest payments			(29,411)	
Subscription principal payments			(380,435)	
Subscription interest payments			(4,472)	
GAAP Expenses			<u>\$ 14,994,456</u>	
BETHESDA PARKING				
Personnel costs	\$ 2,579,436	\$ 2,585,171	\$ 2,265,000	\$ 320,171
Operating	11,814,644	12,030,661	9,896,479	2,134,182
Total	<u>\$ 14,394,080</u>	<u>\$ 14,615,832</u>	<u>12,161,479</u>	<u>\$ 2,454,353</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation and amortization			5,348,254	
Interest expense			344,402	
Bad debt expense			12,888	
CIP - other operating costs			2,523,922	
Pension expense			132,866	
Deductions:				
Capital outlay			(2,382,071)	
Encumbrances outstanding at year-end			(717,922)	
Principal paid on bonds			(1,970,000)	
Interest paid on bonds			(330,810)	
Subscription principal payments			(565,594)	
Subscription interest payments			(12,524)	
GAAP Expenses			<u>\$ 14,544,890</u>	

**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
 ENTERPRISE FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
WHEATON PARKING				
Personnel costs	\$ 429,087	\$ 439,767	\$ 380,918	\$ 58,849
Operating	1,213,963	1,365,939	1,258,946	106,993
Total	<u>\$ 1,643,050</u>	<u>\$ 1,805,706</u>	<u>1,639,864</u>	<u>\$ 165,842</u>
Reconciliation to GAAP expenses:				
Additions:				
Depreciation and amortization			156,037	
Interest Expense			2,560	
Bad debt expense			89,574	
Pension expense			15,675	
CIP- other operating costs			14,089	
Deductions:				
Encumbrances outstanding at year-end			(196,191)	
Subscription principal payments			(123,901)	
Subscription interest payments			(1,479)	
GAAP Expenses			<u>\$ 1,596,228</u>	
Reconciliation of GAAP expenses to Statement of Revenues, Expenses, and Changes in Fund Net Position:				
GAAP Expenses:				
Silver Spring Parking			\$ 14,994,456	
Bethesda Parking			14,544,890	
Wheaton Parking			1,596,228	
Total Parking Lot Districts			<u>\$ 31,135,574</u> *	

* Includes operating and nonoperating expenses

INTERNAL SERVICE FUNDS

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 government and to other governmental units, on a cost reimbursement basis.

Motor Pool

Accounts for the fiscal activity related to the automotive and other motorized equipment needs of the using departments of the County.

Liability and Property Coverage Self-Insurance

Accounts for the fiscal activity related to liability, property, and workers' compensation insurance needs of the participating governmental agencies.

Employee Health Benefits Self-Insurance

Accounts for the fiscal activity related to health, life, vision, dental, and long-term disability insurance needs of active employees of the participating governmental agencies.

Central Duplicating

Accounts for the fiscal activity related to printing and postage services provided to the using agencies.



**COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
June 30, 2024**

	Motor Pool	Liability and Property Coverage Self Insurance	Employee Health Benefits Self Insurance	Central Duplicating	Total Internal Service Funds
ASSETS					
Current Assets:					
Equity in pooled cash and investments	\$ 57,410,990	\$ 254,517,790	\$ 10,666,424	\$ 359,319	\$ 322,954,523
Cash	300	-	-	-	300
Receivables (net of allowances for uncollectibles):					
Accounts	40,100	132,525	18,358,306	-	18,530,931
Due from other funds	-	-	15,772,232	-	15,772,232
Due from component units	113,401	-	115,209	-	228,610
Due from other governments	244,059	602,252	328,741	24,019	1,199,071
Inventory of supplies	6,975,950	-	-	-	6,975,950
Prepays	-	283,861	-	343,288	627,149
Total Current Assets	<u>64,784,800</u>	<u>255,536,428</u>	<u>45,240,912</u>	<u>726,626</u>	<u>366,288,766</u>
Noncurrent Assets:					
Capital Assets:					
Land, improved and unimproved	22,506	-	-	-	22,506
Improvements other than buildings	268,565	-	-	94,159	362,724
Furniture, fixtures, equipment, and machinery	5,538,199	-	-	734,631	6,272,830
Automobiles and trucks	114,086,861	-	-	-	114,086,861
Lease assets - buildings	-	1,006,472	-	1,056,500	2,062,972
Lease assets - equipment	-	-	-	318,735	318,735
Subscription assets	-	19,237	1,476,002	-	1,495,239
Subtotal	<u>119,916,131</u>	<u>1,025,709</u>	<u>1,476,002</u>	<u>2,204,025</u>	<u>124,621,867</u>
Less: Accumulated depreciation and amortization	<u>(88,208,644)</u>	<u>(518,740)</u>	<u>(649,945)</u>	<u>(1,833,031)</u>	<u>(91,210,360)</u>
Total Capital Assets (net of accumulated depreciation and amortization)	<u>31,707,487</u>	<u>506,969</u>	<u>826,057</u>	<u>370,994</u>	<u>33,411,507</u>
Total Noncurrent Assets	<u>31,707,487</u>	<u>506,969</u>	<u>826,057</u>	<u>370,994</u>	<u>33,411,507</u>
Total Assets	<u>96,492,287</u>	<u>256,043,397</u>	<u>46,066,969</u>	<u>1,097,620</u>	<u>399,700,273</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals	2,555,897	983,142	597,749	618,735	4,755,523
Total Deferred Outflows of Resources	<u>2,555,897</u>	<u>983,142</u>	<u>597,749</u>	<u>618,735</u>	<u>4,755,523</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	5,961,843	1,101,002	8,948,401	20,063	16,031,309
Interest payable	-	1,002	7,247	447	8,696
Claims payable	-	46,145,327	12,898,008	-	59,043,335
Accrued liabilities	3,380,528	859,382	1,383,604	621,538	6,245,052
Due to other funds	260,957	48,700	4,831,097	39,571	5,180,325
Due to component units	-	5,022	-	-	5,022
Due to other governments	1,420	501,171	-	100,000	602,591
Leases payable	-	128,308	-	216,712	345,020
Subscription liabilities	-	26	336,824	-	336,850
Total Current Liabilities	<u>9,604,748</u>	<u>48,789,940</u>	<u>28,405,181</u>	<u>998,331</u>	<u>87,798,200</u>
Noncurrent Liabilities:					
Claims payable	-	168,970,984	6,837,000	-	175,807,984
Leases payable	-	428,384	-	-	428,384
Subscription liabilities	-	-	474,092	-	474,092
Compensated absences	1,295,733	270,257	125,259	160,022	1,851,271
Net pension liability	721,328	288,841	176,282	176,401	1,362,852
Total Noncurrent Liabilities	<u>2,017,061</u>	<u>169,958,466</u>	<u>7,612,633</u>	<u>336,423</u>	<u>179,924,583</u>
Total Liabilities	<u>11,621,809</u>	<u>218,748,406</u>	<u>36,017,814</u>	<u>1,334,754</u>	<u>267,722,783</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	242,392	97,061	59,237	59,277	457,967
Total Deferred Inflows of Resources	<u>242,392</u>	<u>97,061</u>	<u>59,237</u>	<u>59,277</u>	<u>457,967</u>
NET POSITION					
Net investment in capital assets	31,707,487	-	15,141	154,282	31,876,910
Unrestricted	55,476,496	38,181,072	10,572,526	168,042	104,398,136
Total Net Position (Deficit)	<u>\$ 87,183,983</u>	<u>\$ 38,181,072</u>	<u>\$ 10,587,667</u>	<u>\$ 322,324</u>	<u>\$ 136,275,046</u>

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Motor Pool	Liability and Property Coverage Self Insurance	Employee Health Benefits Self Insurance	Central Duplicating	Total Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 103,344,445	\$ 92,796,253	\$ 228,415,014	\$ 10,413,230	\$ 434,968,942
Claim recoveries	2,073,604	424,477	-	-	2,498,081
Total Operating Revenues	<u>105,418,049</u>	<u>93,220,730</u>	<u>228,415,014</u>	<u>10,413,230</u>	<u>437,467,023</u>
OPERATING EXPENSES					
Personnel costs	26,812,967	5,046,442	2,147,172	3,614,569	37,621,150
Postage	1,228	297	32,184	1,710,293	1,744,002
Self-insurance incurred and estimated claims	-	66,124,113	172,342,350	-	238,466,463
Insurance	2,291,756	11,882,057	39,466,981	-	53,640,794
Supplies and materials	32,269,967	4,330	65,370	2,332,034	34,671,701
Contractual services	217,315	9,342,147	1,202,549	162,022	10,924,033
Communications	173,499	8,500	29,070	282,131	493,200
Transportation	940,023	25,486	15	58,891	1,024,415
Public utility services	1,247,120	-	-	-	1,247,120
Rentals	-	1,131	234	1,323,598	1,324,963
Maintenance	24,668,040	-	351	63,511	24,731,902
Depreciation and amortization	8,046,278	137,371	338,199	1,074,668	9,596,516
Other	69,232	11,820	118,511	-	199,563
Total Operating Expenses	<u>96,737,425</u>	<u>92,583,694</u>	<u>215,742,986</u>	<u>10,621,717</u>	<u>415,685,822</u>
Operating Income (Loss)	<u>8,680,624</u>	<u>637,036</u>	<u>12,672,028</u>	<u>(208,487)</u>	<u>21,781,201</u>
NONOPERATING REVENUES (EXPENSES)					
Gain (loss) on disposal of capital assets	514,903	-	-	-	514,903
Investment income	3,266,700	16,029,957	(121,955)	9,273	19,183,975
Interest expense	-	(13,591)	(29,767)	(12,081)	(55,439)
Other revenue	80,000	-	-	-	80,000
Insurance recoveries	-	7,382,913	-	-	7,382,913
Total Nonoperating Revenues (Expenses)	<u>3,861,603</u>	<u>23,399,279</u>	<u>(151,722)</u>	<u>(2,808)</u>	<u>27,106,352</u>
Income (Loss) Before Transfers	<u>12,542,227</u>	<u>24,036,315</u>	<u>12,520,306</u>	<u>(211,295)</u>	<u>48,887,553</u>
Transfers In (Out):					
Transfers in	-	-	5,200,000	-	5,200,000
Transfers out	(514,250)	-	-	-	(514,250)
Total Transfers In (Out)	<u>(514,250)</u>	<u>-</u>	<u>5,200,000</u>	<u>-</u>	<u>4,685,750</u>
Change in Net Position	<u>12,027,977</u>	<u>24,036,315</u>	<u>17,720,306</u>	<u>(211,295)</u>	<u>53,573,303</u>
Total Net Position - Beginning of Year	<u>75,156,006</u>	<u>14,144,757</u>	<u>(7,132,639)</u>	<u>533,619</u>	<u>82,701,743</u>
Total Net Position - End of Year	<u>\$ 87,183,983</u>	<u>\$ 38,181,072</u>	<u>\$ 10,587,667</u>	<u>\$ 322,324</u>	<u>\$ 136,275,046</u>

**COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Motor Pool	Liability and Property Coverage Self Insurance	Employee Health Benefits Self Insurance	Central Duplicating	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 811,949	\$ 1,172,928	\$ 88,093,368	\$ 505,010	\$ 90,583,255
Payments to suppliers	(53,818,541)	(16,736,302)	(41,427,222)	(5,899,007)	(117,881,072)
Payments to employees	(26,201,966)	(4,616,431)	(1,661,476)	(3,291,011)	(35,770,884)
Claims paid	-	(66,060,691)	(170,502,013)	-	(236,562,704)
Other receipts	80,000	-	-	-	80,000
Internal activity - receipts for interfund services	104,440,641	91,981,307	121,233,830	9,912,713	327,568,491
Internal activity - payments to other funds	(4,814,767)	(5,074,694)	(303,946)	(66,271)	(10,259,678)
Net Cash Provided (Used) by Operating Activities	<u>20,497,316</u>	<u>666,117</u>	<u>(4,567,459)</u>	<u>1,161,434</u>	<u>17,757,408</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Insurance reimbursement claims	-	7,382,913	-	-	7,382,913
Operating subsidies, transfers and payments to other/from funds	(514,250)	-	5,200,000	-	4,685,750
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(514,250)</u>	<u>7,382,913</u>	<u>5,200,000</u>	<u>-</u>	<u>12,068,663</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of capital assets	556,992	-	-	-	556,992
Acquisition and construction of capital assets	(9,530,859)	-	-	-	(9,530,859)
Principal paid on leases	-	(121,491)	-	(1,124,354)	(1,245,845)
Interest paid on leases	-	(13,663)	-	(13,624)	(27,287)
Principal paid on subscription	-	(13,031)	(326,544)	-	(339,575)
Interest paid on subscription	-	(410)	(31,765)	-	(32,175)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(8,973,867)</u>	<u>(148,595)</u>	<u>(358,309)</u>	<u>(1,137,978)</u>	<u>(10,618,749)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income from pooled investments	3,266,700	16,029,957	(121,955)	9,273	19,183,975
Net Cash Provided (Used) by Investing Activities	<u>3,266,700</u>	<u>16,029,957</u>	<u>(121,955)</u>	<u>9,273</u>	<u>19,183,975</u>
Net Increase (Decrease) in Cash and Cash Equivalents	14,275,899	23,930,392	152,277	32,729	38,391,297
Balances - Beginning of Year	43,135,391	230,587,398	10,514,147	326,590	284,563,526
Balances - End of Year	<u>\$ 57,411,290</u>	<u>\$ 254,517,790</u>	<u>\$ 10,666,424</u>	<u>\$ 359,319</u>	<u>\$ 322,954,823</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:					
Operating income (loss)	\$ 8,680,624	\$ 637,036	\$ 12,672,028	\$ (208,487)	\$ 21,781,201
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	8,046,278	137,371	338,199	1,074,668	9,596,516
Pension expense	292,033	190,300	(32,178)	60,748	510,903
Other revenue	80,000	-	-	-	80,000
(Increase) Decrease in accounts receivable	(40,075)	2,193	(18,216,715)	-	(18,254,597)
(Increase) Decrease in due from other funds	-	-	(1,418,145)	-	(1,418,145)
(Increase) Decrease in due from component units	12,412	-	544,188	3,523	560,123
(Increase) Decrease in due from other governments	(137,796)	(68,687)	2,855	969	(202,659)
(Increase) Decrease in inventory of supplies	(736,639)	-	-	-	(736,639)
(Increase) Decrease in prepaid expenses	-	6,962	-	(2,916)	4,046
Increase (Decrease) in accounts payable and other liabilities	3,714,594	(564,862)	(793,316)	(10,516)	2,345,900
Increase (Decrease) in claims payable	-	63,423	1,840,336	-	1,903,759
Increase (Decrease) in accrued liabilities	336,290	211,189	17,492	112,917	677,888
Increase (Decrease) in due to other fund	44,046	10,611	511,946	6,637	573,240
Increase (Decrease) in due to component units	-	(29,531)	-	-	(29,531)
Increase (Decrease) in due to other governments	1,016	-	-	100,000	101,016
Increase (Decrease) in compensated absences	204,533	70,112	(34,149)	23,891	264,387
Net Cash Provided (Used) by Operating Activities	<u>\$ 20,497,316</u>	<u>\$ 666,117</u>	<u>\$ (4,567,459)</u>	<u>\$ 1,161,434</u>	<u>\$ 17,757,408</u>

**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance Positive (Negative)
	Original Budget	Final Budget		
LIABILITY AND PROPERTY COVERAGE SELF-INSURANCE				
Personnel costs	\$ 5,221,298	\$ 4,856,198	\$ 4,856,142	\$ 56
Operating	90,095,537	87,725,090	87,725,085	5
Total	<u>\$ 95,316,835</u>	<u>\$ 92,581,288</u>	<u>92,581,227</u>	<u>\$ 61</u>

Reconciliation to GAAP expenses:

Additions:

Depreciation and amortization	137,371
Pension expense	190,300
Portion of incurred but not reported claims not required to be budgeted	63,423
Interest expense	13,591

Deductions:

Encumbrances outstanding at year-end	(240,032)
Lease principal payments	(121,491)
Lease interest payments	(13,663)
Subscription principal payments	(13,031)
Subscription interest payments	(410)

GAAP Expenses \$ 92,597,285 *

* Includes operating and nonoperating expenses

EMPLOYEE HEALTH BENEFITS SELF-INSURANCE

Personnel costs	\$ 3,579,262	\$ 3,221,342	\$ 2,179,350	\$ 1,041,992
Operating	327,909,059	335,267,921	212,146,538	123,121,383
Total	<u>\$ 331,488,321</u>	<u>\$ 338,489,263</u>	<u>214,325,888</u>	<u>\$ 124,163,375</u>

Reconciliation to GAAP expenses:

Additions:

Depreciation and amortization	338,199
Interest expense	29,767
Portion of incurred but not reported claims not required to be budgeted	1,840,336

Deductions:

Pension expense	(32,178)
Encumbrances outstanding at year-end	(370,950)
Subscription principal payments	(326,544)
Subscription interest payments	(31,765)

GAAP Expenses \$ 215,772,753 *

* Includes operating and nonoperating expenses

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held in a trustee or custodial capacity for others and therefore cannot be used to support the government's own programs.

Pension and Other Employee Benefit Trust

Account for the accumulation of resources for, and payment of, retirement annuities and/or other benefits and administrative costs.

- Employees' Retirement System
- Employees' Retirement Savings Plan
- Deferred Compensation Plan
- Retiree Health Benefits

Other Custodial Funds

Account for resources held by the County in a purely custodial capacity.

- West Germantown Development District
- Escrow Deposits
- Inter Agency Facility Scheduling
- Miscellaneous Custodial Fund



**COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
June 30, 2024**

	Employees' Retirement System	Employees' Retirement Savings Plan	Deferred Compensation Plan	Retiree Health Benefits	Total
ASSETS					
Current Assets:					
Equity in pooled cash and investments	\$ 1,454,673	\$ 525,007	\$ -	\$ 1,186,373	\$ 3,166,053
Investments:					
Government and agency obligations	103,736,433	-	-	45,534,412	149,270,845
Municipal/Provincial bonds	3,730,249	-	-	1,686,037	5,416,286
Corporate bonds	327,673,033	-	-	172,150,853	499,823,886
Commercial mortgage-backed securities	1,136,675	-	-	574,841	1,711,516
Common and preferred stock	993,464,495	-	-	527,119,135	1,520,583,630
Mutual and commingled funds	1,571,705,022	791,085,713	658,958,818	657,264,998	3,679,014,551
Short-term investments	218,199,003	-	-	96,821,432	315,020,435
Cash collateral received under securities lending agreements	81,601,717	-	-	20,956,859	102,558,576
Private real assets	518,870,577	-	-	82,194,203	601,064,780
Private equity/debt	1,164,000,733	-	-	238,606,632	1,402,607,365
Total Investments	<u>4,984,117,937</u>	<u>791,085,713</u>	<u>658,958,818</u>	<u>1,842,909,402</u>	<u>8,277,071,870</u>
Receivables (net of allowances for uncollectibles):					
Receivables and accrued interest	12,307,364	-	-	5,298,898	17,606,262
Accounts	50,454	4,808	-	-	55,262
Due from other funds	4,255,326	1,469,263	718,818	4,813,655	11,257,062
Due from component units	51,046	147,406	-	-	198,452
Due from other governments	283	1,727	-	-	2,010
Total Current Assets	<u>5,002,237,083</u>	<u>793,233,924</u>	<u>659,677,636</u>	<u>1,854,208,328</u>	<u>8,309,356,971</u>
Noncurrent Assets:					
Capital assets:					
Miscellaneous	900,043	-	-	-	900,043
Less: Accumulated depreciation	(900,043)	-	-	-	(900,043)
Total Capital Assets (net of accumulated depreciation)	-	-	-	-	-
Total Assets	<u>5,002,237,083</u>	<u>793,233,924</u>	<u>659,677,636</u>	<u>1,854,208,328</u>	<u>8,309,356,971</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	82,404,797	10,394	-	22,861,950	105,277,141
Accrued liabilities	4,357,596	10,556	-	1,202,619	5,570,771
Claims payable	-	-	-	4,813,655	4,813,655
Due to other funds	22,393	1,834	-	7,563,800	7,588,027
Unearned revenue	-	-	-	158,000	158,000
Total Current Liabilities	<u>86,784,786</u>	<u>22,784</u>	<u>-</u>	<u>36,600,024</u>	<u>123,407,594</u>
Noncurrent Liabilities:					
Compensated absences	114,207	2,796	-	21,739	138,742
Total Liabilities	<u>86,898,993</u>	<u>25,580</u>	<u>-</u>	<u>36,621,763</u>	<u>123,546,336</u>
NET POSITION					
Restricted for:					
Pensions	4,915,338,090	793,208,344	659,677,636	-	6,368,224,070
Other postemployment benefits	-	-	-	1,817,586,565	1,817,586,565
Total Net Position	<u>\$ 4,915,338,090</u>	<u>\$ 793,208,344</u>	<u>\$ 659,677,636</u>	<u>\$ 1,817,586,565</u>	<u>\$ 8,185,810,635</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>Employees' Retirement System</u>	<u>Employees' Retirement Savings Plan</u>	<u>Deferred Compensation Plan</u>	<u>Retiree Health Benefits</u>	<u>Total</u>
ADDITIONS					
Contributions:					
Employers	\$ 64,878,147	\$ 24,864,797	\$ -	\$ 127,826,169	\$ 217,569,113
Members	37,411,080	12,828,789	23,270,772	-	73,510,641
Federal government - Medicare Part D	-	-	-	30,598,827	30,598,827
Total Contributions	<u>102,289,227</u>	<u>37,693,586</u>	<u>23,270,772</u>	<u>158,424,996</u>	<u>321,678,581</u>
Investment income (loss)	400,497,362	97,981,585	102,104,027	168,567,188	769,150,162
Less: Investment expenses	23,868,093	12,563	-	6,869,557	30,750,213
Net Investment Income (Loss)	<u>376,629,269</u>	<u>97,969,022</u>	<u>102,104,027</u>	<u>161,697,631</u>	<u>738,399,949</u>
Other income - forfeitures	-	535,589	-	-	535,589
Total Additions, net	<u>478,918,496</u>	<u>136,198,197</u>	<u>125,374,799</u>	<u>320,122,627</u>	<u>1,060,614,119</u>
DEDUCTIONS					
Benefits:					
Annuities:					
Retirees	252,974,673	-	-	-	252,974,673
Survivors	12,719,539	-	-	-	12,719,539
Disability	61,121,142	-	-	-	61,121,142
Claims	-	-	-	129,644,051	129,644,051
Total Benefits	<u>326,815,354</u>	<u>-</u>	<u>-</u>	<u>129,644,051</u>	<u>456,459,405</u>
Member refunds	11,238,312	32,408,138	40,951,195	-	84,597,645
Administrative expenses	3,795,631	306,546	-	4,643,500	8,745,677
Total Deductions	<u>341,849,297</u>	<u>32,714,684</u>	<u>40,951,195</u>	<u>134,287,551</u>	<u>549,802,727</u>
Net Increase (Decrease)	137,069,199	103,483,513	84,423,604	185,835,076	510,811,392
Net Position - Beginning of Year	4,778,268,891	689,724,831	575,254,032	1,631,751,489	7,674,999,243
Net Position - End of Year	<u>\$ 4,915,338,090</u>	<u>\$ 793,208,344</u>	<u>\$ 659,677,636</u>	<u>\$ 1,817,586,565</u>	<u>\$ 8,185,810,635</u>

COMBINING STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
June 30, 2024

	West Germantown Development District	Escrow Deposits	Inter Agency Facility Scheduling	Miscellaneous Custodial Fund	Total
ASSETS					
Current Assets:					
Equity in pooled cash and investments	\$ 1,105,076	\$ 2,536,018	\$ 793,215	\$ 464,613	\$ 4,898,922
Cash	-	-	-	175,081	175,081
Receivables (net of allowances for uncollectibles):					
Accounts	-	16,981	4,596,642	-	4,613,623
Total Current Assets	<u>1,105,076</u>	<u>2,552,999</u>	<u>5,389,857</u>	<u>639,694</u>	<u>9,687,626</u>
Total Assets	<u>1,105,076</u>	<u>2,552,999</u>	<u>5,389,857</u>	<u>639,694</u>	<u>9,687,626</u>
LIABILITIES					
Current Liabilities:					
Accounts payable	-	-	73,801	-	73,801
Deposits	-	2,319,399	-	-	2,319,399
Due to other governments	774,421	-	907,403	-	1,681,824
Unearned revenue	-	-	4,019,583	-	4,019,583
Other liabilities	126	-	389,070	467,759	856,955
Total Current Liabilities	<u>774,547</u>	<u>2,319,399</u>	<u>5,389,857</u>	<u>467,759</u>	<u>8,951,562</u>
Total Liabilities	<u>774,547</u>	<u>2,319,399</u>	<u>5,389,857</u>	<u>467,759</u>	<u>8,951,562</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable property taxes	57,599	-	-	-	57,599
Total Deferred Inflows of Resources	<u>57,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,599</u>
NET POSITION					
Restricted for individuals, organizations, and other governments	272,930	233,600	-	171,935	678,465
Total Net Position	<u>\$ 272,930</u>	<u>\$ 233,600</u>	<u>\$ -</u>	<u>\$ 171,935</u>	<u>\$ 678,465</u>

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS - OTHER CUSTODIAL FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	West Germantown Development District	Escrow Deposits	Inter Agency Facility Scheduling	Miscellaneous Custodial Fund	Total
ADDITIONS					
Investment income (loss)	\$ 66,854	\$ -	\$ -	\$ -	\$ 66,854
Other income	-	-	-	45,474	45,474
Total Additions, net	<u>66,854</u>	<u>-</u>	<u>-</u>	<u>45,474</u>	<u>112,328</u>
DEDUCTIONS					
Administrative expenses	-	-	-	-	-
Total Deductions	-	-	-	-	-
Net Increase (Decrease)	<u>66,854</u>	<u>-</u>	<u>-</u>	<u>45,474</u>	<u>112,328</u>
Net Position - Beginning of Year	<u>206,076</u>	<u>233,600</u>	<u>-</u>	<u>126,461</u>	<u>566,137</u>
Net Position - End of Year	<u>\$ 272,930</u>	<u>\$ 233,600</u>	<u>\$ -</u>	<u>\$ 171,935</u>	<u>\$ 678,465</u>

NONMAJOR COMPONENT UNITS



**COMBINING STATEMENT OF NET POSITION
NONMAJOR COMPONENT UNITS
June 30, 2024**

	BUP	MCRA	MC	Total
ASSETS				
Equity in pooled cash and investments	\$ -	\$ -	\$ 74,137,816	\$ 74,137,816
Cash with fiscal agents	-	-	4,294,318	4,294,318
Cash	680,564	12,215,778	6,500	12,902,842
Investments - cash equivalents	-	-	9,257,350	9,257,350
Investments	-	-	49,148,306	49,148,306
Receivables (net of allowance for uncollectibles):				
Accounts	-	-	13,098,312	13,098,312
Other	4,944	859,282	5,941,706	6,805,932
Lease receivable	-	993,010	10,534,595	11,527,605
Due from primary government	133,754	75,005	8,137,704	8,346,463
Due from other governments	14,050	-	1,250,699	1,264,749
Inventory of supplies	-	960,575	6,172	966,747
Prepays	19,146	13,472	865,647	898,265
Other assets	5,075	339,793	2,113,326	2,458,194
Restricted Assets:				
Equity in pooled cash and investments	-	-	3,714,725	3,714,725
Cash	1,090,615	-	-	1,090,615
Investments - cash equivalents	-	1,886,280	30,908,729	32,795,009
Capital Assets:				
Nondepreciable assets	-	32,433,353	154,307,496	186,740,849
Depreciable assets, net	3,163,387	45,555,320	566,527,671	615,246,378
Total Assets:	<u>5,111,535</u>	<u>95,331,868</u>	<u>934,251,072</u>	<u>1,034,694,475</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on refunding of debt	-	99,336	-	99,336
Pension deferrals	-	3,831,101	6,510,760	10,341,861
OPEB deferrals	-	1,146,397	22,015,642	23,162,039
Total Deferred Outflow of Resources	<u>-</u>	<u>5,076,834</u>	<u>28,526,402</u>	<u>33,603,236</u>
LIABILITIES				
Accounts payable	182,767	1,178,974	20,622,320	21,984,061
Interest payable	-	115,091	351,956	467,047
Retainage payable	-	-	3,025,445	3,025,445
Accrued liabilities	281,017	1,864,638	4,061,531	6,207,186
Deposits	-	449,670	-	449,670
Due to primary government	-	2,028,419	5,712	2,034,131
Due to other governments	-	-	74,537	74,537
Unearned revenue	-	1,823,364	7,689,020	9,512,384
Other liabilities	191,370	-	505,180	696,550
Noncurrent Liabilities:				
Due within one year	-	5,525,314	8,260,174	13,785,488
Due in more than one year	2,343,431	25,342,461	126,797,865	154,483,757
Total Liabilities	<u>2,998,585</u>	<u>38,327,931</u>	<u>171,393,740</u>	<u>212,720,256</u>
DEFERRED INFLOWS OF RESOURCES				
Pension deferrals	-	5,193,659	2,374,840	7,568,499
OPEB deferrals	-	1,948,074	58,984,388	60,932,462
Leases	-	955,909	10,705,618	11,661,527
Accumulate increase in fair value of hedging derivatives	-	339,793	-	339,793
Total Deferred Inflow of Resources	<u>-</u>	<u>8,437,435</u>	<u>72,064,846</u>	<u>80,502,281</u>
NET POSITION				
Net investment in capital assets	890,685	54,135,456	634,783,362	689,809,503
Restricted for:				
Capital projects	-	263,071	-	263,071
Debt service	-	1,623,209	-	1,623,209
Other purposes	96,865	-	48,989,192	49,086,057
Unrestricted (deficit)	<u>1,125,400</u>	<u>(2,378,400)</u>	<u>35,546,334</u>	<u>34,293,334</u>
Total Net Position	<u>\$ 2,112,950</u>	<u>\$ 53,643,336</u>	<u>\$ 719,318,888</u>	<u>\$ 775,075,174</u>

**COMBINING STATEMENT OF ACTIVITIES
NONMAJOR COMPONENT UNITS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Functions	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	BU P	MCRA	MC	Total
Component Units:								
General government	\$ 5,702,687	\$ 5,701,747	\$ 188,000	\$ -	\$ 187,060	\$ -	\$ -	\$ 187,060
Culture and recreation	29,494,967	31,964,825	-	394,923	-	2,864,781	-	2,864,781
Education	365,566,226	59,873,506	22,676,061	49,194,852	-	-	(233,821,807)	(233,821,807)
Total component units	<u>\$ 400,763,880</u>	<u>\$ 97,540,078</u>	<u>\$ 22,864,061</u>	<u>\$ 49,589,775</u>	187,060	2,864,781	(233,821,807)	(230,769,966)
General revenues:								
Grants and contributions not restricted to specific programs					-	-	260,434,261	260,434,261
Investment Income					-	333,298	9,351,398	9,684,696
Gain (loss) on sale of capital assets					67,300	-	-	67,300
Miscellaneous					54,876	-	-	54,876
Total general revenues					<u>122,176</u>	<u>333,298</u>	<u>269,785,659</u>	<u>270,241,133</u>
Change in net position					309,236	3,198,079	35,963,852	39,471,167
Total Net Position - beginning					<u>1,803,714</u>	<u>50,445,257</u>	<u>683,355,036</u>	<u>735,604,007</u>
Total Net Position - ending					<u>\$ 2,112,950</u>	<u>\$ 53,643,336</u>	<u>\$ 719,318,888</u>	<u>\$ 775,075,174</u>



STATISTICAL SECTION



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Statistical Section



The Statistical Section presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section says about the County's overall financial health:

- Financial Trends**223
Information to help the reader understand how the County's financial performance and well-being have changed over time.

- Revenue Capacity**234
Information to help the reader assess the County's most significant local revenue sources - the property tax and income tax.

- Debt Capacity**248
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**254
Indicators to help the reader understand the environment within which the County's financial activities take place.

- Operating Information**256
Service and infrastructure 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.

Many of these tables cover more than two fiscal years and present data from outside the accounting records. Therefore, the Statistical Section is unaudited.



Table 1

**FINANCIAL TRENDS
NET POSITION BY COMPONENT - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Net investment in capital assets	\$ 2,099,290,326	\$ 2,280,466,863	\$ 2,336,853,956	\$ 2,169,845,557	\$ 2,734,892,546	\$ 2,999,713,433	\$ 3,054,708,595	\$ 2,957,599,671	\$ 3,127,137,042	\$ 3,259,095,524
Restricted	493,320,702	415,275,255	441,648,621	650,720,854	564,498,034	405,793,922	562,446,998	674,260,119	613,403,067	865,851,619
Unrestricted (deficit) ⁽¹⁾	<u>(1,882,775,991)</u>	<u>(2,007,096,943)</u>	<u>(3,091,267,121)</u>	<u>(2,964,345,467)</u>	<u>(3,136,040,177)</u>	<u>(2,965,037,814)</u>	<u>(2,508,315,948)</u>	<u>(1,705,538,979)</u>	<u>(1,199,063,759)</u>	<u>(934,382,439)</u>
Total Governmental Activities Net Position	<u>709,835,037</u>	<u>688,645,175</u>	<u>(312,764,544)</u>	<u>(143,779,056)</u>	<u>163,350,403</u>	<u>440,469,541</u>	<u>1,108,839,645</u>	<u>1,926,320,811</u>	<u>2,541,476,350</u>	<u>3,190,564,704</u>
Business-type Activities:										
Net investment in capital assets	186,001,533	139,122,346	186,321,262	185,894,133	186,027,386	191,115,410	189,025,018	190,644,192	191,463,862	191,255,963
Restricted	48,386,118	88,115,316	68,287,578	80,545,655	76,894,899	36,905,016	22,697,175	40,861,792	65,552,813	84,302,766
Unrestricted (deficit)	<u>57,451,970</u>	<u>71,413,125</u>	<u>67,161,146</u>	<u>43,687,119</u>	<u>46,488,562</u>	<u>45,881,753</u>	<u>47,618,342</u>	<u>74,573,289</u>	<u>76,796,976</u>	<u>73,055,304</u>
Total Business-type Activities Net Position	<u>291,839,621</u>	<u>298,650,787</u>	<u>321,769,986</u>	<u>310,126,907</u>	<u>309,410,847</u>	<u>273,902,179</u>	<u>259,340,535</u>	<u>306,079,273</u>	<u>333,813,651</u>	<u>348,614,033</u>
Primary Government:										
Net investment in capital assets	2,285,291,859	2,419,589,209	2,523,175,218	2,355,739,690	2,920,919,932	3,190,828,843	3,243,733,613	3,148,243,863	3,318,600,904	3,450,351,487
Restricted	541,706,820	503,390,571	509,936,199	731,266,509	641,392,933	442,698,938	585,144,173	715,121,911	678,955,880	950,154,385
Unrestricted (deficit) ⁽¹⁾	<u>(1,825,324,021)</u>	<u>(1,935,683,818)</u>	<u>(3,024,105,975)</u>	<u>(2,920,658,348)</u>	<u>(3,089,551,615)</u>	<u>(2,919,156,061)</u>	<u>(2,460,697,606)</u>	<u>(1,630,965,690)</u>	<u>(1,122,266,783)</u>	<u>(861,327,135)</u>
Total Primary Government Net Position	<u>\$ 1,001,674,658</u>	<u>\$ 987,295,962</u>	<u>\$ 9,005,442</u>	<u>\$ 166,347,851</u>	<u>\$ 472,761,250</u>	<u>\$ 714,371,720</u>	<u>\$ 1,368,180,180</u>	<u>\$ 2,232,400,084</u>	<u>\$ 2,875,290,001</u>	<u>\$ 3,539,178,737</u>

NOTES:

- * This table is a summary of net position information presented in the basic financial statement Exhibit A-1.
- * Government-wide net position information is reported on the accrual basis of accounting.
- * Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.
- * Certain amounts have been restated or reclassified to conform with the following year's presentation.
- ⁽¹⁾ The County's governmental activities has an unrestricted deficit because the County issues debt to fund construction costs for MCPS and MC, two of its component units, and for M-NCPPC, a joint venture. Absent the effect of this relationship, the County would have reported a smaller government-wide deficit for its governmental activities and for government-wide purposes. Government-wide unrestricted net position would have been:

Unrestricted (deficit) net position reported above	\$ (1,825,324,021)	\$ (1,935,683,818)	\$ (3,024,105,975)	\$ (2,920,658,348)	\$ (3,089,551,615)	\$ (2,919,156,061)	\$ (2,460,697,606)	\$ (1,630,965,690)	\$ (1,122,266,783)	\$ (861,327,135)
Debt issued for capital on behalf of others	<u>1,634,742,350</u>	<u>1,664,939,419</u>	<u>1,706,292,298</u>	<u>1,823,365,298</u>	<u>1,853,826,444</u>	<u>1,802,020,817</u>	<u>1,847,420,945</u>	<u>1,695,453,748</u>	<u>1,684,520,423</u>	<u>1,671,294,055</u>
County net position absent effect of this relationship	<u>\$ (190,581,671)</u>	<u>\$ (270,744,399)</u>	<u>\$ (1,317,813,677)</u>	<u>\$ (1,097,293,050)</u>	<u>\$ (1,235,725,171)</u>	<u>\$ (1,117,135,244)</u>	<u>\$ (613,276,661)</u>	<u>\$ 64,488,058</u>	<u>\$ 562,253,640</u>	<u>\$ 809,966,920</u>

Table 2-a

FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General government	\$ 470,405,790	\$ 624,551,802	\$ 540,011,504	\$ 424,387,485	\$ 438,014,357	\$ 590,174,881	\$ 688,476,247	\$ 626,075,347	\$ 619,060,912	\$ 627,403,975
Public safety	591,702,869	620,407,666	641,585,272	673,208,779	622,873,906	623,407,978	628,087,787	499,167,545	584,931,546	711,746,790
Transportation	288,226,716	279,744,940	258,627,800	270,104,981	238,384,714	270,530,860	307,065,388	213,159,574	335,927,417	304,068,247
Health and human services	296,567,081	292,252,497	319,917,837	340,401,563	329,736,686	321,292,120	424,716,547	445,522,771	483,718,778	509,512,101
Culture and recreation	95,703,122	116,004,130	134,848,367	124,775,369	111,901,877	114,017,908	97,481,581	94,435,027	119,350,132	140,486,273
Community development and housing	32,001,034	42,140,359	50,618,370	73,658,830	62,494,208	41,018,670	7,197,303	101,658,451	74,060,581	89,242,996
Environment	30,905,863	29,886,401	29,095,268	32,168,215	35,059,399	33,264,778	36,836,160	29,760,999	37,915,292	41,042,653
Education	1,826,117,289	1,899,997,038	2,037,048,982	2,094,083,289	2,191,087,238	2,237,040,332	2,085,698,554	2,175,596,472	2,466,081,451	2,286,791,953
Interest on long-term debt	112,420,639	99,889,037	100,887,704	118,778,942	115,507,787	111,886,439	96,243,729	90,170,259	97,199,651	104,539,177
Total Governmental Activities Expenses	3,744,050,403	4,004,873,870	4,112,641,104	4,151,567,453	4,145,060,172	4,342,633,966	4,371,803,296	4,275,546,445	4,818,245,760	4,814,834,165
Business-type Activities:										
Liquor	248,982,109	264,763,943	273,828,277	268,344,647	263,120,732	268,696,377	266,345,926	273,785,719	287,080,898	281,707,689
Solid waste activities	109,351,706	105,838,154	92,126,174	100,674,500	110,018,670	152,084,064	127,849,821	114,917,885	143,646,854	160,936,396
Parking lot districts	37,103,525	33,453,769	34,418,684	33,941,506	34,104,944	30,430,789	28,144,633	29,033,881	30,660,770	31,035,210
Permitting services	29,002,673	31,042,939	36,065,066	39,017,094	36,608,286	38,036,292	35,877,882	28,354,137	35,998,475	41,334,052
Community use of public facilities	9,444,551	10,301,634	10,386,038	11,857,115	11,033,992	9,448,918	4,349,361	7,610,092	7,392,266	10,550,218
Total Business-type Activities Expenses	433,884,564	445,400,439	446,824,239	453,834,862	454,886,624	498,696,440	462,567,623	453,701,714	504,779,263	525,563,565
Total Primary Government Expenses	4,177,934,967	4,450,274,309	4,559,465,343	4,605,402,315	4,599,946,796	4,841,330,406	4,834,370,919	4,729,248,159	5,323,025,023	5,340,397,730
Program Revenues										
Governmental Activities:										
Charges for services:										
General government	75,223,054	67,180,168	86,023,992	99,081,775	94,380,333	67,470,501	62,785,190	63,439,289	93,854,330	86,322,257
Public safety	52,554,641	56,419,015	57,893,409	55,776,247	53,263,699	51,228,432	41,758,238	52,628,136	55,508,086	50,551,485
Transportation	32,070,795	31,222,409	34,480,822	32,977,409	32,606,994	60,186,065	52,645,744	44,044,434	41,667,278	29,622,722
Health and human services	4,968,870	4,210,725	5,806,436	4,765,964	4,037,505	3,624,326	4,768,098	4,412,826	35,155,359	29,854,882
Culture and recreation	39,462,050	39,033,846	43,338,703	38,827,721	38,026,692	36,572,567	29,551,152	35,180,069	34,003,564	34,616,046
Community development and housing	5,245,558	5,943,869	6,484,254	8,665,072	8,788,805	8,478,712	11,260,623	11,950,320	9,323,202	11,974,242
Environment	28,232,295	107,496	1,146,600	97,921	391,310	78,812	361,389	358,514	375,655	405,553
Education	-	-	-	-	58,834	-	-	-	-	-
Operating Grants and Contributions:										
General government	5,900,190	5,783,686	2,506,534	1,367,478	2,059,546	32,209,814	92,424,121	32,498,488	30,829,749	40,201,671
Public safety	34,566,646	38,001,429	32,049,554	34,036,104	31,784,548	48,466,234	98,250,139	45,996,510	61,126,740	67,841,796
Transportation	40,840,283	48,018,142	55,439,795	41,117,169	49,677,983	52,689,586	76,423,596	108,749,202	55,848,337	59,711,894
Health and human services	112,388,538	103,139,187	119,822,880	108,745,542	117,434,598	112,096,883	234,398,953	218,877,780	213,911,810	226,737,064
Culture and recreation	5,362,215	5,564,089	6,375,674	7,150,941	4,890,633	5,881,077	5,869,421	5,590,276	8,409,947	6,087,374
Community development and housing	2,843,614	3,382,444	8,593,974	8,273,826	8,597,444	7,713,768	8,218,120	20,241,759	17,119,580	11,020,771
Environment	23,547	126,632	-	-	-	-	37,891	197,470	233,593	1,053,194
Capital Grants and Contributions:										
General government	8,780,438	8,057,312	5,759,703	34,405,150	13,857,000	22,858,311	63,210,698	7,599,133	6,880,803	54,249,345
Public safety	986,711	1,085,087	918,607	2,738,267	(2,065,934)	224,165	683,000	1,204,000	1,154,477	-
Transportation ⁽³⁾	18,100,100	46,691,306	52,741,941	78,162,405	34,513,441	46,347,023	17,076,719	33,414,142	25,224,143	34,325,388
Health and human services	-	-	-	-	-	-	3,718,502	-	-	-
Culture and recreation	4,950,414	384,826	764,642	1,866,137	20,660	977,892	-	-	-	-
Community development and housing	1,509,342	536,830	(11,539)	-	-	-	-	-	-	-

Table 2-a (Continued)

**FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Environment	-	43,848	5,582,790	1,787,625	6,677,036	3,295,642	475,065	-	87,949	160,146
Education	-	-	-	-	-	-	139,567	-	463,057	-
Total Governmental Activities										
Program Revenues	474,009,301	464,932,346	525,718,771	559,842,753	499,001,127	560,399,810	804,056,226	686,382,348	691,177,659	744,735,830
Program Revenues (Continued)										
Business-type Activities:										
Charges for Services:										
Liquor	278,768,662	294,593,991	298,493,309	296,898,858	295,840,562	304,989,083	305,168,475	321,876,182	325,172,098	318,561,067
Solid waste activities	111,621,329	109,338,285	115,150,999	115,663,792	118,735,876	118,556,863	125,124,432	143,141,146	161,321,148	172,815,545
Parking lot districts	34,717,204	32,731,451	36,001,841	36,166,913	35,227,522	36,068,613	16,247,357	28,796,265	33,781,497	39,361,450
Permitting services	38,595,012	43,882,689	39,652,271	44,429,923	43,795,393	43,533,563	43,838,541	51,703,176	47,032,640	45,763,802
Community use of public facilities	11,133,118	11,437,099	11,335,072	11,917,129	11,964,989	8,294,697	4,284,548	7,520,660	9,027,323	10,388,730
Total Business-type Activities										
Program Revenues	474,835,325	491,983,515	500,633,492	505,076,615	505,564,342	511,442,819	494,663,353	553,037,429	576,334,706	586,890,594
Total Primary Government										
Program Revenues	948,888,474	962,454,803	1,059,363,211	1,005,923,219	1,001,184,075	1,069,161,619	1,298,671,675	1,239,419,777	1,267,512,365	1,331,626,424
Net (Expense) Revenue⁽¹⁾										
Governmental activities	(3,269,997,254)	(3,534,402,582)	(3,590,717,498)	(3,586,835,289)	(3,649,440,439)	(3,784,915,166)	(3,567,794,974)	(3,589,164,097)	(4,127,068,101)	(4,070,098,335)
Business-type activities	40,950,761	46,583,076	53,809,253	51,241,753	50,677,718	12,746,379	32,095,730	99,335,715	71,555,443	61,327,029
Total Primary Government Net Expense	(3,229,046,493)	(3,487,819,506)	(3,536,908,245)	(3,535,593,536)	(3,598,762,721)	(3,772,168,787)	(3,535,699,244)	(3,489,828,382)	(4,055,512,658)	(4,008,771,306)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes ⁽²⁾	3,228,243,148	3,488,157,212	3,722,174,244	3,670,382,662	3,876,139,130	3,963,677,470	4,186,288,203	4,350,852,588	4,623,704,648	4,555,286,051
Grants, contributions, and other revenue not restricted to specific programs	-	-	-	-	(7,262,152)	-	-	-	-	-
Investment and interest income ⁽³⁾	6,787,434	7,907,133	13,770,994	18,175,824	31,894,139	21,117,925	2,987,285	2,854,857	61,251,579	105,696,891
Gain/(loss) on sale of capital assets	3,882,648	172,639	-	2,106,453	-	24,631,318	-	-	-	-
Transfers	55,489,227	49,385,156	31,875,197	65,155,838	55,798,781	52,374,125	46,889,590	52,937,818	57,267,413	58,203,747
Total Governmental Activities	3,294,402,457	3,545,622,140	3,767,820,435	3,755,820,777	3,956,569,898	4,061,800,838	4,236,165,078	4,406,645,263	4,742,223,640	4,719,186,689
Business-type Activities:										
Property taxes	10,903,699	(657,506)	(45,762)	-	-	-	-	-	-	-
Investment income	215,823	415,329	1,068,863	2,073,306	4,379,460	4,118,652	227,669	264,654	6,957,484	11,677,100
Gain/(loss) on sale of capital assets	175,100	9,855,423	162,042	197,700	25,543	426	4,547	76,187	6,488,864	-
Transfers	(55,489,227)	(49,385,156)	(31,875,197)	(65,155,838)	(55,798,781)	(52,374,125)	(46,889,590)	(52,937,818)	(57,267,413)	(58,203,747)
Total Business-type Activities	(44,194,605)	(39,771,910)	(30,690,054)	(62,884,832)	(51,393,778)	(48,255,047)	(46,657,374)	(52,596,977)	(43,821,065)	(46,526,647)
Total Primary Government	3,250,207,852	3,505,850,230	3,737,130,381	3,692,935,945	3,905,176,120	4,013,545,791	4,189,507,704	4,354,048,286	4,698,402,575	4,672,660,042
Change in Net Position										
Governmental activities	24,405,203	11,219,558	177,102,937	168,985,488	307,129,459	276,885,672	668,370,104	817,481,166	615,155,539	649,088,354
Business-type activities	(3,243,844)	6,811,166	23,119,199	(11,643,079)	(716,060)	(35,508,668)	(14,561,644)	46,738,738	27,734,378	14,800,382
Total Primary Government	\$ 21,161,359	\$ 18,030,724	\$ 200,222,136	\$ 157,342,409	\$ 306,413,399	\$ 241,377,004	\$ 653,808,460	\$ 864,219,904	\$ 642,889,917	\$ 663,888,736

FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS

NOTES:

- * This table presents information from the basic financial statement Exhibit A-2.
- * Government-wide net position information is reported on the accrual basis of accounting.
- ⁽¹⁾ Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- ⁽²⁾ See Table 2-b for detail of General Tax Revenues.
- ⁽³⁾ Certain amounts have been restated or reclassified to conform with the following year's presentation.

Table 2-b

**FINANCIAL TRENDS
GENERAL TAX REVENUES - GOVERNMENTAL ACTIVITIES
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Property taxes	\$ 1,528,093,085	\$ 1,593,880,896	\$ 1,792,921,614	\$ 1,789,105,013	\$ 1,839,468,334
County income taxes	1,276,415,595	1,464,946,447	1,481,806,881	1,448,372,065	1,593,550,972
Real property transfer taxes	92,068,495	100,566,864	118,000,203	109,452,764	113,520,206
Recordation taxes	55,530,762	61,141,531	60,375,616	49,135,141	54,671,817
Fuel energy taxes	207,195,218	193,281,367	192,459,066	197,200,021	194,628,814
Hotel-motel taxes	19,007,650	19,444,152	21,462,751	21,033,479	21,288,964
Telephone taxes	48,839,958	49,694,945	50,812,917	51,600,631	52,415,089
Other taxes	1,092,385	5,201,010	4,335,196	4,483,548	6,594,934
Total Taxes - Governmental Activities	<u>\$ 3,228,243,148</u>	<u>\$ 3,488,157,212</u>	<u>\$ 3,722,174,244</u>	<u>\$ 3,670,382,662</u>	<u>\$ 3,876,139,130</u>
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Property taxes	\$ 1,824,207,619	\$ 1,886,666,393	\$ 1,919,667,295	\$ 1,960,528,078	\$ 2,206,883,378
County income taxes	1,706,303,331	1,860,392,747	1,903,729,758	2,234,621,794	1,939,693,968
Real property transfer taxes	115,719,567	132,288,901	180,217,441	110,458,782	96,468,076
Recordation taxes	57,692,541	60,573,086	85,819,161	53,288,501	44,958,808
Fuel energy taxes	186,975,365	184,419,771	184,651,863	181,287,728	182,130,483
Hotel-motel taxes	14,875,525	6,424,558	14,405,669	20,777,612	23,084,973
Telephone taxes	53,664,543	52,538,156	55,449,830	56,355,076	55,607,943
Other taxes	4,238,979	2,984,591	6,911,571	6,387,077	6,458,422
Total Taxes - Governmental Activities	<u>\$ 3,963,677,470</u>	<u>\$ 4,186,288,203</u>	<u>\$ 4,350,852,588</u>	<u>\$ 4,623,704,648</u>	<u>\$ 4,555,286,051</u>

NOTES:

* Government-wide general tax revenue information is reported on the accrual basis of accounting.

FINANCIAL TRENDS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nonspendable	\$ 6,799,926	\$ 7,275,055	\$ 8,797,529	\$ 6,755,806	\$ 12,137,808	\$ 10,198,747	\$ 7,194,178	\$ 9,815,046	\$ 12,199,990	\$ 10,704,038
Restricted	585,905	6,907,814	11,784,991	13,639,668	10,219,326	6,861,399	13,831,680	6,758,234	8,559,737	31,760,971
Committed	301,233,944	326,090,172	341,105,832	370,859,379	401,382,973	419,135,927	500,842,919	699,495,564 ⁽¹⁾	718,206,352	753,827,857
Assigned	26,575,194	27,035,009	26,916,962	27,071,892	31,782,165	48,141,465	58,071,505	85,111,637	83,321,310	89,251,740
Unassigned	156,538,119	113,028,313	118,366,481	102,697,761	103,316,700	97,679,071	169,417,634	188,531,200	423,317,667	378,758,731
Total General Fund	<u>491,733,088</u>	<u>480,336,363</u>	<u>506,971,795</u>	<u>521,024,506</u>	<u>558,838,972</u>	<u>582,016,609</u>	<u>749,357,916</u>	<u>989,711,681</u>	<u>1,245,605,056</u>	<u>1,264,303,337</u>
All Other Governmental Funds:										
Nonspendable	1,842,076	1,489,280	-	-	-	-	-	-	392,699	2,432,672
Restricted	491,602,469	413,785,975	441,648,621	650,720,854	564,498,036	416,616,805	568,533,243	679,141,271	609,681,125	834,090,648
Unassigned	(123,843)	-	(60,793)	(5,430,786)	(4,255,806)	(127,776,190)	(4,965,388)	-	(134,775,509)	-
Total All Other Governmental Funds	<u>493,320,702</u>	<u>415,275,255</u>	<u>441,587,828</u>	<u>645,290,068</u>	<u>560,242,230</u>	<u>288,840,615</u>	<u>563,567,855</u>	<u>679,141,271</u>	<u>475,298,315</u>	<u>836,523,320</u>
Total All Governmental Funds	<u>\$ 985,053,790</u>	<u>\$ 895,611,618</u>	<u>\$ 948,559,623</u>	<u>\$ 1,166,314,574</u>	<u>\$ 1,119,081,202</u>	<u>\$ 870,857,224</u>	<u>\$ 1,312,925,771</u>	<u>\$ 1,668,852,952</u>	<u>\$ 1,720,903,371</u>	<u>\$ 2,100,826,657</u>

NOTE:

* This table presents summary fund balance information from the basic financial statement Exhibit A-3.

* Fund balance information for governmental funds is reported on the modified accrual basis of accounting.

⁽¹⁾ The Revenue Stabilization Fund fund balance is classified as committed beginning in FY22. For financial reporting purposes, this fund is included within the General Fund. The reclassification has been applied retrospectively for prior years presented.

Table 4

**FINANCIAL TRENDS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 3,262,424,596	\$ 3,447,864,362	\$ 3,711,400,753	\$ 3,690,299,252	\$ 3,812,772,122	\$ 3,942,834,126	\$ 4,121,690,762	\$ 4,367,857,874	\$ 4,530,134,076	\$ 4,638,007,748
Licenses and permits	11,326,007	12,265,385	11,758,684	11,750,533	12,124,699	11,091,094	10,499,412	12,474,298	11,471,905	12,376,726
Intergovernmental	239,344,101	243,783,791	242,093,911	302,227,316	267,953,154	308,063,624	580,584,832	439,469,211	398,992,056	479,855,631
Charges for services	138,342,978	118,467,372	127,764,110	99,502,255	118,177,085	136,167,563	114,916,964	119,405,060	128,003,125	106,381,586
Fines and forfeitures	29,527,268	29,007,222	28,633,840	31,145,495	32,875,612	30,937,994	17,590,210	26,936,180	25,366,892	29,823,343
Investment and interest income	3,140,302	3,981,063	9,208,776	11,396,740	22,439,536	15,888,282	2,740,138	2,451,964	51,376,513	86,978,512
Miscellaneous	22,099,346	18,754,780	60,558,640	56,778,286	39,951,820	19,807,575	40,628,659	25,181,297	52,222,020	47,194,528
Total Revenues	3,706,204,598	3,874,123,975	4,191,418,714	4,203,099,877	4,306,294,028	4,464,790,258	4,888,650,977	4,993,775,884	5,197,566,587	5,400,618,074
Expenditures										
General government	436,469,967	423,988,597	448,738,319	388,935,560	415,630,621	526,063,419	633,307,018	542,683,245	557,559,150	591,591,418
Public safety	638,867,007	654,542,863	623,552,752	639,589,841	651,257,362	687,899,848	702,520,092	680,761,112	717,481,304	784,722,031
Transportation	201,412,836	210,800,081	195,129,517	202,497,073	199,285,975	189,024,284	204,968,011	214,216,563	240,820,457	263,622,999
Health and human services	307,899,487	298,572,142	320,432,552	332,908,876	338,136,666	345,968,658	448,794,929	514,957,492	530,559,212	536,647,783
Culture and recreation	86,389,803	92,157,698	94,553,277	97,871,980	88,868,479	88,824,518	82,721,567	91,993,223	112,312,981	120,587,775
Community development and housing	42,434,875	37,372,312	52,467,220	65,680,764	55,075,436	53,148,930	54,001,111	72,790,341	75,364,875	87,632,036
Environment	21,828,607	23,414,990	27,746,495	30,608,757	35,332,648	31,855,007	29,751,836	34,959,996	35,693,334	39,854,984
Education	1,615,305,046	1,674,058,571	1,818,904,243	1,850,884,306	1,885,648,526	1,910,678,276	1,924,426,162	1,940,322,723	2,036,808,206	2,207,184,808
Debt service:										
Principal ⁽¹⁾	197,898,016	192,160,354	224,618,357	233,284,376	242,382,336	405,757,279	261,897,918	271,613,697	279,426,214	284,654,190
Interest ⁽¹⁾	124,957,396	133,478,302	141,126,787	147,666,274	158,572,277	155,472,923	136,757,274	134,436,471	138,860,466	141,377,379
Notes and other obligations	27,134,321	29,873,326	29,326,306	24,716,905	29,336,350	29,337,781	36,720,517	32,149,942	39,962,391	33,618,500
Issuing costs	5,669,380	3,715,273	5,639,495	5,046,571	3,890,199	3,780,027	6,909,485	4,079,945	3,748,648	3,134,976
Capital projects	556,683,579	624,096,406	627,826,903	629,707,191	722,922,869	751,646,415	448,804,767	496,577,456	692,500,447	347,545,676
Total Expenditures	4,262,950,320	4,398,230,915	4,610,062,223	4,649,398,474	4,826,339,744	5,179,457,365	4,971,580,687	5,031,542,206	5,461,097,685	5,442,174,555
Excess (Deficiency) of Revenues over (under) Expenditures	(556,745,722)	(524,106,940)	(418,643,509)	(446,298,597)	(520,045,716)	(714,667,107)	(82,929,710)	(37,766,322)	(263,531,098)	(41,556,481)
Other Financing Sources (Uses)										
Transfers in	518,356,272	498,634,256	553,454,133	655,987,851	674,545,391	676,649,495	663,821,051	680,928,755	867,600,734	938,580,946
Transfers (out)	(452,713,522)	(448,738,284)	(521,670,247)	(564,081,852)	(608,067,354)	(629,048,689)	(613,258,751)	(627,472,887)	(809,817,526)	(885,062,949)
Sale of property	3,596,267	1,192,070	1,886,335	2,330,091	1,169,410	34,879,398	19,212,708	39,369,201	2,546,499	2,754,774
Financing under notes payable	18,128,411	8,360,742	41,921,607	39,446,477	16,349,042	12,494,537	784,059	6,108,268	20,147,548	16,613,629
Leases (as lessee)	-	-	-	-	-	-	4,546,325	24,751,365	4,193,304	971,261
Subscription-based information technology arrangements	-	-	-	-	-	-	-	-	752,295	13,069,638
Payment to refunded bond escrow agent	(429,855,226)	-	-	(441,368,126)	(38,031,143)	-	(646,954,895)	(67,515,686)	(23,504,250)	-

FINANCIAL TRENDS
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Other Financing Sources (Uses) (Continued)										
Debt Issued:										
General obligation bonds	500,000,000	300,000,000	340,000,000	340,000,000	330,000,000	320,000,000	320,000,000	310,000,000	280,000,000	280,000,000
Premium on general obligation bonds	81,853,250	26,706,450	29,810,010	28,688,520	31,774,710	48,047,520	39,862,400	49,363,470	35,197,820	17,051,580
Bond anticipation notes	-	-	-	-	-	-	(30,000,000)	(159,000,000)	(94,000,000)	33,000,000
Certificates of participation	-	-	24,860,000	-	-	-	125,890,000	-	-	-
Premium on Certificates of participation	-	-	1,329,676	-	-	-	19,048,064	-	-	-
Taxable LTD obligation certificate	-	-	-	-	56,135,000	-	-	98,755,000	-	-
Premium on Taxable LTD obligation certificate	-	-	-	-	82,505	-	-	818,942	-	-
Premium on general obligation refunding bonds	74,595,486	-	-	86,325,587	-	-	43,321,958	1,112,595	-	-
General obligation refunding bonds	356,510,000	-	-	516,725,000	-	-	534,795,000	25,115,000	-	-
Revenue bonds	-	46,500,000	-	-	7,638,963	3,187,402	39,199,834	11,359,480	30,171,626	4,500,888
Premium on revenue bonds	-	2,009,534	-	-	1,215,820	-	4,730,504	-	2,293,467	-
Total Other Financing Sources (Uses)	670,470,938	434,664,768	471,591,514	664,053,548	472,812,344	466,209,663	524,998,257	393,693,503	315,581,517	421,479,767
Net Change in Fund Balances	\$ 113,727,231	\$ (89,442,172)	\$ 52,948,005	\$ 217,754,951	\$ (47,233,372)	\$ (248,457,444)	\$ 442,068,547	\$ 355,927,181	\$ 52,050,419	\$ 379,923,286
Debt service as a percentage of noncapital expenditures ⁽¹⁾⁽²⁾	5.66%	5.44%	5.91%	6.03%	6.18%	8.96%	6.36%	8.34%	7.91%	8.23%

NOTES:

* This table is a summary of the basic financial statement Exhibit A-5.

* Governmental fund information is reported on the modified accrual basis of accounting.

(1) Debt service represents debt service principal and interest expenditures presented above.

(2) Noncapital expenditures is the Total Expenditures noted above, less capital outlay expenditures that resulted in capital assets.

Table 5

FINANCIAL TRENDS
COMBINED SCHEDULE OF CASH AND INVESTMENTS AND INVESTMENT AND INTEREST INCOME - ALL FUNDS
AS OF JUNE 30, 2024 AND FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Cash and Investments			Investment and Interest Income (Loss)		
	Pooled	Non-pooled	Total	Pooled	Non-pooled	Total
Primary Government:						
General Fund	\$ 989,500,722	\$ 3,684,205	\$ 993,184,927	\$ 71,092,014	\$ 151,667	\$ 71,243,681
Debt Service Fund	50,000	10,797,698	10,847,698	-	556,736	556,736
Capital Projects Fund	375,514,347	7,713,581	383,227,928	-	482,954	482,954
Special Revenue Funds:						
Recreation	12,965,961	7,300	12,973,261	-	-	-
Fire Tax District	12,958,018	5,000	12,963,018	-	-	-
Mass Transit Facilities	107,232,530	-	107,232,530	-	-	-
Housing Initiative	38,347,654	-	38,347,654	5,094,951	5,494,516	10,589,467
Rehabilitation Loan	4,063,992	-	4,063,992	245,205	10,740	255,945
Cable TV	3,150,438	-	3,150,438	73,979	-	73,979
Grants	9,084,807	-	9,084,807	8,508	457,087	465,595
Agricultural Transfer Tax	3,694,803	-	3,694,803	242,617	-	242,617
Drug Enforcement Forfeitures	1,223,380	25,000	1,248,380	73,540	-	73,540
Water Quality Protection	28,662,757	-	28,662,757	2,314,887	-	2,314,887
Restricted Donations	10,011,558	-	10,011,558	-	-	-
Detention Center Canteen Profit	1,128,563	-	1,128,563	64,266	-	64,266
Recreation - Non-tax supported	152,892	-	152,892	108,800	-	108,800
Opioid Abatement	9,782,031	-	9,782,031	506,045	-	506,045
Total Special Revenue Funds	242,459,384	37,300	242,496,684	8,732,798	5,962,343	14,695,141
Enterprise Funds:						
Liquor	8,308,154	2,154,481	10,462,635	430,672	143,639	574,311
Solid Waste Activities	107,932,914	-	107,932,914	5,352,233	-	5,352,233
Parking Lot Districts	29,182,639	25,428	29,208,067	1,775,092	-	1,775,092
Permitting Services	56,971,133	-	56,971,133	3,502,739	-	3,502,739
Community Use of Public Facilities	6,123,312	-	6,123,312	472,725	-	472,725
Total Enterprise Funds	208,518,152	2,179,909	210,698,061	11,533,461	143,639	11,677,100
Internal Service Funds:						
Motor Pool	57,410,990	300	57,411,290	3,266,700	-	3,266,700
Liability & Property Coverage Self-Insurance	254,517,790	-	254,517,790	16,029,957	-	16,029,957
Employee Health Benefits Self-Insurance	10,666,424	-	10,666,424	(121,955)	-	(121,955)
Central Duplicating	359,319	-	359,319	9,273	-	9,273
Total Internal Service Funds	322,954,523	300	322,954,823	19,183,975	-	19,183,975
Pension and Other Employee Benefit Trust Funds ⁽¹⁾	3,166,053	8,277,071,870	8,280,237,923	178,488	768,971,674	769,150,162
Custodial Funds:						
External Investment Pool	23,135,076	-	23,135,076	1,195,500	-	1,195,500
Other	4,898,922	175,081	5,074,003	66,854	-	66,854
Total Primary Government	2,170,197,179	8,301,659,944	10,471,857,123	111,983,090	776,269,013	888,252,103
Component Units (Participation in County Pool)	154,064	-	154,064	8,123	-	8,123
Total	\$ 2,170,351,243	\$ 8,301,659,944	\$ 10,472,011,187	\$ 111,991,213	\$ 776,269,013	\$ 888,260,226

NOTES:

- ⁽¹⁾ This table presents cash and investment related information, by fund, that is reported throughout the basic financial statements and supplementary data.
- ⁽²⁾ Non-pooled investment income of these funds includes adjustments to fair value of non-pooled investments.

FINANCIAL TRENDS
COMBINED SCHEDULE OF CASH AND INVESTMENTS - BY FINANCIAL
INSTITUTION
June, 30 2024

Description	Total
PNC Bank	\$ 93,822,161
Capital One Bank	36,523,396
BNY Mellon	74,722,500
Forbright Bank	1,223,055
Capital Bank	5,000,000
Eagle Bank	33,764,791
Total Financial Institutions	245,055,903
Petty Cash, Change Funds, Fiscal Agents, and Safe Deposit Escrow:	
General Fund	3,684,205
Debt Service Fund	10,797,698
Capital Projects Fund	7,713,581
Special Revenue Funds	37,300
Enterprise Funds	2,179,909
Internal Service Funds	300
Fiduciary Funds	175,081
Total Petty Cash, Change Funds, Fiscal Agents, and Safe Deposit Escrow	24,588,074
Total Cash Deposits in Financial Institutions and on Hand	269,643,977
Investments, at carrying value	10,187,518,471
Accrued interest receivable	14,848,739
Total Cash and Investments ⁽¹⁾	\$ 10,472,011,187

NOTES:

* This table presents detailed cash and investment information that supports amounts reported in Table 5 and in Note III-A Cash and Investments.

⁽¹⁾ Includes component units' participation in County external investment pool (see Table 5).

Table 7

**FINANCIAL TRENDS
COMBINED SCHEDULE OF INVESTMENTS
June 30, 2024**

	<u>Pooled</u>	<u>Non-Pooled Fiduciary</u>	<u>Total Carrying Value ⁽²⁾</u>
Investments, including accrued interest:			
U.S. Agency Securities	\$ 752,326,574	\$ -	\$ 752,326,574
U.S. Treasury Securities	197,947,496	-	197,947,496
Commercial Paper	183,588,702	-	183,588,702
Repurchase Agreements	450,000,000	-	450,000,000
Maryland Local Government Investment Pool	326,583,829	-	326,583,829
Pension and Other Employee Benefit Trusts	-	8,277,071,870	8,277,071,870
Total ⁽¹⁾	<u>\$ 1,910,446,601</u>	<u>\$ 8,277,071,870</u>	<u>\$ 10,187,518,471</u>

NOTES:

* This table presents detailed cash and investment information that supports amounts reported in Table 5 and in Note III-A Cash and Investments.

⁽¹⁾ Includes component units' participation in County external investment pool (see Table 5).

⁽²⁾ Carrying value is the same as fair value.

Table 8

REVENUE CAPACITY ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Fiscal Year	Real Property								Total Direct Tax Rate ⁽³⁾	Ratio of Total Assessed Value to Total Estimated Market Value *
	Residential ⁽¹⁾		Commercial/Other		Total		Total Direct Tax Rate ⁽³⁾	Ratio of Total Assessed Value to Total Estimated Market Value *		
	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value	Assessed Value	Estimated Market Value				
2015	\$ 127,929,975,330	\$ 132,432,686,677	\$ 35,726,782,876	\$ 36,984,247,284	\$ 163,656,758,206	\$ 169,416,933,961	0.995	96.60%		
2016	130,228,674,548	139,133,199,303	39,947,771,504	42,679,243,060	170,176,446,052	181,812,442,363	0.986	93.60		
2017	136,227,683,441	146,324,042,364	41,267,669,577	44,326,175,700	177,495,353,018	190,650,218,064	1.025	93.10		
2018	141,123,298,797	150,291,053,032	42,870,571,864	45,655,561,091	183,993,870,661	195,946,614,123	1.000	93.90		
2019	144,227,022,428	149,924,139,738	44,823,996,615	46,594,591,076	189,051,019,043	196,518,730,814	0.980	96.20		
2020	147,243,712,565	153,699,073,659	46,243,426,154	48,270,799,743	193,487,138,719	201,969,873,402	0.977	95.80		
2021	150,027,567,286	160,285,862,485	48,320,294,646	51,624,246,417	198,347,861,932	211,910,108,902	0.977	93.60		
2022	153,211,485,026	163,338,470,177	49,345,758,473	52,607,418,415	202,557,243,499	215,945,888,592	0.977	93.80		
2023	159,297,315,393	167,153,531,368	50,290,382,218	52,770,600,438	209,587,697,611	219,924,131,806	0.977	95.30		
2024	166,933,028,212	177,148,597,325	51,397,216,555	54,542,500,765	218,330,244,767	231,691,098,090	1.024	94.23		

Fiscal Year	Personal Property ⁽²⁾					Total Direct Tax Rate ⁽³⁾	Real and Personal Property Total	
	Business		Public Utility		Total		Assessed Value	Estimated Actual Value
	Individuals	Corporations	Operating Property	Domestic Shares				
2015	\$ 42,008,150	\$ 2,075,584,320	\$ 1,181,901,740	\$ 355,639,000	\$ 3,655,133,210	2.473	\$ 167,311,891,416	\$ 173,072,067,171
2016	47,898,060	2,234,518,270	1,258,731,007	343,201,680	3,884,349,017	2.450	174,060,795,069	185,696,791,380
2017	58,246,910	2,294,129,160	1,353,826,658	345,169,740	4,051,372,468	2.547	181,546,725,486	194,701,590,532
2018	59,939,710	2,365,219,600	1,415,902,926	347,503,030	4,188,565,266	2.487	188,182,435,927	200,135,179,389
2019	54,351,120	2,165,482,980	1,487,936,178	347,682,480	4,055,452,758	2.439	193,106,471,801	200,574,183,572
2020	50,107,770	2,102,502,400	1,588,156,716	360,200,070	4,100,966,956	2.432	197,588,105,675	206,070,840,358
2021	45,265,400	2,691,715,890	1,605,523,467	339,688,220	4,682,192,977	2.436	203,030,054,909	216,592,301,879
2022	42,820,470	2,126,887,380	1,752,559,668	320,489,690	4,242,757,208	2.430	206,800,000,707	220,188,645,800
2023	38,292,340	2,229,192,850	1,870,580,090	328,995,840	4,467,061,120	2.432	214,054,758,731	224,391,192,926
2024	25,147,660	1,943,979,810	2,017,368,688	304,030,180	4,290,526,338	2.548	222,620,771,105	235,981,624,428

NOTES:

- * Exempt and nontaxable property are not included in this table.
- * The following classes of property are not taxed: 1) personal property not used in a trade, business, or profession, and 2) business inventories.
- * Intangible personal property is exempt from taxation except in two instances: shares of stock in certain domestic utilities and oil pipeline corporations (shown above) and intangible personal property of corporations under a contract with the State, granted charter exemptions from property taxation.
- * Property owned by the Federal/State government, or a subdivision or agency of either, is exempt. Also exempt are real and personal property used for religious, educational, or charitable purposes. Specific exemptions involve historical property, societies and museums, conservation property, cemeteries, certain fraternal and service organizations, continuing care facilities for the aged, nonprofit housing, property, and dwelling houses of disabled veterans and blind persons.
- * Ratio of total assessed value to total estimated market value for FY2024 is the three-year average of FY2021, FY2022 and FY2023. Ratio for FY2023 has been updated by the Maryland Department of Assessments and Taxation.

(1) Residential real property includes single-family homes, townhouses, and condominiums but excludes apartment dwellings which are included under the Commercial/Other category.

(2) For personal property, the assessed value and estimated actual value are the same.

(3) See Table 9-a for real and personal property direct tax rates.

Source: State of Maryland, Department of Assessments and Taxation

Table 9-a

**REVENUE CAPACITY
REAL AND PERSONAL PROPERTY TAX RATES - COUNTY DIRECT RATE
LAST TEN FISCAL YEARS**

Fiscal Year	County-wide					Substantially County-wide ⁽¹⁾					Prorata Tax Rate	Total County Direct Rate ⁽³⁾
	County		M-NCPPC ⁽²⁾		County		M-NCPPC ⁽²⁾					
	County	Fire Tax District	Transit District	Advance Land Acquisition	Subtotal	Recreation	Storm Drainage	Regional District	Metropolitan District			
Real Property:												
2015	.7320	.1360	.0400	.0010	0.9090	.0230	.0030	.0170	.0560	.0857	0.9947	
2016	.7230	.1160	.0600	.0010	0.9000	.0230	.0030	.0180	.0552	.0858	0.9858	
2017	.7734	.1140	.0520	.0010	0.9404	.0230	.0030	.0170	.0548	.0845	1.0249	
2018	.7484	.1089	.0580	.0010	0.9163	.0240	.0000	.0172	.0554	.0833	0.9996	
2019	.7414	.1065	.0498	.0010	0.8987	.0254	.0000	.0156	.0530	.0811	0.9798	
2020	.7166	.1068	.0672	.0010	0.8916	.0261	.0000	.0170	.0560	.0854	0.9770	
2021	.6948	.1182	.0736	.0010	0.8876	.0260	.0000	.0176	.0600	.0893	0.9769	
2022	.7178	.1202	.0524	.0010	0.8914	.0261	.0000	.0174	.0556	.0854	0.9768	
2023	.6940	.1074	.0832	.0010	0.8856	.0259	.0000	.0190	.0610	.0913	0.9769	
2024	.7170 ⁽⁴⁾	.1184	.0852	.0010	0.9216	.0330	.0000	.0206	.0650	.1024	1.0240	
Personal Property:												
2015	1.8300	.3400	.1000	.0030	2.2730	.0580	.0080	.0430	.1400	.2003	2.4733	
2016	1.8075	.2900	.1500	.0025	2.2500	.0575	.0075	.0450	.1380	.1998	2.4498	
2017	1.9335	.2850	.1300	.0025	2.3510	.0575	.0075	.0425	.1370	.1959	2.5469	
2018	1.8710	.2723	.1450	.0025	2.2908	.0600	.0000	.0430	.1385	.1963	2.4871	
2019	1.8535	.2663	.1245	.0025	2.2468	.0635	.0000	.0390	.1325	.1923	2.4391	
2020	1.7915	.2670	.1680	.0025	2.2290	.0653	.0000	.0425	.1400	.2034	2.4324	
2021	1.7370	.2955	.1840	.0025	2.2190	.0650	.0000	.0440	.1500	.2168	2.4358	
2022	1.7945	.3005	.1310	.0025	2.2285	.0653	.0000	.0435	.1390	.2019	2.4304	
2023	1.7350	.2685	.2080	.0025	2.2140	.0648	.0000	.0475	.1525	.2179	2.4319	
2024	1.7925	.2960	.2130	.0025	2.3040	.0825	.0000	.0515	.1625	.2440	2.5480	

NOTES:

- * Tax rates are per \$100 of assessed value.
- * No discounts are allowed.
- * Taxes are levied as of July 1, and are due by September 30, and become delinquent the following October 1 for non-owner occupied property.
- * Unless homeowners elect to pay their real property taxes annually, taxes are paid on a semi-annual basis with payment due by September 30 and December 31 for owner occupied property.
- * Interest and penalty at 20 percent are assessed on delinquent tax bills.
- * Revised tax bills based upon certifications from the State received after September 1 may be paid within thirty days without interest.
- * Delinquent taxes on real property are collected by sale. Taxes on personal property are enforced by legal action. Corporations may lose charter for failure to pay taxes.
- * Costs of tax sale, which vary, are added to tax bills. The last sale cost \$50 per parcel.
- * Tax sale date: second Monday in June.
- * Personal property tax rates are applied to 100 percent of the property assessment.

⁽¹⁾ Rates classified as substantially county-wide represent those tax rates that are levied against all of the County's assessable base, except those incorporated cities and municipalities that provide their own such services.

⁽²⁾ M-NCPPC County property tax rates are included in the County's direct rate since the County Council has the power to set, modify, or approve these tax rates for this joint venture organization.

⁽³⁾ County direct rate includes: County tax rates that are levied County-wide, and County tax rates levied by M-NCPPC. For County special taxing district tax rates that are levied substantially County-wide, the direct rate includes a prorata portion of the tax rate that corresponds to the portion of the County's assessable base against which the rate is levied. Therefore, the total County direct rate presented above is not a mathematical sum of all the individual rates presented. Additionally, it does not include the Urban, Parking Lot, or Noise Abatement Districts, which are included in the average weighted rate used for budgetary purposes.

⁽⁴⁾ For FY24, the County Council approved a supplemental tax levy for Montgomery County Public Schools (MCPS) pursuant to Section 5-104 of the Education Article of the Maryland Code. All revenues generated from the supplement must be used solely to fund MCPS. The supplemental tax for MCPS is excluded from the ad valorem weighted tax rate calculation under Section 305 of the County Charter.

Table 9-b

**REVENUE CAPACITY
REAL AND PERSONAL PROPERTY TAX RATES - COUNTY SPECIAL TAXING DISTRICTS
LAST TEN FISCAL YEARS**

Fiscal Year	Parking Lot Districts ⁽¹⁾				Urban Districts			Noise Abatement Districts		Development Districts		
	Silver Spring	Bethesda	Wheaton	Montgomery Hills ⁽³⁾	Silver Spring	Bethesda	Wheaton	Bradley	Cabin John	Kingsview Village	West Germantown	White Flint ⁽²⁾
Real Property:												
2015	.3170	.1240	.2400	.2400	.0240	.0120	.0300	.0000	.0000	.0810	.1820	.1120
2016	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0660	.1510	.1111
2017	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0410	.1530	.1150
2018	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0740	.1610	.1125
2019	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0750	.1560	.1105
2020	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0740	.1530	.1103
2021	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0400	.1540	.1103
2022	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0000	.1560	.1103
2023	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0000	.1480	.1104
2024	.0000	.0000	.0000	.0000	.0240	.0120	.0300	.0000	.0000	.0000	.1330	.1105
Personal Property:												
2015	.7930	.3100	.6000	.6000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2016	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2017	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2018	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2019	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2020	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2021	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2022	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2023	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000
2024	.0000	.0000	.0000	.0000	.0600	.0300	.0750	.0000	.0000	.0000	.0000	.0000

NOTES:

- * Tax rates are per \$100 of assessed value.
- * Personal property tax rates are applied to 100 percent of the property assessment.
- * The County special taxing district rates above represent taxes that are levied against mutually exclusive specific geographic portions of the County's assessable base. Such rates are not included in the County direct rate on Table 9-a, as they are not reflective of what all County taxpayers would pay.
- * In LY22 the County established the Business Improvement Districts for Silver Spring for Real Property. The tax rate for LY23 and LY24 was zero; therefore, it was not included in the table this year.
- ⁽¹⁾ Parking Lot Districts also carry a tax rate of one-half the amount shown which applies to property zoned commercial but not used as such.
- ⁽²⁾ White Flint Special Taxing District was established in November 2010 and levy year 2011 was the first year that the property tax on commercial properties went into effect.
- ⁽³⁾ Montgomery Hills Parking Lot District was merged with the Silver Spring Parking Lot District effective July 1, 2017.

**REVENUE CAPACITY
 REAL AND PERSONAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - CITIES AND TOWNS
 LAST TEN FISCAL YEARS**

Fiscal Year	Cities			Towns									Washington Grove
	Gaithersburg	Rockville	Takoma Park	Barnesville	Brookeville	Chevy Chase	Garrett Park	Glen Echo	Kensington	Laytonsville	Poolesville	Somerset	
Real Property:													
2015	.2620	.2920	.5700	.0514	.1500	.0000	.2100	.1400	.1360	.0900	.1672	.0800	.3000
2016	.2620	.2920	.5850	.0514	.2000	.0000	.2100	.1400	.1360	.0900	.1700	.0800	.2860
2017	.2620	.2920	.5675	.0514	.2000	.0100	.2100	.1400	.1360	.0900	.1756	.1000	.2700
2018	.2620	.2920	.5348	.0514	.1500	.0100	.2100	.1400	.1360	.0900	.1756	.1000	.2550
2019	.2620	.2920	.5291	.0514	.1500	.0100	.2000	.1500	.1360	.0900	.1756	.1000	.2620
2020	.2620	.2920	.5397	.0514	.1500	.0099	.2045	.1500	.1312	.0900	.1800	.1000	.2603
2021	.2620	.2920	.5397	.0514	.1500	.0098	.2045	.1500	.1312	.0900	.1781	.1000	.2587
2022	.2620	.2920	.5397	.0514	.1500	.0098	.2045	.1500	.1312	.0900	.1781	.1000	.2479
2023	.2620	.2920	.5397	.0514	.1500	.0097	.2045	.1500	.1312	.0900	.1781	.1000	.2392
2024	.2620	.2920	.5522	.0514	.1500	.0090	.2045	.1500	.1312	.0900	.1781	.1000	.2370
Personal Property:													
2015	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.6200	.3000	.6000	1.0000	.7000
2016	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.6500	.3000	.6000	1.0000	.7000
2017	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.7000	.3000	.6000	1.0000	.7000
2018	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.7000	.3000	.6000	1.0000	.7000
2019	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.7500	.3000	.6000	1.0000	.7000
2020	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.8000	.3000	.6000	1.0000	.7000
2021	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.8000	.3000	.6000	1.0000	.7000
2022	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.8000	.3000	.6000	1.0000	.7000
2023	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.8000	.3000	.6000	1.0000	.7000
2024	.5300	.8050	1.5500	.2000	.4500	.0000	1.0000	.8000	.8000	.3000	.6000	1.0000	.7000

NOTES:

- * Tax rates are per \$100 of assessed value.
- * Personal property tax rates are applied to 100 percent of the property assessment.
- * Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

Table 9-d

**REVENUE CAPACITY
REAL AND PERSONAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - VILLAGES
LAST TEN FISCAL YEARS**

Fiscal Year	Villages									
	Battery Park	Chevy Chase Section 3	Chevy Chase Section 5	Chevy Chase View	Chevy Chase Village	Drummond	Friendship Heights	Martin's Additions to Chevy Chase	North Chevy Chase	Oakmont
Real Property:										
2015	.0500	.0200	.0000	.0220	.0850	.0480	.0400	.0472	.0520	.0400
2016	.0500	.0200	.0000	.0220	.0828	.0480	.0400	.0472	.0520	.0400
2017	.0400	.0200	.0000	.0220	.0807	.0480	.0400	.0472	.0520	.0400
2018	.0400	.0200	.0000	.0200	.0819	.0480	.0400	.0472	.0450	.0400
2019	.0400	.0200	.0000	.0200	.0813	.0480	.0400	.0050	.0450	.0400
2020	.0400	.0200	.0000	.0200	.0804	.0480	.0400	.0050	.0450	.0400
2021	.0400	.0200	.0000	.0200	.0787	.0480	.0400	.0050	.0450	.0400
2022	.0400	.0200	.0000	.0200	.0773	.0480	.0400	.0050	.0450	.0400
2023	.0400	.0200	.0000	.0200	.0757	.0480	.0400	.0050	.0450	.0400
2024	.0400	.0200	.0000	.0200	.0712	.0050	.0400	.0020	.0450	.0400
Personal Property:										
2015	.1250	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2016	.1250	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2017	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2018	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2019	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2020	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2021	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2022	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2023	.1000	.0500	.0000	.0000	.6600	.1200	.0400	.5000	.1300	.1000
2024	.1000	.0500	.0000	.0000	.6600	.0050	.0400	.5000	.1300	.1000

NOTES:

- * Tax rates are per \$100 of assessed value.
- * Personal property tax rates are applied to 100 percent of the property assessment.
- * Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

**REVENUE CAPACITY
TEN HIGHEST COMMERCIAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

For the Fiscal Year Ended June 30, 2024

	Assessable Base			Ratio: Taxpayer Base to Total Assessable Base
	Total	Real Property	Personal Property	
Potomac Electric Power Co.	\$ 1,461,096,653	\$ 35,391,233	\$ 1,425,705,420	0.66%
ARE- Maryland	835,473,827	835,466,367	7,460	0.38
Federal Realty Investments Trust	695,426,933	695,426,933	-	0.31
7750 Wisconsin Ave LLC	610,954,533	610,954,533	-	0.27
GI Partners	595,034,700	595,034,700	-	0.27
JBG Smith	490,966,990	486,943,000	4,023,990	0.22
Montgomery Mall LLC	421,989,887	421,089,367	900,520	0.19
Washington Gas Light Co.	415,454,310	-	415,454,310	0.19
Astrazeneca Pharmaceuticals LP	409,717,070	387,873,400	21,843,670	0.18
Washington Metropolitan Area Transit Authority	378,653,100	378,653,100	-	0.17
Total	\$ 6,314,768,003	\$ 4,446,832,633	\$ 1,867,935,370	2.84%
Total Assessable Base	\$ 222,620,771,105			100.00%

For the Fiscal Year Ended June 30, 2015

	Assessable Base			Ratio: Taxpayer Base to Total Assessable Base
	Total	Real Property	Personal Property	
Potomac Electric Power Co.	\$ 840,291,615	\$ 25,931,735	\$ 814,359,880	0.50%
Federal Realty Investment Trust	457,777,107	455,381,667	2,395,440	0.27
Verison - Maryland	403,670,743	46,038,233	357,632,510	0.24
Montgomery Mall LLC	361,099,693	359,049,933	2,049,760	0.22
Washington Metropolitan Area Transit Authority	347,692,200	347,692,200	-	0.21
Street Retail Inc.	266,755,357	266,755,357	-	0.16
Washington Gas Light Co.	259,010,920	-	259,010,920	0.15
Chevy Chase Land Co.	225,743,666	225,743,666	-	0.13
Wheaton Plaza Reg Shopping Center	222,998,837	221,801,267	1,197,570	0.13
WP Project Developer LLC	214,089,411	214,089,411	-	0.13
Total	\$ 3,599,129,549	\$ 2,162,483,469	\$ 1,436,646,080	2.14%
Total Assessable Base	\$ 167,311,891,416			100.00%

Source: State of Maryland Department of Assessments and Taxation.

Table 11

**REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS *
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Levy			Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ⁽¹⁾	Total Collections to Date	
	Total Original Levy for Fiscal Year	Adjustments in Subsequent Years	Total Adjusted Levy	Amount ⁽¹⁾	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2015	\$ 1,447,816,313	\$ 1,633,998	\$ 1,449,450,311	\$ 1,442,602,468	99.64%	\$ 1,510,995	\$ 1,444,113,463	99.63%
2016	1,521,343,303	(3,769,781)	1,517,573,522	1,518,519,304	99.81	(9,157,803)	1,509,361,501	99.46
2017	1,663,208,936	(1,455,893)	1,661,753,043	1,661,121,521	99.87	(3,330,255)	1,657,791,266	99.76
2018	1,679,004,512	(2,374,716)	1,676,629,796	1,678,245,742	99.95	(4,442,913)	1,673,802,829	99.83
2019	1,691,044,390	259,774	1,691,304,164	1,691,091,714	100.00	(1,930,227)	1,689,161,487	99.87
2020	1,720,090,151	2,479,094	1,722,569,245	1,711,893,942	99.52	8,555,459	1,720,449,401	99.88
2021	1,767,873,961	(10,801,035)	1,757,072,926	1,756,064,789	99.33	(3,018,309)	1,753,046,480	99.77
2022	1,801,778,279	(502,791)	1,801,275,488	1,804,371,273	100.14	735,702	1,805,106,975	100.21
2023	1,866,240,423	(5,264,381)	1,860,976,042	1,862,168,797	99.78	(2,863,344)	1,859,305,453	99.91
2024	2,105,062,830	-	2,105,062,830	2,103,515,790	99.93	-	2,103,515,790	99.93

NOTES:

* This table includes data for all property taxes billed applicable to all funds for Montgomery County, Maryland to include General, Special Revenue, Debt Service, and Enterprise Funds. Property taxes billed for the State of Maryland, various municipalities and development districts, the Washington Suburban Sanitary Commission, and the Maryland-National Capital Park and Planning Commission, are excluded.

⁽¹⁾ Amounts represent collections received, including overpayments, net of refunds. Penalties and interest are excluded. See Table 12 Note (2) for treatment of such overpayments.

REVENUE CAPACITY
SCHEDULE OF FISCAL YEAR PROPERTY TAX LEVY, PROPERTY TAX REVENUES,
AND ADDITIONAL ITEMS RELATED TO THE PROPERTY TAX BILLING
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

	Fiscal Year Property Tax Levy	Collections of Current Levy Year Assessment ⁽¹⁾	Collection of Prior Levy Year Assessment ⁽¹⁾	Adjustments and Accruals	Total Revenues ⁽²⁾
General Fund: ***					
Bethesda Urban District	\$ 1,067,203	\$ 1,054,489	\$ (37,468)	\$ 2,332	\$ 1,019,353
Silver Spring Urban District	1,200,978	1,122,726	(21,482)	26,411	1,127,655
Wheaton Urban District	278,456	276,215	(2,959)	1,652	274,908
All Other General Fund	1,560,121,096	1,561,580,643	(5,938,042)	(38,417,891)	1,517,224,710
Total General Fund	<u>1,562,667,733</u>	<u>1,564,034,073</u>	<u>(5,999,951)</u>	<u>(38,387,496)</u>	<u>1,519,646,626</u>
Special Revenue Funds: ***					
Recreation	61,048,585	60,887,051	(113,037)	4,122,219	64,896,233
Mass Transit	180,919,729	180,465,492	(305,953)	12,018,388	192,177,927
Fire Tax District	251,358,533	250,665,970	(587,989)	16,976,409	267,054,390
Water Quality Protection Charges	49,068,250	47,335,499	292,616	(120,646)	47,507,469
Friendship Heights Urban District	-	127,705	-	(127,705)	-
Total Special Revenue Funds	<u>542,395,097</u>	<u>539,481,717</u>	<u>(714,363)</u>	<u>32,868,665</u>	<u>571,636,019</u>
Enterprise Funds:					
Silver Spring Parking Lot District **	-	-	(279)	(3,495)	(3,774)
Bethesda Parking Lot District **	-	-	48	(1,728)	(1,680)
Wheaton Parking Lot District **	-	-	-	(177)	(177)
Total Enterprise Funds	<u>-</u>	<u>-</u>	<u>(231)</u>	<u>(5,400)</u>	<u>(5,631)</u>
Total Property Tax - Montgomery County	<u>2,105,062,830</u>	<u>2,103,515,790</u>	<u>(6,714,545)</u>	<u>(5,524,231)</u>	<u>2,091,277,014</u>
Tax Bill Items Other than Montgomery County					
Property Taxes:					
M-NCPPC Joint Venture Property Taxes:					
M-NCPPC Administration	37,867,683	37,767,857	(79,885)	2,516,071	40,204,043 *
M-NCPPC Park	119,487,252	119,184,245	(269,781)	7,935,974	126,850,438 *
M-NCPPC Land Acquisition	2,121,372	2,115,436	(5,320)	143,547	2,253,663 *
Agency Relationship Property Taxes:					
State of Maryland	243,919,988	243,645,919	(949,660)	1,827,630	244,523,889 *
Municipalities	126,641,190	125,825,434	379,739	90,304	126,295,477 *
Development Districts	3,445,639	3,445,782	(71,766)	46,021	3,420,037 *
Charges for Services:					
Refuse Disposal - Solid Waste Activities Fund	89,465,493	88,570,257	(10,195)	(126,931)	88,433,131 *
Refuse Collection - Solid Waste Activities Fund	14,870,240	14,861,626	5,177	(31,763)	14,835,040 *
Leaf Vacuuming	9,130,138	9,123,625	4,547	(27,435)	9,100,737 *
Municipality Refuse Charges	198,175	198,175	1,248	-	199,423 *
WSSC FFBC	3,520,709	3,528,078	(13,259)	(9,056)	3,505,763 *
Bay Restoration Fund	730,320	734,134	(29,097)	23,313	728,350 *
Total Other Items	<u>651,398,199</u>	<u>649,000,568</u>	<u>(1,038,252)</u>	<u>12,387,675</u>	<u>660,349,991</u>
Grand Total	<u>\$ 2,756,461,029</u>	<u>\$ 2,752,516,358</u>	<u>\$ (7,752,797)</u>	<u>\$ 6,863,444</u>	<u>\$ 2,751,627,005</u>

NOTES:

- * Amounts represent collections, rather than revenues.
- ** County Council set the real and personal property tax rate for parking lot districts for the levy year 2023 (FY24) to zero.
- *** Beginning in FY16, the Urban Districts are included in the General Fund and the Water Quality Protection Fund is included with Special Revenue Funds.
- (1) Amounts represent collections received net of refunds.
- (2) Total Revenues represent the sum of Collections, during the current year, of Current and Prior Year Levy Assessments, (i.e., cash basis) and related Adjustments and Accruals to convert such data to revenues on the modified or full accrual basis of accounting. Penalties and interest are excluded.

Table 13

**REVENUE CAPACITY
SCHEDULE OF PROPERTY TAXES RECEIVABLE BY FUND TYPE
June 30, 2024**

<u>Year</u>	<u>General*</u>	<u>Special Revenue*</u>	<u>Enterprise</u>	<u>Total</u>
2015 & Prior	\$ 5,452,271	\$ 2,460,294	\$ 271,214	\$ 8,183,779
2016	659,750	1,260,140	-	1,919,890
2017	1,052,343	1,360,647	-	2,412,990
2018	1,795,999	1,641,293	-	3,437,292
2019	1,317,395	1,534,352	-	2,851,747
2020	1,412,000	1,580,994	-	2,992,994
2021	2,065,762	1,877,424	-	3,943,186
2022	1,978,114	1,900,329	-	3,878,443
2023	2,627,459	2,152,119	-	4,779,578
2024	5,842,125	3,653,572	-	9,495,697
Total Property Taxes Receivable	<u>\$ 24,203,218</u>	<u>\$ 19,421,164</u>	<u>\$ 271,214</u>	<u>\$ 43,895,596</u>

NOTES:
 * Beginning in FY16, the Urban Districts are included in the General Fund and the Water Quality Protection Fund is included in the Special Revenue Funds. Beginning in FY20, Property Tax Fund is included in the General Fund.

Table 14

**REVENUE CAPACITY
 INCOME TAX RATES
 LAST TEN TAX YEARS**

Tax Year	State Income Tax Rate				Montgomery County Income Tax Direct Rate
	1st \$1,000 of Net Taxable Income	2nd \$1,000 of Net Taxable Income	3rd \$1,000 of Net Taxable Income	In excess of \$3,000 Net Taxable Income	
2014	2.00	3.00	4.00	4.75-5.75	3.20 %
2015	2.00	3.00	4.00	4.75-5.75	3.20
2016	2.00	3.00	4.00	4.75-5.75	3.20
2017	2.00	3.00	4.00	4.75-5.75	3.20
2018	2.00	3.00	4.00	4.75-5.75	3.20
2019	2.00	3.00	4.00	4.75-5.75	3.20
2020	2.00	3.00	4.00	4.75-5.75	3.20
2021	2.00	3.00	4.00	4.75-5.75	3.20
2022	2.00	3.00	4.00	4.75-5.75	3.20
2023	2.00	3.00	4.00	4.75-5.75	3.20

NOTES:

* Rates are based on tax year which coincides with calendar year.

* Tax year 2023 is the latest tax year for which data are available.

Source: Revenue Administration Division, State Comptroller's Office.

Table 15

**REVENUE CAPACITY
INCOME TAX FILERS SUMMARY INFORMATION
LAST TEN TAX YEARS**

Tax Year	Number of Taxable Returns	Maryland Adjusted Gross Income	Net Taxable Income	Net State Income Tax	Local Income Tax	Total Tax Liability	Montgomery County Income Tax Direct Rate
2013	407,363	\$ 45,607,413,448	\$ 38,036,993,408	\$ 1,789,843,794	\$ 1,207,855,836	\$ 2,997,699,630	3.20%
2014	413,501	48,591,853,475	40,868,459,662	1,920,372,577	1,283,681,651	3,204,054,228	3.20
2015	414,395	50,116,129,872	42,311,573,366	1,982,448,715	1,319,006,867	3,301,455,582	3.20
2016	421,928	51,599,222,961	43,483,145,210	2,021,966,998	1,346,884,021	3,368,851,019	3.20
2017	428,241	54,374,471,608	46,008,182,086	2,152,096,945	1,422,137,607	3,574,234,552	3.20
2018	425,535	56,342,729,408	49,375,804,377	2,328,980,455	1,531,412,724	3,860,393,179	3.20
2019	426,627	57,475,439,632	50,539,944,641	2,368,884,886	1,565,945,241	3,934,830,127	3.20
2020	421,593	56,807,045,931	50,027,059,167	2,366,885,142	1,553,087,994	3,919,973,136	3.20
2021	427,627	69,679,390,107	62,429,634,509	2,951,228,933	1,931,609,288	4,882,838,221	3.20
2022	431,598	66,409,697,467	59,934,520,207	2,823,128,642	1,854,071,083	4,677,199,725	3.20

NOTES:

- * See Table 16 for detailed breakout of adjusted gross income level.
- * Rates are based on tax year which coincides with calendar year.
- * Tax year 2022 is the latest tax year for which data are available.

Source: Revenue Administration Division, State Comptroller's Office.

**REVENUE CAPACITY
INCOME TAX FILERS, NET TAXABLE INCOME, AND LIABILITY BY ADJUSTED GROSS INCOME LEVEL
LAST TEN TAX YEARS**

	2022						2021					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level												
\$200,000 and higher	78,678	18.2%	\$ 38,321,060,564	63.9%	\$ 1,174,929,986	63.4%	76,472	17.9%	\$ 41,455,492,452	66.4%	\$ 1,273,836,810	66.0%
\$100,000 - 199,999	94,982	22.0	11,881,040,719	19.8	379,077,688	20.5	92,220	21.6	11,523,483,980	18.5	367,763,489	19.0
\$80,000 - 99,999	35,763	8.3	2,686,495,594	4.5	85,760,441	4.6	33,738	7.9	2,535,443,091	4.1	80,943,614	4.2
\$50,000 - 79,999	76,738	17.8	3,973,637,184	6.6	126,652,972	6.8	74,164	17.3	3,833,468,169	6.1	122,282,998	6.3
\$25,000 - 49,999	91,476	21.2	2,487,805,042	4.2	71,380,763	3.8	90,796	21.2	2,452,513,451	3.9	71,565,026	3.7
\$10,000 - 24,999	46,929	10.9	561,489,408	0.9	15,756,170	0.9	51,221	12.0	600,760,793	1.0	14,582,470	0.8
Under \$10,000	7,032	1.6	22,991,696	0.0	513,063	0.0	9,016	2.1	28,472,573	0.0	634,881	0.0
Total	431,598	100.0%	\$ 59,934,520,207	100.0%	\$ 1,854,071,083	100.0%	427,627	100.0%	\$ 62,429,634,509	100.0%	\$ 1,931,609,288	100.0%

	2020						2019					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level												
\$200,000 and higher	64,441	15.3%	\$ 29,489,070,130	58.9%	\$ 908,036,513	58.5%	64,564	15.1%	\$ 29,890,073,814	59.1%	\$ 916,620,952	58.4%
\$100,000 - 199,999	89,170	21.1	10,995,523,953	22.0	350,880,311	22.6	90,011	21.1	10,977,017,934	21.7	350,339,066	22.4
\$80,000 - 99,999	33,695	8.0	2,503,468,030	5.0	79,902,038	5.2	34,457	8.1	2,532,482,566	5.0	80,875,112	5.2
\$50,000 - 79,999	75,302	17.9	3,852,499,048	7.7	122,855,876	7.9	76,358	17.9	3,859,819,835	7.6	123,210,041	7.9
\$25,000 - 49,999	94,398	22.4	2,523,761,282	5.0	72,883,564	4.7	97,869	22.9	2,605,907,425	5.2	76,123,473	4.9
\$10,000 - 24,999	54,422	12.9	631,033,843	1.3	17,764,214	1.1	55,038	12.9	646,553,053	1.3	18,144,039	1.2
Under \$10,000	10,165	2.4	31,702,881	0.1	765,478	0.0	8,330	2.0	28,090,014	0.1	632,558	0.0
Total	421,593	100.0%	\$ 50,027,059,167	100.0%	\$ 1,553,087,994	100.0%	426,627	100.0%	\$ 50,539,944,641	100.0%	\$ 1,565,945,241	100.0%

	2018						2017					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level												
\$200,000 and higher	62,838	14.8%	\$ 28,973,024,250	58.7%	\$ 889,698,034	58.1%	58,773	13.7%	\$ 26,775,415,754	58.2%	\$ 818,109,133	57.5%
\$100,000 - 199,999	89,071	20.9	10,854,411,857	22.0	346,501,323	22.6	87,776	20.5	10,252,150,132	22.2	327,073,837	23.0
\$80,000 - 99,999	33,975	8.0	2,481,626,723	5.0	79,238,013	5.2	33,819	7.9	2,346,670,298	5.1	74,911,672	5.3
\$50,000 - 79,999	74,897	17.6	3,774,567,406	7.6	120,519,593	7.9	74,731	17.5	3,538,012,662	7.7	112,984,460	7.9
\$25,000 - 49,999	98,108	23.1	2,591,985,106	5.2	75,996,346	5.0	97,243	22.7	2,385,044,257	5.2	70,364,232	4.9
\$10,000 - 24,999	57,595	13.5	670,271,959	1.4	18,799,027	1.2	66,577	15.5	680,400,713	1.5	18,037,864	1.3
Under \$10,000	9,051	2.1	29,917,076	0.1	660,388	0.0	9,322	2.2	30,488,270	0.1	656,409	0.1
Total	425,535	100.0%	\$ 49,375,804,377	100.0%	\$ 1,531,412,724	100.0%	428,241	100.0%	\$ 46,008,182,086	100.0%	\$ 1,422,137,607	100.0%

Table 16 (Concluded)

**REVENUE CAPACITY
INCOME TAX FILERS, NET TAXABLE INCOME, AND LIABILITY BY ADJUSTED GROSS INCOME LEVEL
LAST TEN TAX YEARS**

	2016						2015					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level												
\$200,000 and higher	54,882	13.0%	\$ 24,635,308,007	56.6%	\$ 754,368,045	56.0%	53,225	12.8%	\$ 23,657,207,816	55.9%	\$ 731,634,760	55.5%
\$100,000 - 199,999	85,676	20.3	9,982,729,826	23.0	318,833,543	23.6	85,023	20.6	9,939,715,472	23.5	317,564,616	24.0
\$80,000 - 99,999	33,862	8.0	2,342,944,004	5.4	74,890,207	5.6	33,226	8.0	2,303,354,205	5.4	73,657,082	5.6
\$50,000 - 79,999	73,167	17.3	3,448,749,138	7.9	110,265,158	8.2	71,770	17.3	3,381,485,984	8.0	108,143,358	8.2
\$25,000 - 49,999	96,890	23.0	2,358,850,970	5.4	69,750,765	5.2	94,821	22.9	2,323,387,127	5.5	69,119,921	5.2
\$10,000 - 24,999	67,852	16.1	683,148,906	1.6	18,089,305	1.3	66,759	16.1	675,163,724	1.6	18,195,512	1.4
Under \$10,000	9,599	2.3	31,414,359	0.1	686,998	0.1	9,571	2.3	31,259,038	0.1	691,618	0.1
Total	421,928	100.0%	\$ 43,483,145,210	100.0%	\$ 1,346,884,021	100.0%	414,395	100.0%	\$ 42,311,573,366	100.0%	\$ 1,319,006,867	100.0%

	2014						2013					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level												
\$200,000 and higher	50,930	12.3%	\$ 22,545,414,493	55.1%	\$ 707,232,455	55.0%	47,399	11.6%	\$ 20,082,401,088	52.7%	\$ 642,615,654	53.2%
\$100,000 - 199,999	83,150	20.1	9,686,668,621	23.7	309,843,847	24.1	81,264	20.0	9,380,510,171	24.7	300,161,908	24.9
\$75,000 - 99,999	32,884	8.0	2,269,659,433	5.6	72,609,217	5.7	32,704	8.0	2,243,475,972	5.9	71,790,335	5.9
\$50,000 - 74,999	70,572	17.1	3,320,713,280	8.1	106,237,189	8.3	70,247	17.2	3,292,911,673	8.7	105,364,132	8.7
\$25,000 - 49,999	95,479	23.1	2,321,932,637	5.7	68,806,063	5.4	95,475	23.4	2,317,332,376	6.1	68,911,128	5.7
\$10,000 - 24,999	69,968	16.9	690,098,980	1.7	18,213,654	1.4	69,904	17.2	686,312,740	1.8	18,250,977	1.5
Under \$10,000	10,518	2.5	33,972,218	0.1	739,226	0.1	10,370	2.6	34,049,388	0.1	761,702	0.1
Total	413,501	100.0%	\$ 40,868,459,662	100.0%	\$ 1,283,681,651	100.0%	407,363	100.0%	\$ 38,036,993,408	100.0%	\$ 1,207,855,836	100.0%

NOTES:

- * Information in this table presents data by adjusted gross income level to support summary level information in Table 15.
- * Information relating to the ten highest tax payers is not available from the State of Maryland; therefore, as an alternative, data is presented above by adjusted gross income level.
- * Rates are based on tax year which coincides with calendar year.
- * See Tables 14 and 15 for direct tax rate information.
- * Tax Year 2022 is the latest tax year for which data are available.

Source: Revenue Administration Division, State Comptroller's Office and Montgomery County Department of Finance.

**DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS ⁽²⁾**

Governmental Activities													
Fiscal Year	General Obligation Bonds	Variable Rate Demand Obligations	Taxable BABs General Obligations	Bond Anticipation Notes	Notes Payable	Lease Revenue Bonds	Certificates of Participation	Other Obligations	Revenue Bonds	Taxable Limited Obligation Certificates	Leases Payable	Subscription Liabilities	Total Governmental Activities
2015	\$2,465,315,677	\$ 100,000,000	\$ 339,516,238	\$ 500,000,000	\$ 60,499,112	\$ 30,251,464	\$ 17,685,000	\$ 13,817,910	\$ 106,941,278	\$ 86,711,269	\$ -	\$ -	\$ - \$3,720,737,948
2016	2,582,259,186	100,000,000	323,901,913	500,000,000	53,985,826	27,624,182	10,800,000	11,158,430	151,269,640	82,881,644	-	-	- 3,843,880,821
2017	2,722,235,195	90,000,000	308,297,064	500,000,000	82,172,181	24,912,503	29,731,560	8,454,830	144,304,420	78,964,284	-	-	- 3,989,072,037
2018	2,919,530,233	170,000,000	292,692,211	500,000,000	109,283,027	22,123,326	25,620,410	6,106,510	137,180,120	74,929,237	-	-	- 4,257,465,074
2019	3,015,532,116	170,000,000	277,106,496	500,000,000	106,742,226	19,248,603	25,150,845	3,720,000	129,657,044	104,302,530	-	-	- 4,351,459,860
2020	3,109,101,181	170,000,000	106,404,112	500,000,000	99,793,986	16,275,369	24,329,460	2,820,000	125,995,678	98,656,150	-	-	- 4,253,375,936
2021	3,287,199,209	170,000,000	-	470,000,000	48,365,692	13,215,888	160,186,079	1,905,000	122,297,764	92,821,464	125,887,360	-	- 4,491,878,456
2022	3,333,092,654	170,000,000	-	311,000,000	46,619,011	10,057,388	144,438,181	48,570,000	123,409,243	148,109,661	135,972,666	-	- 4,471,268,804
2023	3,330,009,510	170,000,000	-	217,000,000	55,954,168	6,797,214	127,925,897	45,385,000	120,518,655	139,581,357	124,215,226	11,863,610	- 4,349,250,637
2024	3,309,437,860	170,000,000	-	250,000,000	64,739,297	3,687,853	114,193,619	43,160,000	114,273,448	130,814,082	109,318,252	19,200,121	- 4,328,824,532

Business-type Activities						Ratios			
Fiscal Year	Revenue Bonds	Notes Payable	Certificates of Participation	Leases Payable	Subscription Liabilities	Total Business-Type Activities	Total Primary Government	Debt to Personal Income ⁽¹⁾	Outstanding Debt per Capita ⁽¹⁾
2015	\$ 91,756,076	\$ 4,655,348	\$ -	\$ -	\$ -	\$ 96,411,424	\$3,817,149,372	4.77.%	\$ 3,676
2016	83,929,819	5,756,247	-	-	-	89,686,066	3,933,566,887	4.69	3,762
2017	78,105,420	5,367,645	-	-	-	83,473,065	4,072,545,102	4.70	3,862
2018	72,111,188	6,433,707	-	-	-	78,544,895	4,336,009,969	4.90	4,102
2019	66,097,142	4,891,651	-	-	-	70,988,793	4,422,448,653	4.92	4,171
2020	60,765,932	3,504,685	-	-	-	64,270,617	4,317,646,553	4.77	4,070
2021	55,349,704	675,827	1,620,000	58,773,644	-	116,419,175	4,608,297,631	4.79	4,364
2022	50,059,850	155,423	1,207,192	54,425,984	-	105,848,449	4,577,117,253	4.66	4,349
2023	44,762,884	-	747,057	42,021,366	2,322,235	89,853,542	4,439,104,179	4.37	4,201
2024	39,377,045	-	345,000	52,582,804	1,575,530	93,880,379	4,422,704,911	4.24	4,168

NOTES:

- ⁽¹⁾ See Table 23 for personal income and population data, used in calculating these ratios.
- ⁽²⁾ Outstanding debt amounts include unamortized premiums, discounts, and deferred differences on refundings.
- * Beginning in fiscal year 2020, the County included accumulated resources restricted to repay the principle of general bonded debt.

Table 18

**DEBT CAPACITY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year	General Bonded Debt Outstanding ⁽¹⁾				Total	Percentage of Estimated Actual Taxable Value of Property ⁽²⁾	Per Capita ⁽³⁾
	General Obligation Bonds	Variable Rate Demand Obligations	Taxable BABs General Obligations				
2015	\$ 2,465,315,677	\$ 100,000,000	\$ 339,516,238	\$ 2,904,831,915	1.68%	\$ 2,797	
2016	2,582,259,186	100,000,000	323,901,913	3,006,161,099	1.62	2,875	
2017	2,722,235,195	90,000,000	308,297,064	3,120,532,259	1.60	2,960	
2018	2,919,530,233	170,000,000	292,692,211	3,382,222,444	1.69	3,200	
2019	3,015,532,116	170,000,000	277,106,496	3,462,638,612	1.73	3,266	
2020	3,109,101,181	170,000,000	106,404,112	3,385,505,293	1.64	3,191	
2021	3,287,199,209	170,000,000	-	3,457,199,209	1.60	3,274	
2022	3,333,092,654	170,000,000	-	3,503,092,654	1.59	3,328	
2023	3,330,009,510	170,000,000	-	3,500,009,510	1.56	3,312	
2024	3,309,437,860	170,000,000	-	3,479,437,860	1.47	3,279	

NOTES:

- ⁽¹⁾ General Bonded Debt includes all general obligation debt, variable rate demand obligation, regardless of purpose or repayment source, and other bonded debt financed with general government resources. Governmental lease revenue bonds and business-type revenue bonds are excluded because they are repayable from specific resources other than general governmental resources. Other debt is excluded because it is not in the form of bonds.
- ⁽²⁾ See Table 8 for estimated actual value of taxable property data.
- ⁽³⁾ See Table 23 for population data used in calculating the Per Capita.

DEBT CAPACITY
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT ⁽¹⁾
June 30, 2024

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ⁽⁶⁾	Estimated Share of Overlapping Debt
Overlapping Debt:			
Towns, Cities, and Villages ^(2,3):			
Poolesville - bonds	\$ 1,157,233	100.00%	\$ 1,157,233
Rockville - bonds	15,924,628	100.00	15,924,628
Somerset - bonds	671,779	100.00	671,779
Takoma Park- bonds	7,222,500	100.00	7,222,500
Takoma Park- leases	333,792	100.00	333,792
Gaithersburg- leases	48,400	100.00	48,400
Component Units ⁽²⁾:			
MCPS - leases and subscription-based information technology arrangements	177,006,360	100.00	177,006,360
MC - leases and subscription-based information technology arrangements	80,394,864	100.00	80,394,864
Joint Venture - M-NCPPC ⁽⁴⁾:			
Park acquisition and development bonds	178,648,821	38.45	68,682,016
Advance land acquisition bonds	120,000	100.00	120,000
Development Districts ⁽²⁾:			
West Germantown - bonds	5,145,000	100.00	5,145,000
Total Overlapping Debt			356,706,572
Montgomery County Direct Debt ⁽⁵⁾			4,328,824,532
Total Direct and Overlapping Debt			<u>\$4,685,531,104</u>

NOTES:

- ⁽¹⁾ Direct debt relating to the governmental activities of the County includes general obligation bonds, variable rate demand obligations, bond anticipation notes, notes payable, lease revenue bonds, and leases. Overlapping debt is the debt of other governmental entities in the County that is payable in whole or in part by taxpayers of the County. It includes general obligation bonds, revenue bonds, mortgages payable, notes payable, commercial paper, bond anticipation notes, certificates of participation, leases, subscription-based information technology arrangements and bank loans.
- ⁽²⁾ Entities are wholly within Montgomery County.
- ⁽³⁾ Unaudited information provided by entities.
- ⁽⁴⁾ Overlapping debt percentage is based on the debt relating to the County.
- ⁽⁵⁾ Source: total of governmental activities debt on Table 17.
- ⁽⁶⁾ Rounded to the nearest hundredth.

Table 20

**DEBT CAPACITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Assessed Value					
Real property ^(1,3)	\$ 163,656,758,206	\$ 170,176,446,052	\$ 177,495,353,018	\$ 183,993,870,661	\$ 189,051,019,043
Personal property ⁽²⁾	3,655,133,210	3,884,349,017	4,051,372,468	4,188,565,266	4,055,452,758
Total Assessed Value	<u>\$ 167,311,891,416</u>	<u>\$ 174,060,795,069</u>	<u>\$ 181,546,725,486</u>	<u>\$ 188,182,435,927</u>	<u>\$ 193,106,471,801</u>
Legal Debt Margin					
Debt limit - percentage of assessable base:					
For real property at 6%	\$ 9,819,405,492	\$ 10,210,586,763	\$ 10,649,721,181	\$ 11,039,632,240	\$ 11,343,061,143
For personal property at 15%	548,269,982	582,652,353	607,705,870	628,284,790	608,317,914
Legal limitation for the borrowing of funds and the issuance of bonds	<u>10,367,675,474</u>	<u>10,793,239,116</u>	<u>11,257,427,051</u>	<u>11,667,917,030</u>	<u>11,951,379,057</u>
Debt Applicable to Limit:					
General obligation bonds	2,465,315,677	2,582,259,186	2,722,235,195	2,919,530,233	3,015,532,116
Variable rate demand obligation	100,000,000	100,000,000	90,000,000	170,000,000	170,000,000
Taxable BABs general obligation	339,516,238	323,901,913	308,297,064	292,692,211	277,106,496
Bond anticipation notes	500,000,000	500,000,000	500,000,000	500,000,000	500,000,000
Total Debt Applicable to Limit	<u>3,404,831,915</u>	<u>3,506,161,099</u>	<u>3,620,532,259</u>	<u>3,882,222,444</u>	<u>3,962,638,612</u>
Legal Debt Margin	<u>\$ 6,962,843,559</u>	<u>\$ 7,287,078,017</u>	<u>\$ 7,636,894,792</u>	<u>\$ 7,785,694,586</u>	<u>\$ 7,988,740,445</u>
Legal Debt Margin as a Percentage of Debt Limit	67%	68%	68%	67%	67%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Assessed Value					
Real property ^(1,3)	\$ 193,487,138,719	\$ 198,347,861,932	\$ 202,557,243,499	\$ 209,587,697,611	\$ 218,330,244,767
Personal property ⁽²⁾	4,100,966,956	4,682,192,977	4,242,757,208	4,467,061,120	4,290,526,338
Total Assessed Value	<u>\$ 197,588,105,675</u>	<u>\$ 203,030,054,909</u>	<u>\$ 206,800,000,707</u>	<u>\$ 214,054,758,731</u>	<u>\$ 222,620,771,105</u>
Legal Debt Margin					
Debt limit - percentage of assessable base:					
For real property at 6%	\$ 11,609,228,323	\$ 11,900,871,716	\$ 12,153,434,610	\$ 12,575,261,857	\$ 13,099,814,686
For personal property at 15%	615,145,043	702,328,947	636,413,581	670,059,168	643,578,951
Legal limitation for the borrowing of funds and the issuance of bonds	<u>12,224,373,366</u>	<u>12,603,200,663</u>	<u>12,789,848,191</u>	<u>13,245,321,025</u>	<u>13,743,393,637</u>
Debt Applicable to Limit:					
General obligation bonds	3,109,101,181	3,287,199,209	3,333,092,654	3,330,009,510	3,309,437,860
Variable rate demand obligation	170,000,000	170,000,000	170,000,000	170,000,000	170,000,000
Taxable BABs general obligation	106,404,112	-	-	-	-
Bond anticipation notes	500,000,000	470,000,000	311,000,000	217,000,000	250,000,000
Total Debt Applicable to Limit	<u>3,885,505,293</u>	<u>3,927,199,209</u>	<u>3,814,092,654</u>	<u>3,717,009,510</u>	<u>3,729,437,860</u>
Legal Debt Margin	<u>\$ 8,338,868,073</u>	<u>\$ 8,676,001,454</u>	<u>\$ 8,975,755,537</u>	<u>\$ 9,528,311,515</u>	<u>\$ 10,013,955,777</u>
Legal Debt Margin as a Percentage of Debt Limit	68%	69%	70%	72%	73%

NOTES:

⁽¹⁾ See (1) on Table 8.

⁽²⁾ See (2) on Table 8.

⁽³⁾ As a Charter County, the legal debt limit is provided by Article 25A, Section 5(P(i)), of the Annotated Code of Maryland. The legal debt margin is a total of 6 percent of the assessable base (presented at 100 percent) of real property of the County and 15 percent of the County's assessable base of personal property and operating real property.

Table 21

**DEBT CAPACITY
PLEGGED-REVENUE COVERAGE ⁽¹⁾
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenues ⁽²⁾	Less: Operating Expenses ⁽³⁾	Net Available Revenue for Debt Service	Debt Service ⁽⁴⁾			Coverage %
				Principal	Interest	Total	
Bethesda Parking Lot District:							
2015	\$ 21,153,076 ^(a)	\$ 9,015,362	\$ 12,137,714	\$ 3,120,000	\$ 1,839,789	\$ 4,959,789	244.72%
2016	17,963,769 ^(a)	9,024,033	8,939,736	3,245,000	1,575,467	4,820,467	185.45
2017	20,320,118 ^(a)	9,924,556	10,395,562	3,158,000	1,416,347	4,574,347	227.26
2018	20,803,921 ^(a)	9,894,949	10,908,972	3,291,000	1,336,525	4,627,525	235.74
2019	20,841,755 ^(a)	8,792,818	12,048,937	3,441,000	1,212,195	4,653,195	258.94
2020	17,403,667 ^(a)	9,874,435	7,529,232	3,591,000	1,049,400	4,640,400	162.25
2021 ^(a)	14,836,653 ^(a)	8,649,097	6,187,556	700,000	934,343	1,634,343	378.60
2022	14,036,459 ^(a)	8,487,605	5,548,854	1,895,000	406,314	2,301,314	241.12
2023	14,602,338 ^(a)	8,395,167	6,207,171	1,945,000	355,683	2,300,683	269.80
2024	18,125,327 ^(a)	8,852,234	9,273,093	1,970,000	330,810	2,300,810	403.04
Alcohol Beverage Service:							
2015	\$ 278,792,397	\$ 245,176,046	\$ 33,616,351	\$ 4,640,000	\$ 5,188,539	\$ 9,828,539	342.03%
2016	294,621,921	261,015,960	33,605,961	4,865,000	4,972,389	9,837,389	341.61
2017	298,572,068	269,930,631	28,641,437	5,060,000	4,774,889	9,834,889	291.22
2018	296,949,396	263,850,822	33,098,574	5,295,000	4,539,639	9,834,639	336.55
2019	295,973,689	258,484,085	37,489,604	5,520,000	3,634,464	9,154,464	409.52
2020	305,119,389	265,023,440	40,095,949	3,460,000	3,888,267	7,348,267	545.65
2021	305,014,182	255,851,101	49,163,081	4,300,000	3,708,788	8,008,788	613.86
2022	321,851,055	264,948,164	56,902,891	5,910,000	2,325,358	8,235,358	690.96
2023	325,404,883	277,640,123	47,764,760	5,925,000	2,307,140	8,232,140	580.22
2024	319,127,065	273,193,226	45,933,839	6,190,000	2,052,690	8,242,690	557.27
Metrorail Garage Project:							
2015	\$ 3,481,613	\$ -	\$ 3,481,613	\$ 2,060,000	\$ 1,421,613	\$ 3,481,613	100.00%
2016	3,478,613	-	3,478,613	2,160,000	1,318,613	3,478,613	100.00
2017	3,490,613	-	3,490,613	2,280,000	1,210,613	3,490,613	100.00
2018	3,491,613	-	3,491,613	2,395,000	1,096,613	3,491,613	100.00
2019	3,496,863	-	3,496,863	2,520,000	976,863	3,496,863	100.00
2020	3,510,863	-	3,510,863	2,660,000	850,863	3,510,863	100.00
2021	3,507,863	-	3,507,863	2,790,000	717,863	3,507,863	100.00
2022	3,513,363	-	3,513,363	2,935,000	578,363	3,513,363	100.00
2023	3,516,613	-	3,516,613	3,085,000	431,613	3,516,613	100.00
2024	3,262,363	-	3,262,363	2,985,000	277,363	3,262,363	100.00
Water Quality Protection:							
2015	\$ 30,745,793	\$ 20,016,830	\$ 10,728,963	\$ 1,340,000	\$ 1,678,850	\$ 3,018,850	355.40%
2016	33,453,313	20,751,317	12,702,996	1,395,000	1,625,250	3,020,250	420.59
2017	38,471,238	22,324,542	16,146,696	3,185,000	2,963,160	6,148,160	262.63
2018	40,928,526	24,983,355	15,945,171	3,245,000	2,900,838	6,145,838	259.45
2019	42,074,583	25,764,744	16,309,839	3,360,000	2,788,588	6,148,588	265.26
2020	41,475,369	28,324,459	13,150,910	3,495,000	2,654,188	6,149,188	213.86
2021	43,140,700	25,958,301	17,182,399	5,466,462	2,556,382	8,022,844	214.17
2022	45,863,677	30,174,901	15,688,776	5,905,797	2,455,574	8,361,371	187.63
2023	49,687,632	30,185,306	19,502,326	6,176,023	2,468,899	8,644,922	225.59
2024	53,076,353	31,653,806	21,422,547	6,346,995	2,450,438	8,797,433	243.51

NOTES:

- ⁽¹⁾ Table includes debt that is secured by a pledge of a specific revenue stream, and is designed to reflect whether the County had to use general (unpledged) revenues to repay debt that was intended to be self-supporting.
- ⁽²⁾ Gross revenues include non-operating investment income. Gross revenues for the parking lot district bonds include all revenues of the district and consist primarily of parking fee charges for services, parking fines, and dedicated property taxes. Gross revenues for the metrorail garage project lease revenue bonds include lease payments from WMATA. Gross revenues for the liquor control bonds come primarily from the sale of beverage alcohol products. Gross revenues for the water quality protection bonds include the water quality protection excise tax that is part of property tax bills and based on the potential for a property to contribute to stormwater runoff.
- ⁽³⁾ Operating expenses do not include interest, depreciation, or amortization expenses.
- ⁽⁴⁾ Debt service consists of amounts relating to revenue or lease revenue bonds; amounts relating to general obligation bonds are excluded.

⁶⁾ Due to the COVID-19 pandemic, the County closed several streets within the PLD to accommodate the need for social distancing and utilized others to create outdoor dining areas, reducing the available on-street parking and related fees. As a result, the County transferred \$6.0 million to the PLD. The amount transferred is available for debt service and is included as net available revenue for debt service.
Parking Lot District gross revenue excludes non-cash gains on disposal of capital assets; not available to pay for debt service.

**DEMOGRAPHIC AND ECONOMIC INFORMATION
PRINCIPAL EMPLOYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO**

Employer	Fiscal Year 2024			Fiscal Year 2015		
	Rank	Employees ⁽¹⁾	Percentage of Total County Employment ^(2,3)	Rank	Employees ⁽¹⁾	Percentage of Total County Employment ^(2,3)
U.S. Department of Health and Human Services	1	25,000 - 30,000	6.01%	1	25,000 - 30,000	6.04%
Montgomery County Public Schools	2	25,000 - 30,000	6.01	2	25,000 - 30,000	6.04
Montgomery County Government	3	10,000-15,000	2.73	4	10,000 - 15,000	2.75
U.S. Department of Commerce	4	5,000-10,000	1.64	5	5,000 - 10,000	1.65
U.S. Department of Defense	5	5,000-10,000	1.64	3	10,000 - 15,000	2.75
Adventist Healthcare	6	5,000-10,000	1.64	6	2,500 - 5,000	0.82
AstraZeneca Pharmaceuticals LP	7	2,500-5,000	0.82	*	*	-
Holy Cross Hospital of Silver Spring	8	2,500-5,000	0.82	8	2,500 - 5,000	0.82
Montgomery College	9	2,500-5,000	0.82	9	2,500 - 5,000	0.82
Giant of Maryland, LLC	10	2,500-5,000	0.82	*	*	-
Marriott International Admin Svcs, Inc.		*	-	7	2,500 - 5,000	0.82
Lockheed Martin Corporation		*	-	10	2,500 - 5,000	0.82
Total			<u>22.95%</u>			<u>23.33%</u>

NOTES:

* Employer is not one of the ten largest employers during the year noted.

⁽¹⁾ Information such as the actual number of employees is not available for disclosure.

⁽²⁾ Percentages are based on the midpoint of the employment range and average total Montgomery County employment of FY24 and FY15 according to the Bureau of Labor Statistics, U.S. Department of Labor. Employee counts for federal and military facilities exclude contractors to the extent possible.

⁽³⁾ Total average payroll employment was 457,400 in FY24 and 455,343 in FY15.

Source: Maryland Department of Labor, Licensing and Regulation, Major Employer List - 2nd quarter of FY2024 and 4th quarter of CY2014.

Table 23

DEMOGRAPHIC AND ECONOMIC INFORMATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS

Calendar Year	Population ⁽¹⁾	Personal Income (\$ thousands) ⁽²⁾	Per Capita Income ⁽³⁾	Civilian Labor Force ⁽⁴⁾	Resident Employment ⁽⁵⁾	Unemployment Rate ⁽⁶⁾	Average Registered Number of Pupils as of September ⁽⁷⁾
2015	1,038,524	\$ 79,953,287	\$ 76,987	547,229	526,310	3.8%	153,852
2016	1,045,476	83,878,062	80,230	544,650	526,510	3.3	156,447
2017	1,054,403	86,645,875	82,175	561,370	543,489	3.2	159,010
2018	1,056,926	88,559,517	83,790	565,885	548,536	3.1	161,545
2019	1,060,230	89,885,661	84,779	577,497	561,495	2.8	162,680
2020	1,060,825	90,565,341	85,373	557,256	523,592	6.0	165,267
2021	1,055,924	96,133,196	91,042	543,085	516,016	5.0	160,564
2022	1,052,521	98,300,546	93,395	542,900	528,308	2.7	158,232
2023	1,056,800	101,640,000	96,177	548,381	538,156	1.9	160,554
2024	1,061,096	104,270,000	98,266	552,627	539,001	2.5	160,223

NOTES:

- ⁽¹⁾ Sources: Data for 2015-2022 is from the Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Data from 2020 through 2022 was revised by BEA. Data for 2023 and 2024 is estimated by the Montgomery County Department of Finance.
- ⁽²⁾ Source: Bureau of Economic Analysis (BEA), U.S. Department of Commerce. Personal income includes money from wages and salaries; transfer payments such as social security and public assistance; income from rent, interest, and dividends. Historical data from 2015 to 2022 was revised by BEA. Data for 2023 and 2024 is estimated by the Montgomery County Department of Finance.
- ⁽³⁾ Per capita income is derived by dividing personal income by population and was revised by BEA from 2015 through 2022. Data for 2023 and 2024 is estimated by the Montgomery County Department of Finance.
- ⁽⁴⁾ Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor. Civilian labor force data include all persons in the civilian noninstitutional population classified as either employed or unemployed and counted by place of residence and is published by BLS for 2015-2023 with the revised numbers for 2019-2023. Data for 2024 is estimated by the Montgomery County Department of Finance.
- ⁽⁵⁾ Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor. Resident employment includes all persons who during the survey week (a) did any work as paid employees, worked in their own business or profession or on their own farm, or worked 15 hours or more as unpaid workers in an enterprise operated by a member of their family, or (b) were not working but who had jobs from which they were temporarily absent because of vacation, illness, bad weather, etc. Each employed person is counted only once, even if he or she holds more than one job, and is counted by place of residence and not by place of employment. Data for 2015-2023 is published by BLS with the revised numbers for 2019-2023. Data for 2024 is estimated by the Montgomery County Department of Finance.
- ⁽⁶⁾ The unemployment rates for 2015 through 2023 were published by the Bureau of Labor Statistics, U.S. Department of Labor. The unemployment rates for 2020 through 2023 were revised by BLS. The unemployment rate for 2024 is estimated by the Montgomery County Department of Finance based on the estimate of the civilian labor force and the estimate of resident employment.
- ⁽⁷⁾ Source: Indicators provided by the Montgomery County Public Schools, a component unit organization.

OPERATING INFORMATION
EMPLOYEE FTEs BY FUNCTION ⁽¹⁾
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Legislative Branch:										
Board of Appeals	4	4	4	4	4	4	4	4	4	4
County Council	79	82	82	83	83	85	87	88	110 ⁽¹²⁾	107
Inspector General	5	7	7	7	7	7	12	14	17	19
Legislative Oversight	11	11	11	11	12	12	13	14	14	14
Merit System Protection Board	1	2	2	2	2	2	2	2	2	2
Zoning and Administrative Hearings	4	4	4	4	4	4	4	4	4	4
Judicial Branch:										
Circuit Court	114	114	114	116	117	119	121	126	126	127
State's Attorney	136	140	143	147	153	154	154	154	156	156
Executive Branch:										
General Government:										
Board of Elections	51	55	55	56	56	56	56	56	56	56
Community Engagement Cluster	22	22	23	24	23	32	30	41	45	46
County Attorney	43	44	43	45	43	43	41	42	43	44
County Executive	32	33	34	37	35	34	34	33	40	36
Ethics Commission	3	3	3	3	3	3	2	2	2	2
Finance	126	126	122	125	127	131	130	132	132	132
Food Systems Resilience ⁽¹¹⁾	-	-	-	-	-	-	-	-	-	3
General Services	191	162	164	171	170	169	169	169	169	174
Grants Management ⁽¹⁰⁾	-	-	-	-	-	-	-	-	3	5
Human Resources	66	67	68	70	71	68	63	68	74	82
Human Rights	9	9	9	9	9	9	10	12	12	12
Intergovernmental Relations	5	5	5	5	5	5	5	5	5	5
Labor Relations ⁽⁹⁾	-	-	-	-	-	-	8	8	8	8
Management and Budget	29	30	29	32	33	33	41	41	43	42
Procurement ⁽³⁾	-	33	35	35	35	35	38	38	38	39
Public Information	43	43	42	45	51	53	53	54	61	60
Racial Equity and Social Justice ⁽⁸⁾	-	-	-	-	-	-	2	6	8	9
Technology & Enterprise Business Solutions ⁽⁶⁾	110	147	159	168	166	167	165	166	168	173
Urban Districts	58	58	59	59	59	59	59	59	61	61
Non-Departmental Accounts	4	4	4	4	5	6	12	23 ⁽¹³⁾	45 ⁽¹⁴⁾	36
Public Safety:										
Animal Services ⁽⁷⁾	-	-	-	-	-	-	75	75	77	77
Consumer Protection	17	17	16	17	17	17	17	18	18	18
Correction and Rehabilitation	526	527	538	538	538	536	542	542	545	546
Emergency Management and Homeland Security	14	15	15	15	15	16	16	18	19	19
Fire and Rescue Service	1,287	1,299	1,303	1,287	1,298	1,318	1,319	1,333	1,352	1,363
Police	1,843	1,868	1,888	1,950	1,958	1,972	1,899	1,869	1,898	1,903
Sheriff	183	183	190	190	190	193	193	193	192	192
Transportation:										
Fleet Management Services ⁽¹⁶⁾	204	204	204	204	206	211	211	211	211	211
Transit Services	836	836	842	874	876	909	909	909	911	899
Other ⁽²⁾	275	279	283	283	283	287	286	284	286	284
Health and Human Services	1,589	1,594	1,619	1,649	1,670	1,683	1,714	1,771	1,857	1,948
Culture and Recreation:										
Cable Television Communications Plan	31	31	31	33	32	31	31	31	30	24
Public Libraries	385	389	386	395	396	404	405	404	404	385
Recreation	414	417	441	465	467	490	493	499	574 ⁽¹⁵⁾	592
Community Development and Housing:										
Agriculture ⁽⁵⁾	-	-	4	4	4	4	4	4	5	6
Economic Development Fund ⁽⁴⁾⁽¹⁷⁾	34	33	1	1	1	1	1	1	1	1
Housing and Community Affairs	77	80	84	97	97	101	101	101	104	106
Environment:										
Environmental Protection	97	102	105	108	108	110	108	110	122	133
Business-Type Activities:										
Alcohol Beverage Services	337	427	432	438	442	428	442	443	428	428
Community Use of Public Facilities	27	28	29	30	31	31	31	31	30	30
Parking District Services	50	49	49	49	49	49	49	48	48	48
Permitting Services	207	213	244	244	244	246	246	246	249	249
Recycling and Resource Management	103	103	106	105	106	106	112	112	114	117
Total FTEs	9,682	9,899	10,031	10,238	10,301	10,433	10,519	10,614	10,921	11,037

NOTES:

Amounts represent budgeted FTEs rounded to the nearest whole work year.

- (1) Represents County government FTEs only, and excludes component units. Therefore, no FTEs are listed for Education function, which relates to component units MCPS and MC.
- (2) Excludes programs presented under business-type activities.
- (3) Effective FY16, The Office of Procurement was established per Expedited Bill No. 7-15.
- (4) Effective FY17, The Department of Economic Development (DED) was eliminated as a County department. Their responsibilities were transferred to Montgomery County Economic Development Corporation (MCEDC), WorkSource Montgomery, Inc., and other County departments and offices, which include Finance, County Executive, Agriculture, Procurement and General Services. These actions occurred per Bill No.s 25-15 and 40-15.
- (5) Effective FY17, The Office of Agriculture was established per Bill No. 25-15.
- (6) Effective FY21, The Department of Technology Services was renamed to the Department of Technology and Enterprise Business Solutions.
- (7) Effective FY21, duties performed by the Police Department's Division of Animal Services were transferred to a new non-principle office per Bill No. 21-20, the Office of Animal Services.
- (8) Effective FY21, The Office of Racial Equity and Social Justice was established per Bill No. 27-19.
- (9) Effective FY21, The Office of Labor Relations was established per Expedited Bill No. 19-20.
- (10) Effective FY23, The Office of Grants Management was established per Bill No. 36-19.
- (11) Effective FY23, The Office of Food Systems Resilience was established per Bill No. 20-22.
- (12) The County Council increased from nine to eleven members in FY23. Additional positions were added to support new councilmember offices.
- (13) In FY22, the KID Museum was established and the following Non-Departmental Accounts had a significant increase in FTEs; Climate Change Planning (3 FTE increase), Early Care and Education (6 FTE increase), Incubator Programs-Economic Development Partnership (3 FTE increase).
- (14) In FY23, three new Non-Departmental Accounts were established; Guaranteed Income, Police Accountability Board and Montgomery County Green Bank. The following Non-Departmental Accounts had a significant increase in FTEs; Early Care and Education (12 FTE increase), Guaranteed Income (1 FTE increase), Incubator Programs-Economic Development Partnership (3 FTE increase), Legislative Branch Communications Outreach (4 FTE increase).
- (15) Additional positions added in FY23 to support several programs, but primarily due to the South County Regional Recreation and Aquatic Center.
- (16) The Fleet Management Services is part of the Department of General Services (DGS); the FTE amount reported for DGS does not include the FTE amount reported for Fleet Management Services.
- (17) The FTE of the Economic Development Fund (EDF) was included with the FTE amounts reported with DED until the department was eliminated in FY17. EDF is part of the Department of Finance (FIN); the FTE amount reported for FIN does not include the FTE amount reported for EDF.

Source: County Executive's Annual Recommended Operating and Public Services Program, Schedule D-2, various years.

**OPERATING INFORMATION
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024 ⁽¹⁾
Governmental Activities:										
General Government:										
Number of procurement office actions ⁽²⁾	7,556	8,429	7,564	7,824	8,887	9,425	7,607 ⁽¹²⁾	9,550 ⁽¹³⁾	9,699	10,973 ⁽²⁰⁾
Number of property tax bills processed ⁽⁵⁾	367,708	371,446	371,866	376,330	376,259	370,489	376,557	375,990	368,804 ⁽⁶⁾	368,167
Number of payments issued ⁽⁵⁾	121,311	121,366	125,764	128,866	118,086	107,773	118,598	128,656	118,248	126,881
Investment portfolio return ⁽³⁾⁽⁵⁾	0.18%	0.39%	0.71%	1.34%	2.33%	1.76%	0.18%	0.33%	3.43%	5.34%
Public Safety:										
Fire and Rescue:										
Number of responses to incidents	115,366	116,915	120,990	123,544	121,606	119,340	113,940	128,371	135,180	140,962
Number of fire fatalities	4	3	9	1	4	2	5	5	11 ⁽⁶⁾	4
Police:										
Number of arrests	16,518	20,045	16,707	18,853	18,061	12,641 ⁽¹²⁾	5,871 ⁽¹²⁾	6,939	7,315	7,768
Number of traffic citations ⁽⁹⁾	106,944	105,607	100,867	81,252	75,989	50,051 ⁽¹²⁾	23,492 ⁽¹²⁾	27,703	24,332	23,543
Number of warrants served	9,763	8,109	7,779	7,318	7,011	6,006 ⁽¹²⁾	3,244 ⁽¹²⁾	3,474	5,937 ⁽¹³⁾	5,158 ⁽¹⁸⁾
Transportation:										
Lane-miles of streets resurfaced	436	405	303	181	231	266	183 ⁽¹²⁾	139 ⁽¹⁵⁾	234 ⁽¹⁷⁾	147 ⁽²¹⁾
Number of passengers transported	25,972,313	24,512,705	22,984,194	21,594,040	20,596,520	16,305,400 ⁽¹²⁾	10,078,042 ⁽¹²⁾	14,093,905 ⁽¹³⁾	14,359,817	18,422,520 ⁽¹³⁾
Health and Human Services:										
Number of applicants approved for the Home Energy Program										
	7,440	7,822	7,468	7,129	7,056	6,683	6,883	6,932	7,703	9,036 ⁽²²⁾
Number of individuals served through the Crisis Center	45,906	47,191	46,202	44,684	43,584	43,868	43,643	53,426	50,174	47,387
Number of licensed and registered child care slots in the County	39,501	40,292	41,768	41,101	42,697	43,206	40,167 ⁽¹²⁾	30,802 ⁽¹²⁾	43,552 ⁽¹³⁾	36,836 ⁽²³⁾
Number of in-home aide service hours for seniors and people with disabilities	110,848	105,000	110,185	92,860	105,370	108,869	95,706 ⁽¹²⁾	121,348 ⁽¹³⁾	90,014 ⁽¹⁸⁾	73,743 ⁽¹⁸⁾
Culture and Recreation:										
Library:										
Number of items circulated	10,035,027	10,478,360	10,172,487	10,666,538	11,383,048	10,157,415 ⁽¹²⁾	9,114,919 ⁽¹²⁾	11,616,463 ⁽¹³⁾	11,453,455	12,560,353 ⁽²⁴⁾
Recreation:										
Number of community center visits/contacts	985,527	955,160	1,634,333	1,108,071	971,882 ⁽¹⁰⁾	959,137 ⁽¹²⁾	19,423 ⁽¹²⁾	526,373 ⁽¹³⁾	798,209 ⁽¹⁹⁾	1,055,816 ^{(13) (19)}
Number of visits to County pools	2,696,608	1,570,434	2,482,362	1,467,626	1,327,182 ⁽¹¹⁾	801,670 ⁽¹²⁾	435,225 ⁽¹²⁾	403,057	421,269 ⁽⁶⁾	490,023 ⁽¹³⁾
Number of persons registered for camps and classes	65,762	76,285	85,835	105,011	105,615	106,526	19,566 ⁽¹²⁾	85,087 ⁽¹³⁾	124,772 ⁽¹³⁾	159,861 ⁽¹³⁾
Community Development and Housing:										
Housing and Community Affairs:										
Number of housing rental licenses issued	98,525	100,379	101,810	103,841	107,283	114,365	106,361 ⁽¹²⁾	109,018	116,414	111,968
Number of housing code enforcement cases	7,633	8,250	7,917	8,352	9,229	7,190	5,325 ⁽¹²⁾	6,099	6,110	6,217
Environment:										
Number of sediment control inspections performed for development sites	18,741	19,109	18,259	17,689	16,778	14,858	15,239	18,644 ⁽¹³⁾	19,809	20,428
Education:										
Average number of pupils registered pre-K through 12 ⁽⁴⁾	153,852	156,447	159,010	161,545	162,680	165,267	160,564	158,232	160,554	160,223
College students - credit and non-credit ⁽⁴⁾	56,228	56,001	55,243	54,335	52,732	49,168	42,915 ⁽¹²⁾	44,818	44,589	47,446
Business-Type Activities:										
Land development plans approved	5,161	6,048	6,013	6,055	5,543	5,801	5,312	6,245	6,671	5,321 ⁽²⁵⁾
Refuse collected (tons)	73,996	71,767	69,988	69,669	67,908	75,892	81,382	76,875	73,565	70,097
Waste processed at the Resource Recovery Facility (tons)	591,687	620,505	518,687	592,228	628,600	545,378	579,553	565,477	533,502	523,982
Number of cases sold from Alcohol Beverage Services retail stores	1,131,073	1,163,437	1,139,836	1,104,006	1,094,026	1,126,377	963,710 ⁽¹²⁾	1,016,074 ⁽¹³⁾	930,048	841,714 ⁽²⁶⁾
Number of wholesale liquor cases sold to liquor license holders	4,079,000	4,138,371	4,068,797	3,951,139	3,950,485	4,041,261	4,148,433	3,947,065	3,811,821	3,852,658
Number of fire inspections completed	13,929	16,439	17,405	14,579	10,340 ⁽⁷⁾	10,960	1,914 ⁽⁸⁾	21,095	15,057 ⁽¹⁶⁾	21,959 ⁽²⁷⁾

NOTES:

- (1) Indicators represent actuals or latest estimates of actuals.
- (2) Indicators provided by Office of Procurement.
- (3) The yield on the County's investment portfolio fluctuates because it is closely tied to moves in the short-term bond market, specifically, those driven by Federal Reserve action.
- (4) Indicators provided by the Montgomery County Public Schools and Montgomery College, two component unit organizations.
- (5) Indicators provided by Department of Finance.
- (6) Revised.
- (7) The decrease is due to transitioning from a legacy records management system (FireHouse Software) to the DPS system.
- (8) Fire Code Compliance section started a new method of assigning inspections in April of 2020 following the integration into DPS' permitting database, causing the significant increase in volume.
- (9) Excludes the citations issued by Speed, Redlight, and School Bus Automatic Enforcement.
- (10) Two community centers were closed in FY19 due to reconstruction.
- (11) Recreation's MLK Pool was closed for approximately 6 weeks for repairs in FY19.
- (12) Variance is due to the COVID-19 pandemic and the decrease in traffic, building closure, police activities, school enrollment, childcare slots, etc.
- (13) Variance is due to the resumption of general County operations, building reopenings, police activities, recreation activities, transportation, etc. as the pandemic came to an end.
- (14) The citation number reflected all traffic stops including citations, repair orders, and warnings. It was corrected to reflect only citation stops from FY21.
- (15) In FY22, with the same funding, more roadway rehabilitation and resurfacing repairs were done which led to a fewer lane miles completed.
- (16) A significant decrease in FY23 is due to a high turnover of businesses post-pandemic, and the longer time required to complete the inspections.
- (17) In FY23, increased lane miles resurfaced as a result of using more effective and low cost repair methods.
- (18) The decrease is due to reduced staffing and capacity.
- (19) The considerable increase is attributed to the "Free in 23" initiative that started in FY23.
- (20) Higher demands from the County departments influenced the volume of procurement actions.
- (21) The decrease is due to working down a backlog of other projects, leading to fewer lane miles completed.
- (22) The increase is attributed to the automated process of any household approved for supplemental nutrition assistance program (SNAP), temporary disability program (TDAP), or temporary cash assistance (TCA) being eligible for the Home Energy Program.
- (23) Additional program closures decreased capacity across the County in FY24.
- (24) Increased usage of electronic materials has contributed to an increase in items circulated.
- (25) Fewer utility permit applications were submitted in FY24.
- (26) Retail gross sales is down 2.9%, which is in line with national trends.
- (27) FY24 puts it back on track with a full staffing.

OPERATING INFORMATION
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government:										
Conference centers	1	1	1	1	1	1	1	1	1	1
Landfills	3	3	3	3	3	3	3	3	3	3
Public Safety:										
Police stations	6	6	6	6	6	6	6	6	6	6
Police satellites	3	3	3	3	3	3	3	2	2	2
Police vehicles	1,467	1,486	1,509	1,526	1,522	1,551	1,519	1,498	1,517	1,471
Fire stations	37	37	37	37	37	37	37	37	37	37
Fire apparatus	447	493	497	502	501	548	541	579	531	475
Transportation:										
Streets (miles)	2,634	2,640	2,661	2,663	2,664	2,679	2,681	2,704	2,710	2,716
Ride On buses	379	403	389	414	424	445	435	461	450	417
Administrative vehicles	764	869	885	876	876	867	891	878	828	893
Fire vehicles	113	94	96	91	98	101	99	100	100	103
Heavy equipment	420	423	481	491	448	460	461	460	461	457
Streetlights	67,969	68,350	68,675	68,770	68,995	69,025	69,075	69,090	69,115	69,140
Traffic signals	836	848	854	867	875	878	880	899	907	962
Culture and Recreation:										
Libraries	22	22	22	22	22	22	22	22	22	22
Volumes in library collection	2,060,370	1,993,001	2,235,689	2,447,236	2,388,365	2,405,062	2,179,084	1,991,700	1,871,024	1,727,739
Swimming pools	13	13	13	13	13	13	13	13	13	14
Community Development and Housing:										
Number of low income housing units	101	101	101	101	101	101	101	101	101	101
Environment:										
Storm drains (miles)	883	888	893	895	896	902	903	912	914	918
Education:										
Elementary, Middle and High School buildings	203	204	204	205	207	207	209 ⁽¹⁾	210	211	211
College buildings	49	49	51	51	51	50	49	53	54	53
Business-Type Activities:										
Parking spaces in parking lot districts	20,970	20,754	20,482	20,425	20,452	20,468	20,708	20,700	20,643	20,606
Parking garages/lots	42	41	40	40	41	40	40	41	40	40

NOTES:

* Data relates to primary government only, except for education data which relates to MCPS and MC.

⁽¹⁾ Revised

Sources: Various County departments, MCPS, and MC.



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* POEB = Pension and Other Employee Benefits				

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