

MONTGOMERY COUNTY MARYLAND

Comprehensive Annual Financial Report



Fiscal Year 2008

July 1, 2007 - June 30, 2008
Rockville, Maryland

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Montgomery County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2007

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Charles S. Cox

President

Jeffrey R. Emmer

Executive Director

MONTGOMERY COUNTY MARYLAND

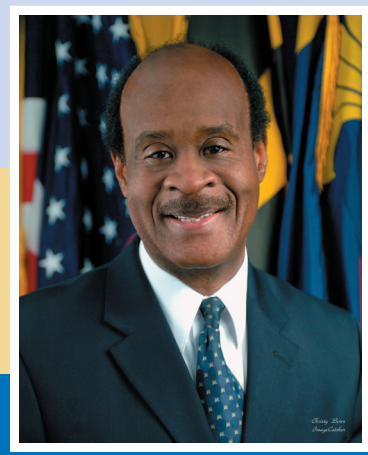
Comprehensive Annual Financial Report



Prepared by the
DEPARTMENT OF FINANCE

Jennifer E. Barrett, Director
101 Monroe Street
Rockville, Maryland 20850
240-777-8860

Fiscal Year 2008
July 1, 2007 - June 30, 2008



Isiah Leggett
ISIAH LEGGETT

Mission Statement

MONTGOMERY COUNTY GOVERNMENT

WE pursue the common good by working for and with Montgomery County's diverse community members to provide:

- A Responsive and Accountable County Government
- Affordable Housing in an Inclusive Community
- An Effective and Efficient Transportation Network
- Children Prepared to Live and Learn
- Healthy and Sustainable Communities
- Safe Streets and Secure Neighborhoods
- A Strong and Vibrant Economy
- Vital Living for All of Our Residents

AS dedicated public servants, the employees of the Montgomery County government strive to embody in our work these essential values:

- Collaboration
- Inclusiveness
- Knowledge
- Competence
- Innovation
- Respect for the Individual
- Fiscal Prudence
- Integrity
- Transparency

Montgomery County, Maryland
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



DEPARTMENT OF FINANCE

Isiah Leggett
County Executive

Jennifer E. Barrett
Director

December 22, 2008

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

Ladies and Gentlemen:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of Montgomery County, Maryland (the County), for the fiscal year ended June 30, 2008.

FORMAL TRANSMITTAL OF THE CAFR

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 in cooperation with the finance departments of the County's component unit and joint venture organizations. The CAFR has been prepared pursuant to the provisions of Article 2, Section 214 of the Charter of the County, and includes the independent auditors' 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, including 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 control. 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 Clifton Gunderson LLP has performed an independent audit of, and issued an unqualified opinion on, the County's financial statements as of and for the year ended June 30, 2008. The independent auditors' report is located at the front of the financial section of this report. This independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The independent auditors' reports associated with the Single Audit are available in a separately issued Report on Expenditures of Federal Awards.

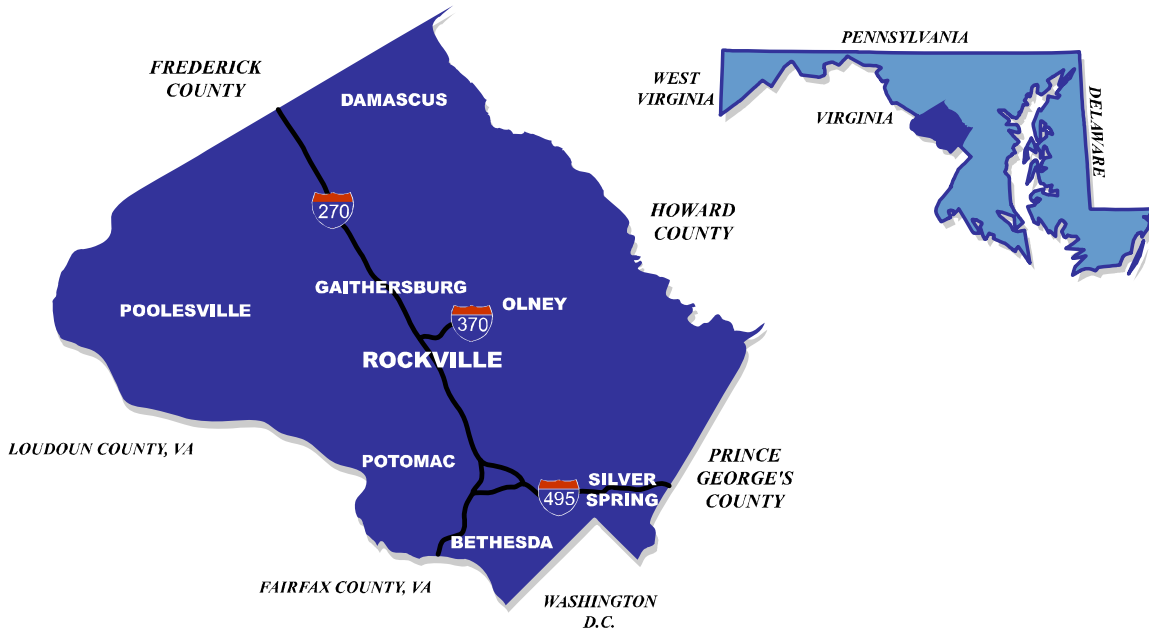
GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can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

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, which gave the County home rule and a council-manager form of government.

Office of the Director

The governing authority of the County, today, is still the charter, which was fully implemented in 1970, with the election of an executive and a council. Currently, Montgomery County is the most populated and affluent jurisdiction 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, which include public safety, public works and 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-I.1), are provided by Montgomery County Public Schools (MCPS) and Montgomery College (MCC). For County government services, the County Executive annually develops and recommends operating budget proposals and the County Council then authorizes expenditures and sets property tax rates. Expenditure authority is provided at the fund and department level in three major categories (personnel costs, operating and capital outlay). 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 10 percent of the original appropriation. Transfers between departments are also limited to 10 percent of 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. The budget of the Liquor Enterprise Fund is approved by the County Executive, since State law provides for the County Executive to determine the amount of working capital required by the Department of Liquor Control (DLC) and to retain from the DLC's net profits, before making any deposit into the General Fund, the funds necessary to service DLC-related debt and provide adequate working capital. The Capital Projects Fund budget is appropriated at the project level on a biennial basis, with an annual reappropriation of unencumbered appropriation.

A budget-to-actual comparison statement for the General Fund is presented on Exhibit A-7 as part of the basic financial statements. Budget-to-actual comparison schedules for other funds with legally adopted budgets are presented in the Supplementary Data portion of the Financial Section.

The Reporting Entity

The following organizations are included as component units in the accompanying financial statements: MCPS, MCC, Housing Opportunities Commission of Montgomery County (HOC), Montgomery County Revenue Authority (MCRA), and Bethesda Urban Partnership, Inc. (BUPI). The County's participation in the following joint ventures 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, Metropolitan Washington Council of Governments, and Northeast Maryland Waste Disposal Authority. Copies of the respective independently audited annual financial reports required by State or County law are available from the above mentioned component units and joint ventures.

INFORMATION USEFUL IN ASSESSING THE COUNTY'S ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Montgomery County operates.

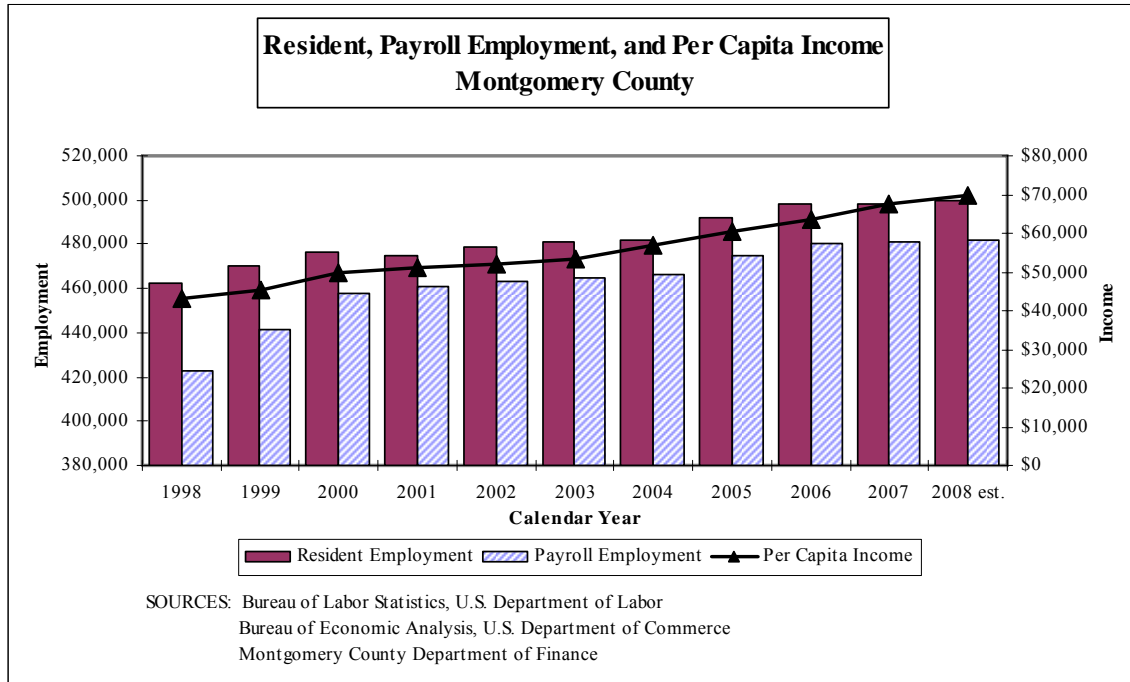
The Local Economy

Overview of National and Local Economy

Because the region's economy is significantly dependent on spending by the federal government, the deceleration in the growth of federal procurement since fiscal year (FY) 2003 has had an effect on the region's economy. According to preliminary data from the Center for Regional Analysis (CRA), George Mason University, federal procurement increased an estimated \$1.4 billion in FY07, down from the peak of \$8 billion in FY03. As such, CRA estimates that the region's economy which grew nearly 5.0 percent in calendar year (CY) 2004 and is estimated to have increased 3.0 percent in CY07, is projected to grow 2.5 percent in both CY08 and CY09.

Personal Income and Employment

Income tax revenues for the County represented 54.0 percent of total tax revenues for the General Fund in FY08. 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 increased from approximately \$43,200 in CY98 to an estimated \$69,700 in CY08 – an average annual rate of 4.9 percent. However, over the past ten years, the rate of growth in per capita personal income experienced two distinct cycles. From 1998 to 2000, total personal income grew at a 7.2 percent annual rate, while it is estimated to have grown at an annual rate of 4.3 percent from 2000 to 2008.

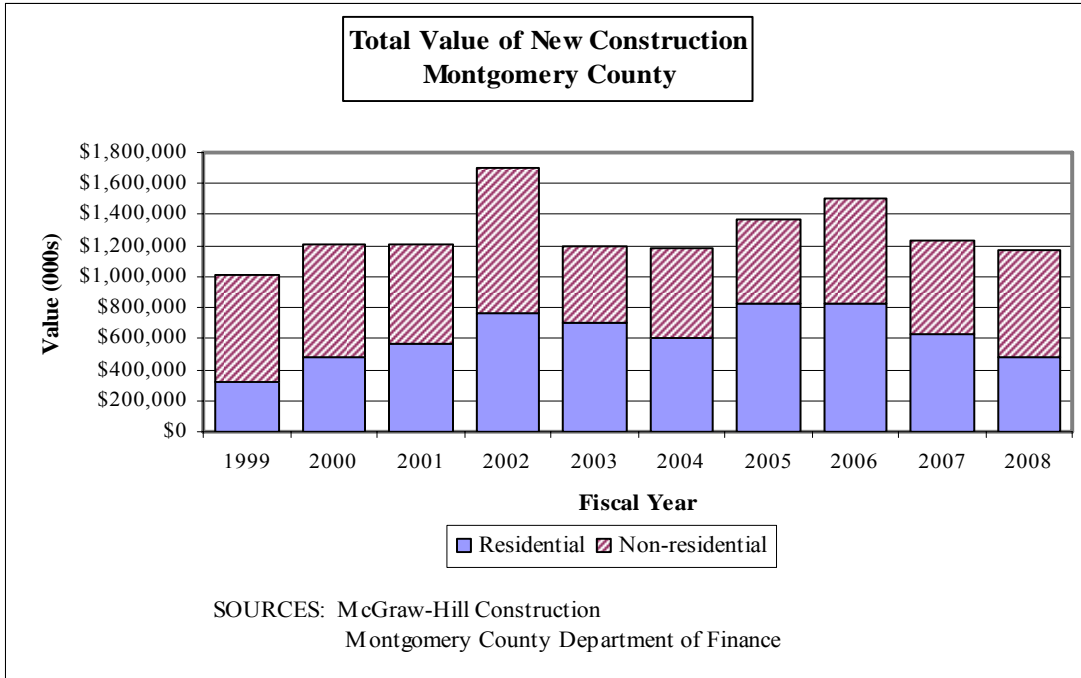


As FY08 began (July 2007), resident employment in Montgomery County stood at 506,300. By the beginning of FY09 (July 2008), employment reached 510,700 — an increase of 4,400 or 0.9 percent. Payroll employment in the County was 482,500 at the start of FY08 and increased 0.9 percent to 487,000 jobs percent by the start of FY09 — an increase of 4,500 new jobs. Employment data are not seasonally adjusted.

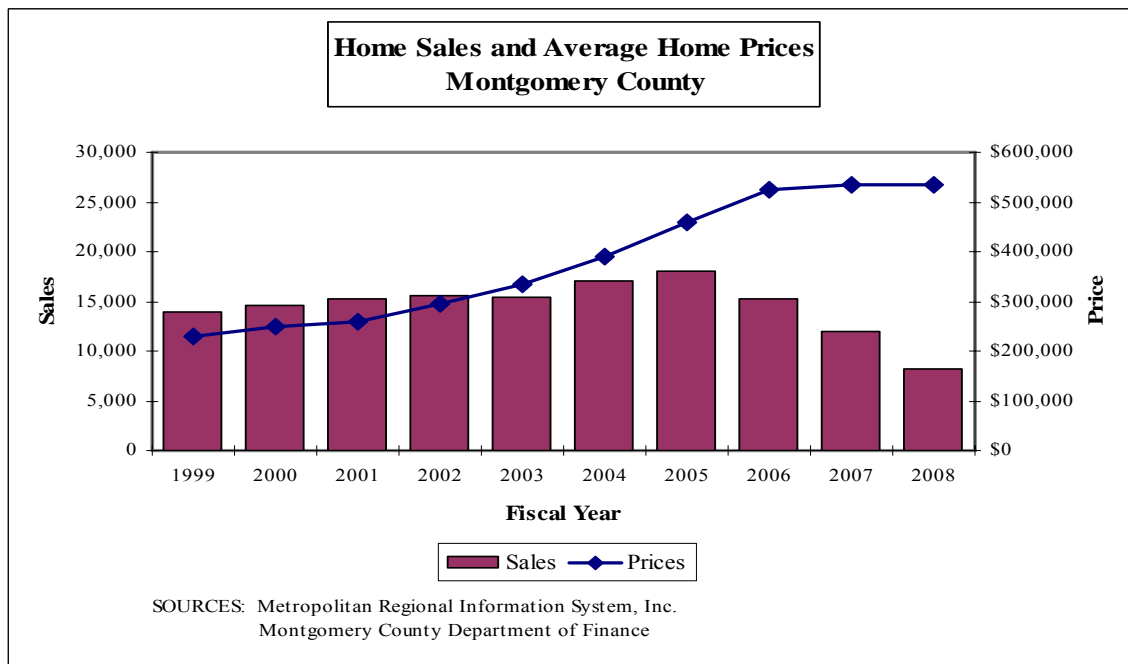
Construction and Real Estate

The property tax (total tax-supported) and the transfer and recordation taxes consisted of 33.3 percent and 5.6 percent, respectively, of total tax revenues for the General Fund in FY08. Therefore, construction and real estate activity play a significant role in Montgomery County's economy and in 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 provide additional capacity to meet increases in employment and new households. The appreciation of home prices provides a benefit to both the property tax and the transfer and recordation taxes. The increase in home values during FY08, albeit at a much slower rate than in previous years, increased the taxable assessable base for residential property. However, while average prices were up a modest 0.4 percent in FY08, sales of homes declined 31.3 percent, which followed declines of 15.7 percent in FY06 and 21.4 percent in FY07. Such dramatic decreases in sales more than offset increases in average prices such that transfer taxes from residential sales were down 26.5 percent compared to the overall decrease of 24.8 percent in FY08. Recordation taxes collected for the General Fund were also down 24.9 percent over FY07.

During FY08, the value of total new construction in the County stood at nearly \$1,170 million, which was the lowest value since FY99. The value of non-residential construction added \$684.5 million to the County's real estate property and exceeded the average added value of \$597.9 million over the previous four fiscal years. However, the value of new residential construction was down 23.1 percent from FY07 and was the lowest since FY00. Because of the significant decline in the value of residential construction, the addition of new construction to the taxable real property base in FY08 was down 7.6 percent compared to FY07.

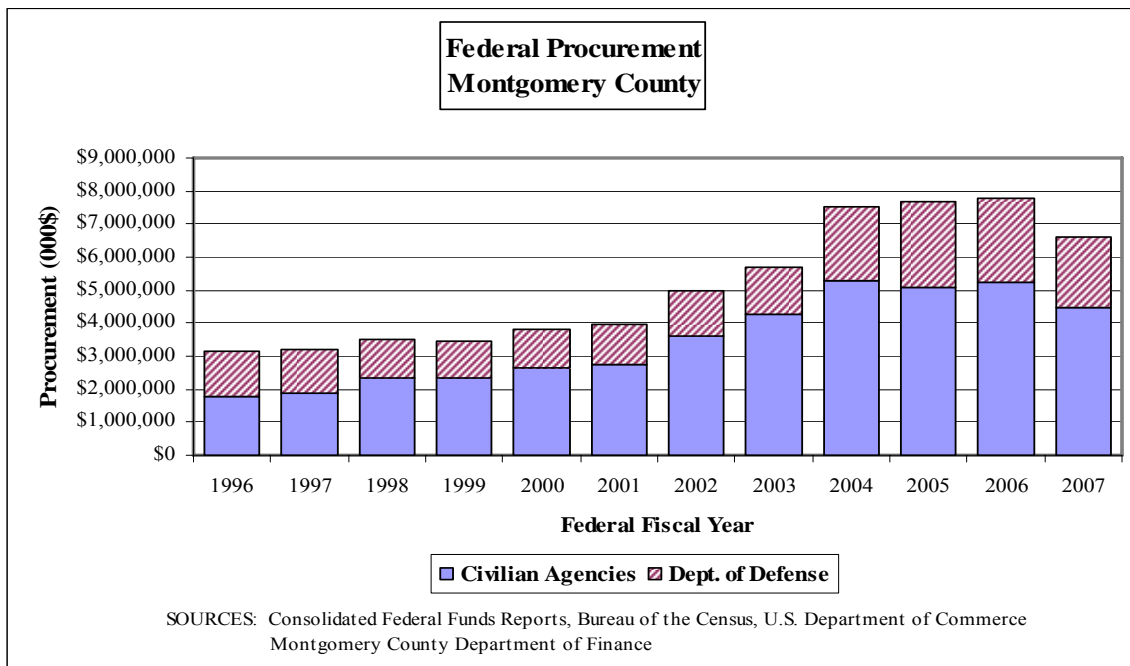


At the same time that the County experienced a drop in the value of residential construction, the residential real estate market experienced a deceleration in the growth rate for average prices, while sales declined nearly 32 percent. While the growth rate in the average price of a home in Montgomery County decelerated, it increased a modest 0.4 percent during FY08 compared to 16.9 percent in FY04, 17.3 percent in FY05, 13.9 percent in FY06, and 2.0 percent in FY07.



Federal Procurement Spending

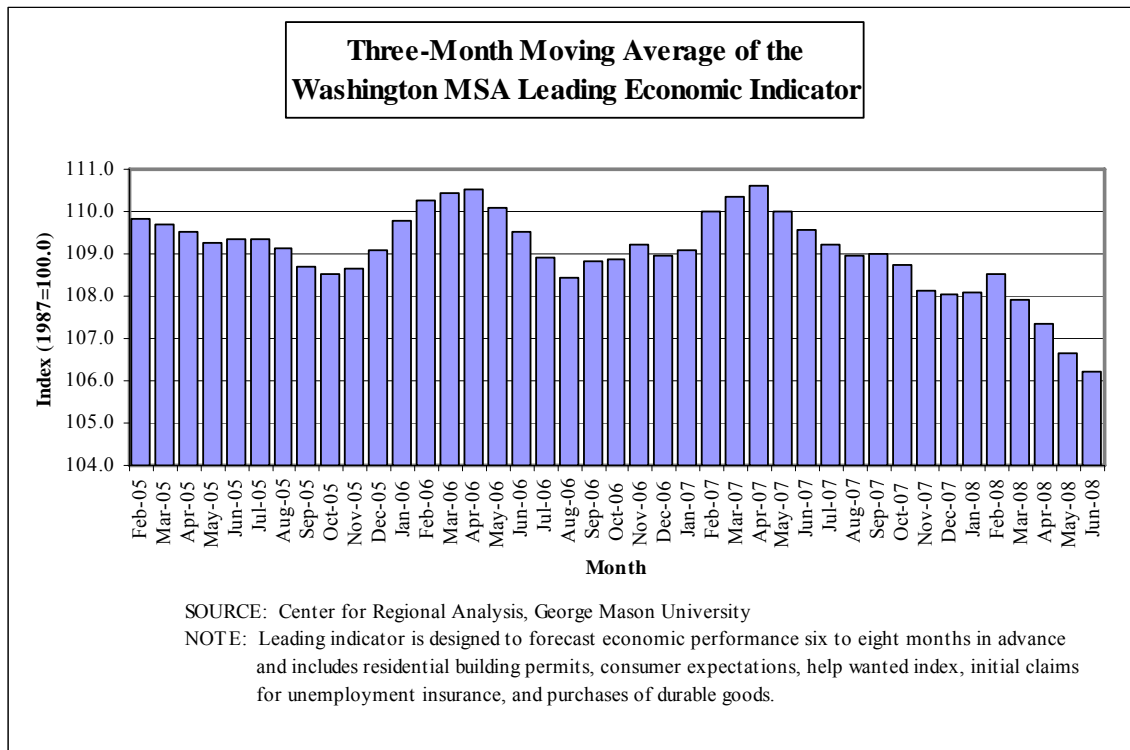
According to data provided by the Bureau of the Census, U.S. Department of Commerce, businesses in Montgomery County received over \$6.6 billion in procurement contracts from the federal government in federal fiscal year (FFY) 2007 (October 1, 2006 through September 30, 2007), the latest year for which data are available. This represents a decrease of nearly 15 percent over the previous FFY. From FFY1996 to FFY2006, federal procurement increased at an average annual rate of nearly 9.5 percent increasing from \$3.2 billion in FFY96 to nearly \$7.8 billion in FFY06. Based on historical data through FFY05, over two-thirds of federal procurement dollars in the County come from federal civilian agencies compared to only one-third from the Department of Defense (DoD). Such largess by the federal government in the County’s economy helped create a modest expansion in employment and commercial property during FY07 and continued into FY08. Therefore, the federal government continues to play a significant role in the County’s economy through direct employment and through the procurement of goods and services from County businesses.



Future Economic Outlook

Following a year in which the County’s economy experienced modest growth in employment, personal income, and weak construction, the outlook for FY09 is expected to see modest increases in employment and personal income and a continued slowdown in the real estate market particularly home sales and new residential construction. Based on preliminary data from the real estate market, there has been a dramatic decrease in average home prices during the first two months of FY09 compared to the same two months in FY08 (↓11.5%). Home sales continued to decline (↓16.4%). If the real estate market continues to show weakness in FY09, either through weak sales or price declines, the revenues from transfer and recordation taxes will experience a further slowdown than originally estimated for the FY09 budget. Because of further deterioration in real estate and equity markets, income taxes from taxpayers who file for an extension may increase at a much slower rate than estimated for the FY09 budget. The revenues from those taxpayers will offset the expected increases in withholdings attributed to both modest increases in resident and payroll employment through the remainder of FY09 and therefore, increases in total personal income and wages and salaries.

According to CRA, the Washington Area Leading Index, which forecasts the performance of the region's economy six to eight months in advance, has steadily declined since reaching its peak in April 2007. Since that time, the index has declined 4.0 percent through the end of FY08. This pattern in the leading index suggests a continuation of slower growth in the region's economy through the remainder of calendar year 2008 and into the first three months of calendar year 2009. This trend is likely to continue until three economic conditions show a reversal in current trends: rising energy prices, falling home prices, and uncertainty in the financial markets. Since it is unlikely that these conditions will improve in the near term, CRA estimates that the Washington area economy "will resume its more normal growth trajectory by the second quarter of 2009." (*Metropolitan Washington Area Economic Indices*, September 2008). Because of that uncertainty, CRA estimates that growth in the gross regional product will decelerate from the 3.0 percent rate in CY2007 to 2.5 percent in CY08 and CY09.



Collective Bargaining

The current three year agreement with the Fire and Rescue Bargaining Unit, the International Association of Fire Fighters Local 1664, expires June 30, 2011. Significant economic terms of the agreement include:

- A general wage adjustment of 2 percent effective in the first full pay period after July 1, 2008; a 2 percent adjustment in January 2009; a 4 percent adjustment in July 2009; and a 3.5 percent adjustment in July 2010;
- A service increment of 3.5 percent for eligible employees;
- A new longevity adjustment at 28 years of service in July 2009;
- An expansion of the list of illnesses for which an employee is automatically entitled to a service-connected disability retirement; and
- Limitation of employer contribution toward the high option prescription drug plan to 80 percent of the value of the standard option plan.

The current three-year agreement with the Police Bargaining Unit, the Fraternal Order of Police Lodge 35, expires June 30, 2010. Significant economic terms of the agreement include:

- A general wage adjustment computed by adding \$3,151 at Step 0, Year 1, with increments and promotions for all other steps and pay grades calculated from the new Step 0, Year 1 basis (equates to 7.5 percent) effective July 1, 2007; a 4 percent adjustment in July 2008; and a 4.25 percent adjustment in July 2009;
- A service increment of 3.5 percent for eligible employees; and
- Pension changes that re-establish a retirement DROP plan, increase the maximum credited service to 36 years, and provide for unreduced pension benefits with 25 years of credited service at any age.

The three current agreements with the OPT/SLT Bargaining Units, the Municipal and County Government Employees Organization (MCGEO) and the United Food and Commercial Workers Local 1994, expire June 30, 2010. Significant economic terms of the agreements include:

- A general wage adjustment of 4 percent effective the first full pay period after July 1, 2007; a 4.5 percent adjustment in July 2008; and a 4.5 percent adjustment in July 2009;
- A 1 percent increase in longevity (totaling 3 percent) effective the first full pay period after January 1, 2008;
- A service increment of 3.5 percent for eligible employees;
- An increase in the Social Security integration multiplier to 1.65% for ERS Group E members; and
- Introduction of a Guaranteed Retirement Income Plan (GRIP) option effective July 1, 2009.

Long-term Financial Planning

The County will maintain total reserves for tax supported funds that include both an operating margin reserve and the Revenue Stabilization Fund. For tax supported funds, the budgeted total reserve of the operating margin and the Revenue Stabilization Fund should be at least six percent of the total resources (i.e., revenues, transfers, prior year undesignated and designated fund balance). An operating margin reserve will be budgeted for tax supported funds in order to provide sufficient funds for unanticipated revenue shortfalls or unexpected 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. Fifty percent of selected revenues in excess of budgeted amounts must be transferred to the Fund; discretionary contributions may also be made. Withdrawals may be used only to support appropriations which have become unfunded, and, unless decided otherwise by six or more council members, may be made only under certain economic conditions.

As part of the annual operating budget process, the County develops a six-year fiscal plan. This plan addresses long-term structural issues in the budget and maintains the tax supported reserves at the six percent policy level, as well as emphasizing the priorities of education, public safety, affordable housing, transportation, and health and human services.

There are significant challenges, however, that lay ahead including rising retirement and medical costs, recognition of retiree health expenses, 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 FY09-14 period.

Relevant Financial Policies

The financial policies as put forth by the Executive of Montgomery County, which again were 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 citizens; and manage indebtedness and debt service very carefully. 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 during FY08 that are expected to affect future financial position, include the following:

Housing: The Montgomery Housing Initiative Special Revenue Fund provided total resources of over \$29.8 million for the acquisition, preservation, and rehabilitation of affordable housing in the County.

Public Safety: The County received a \$1.3 million Federal grant for emergency communication equipment, to enhance the County's Fire and Rescue Service's operations and safety programs.

In addition, \$15.5 million of replacement fire apparatus was acquired for use in the various fire stations throughout the County.

Public Works and Transportation: The County opened the Montrose Parkway West. This project was a key component of efforts to relieve east-west traffic congestion and to also provide congestion relief in North Bethesda and along the Rockville Pike corridor.

Culture and Recreation: Montgomery County and Live Nation reached a lease agreement that will create a dynamic new music, entertainment, and community use venue in downtown Silver Spring, which will bolster economic development and the music scene for that community and the County as a whole. This location will create a dynamic center of music and entertainment with the American Film Institute and the restored Silver Theater directly across the street.

General Government: A major new information technology system and business process reengineering project was launched in 2008 for Enterprise Resource Planning, Constituent Relationship Management, and other customer-oriented systems.

A reform plan aimed at improving the procurement process for County businesses was also established in 2008. The plan includes the elimination of bid request and bid subscription fees, making it easier for businesses to respond to contracting opportunities to provide a variety of services, such as health care assistance, operation of traffic cameras, construction projects, education and training, and residential recycling and trash removal.

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 CAFR for the fiscal year-ended June 30, 2007. Montgomery County has received the Certificate of Achievement more times

than any other county in the nation – thirty-eight times – as early as 1951 and consecutively for thirty-six years, since 1972.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. 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. The Department of Finance believes its current report continues to meet the Certificate of Achievement Program’s requirements and is submitting it to GFOA to determine its eligibility for another certificate.

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, 2008. 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 Karen Hawkins, Chief Operating Officer, David Rowland, Acting Controller during FY08, and his staff, particularly the General Accounting, Grants Accounting, and Administration Sections, for their outstanding performance in the preparation of this report. 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 and progressive 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 Departments, Finance, Financial Reports). Copies of this report are also placed in the County Library System for use by the general public.

Respectfully submitted,



Jennifer E. Barrett
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 Comprehensive Annual Financial Report:

Department of Finance

David Rowland	Kyna Carr	Susan E. Kaplan	Perla Campbell
Kim McCullough	Gloria Diaz	Stephen M. O'Malley	Josephine Gilbert
Mauricio Delgado	Michael E. Edelin, Sr	Nora A. Ravarra	Lih Jiang
Maryam Farhoodi	Amanda Hardy	Lal Sangliani	Erin Von Nessen
Jay Narang	Timothy D. Hughes	Claudia L. Stalker	Michael Lawton
Felix O. A. Ogunba	Veronica Jaua	Darane Tiev	Dolores Horne
Danielle R. Snowden	Karen J. Jackson	Joyce Wallace-Dennis	

Department of Liquor Control

Melissa Chui
Sunil Pandya

Department of Public Works and Transportation

Maggie Orsini
Michelle West

The following individuals provided data and information for inclusion in this report:

Department of Finance

Jennifer Barrett	Ray Gulhar	David Platt	Laleh Shabani
Michael Coveyou	Robert Hagedoorn	John Swaney	Marty Utermohle
Terry Fleming	Nancy Moseley	Charlotte Sweet	Glenn Wyman

Office of Management and Budget

Alex Espinosa
Beryl Feinberg
Catherine Patterson

Department of Public Works and Transportation

Anthony Skinner
Tom Kusterer
Quinton McHenry
Heidi Metzger
Richard Taylor and the Print Shop
Luz Rodriguez
Rick Siebert
Richard Hands
Scott McClure

Office of Public Information

Thomas Whorton

Component Units

Montgomery County Public Schools

Larry A. Bowers
Robert J. Doody
Susanne G. DeGraba
Susan B. Chen

Housing Opportunities Commission

Cornelia Kent
Eugenia Pascual
Varun Chawla

Montgomery County Revenue Authority

Michael Boone

Montgomery College

Thomas Sheeran
Kenneth Mullinix
Ruby Sherman

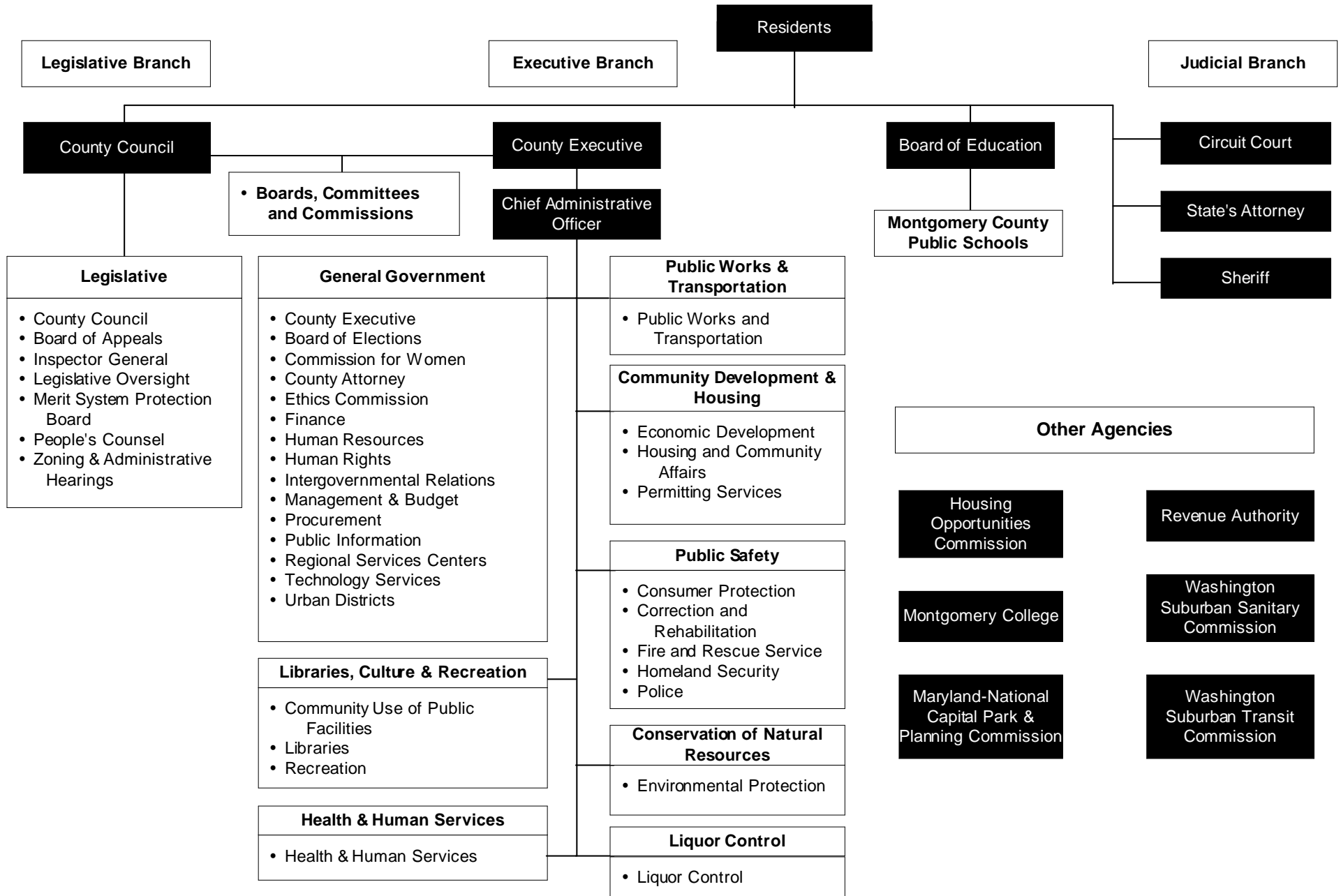
Bethesda Urban Partnership, Inc.

Jeff Oyer

Special thanks is extended to those who contributed significantly to continued implementation of enhanced CAFR production capabilities for FY08, including: Hank Hsu, Gael Le Guellic, Matt Rosenstock, Timothy D. Hughes, Karen Tang, David Rowland, Mauricio Delgado, Maryam Farhoodi, Danielle Snowden, Jay Narang, Amanda Hardy, Claudia Stalker, Darane Tiev, Karen Jackson, and all employees of General Accounting and Grants Accounting who participated in the testing and implementation process.

Appreciation is extended to all those in the County Government who take a leadership role in the year-end closing processes and the audit process, including staff in the Department of Finance (Accounts Payable, Information Technology, Payroll, and Internal Audit), Office of Management and Budget, Office of Procurement, Department of Technology Services, and Board of Investment Trustees. Appreciation is also extended to employees in all County departments and agencies who participate in the year-end processes.

Montgomery County, Maryland Functional Organization Chart



MONTGOMERY COUNTY, MARYLAND

ELECTED OFFICIALS

June 30, 2008

COUNTY EXECUTIVE

Isiah Leggett

COUNTY COUNCIL

Michael Knapp	President
Phil Andrews	Vice President
Roger Berliner	George Leventhal
Marc Elrich	Donald Praisner
Valerie Ervin	Duchy Trachtenberg
Nancy Floreen	

Other Elected Officials

Administrative Judge Circuit Court	Ann S. Harrington
Clerk of the Circuit Court	Loretta Knight
Register of Wills	Joseph M. Griffin
Sheriff	Raymond M. Kight
State's Attorney	John McCarthy

APPOINTED OFFICIALS

Chief Administrative Officer	Timothy L. Firestine
Board of Appeals	Katherine Freeman
Correction and Rehabilitation	Arthur M. Wallenstein
County Attorney	Leon Rodriguez
County Council	Stephen B. Farber
Economic Development	Pradeep Ganguly
Environmental Protection	Bob Hoyt
Finance	Jennifer E. Barrett
Fire and Rescue Service	Thomas W. Carr, Jr.
Health and Human Services	Uma Ahluwalia
Homeland Security	Gordon A. Aoyagi
Housing and Community Affairs	Richard Nelson
Human Resources	Joseph Adler
Inspector General	Thomas J. Dagley
Intergovernmental Relations	Melanie L. Wenger
Legislative Oversight	Karen Orlansky
Liquor Control	George Griffin
Management and Budget	Joseph Beach
Merit System Protection Board	Charla Lambertsen
People's Counsel	Martin Klauber
Permitting Services	Carla Reid
Police	J. Thomas Manger
Procurement	David Dise
Public Information	Patrick Lacefield
Public Libraries	Parker Hamilton
Public Works and Transportation	Arthur Holmes, Jr.
Recreation	Gabriel Albornoz
Technology Services	E. Steven Emanuel
Zoning and Administrative Hearings	Francoise Carrier

Montgomery County Officials, Concluded

COMPONENT UNIT OFFICIALS

Montgomery County Public Schools

Board of Education:

Nancy Navarro, President
Shirley Brandman, Vice President

Stephen Abrams	Patricia O'Neill
Christopher S. Barclay	Quratul-Ann Malik,
Sharon W. Cox	Student Member
Judy Docca	

Dr. Jerry D. Weast, Superintendent of Schools

Montgomery County Revenue Authority

Board of Directors:

Stephen H. Edwards, Chair
Herbert L. Tyson, Secretary-Treasurer

Phillip L. Feliciano	Jonathan Powell
Peter L. Gray	Diane Schwartz-Jones, Ex-Officio

Keith Miller, Executive Director

Bethesda Urban Partnership, Inc.

Board of Directors:

Jack D. Hayes, Chair
Thomas D. Murphy, Vice Chair
Peter M. Hogdson, Treasurer
Jon Weintraub, Secretary

Richard Blumstein	Mark A. Kramer
Christopher Bruch	Richard E. Lashley, Past Chair
Michele Horwitz Cornwell	Anne C. Martin
Kenneth B. Hartman	

W. David Dabney, Executive Director

Montgomery College

Board of Trustees:

Roberta F. Shulman, Chair
Dr. Michael C. Lin, First Vice Chair
Stephen Z. Kaufman, Second Vice Chair

Gene W. Counihan	Dr. Jong-on Hahm
Dr. Sylvia W. Crowder	Dr. Owen D. Nichols
Reginald Felton	Gabriel Spiro, Student
Georgette W. Godwin	

Dr. Brian K. Johnson, President and Secretary-Treasurer

Housing Opportunities Commission of Montgomery County

Commissioners:

Michael J. Kator, Chair
Roberto R. Pinero, Vice Chair
Norman Dreyfuss, Chair Pro Tem

Jean Banks	Pamela T. Lindstrom
Norman Cohen	Sally Roman

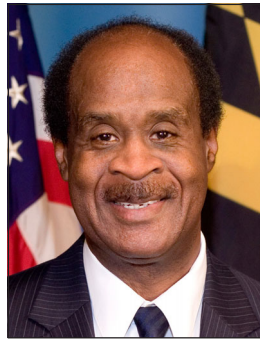
Annie B. Alston, Acting Executive Director and Secretary-Treasurer

INDEPENDENT AUDITORS

Clifton Gunderson LLP
9515 Deereco Road, Suite 500
Timonium, MD 21093

Elected Officials

Montgomery County, Maryland



Isiah Leggett
County Executive



Michael Knapp
Council President



Phil Andrews
Council Vice-President



Roger Berliner
Council Member



Marc Elrich
Council Member



Valerie Ervin
Council Member



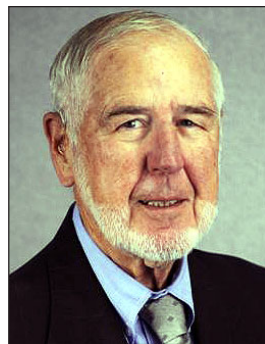
Nancy Floreen
Council Member



George Leventhal
Council Member



Duchy Trachtenberg
Council Member



Donald Praisner
Council Member



Marilyn Praisner
Council Member

"Nobody in Montgomery County government ever worked harder, knew more, or cared more than Marilyn Praisner. Marilyn brought to whatever task at hand a keen intellect, a big heart, and a passionate devotion to public service."

Statement from County Executive Isiah Leggett in memory of Council Member Marilyn Praisner