

# **MONTGOMERY COUNTY MARYLAND**

## *Comprehensive Annual Financial Report*



*Fiscal Year 2010*

**July 1, 2009 - June 30, 2010  
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, 2009

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President

Executive Director

# MONTGOMERY COUNTY MARYLAND

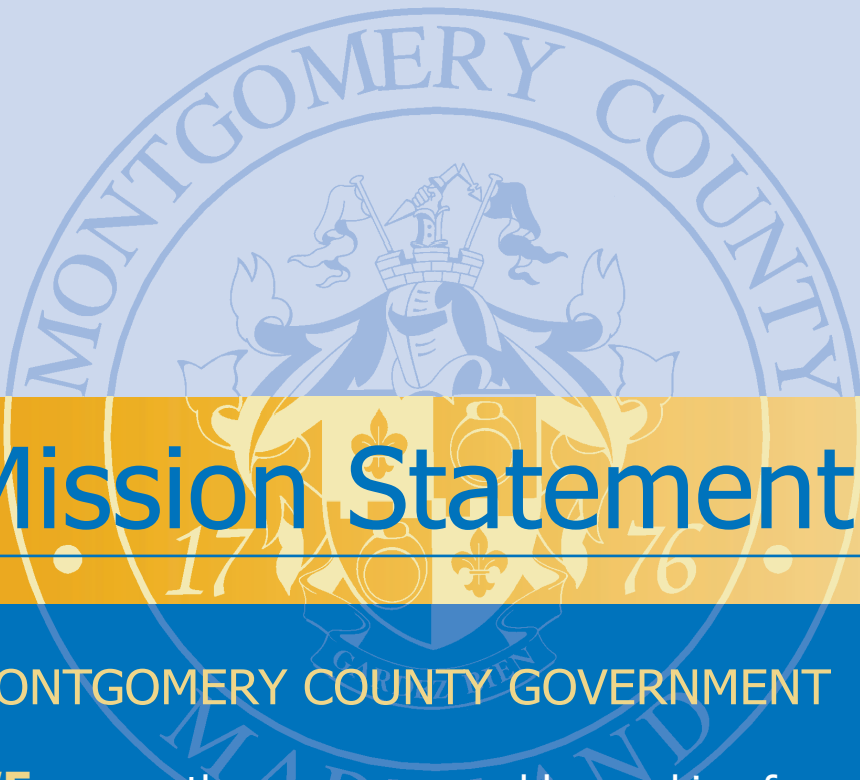
## *Comprehensive Annual Financial Report*



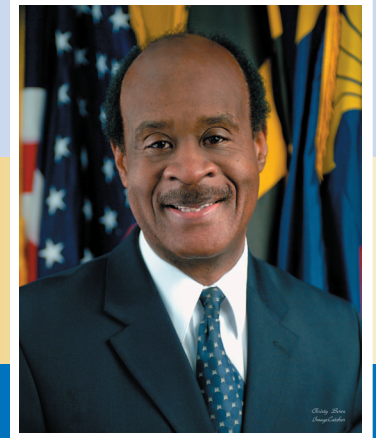
Prepared by the  
DEPARTMENT OF FINANCE

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

Fiscal Year 2010  
July 1, 2009 - June 30, 2010



# Mission Statement



*Isiah Leggett*  
**ISIAH LEGGETT**

## 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**

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DEPARTMENT OF FINANCE

Isiah Leggett  
*County Executive*

Jennifer E. Barrett  
*Director*

December 20, 2010

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, 2010.

**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, 2010. 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 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 MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

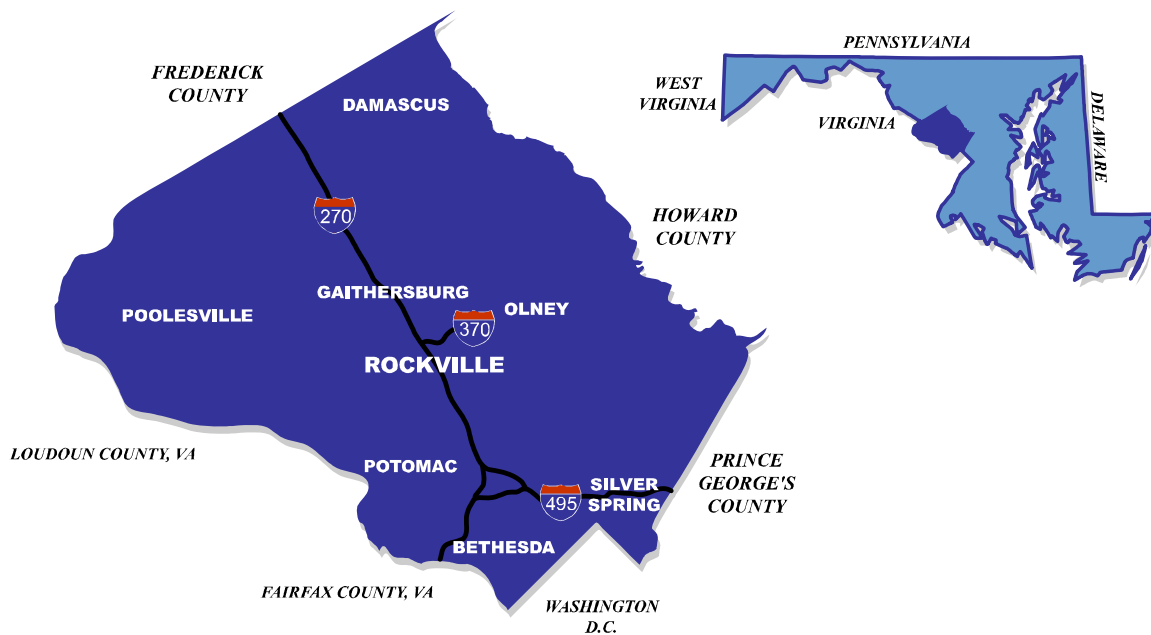
**PROFILE OF THE GOVERNMENT**

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.

Budget-to-actual comparison statements for major funds are presented in Exhibits A-7 to A-10 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**

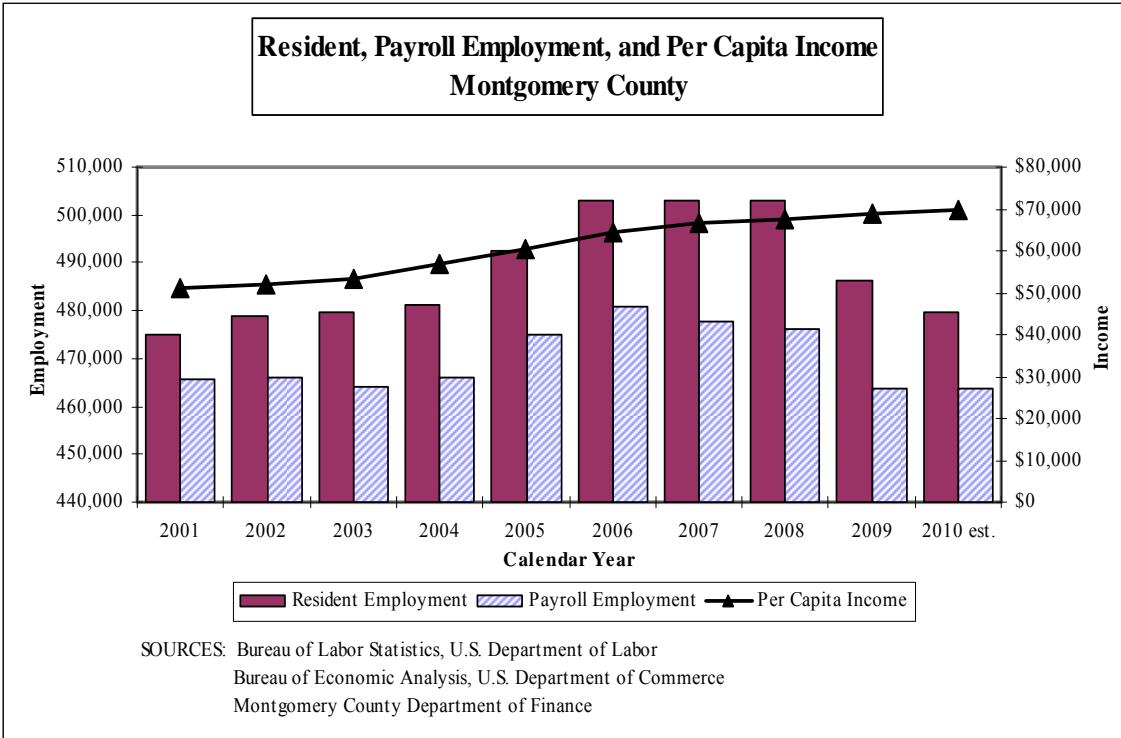
The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Montgomery County operates.

### **The Local Economy**

Montgomery County experienced weak economic performance during fiscal year 2010. The reasons for the County's weak performance were a decrease in employment ( $\downarrow 12,100$  or  $\downarrow 2.4\%$ ) as measured by the labor force series coupled with the County's elevated unemployment rate (5.6% in June), a continuation in the decline of average sales prices for existing homes ( $\downarrow 5.1\%$ ), and a slight decline in residential construction ( $\downarrow 0.7\%$ ). The bright spot was the volume of sales of existing homes ( $\uparrow 27.4\%$ ) attributed to the first-time homebuyers credit resulting in the decline in the inventory-to-sales ratio for existing homes (3.0 months supply as of June).

### **Personal Income and Employment**

Income tax revenues for the County represented 43.1 percent of total tax revenues for the General Fund in FY10. 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 \$50,920 in 2001 to an estimated \$69,000 in 2010 – an average annual rate of 3.7 percent. However, over the past ten years, the rate of growth in per capita personal income experienced two distinct cycles. From 2001 to 2006, per capita income grew at a 4.9 percent average annual rate, while it is estimated to have grown at an annual rate of 1.9 percent from 2007 to 2010.

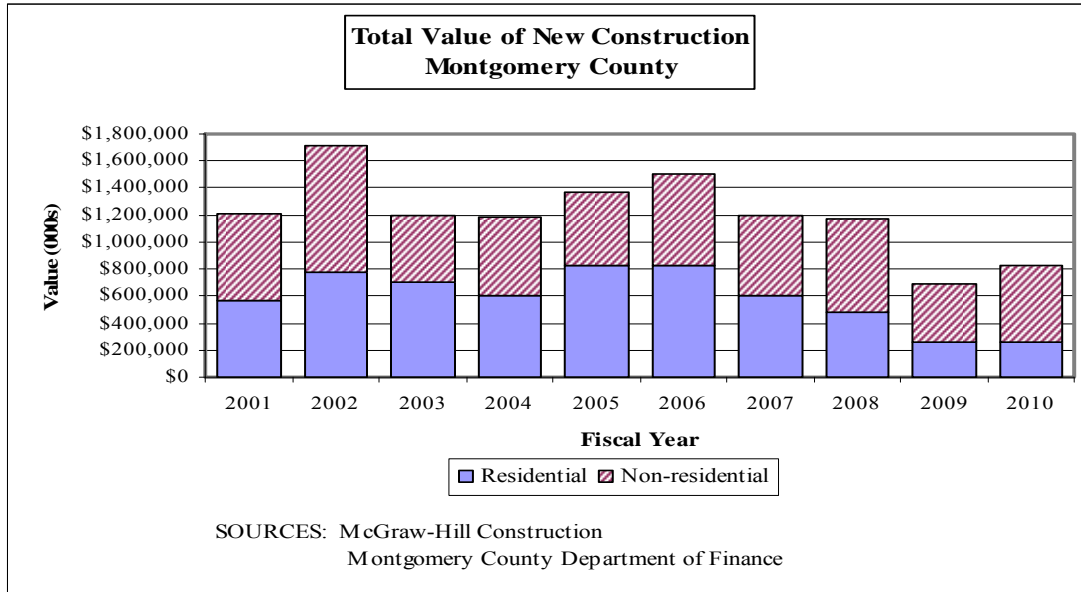


In 2001, resident employment in Montgomery County stood at 475,049. By calendar year 2010, employment is expected to reach approximately 479,830 — an average annual increase of less than 0.1 percent. However, growth in resident employment experienced two distinct cycles. Between 2001 and 2006, employment grew at an average annual rate of 1.2 percent, while resident employment is estimated to have declined at an average annual rate of 1.2 percent between 2007 and 2010. Payroll employment in the County was approximately 465,500 in 2001 and an estimated 463,000 in 2010 — an average annual rate of decline of 0.1 percent with most of that decline between 2006 and 2010 (↓ 0.9%).

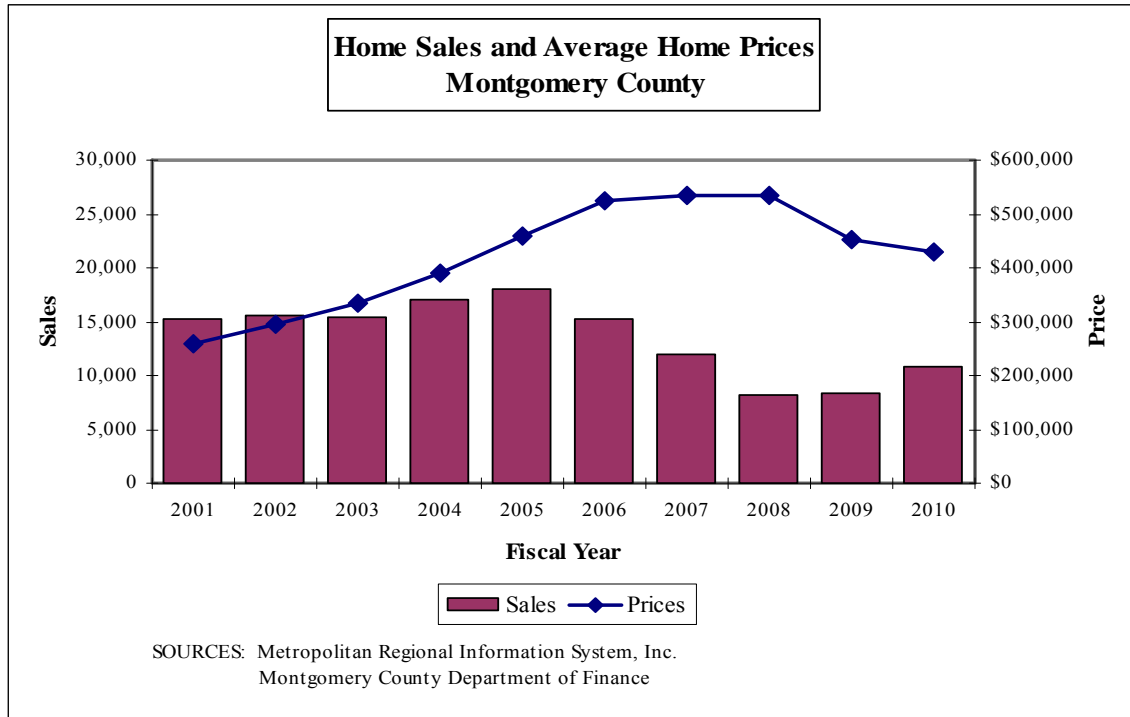
### **Construction and Real Estate**

The property tax (tax-supported) and the transfer and recordation taxes consisted of 43.3 percent and 5.1 percent share, respectively, of total tax revenues for the General Fund in FY10. 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 provide additional capacity to meet increases in employment and new households. Changes in home prices affect both the property tax and the transfer and recordation taxes. The decrease in home values during FY10 did not immediately affect the taxable assessable base for residential property because of the outstanding amount in the homestead tax credit. While average prices were down 5.1 percent in FY10, sales of homes increased a dramatic 27.4 percent largely attributed to the federal first-time homebuyers tax credit. That increase in home sales followed declines of 21.4 percent in FY07, 31.3 percent in FY08, and a modest 2.9 percent increase in FY09. The decrease in average sales prices was more than offset by the increase in sales such that transfer taxes from residential sales were up 20.9 percent with the overall receipts from the tax up 19.0 percent in FY10. Recordation taxes collected for the General Fund were up 5.9 percent over FY09 considerably lower than the growth in transfer taxes due to a drop in refinancing (↓23.5%).

During FY10, the value of total new construction in the County stood at nearly \$830.0 million, which was the second lowest value over the past ten fiscal years. The value of non-residential construction added \$574.6 million to the County’s real estate property and below the average added value of \$641.6 million between FY01 and FY08. The value of new residential construction, \$255.4 million, was down 0.7 percent from FY09 and was the lowest value over the past ten fiscal years.



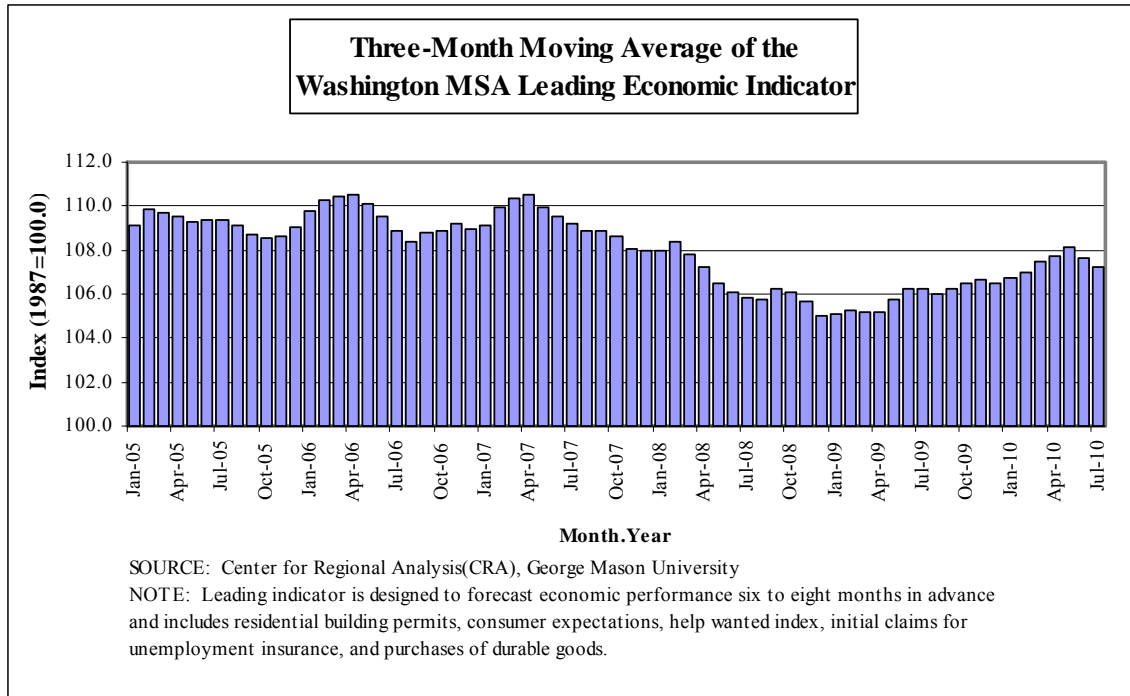
At the same time that the County experienced a slight drop in the value of residential construction during FY10, the residential real estate market experienced a decline in average sales price (↓5.1%), while sales were up 27.4 percent. The decline in the average sales price of a home in Montgomery County was modest in FY10 compared to the dramatic decrease of 15.8 percent in FY09. Those consecutive declines followed modest annual increases of 2.0 percent and 0.4 percent in FY07 and FY08, respectively.



### Future Economic Outlook

Following a year in which the County’s economy experienced a decline in employment, modest increases in personal income, and weak construction, the outlook for FY11 is expected to see a very modest recovery in the County’s economy. With resident employment experiencing year-over-year declines during the first two months of FY11 and a dramatic decline in home sales during the same period, the outlook for the near term will present challenges to the County’s economy. If the real estate market undertakes a modest rebound during the latter half of FY11, either through sales or price increases, the revenues from transfer and recordation taxes will experience a slight improvement compared to FY10. Because of the possibility of the slight improvement in the real estate and equity markets in FY11, income taxes from taxpayers who file for an extension may experience a greater increase in FY11 than currently estimated. The revenues from those taxpayers may help to partially offset weaker growth in collections from withholdings attributed to sluggish labor market conditions. A continuation of the sluggish labor market experienced in FY10-i.e., job creation by County businesses and resident employment)- could result in weak home sales.

According to the Center for Regional Analysis (CRA), George Mason University, the Washington Area Leading Index, which forecasts the performance of the region’s economy six to eight months in advance, “has been higher than its last year’s monthly values in thirteen of the last fifteen months through July 2010 and continues to point to the regional economy’s recovery.” However, the strength and sustainability of the recovery will depend on consumer confidence in the economy as reflected by labor market conditions and the housing market. While the labor market lags the economic recovery, CRA suggests that the job growth in the private sector could strengthen during FY11 helping to offset losses in the state and local government sectors. Even with those increases, CRA contends that it may take several more years before employment and the local unemployment rate approach the pre-recession levels.



## Collective Bargaining

The current three year agreement with the Fire and Rescue Bargaining Unit, the International Association of Fire Fighters Local 1664 (IAFF), expires June 30, 2011. This agreement was amended in FY09. Significant economic terms of the agreement as amended 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 scheduled for July 2009 postponed per amendment, but salary-based benefits not to be diminished by the postponement; 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.
- Employees can accept a forfeiture of annual leave in lieu of other disciplinary actions; the dollar amount of the forfeited leave is donated to a designated charity.

However, due to the County's budget situation no pay increases or increments were given in FY10. The County is currently negotiating a new agreement with IAFF that is to be effective July 1, 2011.

Effective July 1, 2010, the County and the Fraternal Order of Police Lodge 35 (FOP) agreed to terminate the existing agreement which was due to expire on June 30, 2011 and replace it with a new two year agreement that expires on June 30, 2012. The fiscal terms contained in the old agreement were incorporated into the new agreement by reference, except for two amendments with no fiscal impact. Significant economic terms of the agreement as amended 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 scheduled in July 2009, postponed per amendment; salary-based benefits not to be diminished due to the postponement
- A service increment of 3.5 percent for eligible employees;
- 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;
- Officers who live outside the County, but within the general commuting area can take assigned vehicles to/from place of domicile; and
- Officers can accept a forfeiture of annual leave in lieu of suspension and the dollar amount of the forfeited leave can be donated to a designated charity.

However, due to the County's budget situation no pay increases or increments were given in FY10. The new successor agreement contains a provision for re-negotiating the economic terms of the agreement to be effective for the second year of the agreement, known as an "economic re-opener." Any new economic terms agreed to as part of the "economic re-opener" will be effective July 1, 2011.

The current agreement with the Municipal and County Government Employees Organization (MCGEO)/ United Food and Commercial Workers Local 1994, expires June 30, 2011. MCGEO represents two separate bargaining units of the County (OPT and SLT). The current agreement amends a previous agreement that was set to expire on June 30, 2010 by suspending most of the economic terms of that agreement. Significant economic terms of the old agreement included:

- 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 scheduled for July 2009 postponed per amendment;
- 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.

However, due to the County's budget situation the parties agreed to suspend pay and increment increases provided for in the old agreement for FY10 and FY11. The County is currently negotiating a new agreement with MCGEO that is to be effective July 1, 2011.

### **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 FY11-16 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 FY10 that are expected to affect future financial position, include the following:

Housing: The Montgomery Housing Initiative Special Revenue Fund provided resources of over \$21.9 million for the acquisition, preservation, and rehabilitation of affordable housing units in the County.

Public Safety: The County invested over \$1.5 million in FY10 as part of a program to enhance pedestrian safety by making improvements in areas with high incidence of collisions and by expanding sidewalk construction.

Transportation: The County spent \$8.3 million in improving its traffic signal system. It purchased \$28.3 million in new public transit buses, including natural gas fueled buses.

Environment: Montgomery County was chosen as one of four communities nationwide to receive technical assistance on growth and development-related issues as a participant in the U.S.E.P.A. Smart Growth Implementation Plan. The County spent \$76.5 million on its own Smart Growth initiative in FY10.

In FY10, County departments achieved a 20% reduction in direct paper purchases and a 40% reduction in print and mail expenditures, for a savings of \$20.9 million.

In April 2010, the first 20 of 100 "green" refuse and recycling trucks were entered into service. The trucks are powered by compressed natural gas and are expected to reduce greenhouse gas emissions and smog-causing nitrogen oxides emissions, as well as running quieter to reduce noise pollution.

Culture and Recreation: In FY10, the County finalized an agreement permitting the construction of a new music hall. Upon completion of the new music hall, a developer will donate the land, worth \$3.5 million, to the County.



In April 2010, a groundbreaking ceremony was held for a new White Oak Community Recreation Center. The 50,000 square foot center, scheduled to open in 2012, will include a gymnasium; social hall; lounge; kitchen; vending space; exercise, game, pottery/kiln, arts/crafts, and conference rooms. Outside facilities include two playgrounds, two multi-purpose courts, skate park and one multi-purpose field.

Education: The funding per pupil for K-12 education in Montgomery County was expanded to \$15,662, the highest level ever.

Expansion was completed on the Montgomery College's Takoma Park/Silver Spring campus, with the opening of the Performing Arts Center and a new parking garage.

General Government: In FY10, the County spent \$9.3 million on a 311/Constituent Relationship Management system that created a single point of contact for residents with non-emergency requests for government services, information, or complaints. The County spent \$14 million on a new enterprise resource planning system expected to improve overall financial management for the County.

## **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, 2009. Montgomery County has received the Certificate of Achievement more times than any other county in the nation – forty times – as early as 1951 and consecutively for thirty-eight 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, 2010. 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, Lenny Moore, Controller, 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,

A handwritten signature in cursive script that reads "Jennifer E. Barrett".

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

Lenny Moore	Kyna Carr	Cindy Lee	Michael Summey
Gerri Davis	Chander Chadha	Stephen M. O'Malley	Lih Jiang
Mauricio Delgado	Gloria Diaz	Lal Sangliani	Erin Von Nessen
Danielle Henderson	Michael E. Edelin, Sr.	Claudia L. Stalker	Dolores Horne
Susan E. Kaplan	Karen J. Jackson	Darane Tiev	Yvette Brogden
Jay Narang	Veronica Jaua	Joyce Wallace-Dennis	Kini Wright
Felix O. A. Ogunba	John Ji	Perla Campbell	Demeke Seyoum

### Department of General Services

Maggie Orsini  
 Quinton McHenry  
 Rick Taylor and the Print Shop

### Department of Liquor Control

Melissa Chui  
 Sunil Pandya

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

### Department of Finance

Michael Coveyou	Robert Hagedoorn	David Platt	Laleh Shabani
Terry Fleming	Nancy Moseley	John Swaney	Glenn Wyman

### Department of Environmental Protection

Anthony Skinner  
 Tom Kusterer

Richard Hands  
 Scott McClure

### Office of Management and Budget

Alex Espinosa  
 Beryl Feinberg

Chris Mullin  
 Catherine Patterson

### Office of Public Information

Thomas Whorton

### Department of Transportation

Heidi Metzger  
 Luz Rodriguez

Rick Siebert

### Component Units

#### Montgomery County Public Schools

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

#### Housing Opportunities Commission

Cornelia Kent	Eugenia Pascual
Varun Chawla	Linda Pyles

#### Montgomery County Revenue Authority

Michael Boone

#### Montgomery College

Thomas Sheeran	Ruby Sherman
Robert Preston	

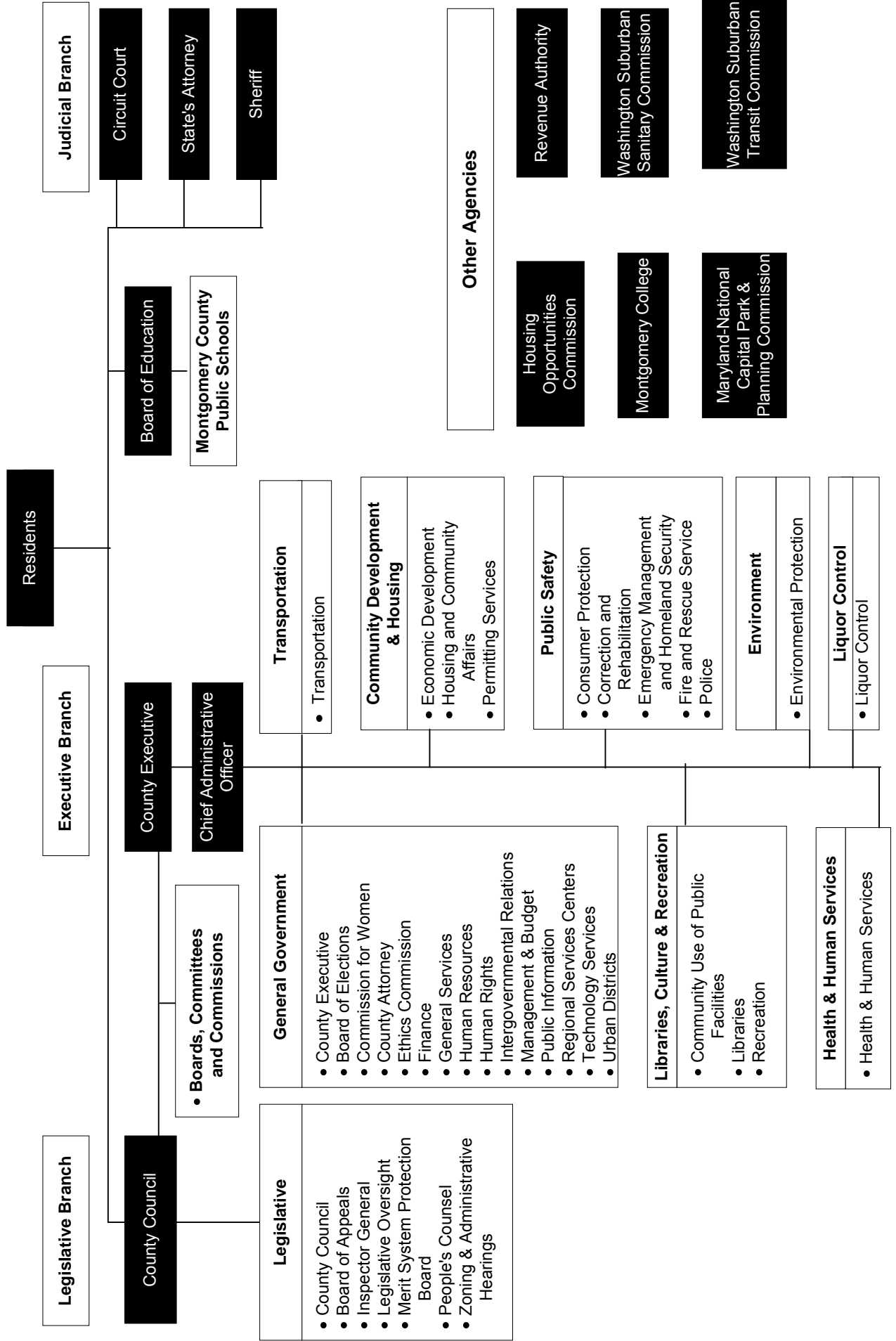
#### Bethesda Urban Partnership, Inc.

Jeff Oyer

Special thanks is extended to those who contributed significantly to continued implementation of enhanced CAFR production capabilities for FY10, including: Hank Hsu, Gael Le Guellec, Lenny Moore, Mauricio Delgado, Danielle Henderson, Gloria Diaz, Jay Narang, Claudia Stalker, Susan Kaplan, John Ji, Felix Ogunba 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, and Payroll), 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, 2010**

**COUNTY EXECUTIVE**

**Isiah Leggett**

**COUNTY COUNCIL**

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

**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	Marc Hansen (Acting)
County Council	Stephen B. Farber
Economic Development	Steven A. Silverman
Emergency Management and Homeland Security	Christopher Voss
Environmental Protection	Bob Hoyt
Finance	Jennifer E. Barrett
Fire and Rescue Service	Richard Bowers
General Services	David Dise
Health and Human Services	Uma Ahluwalia
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 F. Beach
Merit System Protection Board	Kathleen Taylor
People's Counsel	Martin Klauber
Permitting Services	Carla Reid
Police	J. Thomas Manger
Public Information	Patrick Lacefield
Public Libraries	Parker Hamilton
Recreation	Gabriel Albornoz
Technology Services	E. Steven Emanuel
Transportation	Arthur Holmes, Jr.
Zoning and Administrative Hearings	Francoise Carrier

**Montgomery County Officials, Concluded**

**COMPONENT UNIT OFFICIALS**

**Montgomery County Public Schools**

**Board of Education:**

Patricia O'Neill, President  
Christopher S. Barclay, Vice President

Laura V. Berthiaume	Phillip S. Kauffman
Shirley Brandman	Alan Xie, Student Member
Judy R. Docca	
Michael A. Durso	

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
David Freishtat	Diane Schwartz-Jones, Ex-Officio

Keith Miller, Executive Director

**Bethesda Urban Partnership, Inc.**

**Board of Directors:**

Thomas D. Murphy, Chair  
Jon Weintraub, Vice Chair  
Peter M. Hogdson, Treasurer  
Christopher Bruch, Secretary

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

W. David Dabney, Executive Director

**Montgomery College**

**Board of Trustees:**

Dr. Michael C. Lin, Chair  
Stephen Z. Kaufman, First Vice Chair  
Georgette W. Godwin, Second Vice Chair

Gloria A. Blackwell	Roberta F. Shulman
Reginald M. Felton	Marsha S. Smith
Dr. Kenneth Hoffman	Kenneth M. Massada, Student
Dr. Leslie S. Levine	

Dr. Hercules Pinkney, 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, 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



Nancy Floreen  
Council President



Valerie Ervin  
Council Vice-President



Phil Andrews  
Council Member



Roger Berliner  
Council Member



Marc Elrich  
Council Member



Michael Knapp  
Council Member



George Leventhal  
Council Member



Nancy Navarro  
Council Member



Duchy Trachtenberg  
Council Member



