

# FY23

POPULAR ANNUAL  
**FINANCIAL  
REPORT**

FISCAL YEAR ENDED JUNE 30, 2023



**MONTGOMERY COUNTY**  
MARYLAND

# A MESSAGE FROM OFFICIALS



December 30, 2023

Dear Residents of Montgomery County:

We are pleased to present our Popular Annual Financial Report (PAFR) of Montgomery County, Maryland (the County) as of and for the fiscal year (FY) ended June 30, 2023. The County received the Government Finance Officers Association (GFOA) Award for Outstanding Achievement in Popular Annual Financial Reporting for the County's PAFR for the fiscal year ended June 30, 2022. An award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year. We believe this PAFR continues to meet the PAFR Program's requirements.

The PAFR is a companion document to the County's award-winning Annual Comprehensive Financial Report (ACFR), and is designed to present information about the County's finances and financial results in a more user-friendly format. It is a summarized and condensed version of the County's FY 2023 ACFR, and represents the County's continuing commitment to excellence and financial transparency to its residents. This report also includes some information that is supplemental to the ACFR.

The ACFR is a detailed and complete financial report, prepared annually by the County's Department of Finance, in conformity with Generally Accepted Accounting Principles in the United States of America (GAAP). The public accounting firm of SB & Company, LLC has performed an independent audit of, and issued an unmodified (clean) opinion on the County's financial statements as of and for the fiscal year ended June 30, 2023. This PAFR and the full ACFR are both available on our website

<https://www.montgomerycountymd.gov/Finance/financial.html>.

Sincerely,



*Richard Madaleno*  
Richard Madaleno  
Chief Administrative Officer



*Michael J. Coveyou*  
Michael J. Coveyou  
Director of Finance

## Table of Contents

A Message from Officials.....	1
Introduction.....	2
Elected Officials and Organization.....	3
Initiatives and Accomplishments.....	4
Other Significant Matters.....	5
Taxes.....	6
County Financial Results.....	7-9
Long-Term Financial Planning.....	10
Long-Term Capital Planning.....	11
Long-Term Debt.....	12
Operating Budget Highlights.....	13
Acknowledgements and Open Data.....	14



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

**Montgomery County  
Maryland**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2022

# INTRODUCTION

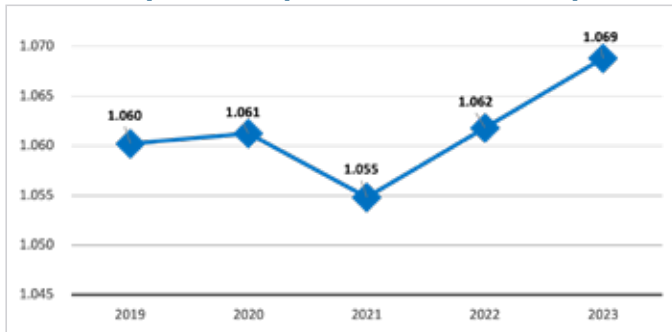
## Montgomery County At-A-Glance

Montgomery County, named after the early American general, Richard Montgomery, was established in 1776 by the State Convention. Currently, Montgomery County has the highest population and is one of the most affluent jurisdictions in Maryland.



## County's Selected Demographics

### Population (Millions of Persons)



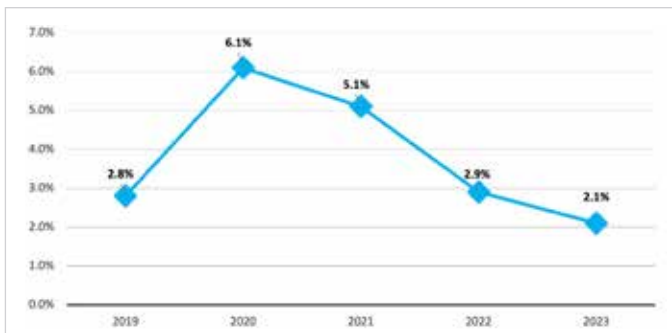
Source: FY 2023 ACFR Statistical Table 23

### Median Household Income (in USD)



Source: U.S. Census Bureau

### Unemployment Rates



Source: FY 2023 ACFR Statistical Table 23

## Top 10 Employers in Montgomery County

- 1.) U.S. Department of Health and Human Services
- 2.) Montgomery County Public Schools
- 3.) Montgomery County Government
- 4.) U.S. Department of Commerce
- 5.) U.S. Department of Defense
- 6.) Adventist Healthcare
- 7.) AstraZeneca Pharmaceuticals LP
- 8.) Holy Cross Hospital of Silver Spring
- 9.) Montgomery College
- 10.) Giant of Maryland, LLC

Source: FY 2023 ACFR Statistical Table 22

## Montgomery County Quick Facts

Governing Authority:	<b>Montgomery County Charter</b>
Form of Government:	<b>County Council/Executive</b>
Population Rank in Maryland:	<b>1st</b>
Land Area Rank in Maryland:	<b>5th</b>
Median Age:	<b>40.3 years old</b>
Homeownership Rate:	<b>65.8%</b>
Total Households:	<b>391,297</b>
Employment Rate:	<b>66.2%</b>
Bachelor's Degree or Higher:	<b>60.9%</b>
Diversity	<b>43.2%</b> persons with language other than English spoken at home

Source: U.S. Census Bureau, based on 2020-2022 data

# ELECTED OFFICIALS



**Marc Elrich**  
County Executive



**Evan Glass**  
Council President



**Andrew Friedson**  
Council Vice President



**Gabe Albornoz**  
Councilmember



**Marilyn Balcombe**  
Councilmember



**Natali Fani-González**  
Council Member



**Will Jawando**  
Councilmember



**Sidney Katz**  
Councilmember



**Dawn Luedtke**  
Councilmember



**Kristin Mink**  
Councilmember



**Laurie-Anne Sayles**  
Councilmember



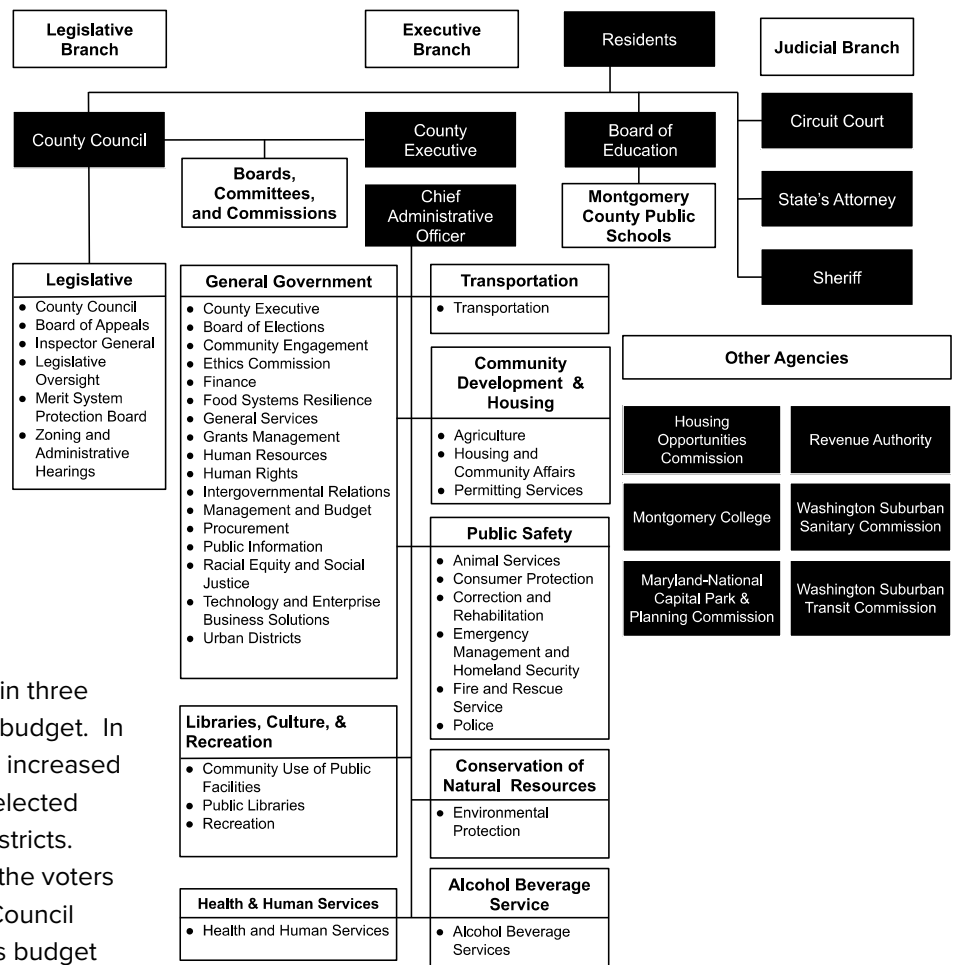
**Kate Stewart**  
Councilmember

# ORGANIZATION

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.

The Executive Branch implements and enforces the County's laws and provides executive direction to the government. Its chief executive officer is the County Executive. There are over 30 executive branch departments and offices that help to deliver services to County residents.

The Charter defines the Council's powers in three major areas: legislation, land use, and the budget. In FY 2023, the number of Council members increased from nine to eleven. Seven members are elected by the voters of their respective council districts. Four members are elected at-large by all the voters of the County. There are currently seven Council standing committees. Each Committee has budget review and program oversight responsibilities. Some cross-cutting issues may be reviewed by two or more committees meeting jointly.



# INITIATIVES AND ACCOMPLISHMENTS

The following represent accomplishments and initiatives, which include both activities that began during FY2023 and those planned for future fiscal years:



## Thriving Youth and Families

- Continue to fund award winning Black History, African Heritage, and Public Meeting cable television programming highlighting the rich cultural heritage and diversity of Montgomery County.
- Build community partnerships and leverage open-source tools to target distribution of 50,000 free laptop computers to low-income residents.
- Continue to provide free Recreation fitness passes for Montgomery County residents to enjoy game rooms, fully equipped fitness rooms, and gym activities.



## A Growing Economy

- Provided through the Business Center, more than \$5.1 million in direct business grants and loans. Several of these business grants, like the Small Business Rental Assistance Program, provided critical funding for businesses still negatively impacted by the pandemic.



## A Greener County

- Provide \$19.3 million for the Montgomery County Green Bank to promote investment in energy efficiency, renewable energy, and other projects that will lower the County's carbon footprint and make the County more resilient to the effects of climate change.
- Plant 1,200 street trees along roads and sidewalks that are adjacent to private residences and other locations to increase canopy coverage.



## Easier Commutes

- Maintain a reduction in every Call-n-Ride participant's monthly co-payment by \$5.25 through financial support from the Transportation Services Improvement Fund. This co-pay subsidy has been supported in the past four years by a grant from the Metropolitan Washington Council of Governments which is expiring in February 2024. New funding for this benefit will continue to provide affordable transportation for the lowest income residents.



## An Affordable and Welcoming County for a Lifetime

- Allocate \$97.2 million for affordable housing, including \$65.2 million in the Montgomery Housing Initiative (MHI) Fund and \$32 million in the Affordable Housing Acquisition and Preservation Capital Improvements Program (CIP) project. This dedicated funding provides for the renovation of distressed housing, the acquisition and preservation of affordable housing units, creation of housing units for special needs residents, homeowner down payment assistance, services to the Building Neighborhoods to Call Home, Design for Life, and Housing First programs, and the creation of mixed-income housing.



## Safe Neighborhoods

- Increase funding for security grants to \$1 million to non-profit and faith-based organizations to augment costs for security personnel or other security planning measures for non-profit organizations located in Montgomery County.
- Implement recommendations from the Infrastructure Safety Analysis for ten locations where the highest number of school bus monitoring program citations were issued.



## Effective, Sustainable Government

- All Executive Branch departments will develop and implement language access plans, centered around providing high-quality services to the County's multicultural and multilingual communities.
- Examine and envision how an investment in Artificial Intelligence (AI) can bring efficiency in decision making and problem solving, enhanced security, and foster effective decision making across the enterprise, by funding AI solutions that boost customer service, resident expectations, and their experiences with government services.

- In collaboration with partner agencies, launch government planning processes to establish long-term priorities and strategies for building food system resilience, including increased local food production and enhanced food-based economic opportunity.

# OTHER SIGNIFICANT MATTERS

In response to the COVID-19 emergency, the County received federal aid in the form of Coronavirus Relief Funds (CRF) from the Coronavirus Aid, Relief and Economic Security Act (CARES Act). In May 2020, the County received approximately \$183.3 million in CRF funding. In addition to providing ongoing economic support to businesses, funds were used to support medical, public health, rental assistance, and other emergency response costs. The County has spent all of the \$183.3 million on CRF eligible expenditures as of December 31, 2021. This included \$27.7 million, \$141.6 million, and \$14.0 million in FY20, FY21, and FY22, respectively.

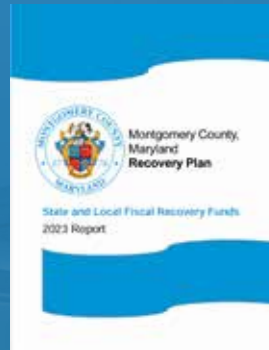
In March 2021, the American Rescue Plan Act of 2021 (ARPA) was passed by the United States Congress and signed into law. Under ARPA, the County received a total of \$204.1 million in aid from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF). The County received \$102.0 million of the total \$204.1 million in June 2021 and the remaining balance in June 2022. Of the \$204.1 million received, the County recognized \$92.0 million in pandemic-related revenue losses in FY21 in the General Fund. The County continued to allocate SLFRF funding and spent \$40.9 million and \$49.7 million on eligible expenditures in FY22 and FY23, respectively. Some of these included but were not limited to:

- \$50.7 million for an expansion to the Working Families Income Supplement Program
- \$13.6 million for health programs targeting racial and ethnic minority populations
- \$6.1 million to establish Health and Human Services Hubs to Promote Equity



The unspent balance of \$21.5 million is reported as unearned revenue in the grants special revenue fund at June 30, 2023. The \$204.1 million SLFRF funding has been fully allocated as of the end of FY23 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\\_2023.pdf](https://montgomerycountymd.gov/covid19/Resources/Files/slfrf/SLFRF-Recovery-Plan-Performance-Report-mc_7_2023.pdf)

The County also applied for and was awarded \$115.3 million of 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

hardship 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. Eligible expenditures of \$3.8 million, \$32.1 million, and \$23.8 million were applied to these funds FY21, FY22, and FY23, respectively. The remaining balance of \$6.3 million is reported as unearned revenue in the grants special revenue fund at June 30, 2023.

In addition to the CRF, ARPA, and ERAP programs, the County has also received \$51.9 million in Federal Emergency Management Agency (FEMA) COVID-19 Pandemic Disaster Response funds, which included \$31.8 million in FY21, \$4.2 million in FY22, and \$15.9 million in FY23. Approximately \$1.0 million was recorded as intergovernmental revenue in the motor pool internal service fund. The rest was recorded as intergovernmental revenue in the General Fund. An additional \$16.9 million was received in FY24. The County has additional potential reimbursement submissions at various stages of the FEMA pre-approval process.

In March 2022, the County reached settlements with three pharmaceutical distributors and one pharmaceutical manufacturer in connection with the national opioid litigation. Under these settlements, U.S. states and subdivisions will receive approximately \$26 billion. Maryland is expected to receive approximately \$400 million over 18 years. The County's share of those funds is anticipated to be approximately \$34.1 million, spread out over the same 18-year period. Amounts received will be deposited into the County's Opioid Abatement Fund, a special revenue fund created to account for these resources and must be used to fund opioid remediation and abatement efforts. In April 2023, additional settlements were reached with Teva, Allergan, Walmart, and Walgreens. Montgomery County is expected to receive approximately \$18.9 million over the course of 18 years from this second group of settlements. The County began receiving disbursements in FY23, which totaled \$5.1 million through the end of FY23.

# TAXES

Taxes constitute the largest source of County revenues. Property and local income taxes accounted for 90.7% of all County tax revenues. In FY 2023, property tax revenue accounted for \$1,960.5 million or 32.9% of total revenues of the County, along with income tax accounting for \$2,234.6 million or 37.5% of total revenues. The major tax supported functions are Education, General Government, Public Safety and Health & Human Services.

Applicable rates for key tax sources are as follow:

- The weighted average real property tax rate was \$0.9785 per \$100 of assessed value in FY 2023. The County's property tax rate is among the lowest of the jurisdictions in the surrounding area.
- The local income tax rate was 3.2% of the State taxable income for FY 2023, consistent with the FY 2022 rate.

The taxable assessments for real property increased 3.5% from FY 2022 to FY 2023. This was the tenth consecutive increase since FY 2014.

The County's property values are higher than the previous peak value in 2010. The median price for single family homes in the County was \$630,000 in June 2023. This is a 5.0% year-over-year increase.

Changes in home prices may affect both the property tax assessments and the transfer and recordation taxes (taxes associated with transferring and recording real property interests). The average price for existing home sales was up 4.8% in FY 2023. In contrast, collections from residential transfer taxes decreased 37.0% from FY 2022. Overall, the total transfer taxes for both residential and non-residential were down 38.7% in FY 2023. Total recordation tax collections decreased 37.9% in FY 2023.

The homestead tax credit limits annual increases in homeowners' taxable assessments to 10% per year; other taxable assessments such as those on commercial and investment residential properties are not limited by this credit. The homestead credit is the amount of annual assessment growth above the 10% limit, and the forgone revenue from the homestead tax credit was \$0.7 million in FY 2023.

## Montgomery County Major Tax Rates

<b>Average Weighted Real Property Tax</b> <i>(per \$100 assessed value)</i>	<b>\$0.9785</b>
<b>Individual Local Income Tax</b>	<b>3.2%</b>
<b>Recordation Tax</b> <i>(per \$500 of consideration)</i>	<b>\$5.75-\$6.90</b>
<b>Transfer Tax</b>	<b>.25% - 6%</b>
<b>Hotel-Motel Tax</b>	<b>7%</b>
<b>Admissions &amp; Amusements Tax</b>	<b>7%</b>

Note: There is no local sales tax in the State of Maryland

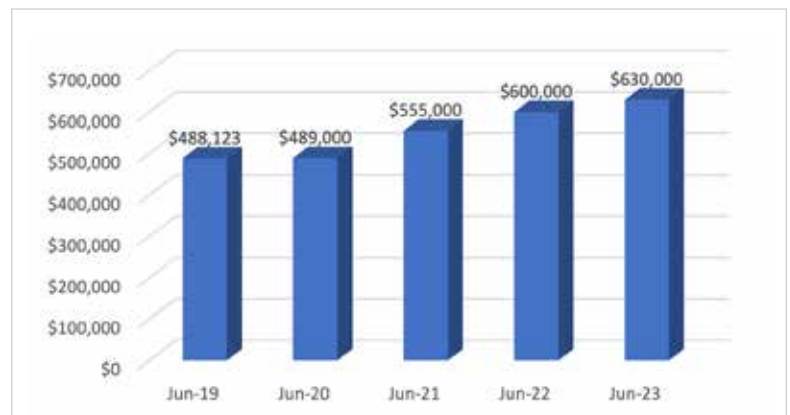
Source: Montgomery County Department of Finance

## Real Property Assessed Value Trend (Amount in Millions)



Source: Montgomery County FY 2023 ACFR Statistical Table 8

## Median Price for Single Family Homes



Source: Montgomery County Department of Finance

# COUNTY FINANCIAL RESULTS

In the County's ACFR, the financial statements present the primary government and its five component units:



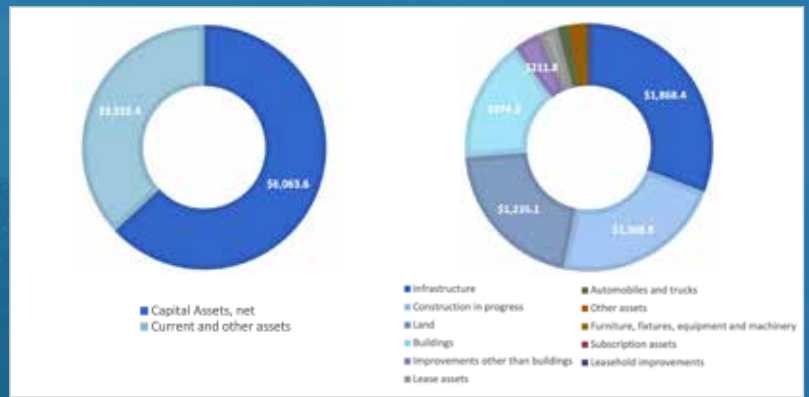
In contrast, this PAFR mainly focuses on the Primary Government and excludes discrete component unit and fiduciary fund information. It contains condensed financial information and does not provide all the necessary financial statements and note disclosures required by GAAP.

The County's current and other assets decreased by \$405.9 million or 10.2% from FY 2022, which is mainly driven by pension related actuarial calculations. Capital assets are growing to support infrastructure needs in the community, as total capital assets increased by \$45.4 million from FY 2022. Investments in land, infrastructure, and buildings were the primary drivers of the increase. Approximately \$15.2 million of the increase can also be attributed to changes in accounting standards over subscription-based information technology arrangements (SBITAs). Additional information regarding SBITA accounting can be found in the County's FY2023 ACFR.

This PAFR also exclusively extracts the financial information from government-wide financial statements, which present a long-term perspective about the County's assets, liabilities, deferred outflows/inflows of resources and net position. Government-wide financial statements are reported using the accrual basis of accounting. Net position is the financial position of the County after subtracting liabilities and deferred inflows of resources (what the County owes) from assets and deferred outflows of resources (what the County owns).

**Total Assets**  
\$9,619.0 Million  
(Amount in Millions)

**Total Capital Assets**  
\$6,063.6 Million  
(Amount in Millions)

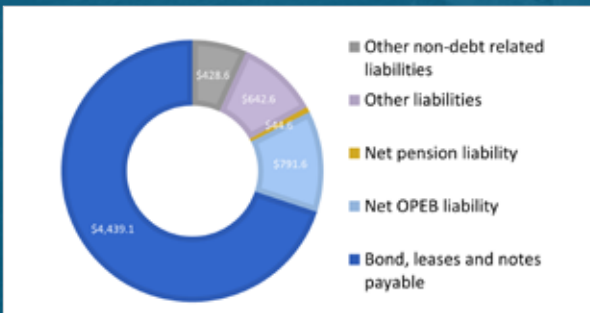


**Change in Capital Assets**  
For the Fiscal Years Ended June 30, 2023, 2022 and 2021  
(Amount in Millions)

	2023	2022	2021
<b>Beginning Balance</b>	\$6,037.1	\$5,970.3	\$5,871.4*
Additions	216.4	204.9	498.6
Retirements	26.5	0.2	197.9
Depreciation and amortization	163.4	156.8	201.8
<b>Ending Balance</b>	<b>\$6,063.6</b>	<b>\$6,018.2</b>	<b>\$5,970.3</b>

\* The County implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning balances include the subscription assets for those qualifying agreements that were in place at that date.

**Total Liabilities \$6,346.5 Million**  
(Amount in Millions)



**Summary of Net Position As of June 30, 2023, 2022 and 2021**  
(Amount in Millions)

Total Primary Government			
	2023	2022	2021
Total Assets	\$9,619.0	\$9,979.5	\$8,716.7
Deferred Outflows of Resources	437.0	364.8	382.9
Total Liabilities	(6,346.5)	(6,546.7)	(6,795.9)
Deferred Inflows of Resources:	(834.1)	(1,565.2)	(935.5)
<b>Total Net Position</b>	<b>\$2,875.3</b>	<b>\$2,232.4</b>	<b>\$1,368.2</b>



# COUNTY FINANCIAL RESULTS

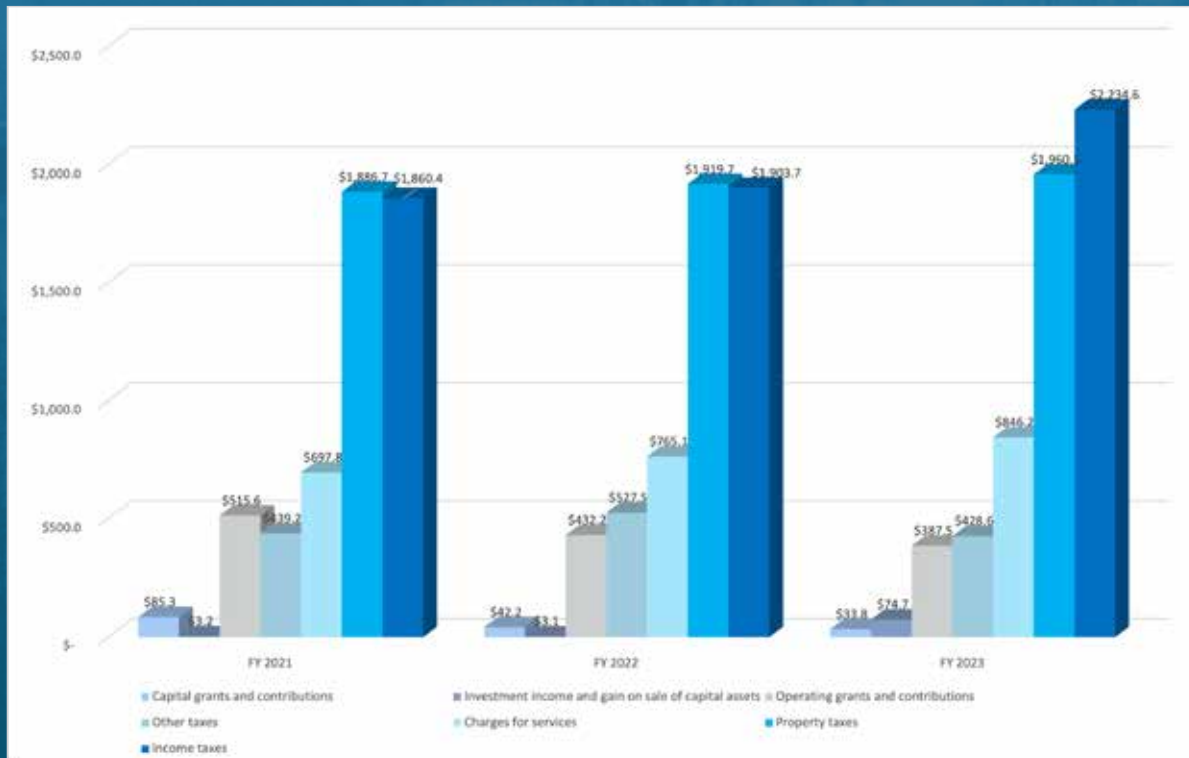
The County provides a variety of services exclusively to its residents and businesses. Like all governments, the County raises funds to pay for those services. These sources of funds, referred to as revenue, are raised mainly through taxes, charges for services and grants. Once the County collects taxes and other revenues, the funds must be spent efficiently to provide services. The condensed version of the summary of Changes in Net Position provides a snapshot of the flow of money in and out of the Primary Government. Change in Net Position is a strong measure of the County's overall financial health. The County's FY 2023 total government-wide net position increased by \$642.9 million from FY 2022. This increase means that the County's revenues were more than sufficient to cover all expenses, and the County's net worth increased.

**Summary of Changes in Net Position  
For the Fiscal Years Ended June 30, 2023, 2022 and 2021  
(Amount in Millions)**

Total Primary Government			
	2023	2022	2021
Total Revenues	\$5,965.9	\$5,593.5	\$5,488.2
Total Expenses	\$5,323.0	\$4,729.3	\$4,834.4
Change in Net Position	\$642.9	\$864.2	\$653.8
Net Position, Beginning of Year	\$2,232.4	\$1,368.2	\$714.4
Net Position, End of Year	\$2,875.3	\$2,232.4	\$1,368.2

The chart to the right breaks down the sources of revenues coming into the County from FY 2021 to FY 2023.

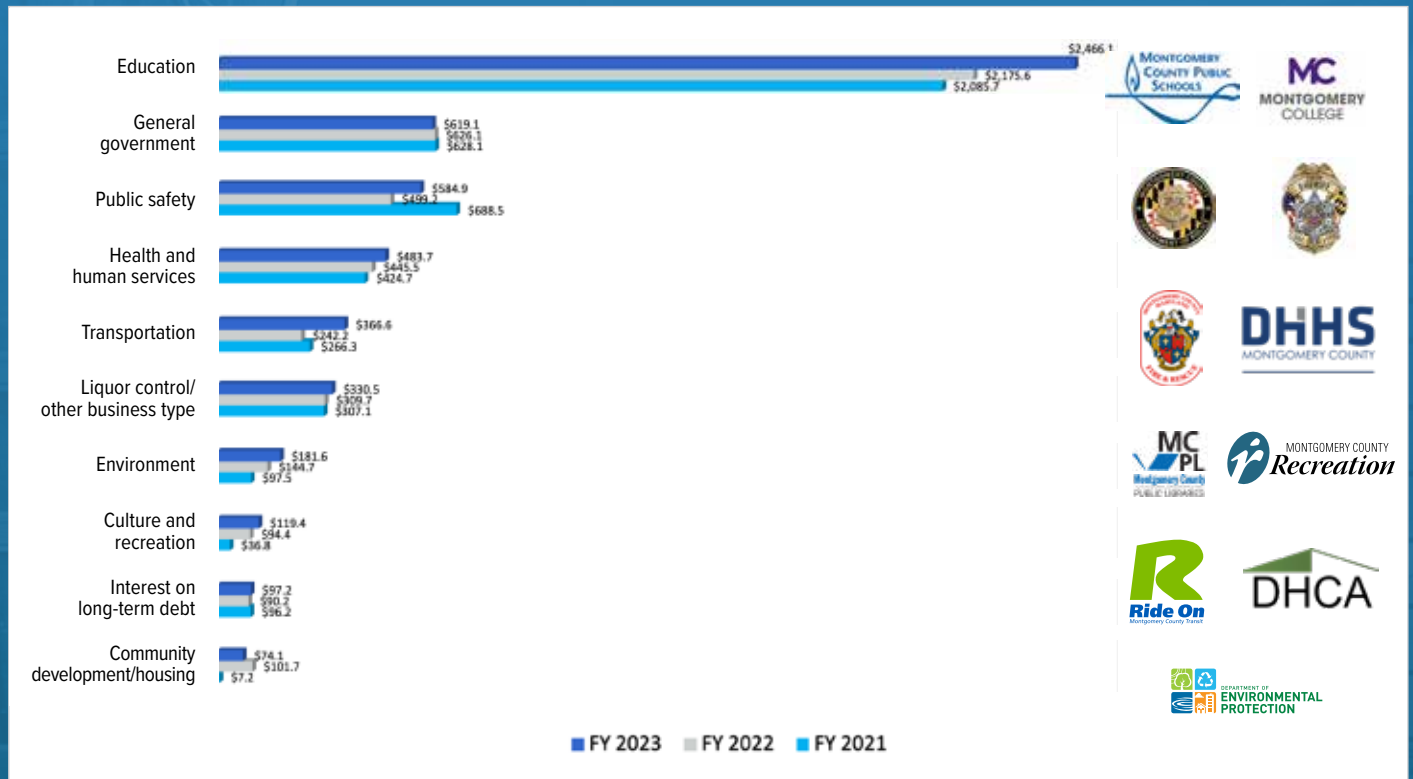
**Revenues by Source  
(Amount in Millions)**



# COUNTY FINANCIAL RESULTS

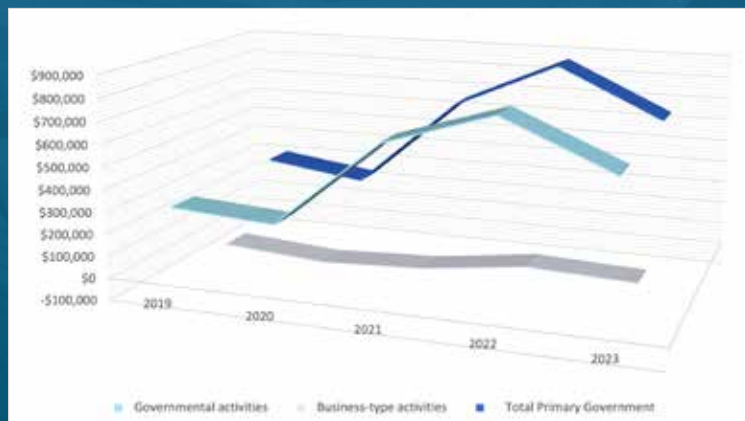
The chart below indicates how the County spent its money from FY 2021 to FY 2023. The Primary Government consists of Governmental activities and Business-Type activities. Governmental activities normally are supported by taxes and intergovernmental revenues and are reported separately from Business-Type activities, which rely, to a significant extent, on fees and charges for services.

Expenses by Function  
(Amount in Millions)



- Education is the largest expense category with 46% of total expenses in FY 2023
- General Government comprises 11.6% of total expenses in FY 2023

Change in Net Position By Fiscal Year  
(Amount in Thousands)



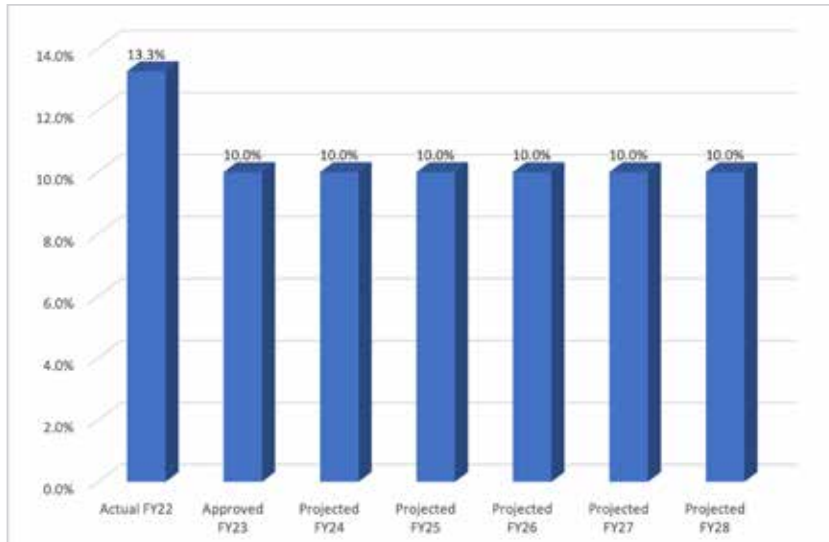
Governmental activities experienced an increase in net position of \$615.2 million for FY 2023; Business-Type activities experienced an increase in net position of \$27.7 million for FY 2023 after total net transfers out of \$57.3 million. The FY 2023 increase in net position of \$642.9 million for the Primary Government was primarily due to increases in local income and property tax revenues. Expenditures for the General Fund that were \$60.8 million less than budgeted also contributed to the change in net position.

# LONG-TERM FINANCIAL PLANNING

## Reserves

As part of the annual operating budget process, the County develops and retains 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.

**The Projection of Reserves (As a % of AGR)**



Source: County Executive's FY 2024- FY 2029 Fiscal Plan

The County is required to budget for a reserve in the General Fund, the County's chief operating fund and maintain total reserves of 10% of adjusted governmental fund revenues (AGR), including the Revenue Stabilization Fund, as defined in the County's Revenue Stabilization Fund law. The Revenue Stabilization Fund was established by the County to accumulate funds during periods of strong economic growth to provide budgetary flexibility during times of funding shortfalls. Total reserves as of June 30, 2023, were \$1,033.3 million, or 16.8% of AGR. Further information on reserves can be found in the County's ACFR.

## Other Postemployment Benefits (OPEB)

Beginning in FY08, the County implemented a plan to set aside funds for retiree health benefits, similar to the County's 50-year-old practice of pre-funding for retiree pension benefits. Due to exponential growth in expected retiree health costs, the County had determined the cost of funding these benefits, which were being paid out as the bills came due, would become unaffordable. Setting aside money now and investing it in a Trust Fund, which is invested in a similar manner as the pension fund, is a prudent and responsible

approach that will result in significant savings over the long-term. During FY 2023, the County and other contributing entities contributed \$67.9 million for current premiums, claims and prefunding future benefits.

In FY 2023, the County reported a net OPEB liability of \$791.6 million. Further information regarding the County's OPEB plan, funding policy, and financial reporting can be found in the County's FY 2023 ACFR and the Consolidated Retiree Health Benefits Trust's FY 2023 annual report on the County's website:

<https://www.montgomerycountymd.gov/mcerp/trustees.html>



# LONG-TERM CAPITAL PLANNING

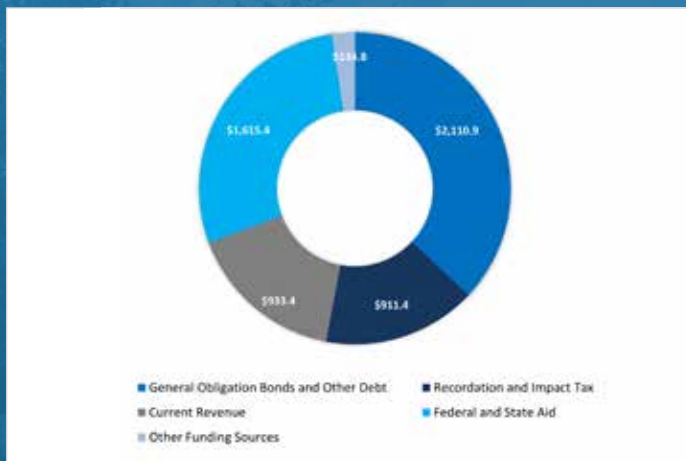
## Capital Improvements Program

The Montgomery County Charter (Section 302) requires the County Executive to submit a comprehensive six-year program for capital improvements, called the Capital Improvements Program (CIP). The Council approves the six-year program on a biennial basis with opportunities for limited amendments in the intervening years. The CIP is the presentation of capital project expenditure estimates, funding requirements, capital budget requests, and program data for the construction of all public buildings,

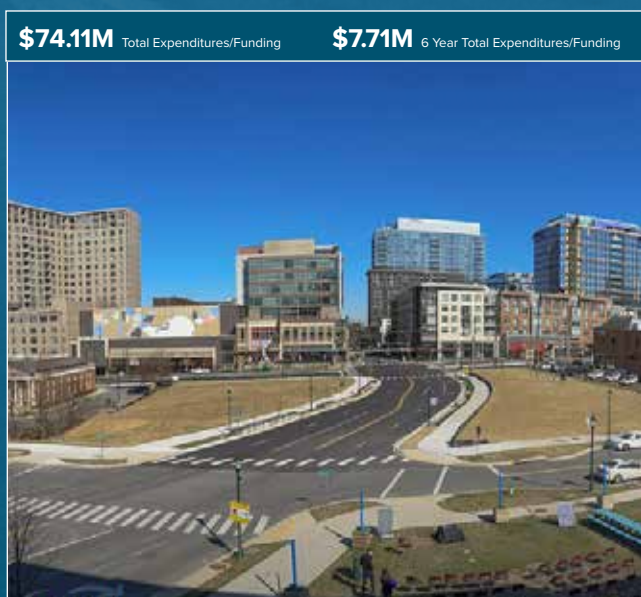
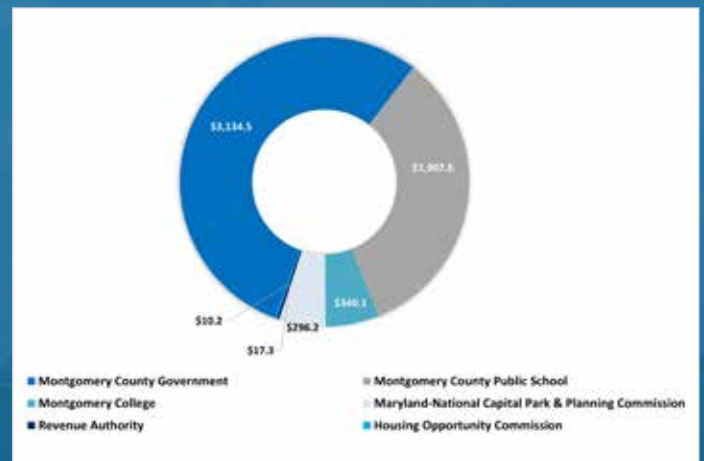
roads, and other facilities planned by County agencies over a six-year period. It includes all capital projects and programs of all agencies for which the county sets tax rates or approves budgets or programs. According to the FY24 Approved Capital Budget, there are 491 total projects in operation.

The following charts present how the approved FY23-28 six-year \$5,705.9 million CIP budget (excluding Washington Suburban Sanitary Commission) is funded by major sources and expended by categories.

**FY23-28 Six-year CIP Funding**  
(Amount in Millions)



**FY23-28 Six-year CIP Expenditure**  
(Amount in Millions)



## Major Capital Project In Progress: White Flint West Workaround

White Flint West Workaround project provides for land acquisition, site improvements and utility relocations, construction management and construction for one new road, one new bikeway, one relocated road, and an intersection realignment improvement, and the reconstruction of an existing roadway in the White Flint District area. See details for this project and all other capital projects at:

<https://apps.montgomerycountymd.gov/BASISCAPITAL/Common/Index.aspx>

# LONG-TERM DEBT

The County Government, four of its agencies, and municipalities are authorized by State law and/or County Charter to issue debt to finance capital projects. Consistent with County fiscal policy, the County issues debt to finance a major portion of the construction of long-lived additions or improvements to the County's publicly-owned infrastructure. The County's budget and fiscal plan for these improvements is known as the

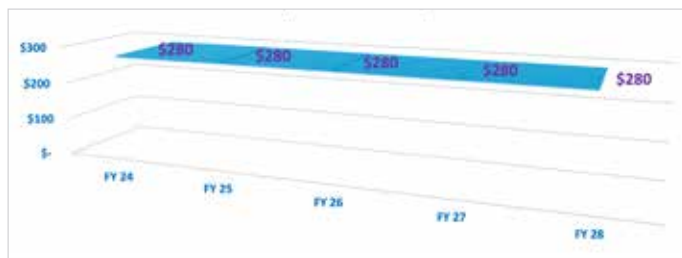
CIP. Bonds are repaid to bondholders with a series of principal and interest payments over a period of years, known as debt service. In this manner, the initial high cost of capital improvements is absorbed over time and assigned to current and future residents benefiting from the facilities. Due to various Federal, State, and local tax policies, interest rates are lower than in the private sector.

**Long-Term Debt Outstanding  
Primary Government for the Fiscal Year Ended  
June 30, 2023  
(Amount in Millions)**



As of June 30, 2023, the County's total bonds, leases and notes payable were \$4,439.1 million. Among all long-term debt, General Obligation (G.O.) bonds comprise 69.3% of the total. Currently, G.O. bonds are anticipated to fund approximately 31.3% of the County's capital expenditures for the six years of the Approved FY23-28 CIP. The adjacent chart shows the County's long-term debt outstanding at the end of FY23.

**Annual General Obligation Bond Issuance  
(Amount in Millions)**



Since 1973, the County has consistently maintained a Aaa rating from Moody's Investors Service, Inc. Bonds issued by the County since July 1976 have consistently been rated AAA by Standard and Poor's and by Fitch, Inc., since 1991. Montgomery County is one of only 14 "Triple AAA" rated counties in the nation with a population greater than one million. These highest-level ratings reflect the County's growing and diverse economy, its substantial tax base, strong financial position, and strong financial management. The AAA rating means the County pays lower interest rates and can therefore build more schools and facilities for residents' tax dollars.

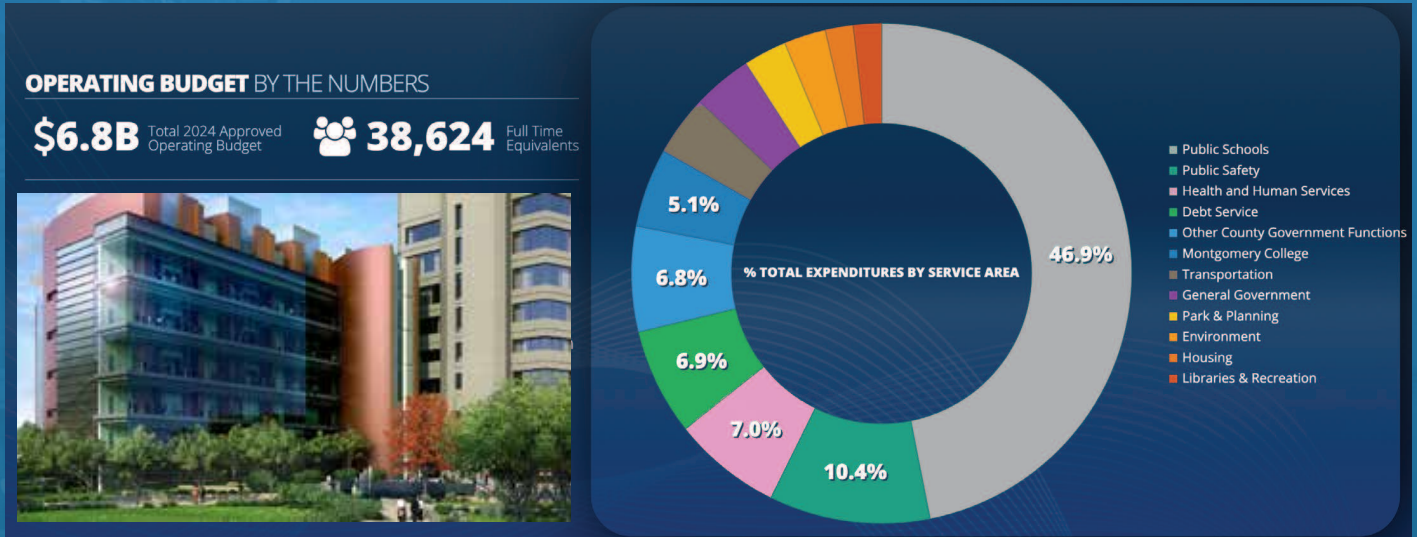
To improve the County's budget flexibility, to balance the needs of the operating and capital budgets, and to maintain the County's AAA credit rating, the County will maintain an annual G.O. bond issuance of \$280 million for the next five years. This will slow the growth of the County's debt service payments and help the funding of other critical programs and services.



# OPERATING BUDGET HIGHLIGHTS

## FY 2024 Approved Operating Budget

The Operating Budget and Public Service Program covers the costs of running the County. It pays for the transportation worker who fixes a pothole, powers the lights at your local library, provides health and human services and much, much more. Funds are set aside to operate each County department and agency. This also includes Debt Service, the County's annual loan payment for long-term Capital Projects for which the County borrows money.



The County approved a total County Operating budget from all sources of \$6.8 billion which is \$414.4 million or 6.5% more than the FY 2023 budget. The chart indicates how the budget is distributed. For details, please visit the County's Office of Management and Budget website:

<https://apps.montgomerycountymd.gov/BASISOPERATING/Common/Index.aspx>

Service Area	Appropriation	% of Total	FTE's
Montgomery County	\$3,165.0M	46.8%	24,529.33
Public Schools			
Public Safety	\$701.2M	10.4%	4,117.14
Health and Human Services	\$476.4M	7.0%	1,948.48
Debt Service	\$468.3M	6.9%	0.00
Other County Government Functions	\$459.2M	6.8%	489.31
Montgomery College	\$345.2M	5.1%	1,922.35
Transportation	\$266.6M	3.9%	1,231.12
General Govt. & Other Functions	\$257.7M	3.8%	1,631.98
Maryland-National Capital Park and Planning Commission	\$191.8M	2.8%	1,135.13
Environment	\$185.7M	2.7%	250.09
Community Development and Housing	\$123.2M	2.0%	362.13
Libraries, Culture, and Recreation	\$120.5M	1.8%	1,007.15

# ACKNOWLEDGEMENTS AND COUNTY'S OPEN DATA PORTAL

Popular Annual Financial Report developed and prepared by:

## Department of Finance

**Michael J. Coveyou**  
Director of Finance

**Karen Q. Hawkins, CPA**  
Chief Operating Officer

**Adaora Azubike, MSA**  
Controller

**David Crow**  
Fiscal Projects Manager

**Michael Lee, CPA**  
General Accounting Manager

**Biniam Debebe, CPA**  
Accountant/Auditor Supervisor

**Jiaojiao Gu, CPA**  
Accountant/Auditor Supervisor

**Wai Chi Shum, CPA**  
Accountant/Auditor

**Cheyenne Williams**  
Accountant/Auditor

## Public Information Office

**Barry Hudson**  
Director of  
Public Information Office

**Sean Clark**  
Visual Information  
Specialist






## Special Thanks To:

Efforts of the Department of Finance's Controller Division Staff without which this project would not have been possible

## Montgomery County Open Data Portal

More County financial and budget information can be found at:

<https://data.montgomerycountymd.gov/>

			
			
<b>dataMONTGOMERY</b>	<b>Open Budget</b>	<b>CountyStat</b>	<b>Property Taxes</b>
Direct access to County data sets in consumable formats is available here. The public can review and analyze, and use the data sets for a variety of purposes.	Provides you with an intuitive way to understand how our budget is structured and get the answers you need.	See how the County and its departments are performing by exploring performance dashboards and data visualizations.	View property tax records to view and/or make payments on-line by credit card or bank account as appropriate.



**Department of Finance**  
Division of the Controller  
101 Monroe Street  
Rockville, Maryland 20850  
240-777-8860

This and other County financial reports are available at:  
<https://www.montgomerycountymd.gov/Finance/financial.html>