The Maryland-National Capital Park & Planning Commission

Best Practices in Financial Management

1. Forecasting, Monitoring, & Policies

- **Quarterly Financial Projections** - Commission management reviews projections each quarter for the tax-supported Operating Funds, Enterprise Funds and certain Special Revenue Funds. Savings plans are implemented when revenue shortfalls or unanticipated expenditures are projected.
- **Formal Fund Balance Reserve Policy** –Updated in September of 2021 covers all Commission funds.
- **Spending Affordability –** Spending Affordability Guidelines are provided by each County Council.
- **Long-term Projections for Enterprise Activities** – Long-term cash flow projections are prepared annually.
- **Multi-year Financial Forecasting** – Multi-year model prepared annually for each County.
- **Debt Policy** - modern policy updated in 2019, provide guidance to manage debt.
- **Investment Policy** – Formal investment policy documenting compliance with State Law. Monthly investment reporting to Executive Committee. Quarterly investment reporting to the Commission on compliance and performance.

2. Other Best Practices in Financial Management

- **GFOA Awards** - For Excellence in Financial Reporting continuously since 1973 and for the Distinguished Budget Presentation continuously since 1987.
- **Retirement Plans** - The System's funded ratio, the ratio of the actuarial asset value over liabilities, decreased from 92.6% as of June 30, 2021 to 91.1% as of June 30, 2022.
- **Retirement Plans –**Methodology for amortizing unfunded actuarial liability (or surplus) is over an open/rolling 15-year period.
- **OPEB Funding –** Funded as determined by the annual actuarial valuation.

3. Strong Security for the Bonds - Full Faith and Credit of the Commission and each County.

- **Mandatory Tax Proceeds** - Proceeds from the mandatory tax which is dedicated to the payment of debt service significantly exceeds projected debt service needs.
- **Unlimited Taxing Ability** - If mandatory proceeds should ever not be sufficient, additional taxes must be levied on the Metropolitan District or on the entire County to make up the insufficiency. Rates have been increased to ensure fiscal stability over the next six (6) years.
- **Bond Repayment** – Guaranteed by each County.