

# The Maryland-National Capital Park and Planning Commission



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2011



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT  
of**

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**For the Fiscal Year Ended June 30, 2011**

**Commissioners**

Samuel J. Parker, Jr., Chairman of the Commission  
Françoise Carrier, Vice-Chairman of the Commission  
Joe Alfandre  
Sarah A. Cavitt  
Jesse Clark  
Norman Dreyfuss  
Amy Presley  
John H. Squire  
Sylvester J. Vaughns  
Marye Wells-Harley

**Officers**

Patricia Colihan Barney, Executive Director  
Joseph C. Zimmerman, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

**Department Directors**

Rollin Stanley, Montgomery County Director of Planning  
Mary Bradford, Montgomery County Director of Parks

Fern V. Piret, Prince George's County Director of Planning  
Ronnie Gathers, Prince George's County Director of Parks and Recreation

Patricia Colihan Barney, Department of Human Resources and Management  
Joseph C. Zimmerman, Department of Finance  
Adrian R. Gardner, Legal Department

***Prepared by the Department of Finance***

Joseph C. Zimmerman, Secretary-Treasurer

***Finance Managers***

Barbara Walsh, Accounting  
Chip S. Bennett, Administration  
Stacey Pearson, Purchasing  
Joe Bistany, Information Technology

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◆ PART I ◆

INTRODUCTORY SECTION

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The Rock Creek Trail Pedestrian Bridge provides safe crossing of Viers Mill Road for trail users and community members.



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

January 17, 2012

## Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2011 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the provisions of Article 28, Sections 2-113 and 7-107, of the Annotated Code of Maryland. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

To provide a reasonable basis for making these representations, management of the Commission has established an internal control structure designed to ensure that the assets of the Commission are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires business judgment by management.

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of CliftonLarsonAllen LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2011 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Commission's financial statements for the fiscal year ended June 30, 2011 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

This year the Commission is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as revised and U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. This audit is not required as the dollar threshold requiring such an audit was not met. The Commission is also required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by January 1 of each year.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview and analysis of the basic financial statements. MD&A complements this letter of transmittal, and should be read in conjunction with it.

## The Commission

The Commission is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency serving both Montgomery and Prince George's Counties. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined Metropolitan District in Montgomery and Prince George's Counties, and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County.

The annual budget serves as the foundation for the Commission's financial planning and control. The Commission maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Montgomery County and Prince George's County governments. Activities of the General Fund, which include a transfer for debt service expenditures, are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Projects Funds. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is established within each individual account in the General Fund. Budget-to-actual presentations for all five accounts of the General Fund are presented in Note 6 in the basic financial statements.

The Commission maintains an internal auditing division that reports to the Chair and Vice-Chair of the Commission. This staff performs internal audits throughout the Commission's offices and facilities. All internal control evaluations occur within the above framework. We believe that the Commission's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Factors Affecting Financial Condition**

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both counties declined in FY 2011, and collections, including interest and penalties as a percent of the levy, are consistently at or above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. At June 30, 2011, the Commission's General Fund budget basis ending fund balance was \$112.1 million.

Along with the Commission's internal financial management policies, spending affordability guidelines continue to be provided by Montgomery County Government for the Commission's Montgomery County operations, and by a Spending Affordability Committee for the Commission's Prince George's County operations.

Montgomery and Prince George's Counties are adjacent to Washington, D. C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the richest state in the nation, according to the latest U. S. Census data. The state's median household income for 2010 was \$69,272, a decrease of about \$800 from the previous year and Montgomery County regularly ranks among the top 10 wealthiest counties in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of July 2011, the nation's unemployment rate was 9.2 percent, whereas Montgomery and Prince George's rates were 5.0 percent and 7.0 percent, respectively. These counties have a combined population base of 1.8 million people and have almost 1.0 million employed as of fiscal year 2010.

According to the U. S. Census Bureau, Montgomery County received \$9.7 billion in procurement contracts from the federal government for fiscal year 2009, which represents an increase of 27.6 percent over the previous fiscal year and Prince George's County received \$4.7 billion, which was a decrease of 4.7 percent over the previous year. The increase in federal spending boosted economic activity in the Washington area and contributed to the local economy's resilience to negative forces that continue to affect the national economy.

More detailed information on the financial outlook is provided in the Management's Discussion and Analysis section of this Report.

### **Long-term Financial Planning**

The Commission prepares a six-year projection of results for its Prince George's County operations, which is reviewed with the Prince George's County Spending Affordability Committee. A high level long-term plan is prepared for its Montgomery County operations by Montgomery County government, with Commission input.

The Commission has an established fund balance policy of designating 3% to 5% of budgeted expenditures for contingencies. In Montgomery County a designation of 3% of budgeted FY2011 expenditures was made, while in Prince George's County this percentage was 5%. In both Counties there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant unassigned fund balances in Prince George's County (\$86.9 million) which are planned to be used over the six-year period to maintain current services and a stable tax rate for the Commission in that county.

### **Major Initiatives**

The Commission enjoyed an excellent program year in fiscal year 2011. The major accomplishments of the Commission are set forth in the Program Highlights section of this Report.

### **Other Information**

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. The Commission has received this award continuously since fiscal year 1973. In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This Report satisfied both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2011. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

### **Acknowledgments**

The preparation of the Comprehensive Annual Financial Report on a timely basis was made possible by the dedicated service of the entire staff of the Finance Department. Each member of the Department has my sincere appreciation for the contributions made in the preparation of this Report. Special thanks are expressed to Barbara Walsh, Accounting Manager, and the entire Accounting Division staff. I would also like to thank and compliment the Commissioners for their interest and support in planning and conducting the financial operations of the Commission in a responsible and progressive manner.

Respectfully submitted,



Joseph C. Zimmerman, CPA  
Secretary-Treasurer



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## The Maryland-National Capital Park and Planning Commission

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

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.



President

Executive Director

## Commission Background and Organization

The Maryland-National Capital Park and Planning Commission is a body corporate of the State of Maryland, established by the Maryland General Assembly in 1927. The laws governing the Commission were codified in 1959, recodified in 1975 to be Article 66D of the Annotated Code of Maryland and again in 1983, to be Article 28.

The Commission is a bi-county agency, empowered to acquire, develop, maintain and administer a regional system of parks in a defined Metropolitan District within the Maryland Counties (Montgomery and Prince George's) adjacent to the District of Columbia. The Commission is also empowered to prepare and administer a general plan for the physical development of a larger Regional District in the same area.

As development and urbanization of the area have progressed, the two Districts have been enlarged by the General Assembly. They now embrace all of Maryland's Montgomery and Prince George's Counties, except for certain incorporated municipalities in each County and, for the Metropolitan District only, Election Districts No. 4 and No. 8 in Prince George's County.

Responsibility for public recreation in Prince George's County and the County Recreation Department was transferred to the Commission in July, 1970 as a result of legislative action. This legislation provided that taxes to support recreation be imposed County-wide and that the County Council may require the Commission to institute new recreation programs. The County Executive appoints a Parks and Recreation Advisory Board, which works closely with the Commission in setting policy.

The Commission consists of ten members, five appointed by Montgomery County and five by Prince George's County. In Montgomery County, all five of the Commissioners are appointed by the County Council and confirmed by the County Executive. Montgomery County Commissioners may not be appointed for more than two consecutive terms. In Prince George's County, all five of the Commissioners are appointed by the County Executive and confirmed by the County Council. Each County designates one of its Commissioners for the position of Chairman of their respective Planning Board. The Commission elects one of such designees as its Chairman and the other as its Vice-Chairman. Under the Commission's rules of procedure, the Chairmanship and Vice-Chairmanship of the Commission rotate annually between the two designees. Terms of office are staggered and no more than three members from each County may belong to the same political party.

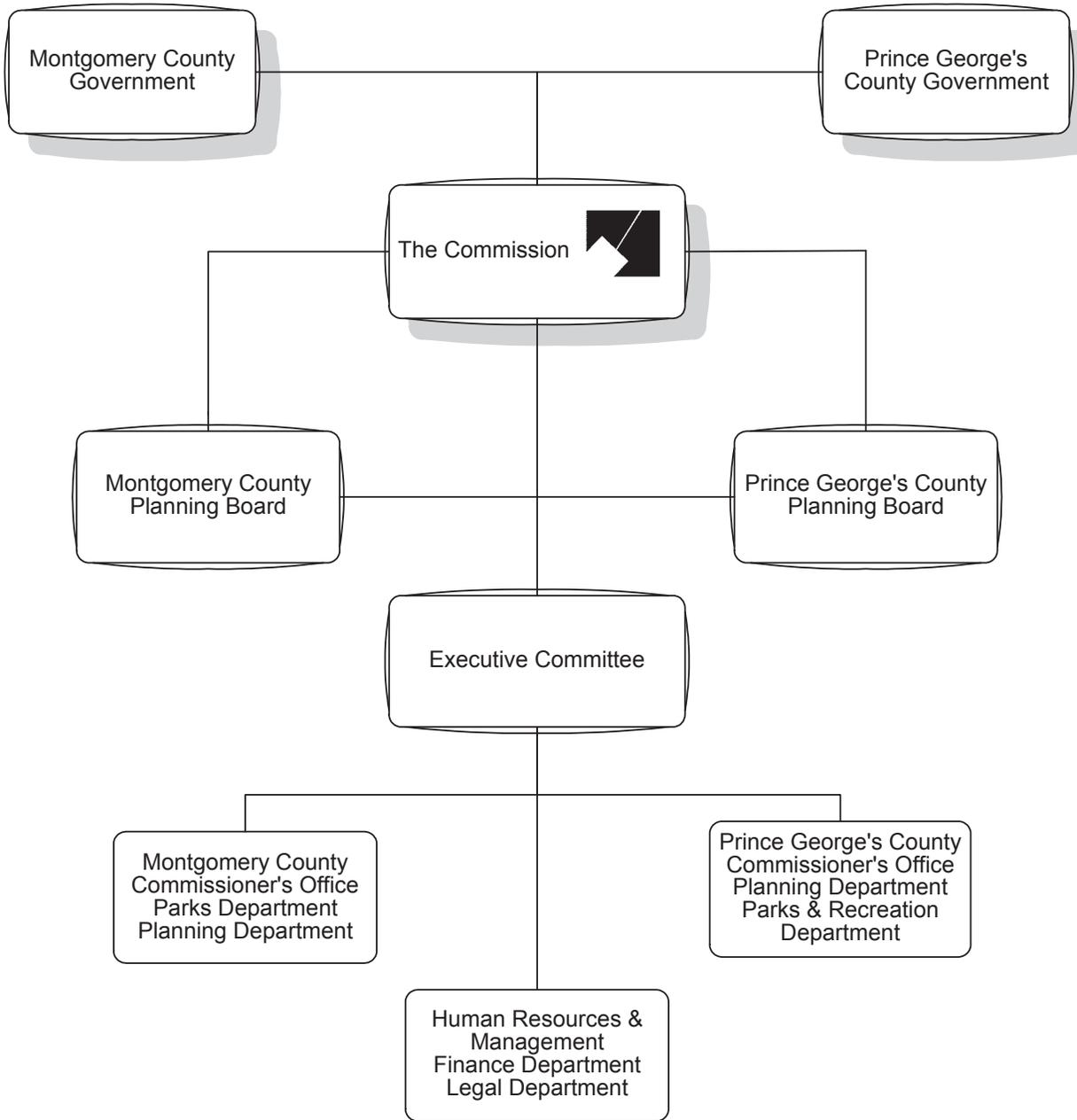
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve as separate Planning Boards to facilitate, review and administer the matters affecting only their respective County. To carry out their functions, the County Planning Boards meet at least once a week. The County Councils set priorities for the Planning Boards' park and planning operations through their annual determination and periodic review of the Commission's operating and capital improvement budgets and work programs.

The Commission administers a park system that currently contains over 62,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,165 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 5,140 seasonal workers, primarily for its numerous park and recreation programs.

The operating and administrative functions of the Commission are financed primarily by property taxes levied for the Commission by the two Counties. The Commission has the authority to sell general obligation bonds to fund approved park acquisition and development projects.

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## ORGANIZATION CHART





## FY 2011 PROGRAM HIGHLIGHTS

The Maryland-National Capital Park and Planning Commission continued to plan, fund, and deliver quality, innovative programs, facilities, and services to the more than 1.8 million citizens of the bi-county area. Through myriad strategies and programs, M-NCPPC worked to meet the needs of the area's diverse communities. The agency continued to emphasize community engagement as an integral part of its work. Despite continuing budget challenges caused by a decline in tax-supported revenues, the Commission's Prince George's County Parks and Recreation and Planning Departments continued to uphold a long-standing tradition of excellence in delivering first-class service to the County's residents. Both departments gained national, state and local recognition for outstanding programs and projects from a variety of organizations including the National Association of Counties and the National Recreation and Parks Association. Extensive community outreach efforts continued through the acclaimed Envision Prince George's initiative, the enhanced use of social media, and community speakers' series and education programs. And, the well-received "Live more, Play more" campaign continued to reach out to new and returning customers. Grants received from state and national organizations were sought and received to fund a number of signature collaborative parks and recreation and planning efforts, including an \$800,000 Challenge grant from the Department of Housing and Urban Development to fund transit-oriented development in the southern part of the County. In Montgomery County, both Departments focused on achieving efficiencies to continue to provide exemplary services. The Montgomery County Planning Department hosted a number of community meetings designed to reach out to people who live or work in each active plan area. Planners premiered an interactive workshop featuring photos of different density scenarios and a scoring mechanism for participants. The Montgomery County Department of Parks began implementing *Vision 2030*, a strategic plan for park and recreation services in the county. The Department opened new facilities through its public-private partnership program and expanded its community gardens program, which has grown to 10 sites serving more than 600 families.

### Prince George's County Department of Parks and Recreation

**Meeting Customer Needs through Innovative Service:** Comprehensive park and recreation programs and county-wide facilities and services were provided with an eye toward austere budget conditions. The "Live more, play more" marketing campaign continued to reach out to new and returning customers, using television, radio, direct mail, and social networking components. Weekly e-mail newsletters, the web site, and outreach meetings connected with the community. A bilingual marketing campaign focused on youth and families. The customer base grew to 476,141 individuals in the SMARTlink database. A vibrant program matched volunteers with 424 park and recreation volunteer opportunities; volunteers donated 362,699 hours. The comprehensive needs assessment and master planning program, *Parks & Recreation: 2010 and Beyond* made substantial progress on completing 100 priority objectives to achieve business efficiencies and enhance operations, including adopting a 2040 functional Master Plan for Parks and Recreation to articulate a shared vision for parks and recreation in the County. In preparation for the Master Plan, staff conducted a comprehensive program and service assessment, convened a work group on facilities maintenance, developed draft program standards, and began work on cost-recovery targets. The expanded Active Citizen Response system tracked over 73,000 inquiries and requests for service. Partners in Parks enjoyed relationships with IKEA, REI, AARP, the University of Maryland, Holy Cross Hospital and DeMatha Catholic High School. The *Aquatics International Magazine* awarded the Best Overall Commitment to Aquatics Award to the Department.

**Enhancing the Park System:** Conceptual master plans were done for 23 neighborhood and community parks; shared electronic data storage and group access to project information was implemented. Construction and renovation projects were completed at the following locations: Laurel-Beltsville Senior Activity Center, Heurich Community Park, two artificial turf fields for sports use, Horsepen Pumping Station, Oxon Hill Manor, Police Fire Arms Range, Prince George's Sports & Learning Complex, Ridgeley Rosenwald School and Riversdale House Museum. Additionally, two park buildings, three aquatic facilities, six trails/fitness stations/bridges, six park sites and 13 playgrounds were renovated. Program Open Space provided \$1,597,265 in funding for park acquisition and \$520,000 in Bond Bill funding was awarded for development projects at five park sites. The Department partnered with the State of Maryland to build a link in Maryland's trail network along the Anacostia River Tributary System.

**Planning and Providing Recreational Opportunities for All:** Thousands of youth enrolled in summer camps, teen centers and playgrounds, and community partners provided funding for 150 children needing assistance. More than 200 sports teams played in tournaments, and sports leagues attracted more than 30,000 participants. 500 youth benefited from a partnership with the USA Swimming Foundation, receiving free swimming lessons. The 29<sup>th</sup> annual Washington Area Metropolitan Youth Super Bowl was held, and over 725 youth enrolled in The First Tee golf program. Seven Health and Wellness programs such as Healthy Minds/Healthy Bodies for returning military personnel with disabilities, and Family Health & Fitness Day were initiated. Free summer concerts and events such as Festival Hispano, the Festival of

Nations, Kinderfest, Juneteenth, the Jug Bay 10K Run/Walk, the Beltway BBQ Showdown, the American Indian Festival, and Festival of Lights delighted thousands, while the second annual Jazz Festival provided great tunes. Programming for individuals with disabilities emphasized adapted aquatics and health, wellness and fitness and core training requirements were established for all staff who work with individuals with disabilities.

**Serving the County's Youth:** With the Youth Action Plan as a guide, diverse programming and positive experiences and opportunities for young people included the late-night national award-winning Safe Summer program, Xtreme Teens, Café Groove, the Positive Pathways Program for pre-teens, and the "Talk Up, Not Down" residency arts camp serving at-risk youth which culminated in a compelling performance. Parent X-Change workshops on Gang Awareness were offered in conjunction with the Park Police. The *Come Out and Play* initiative to get people outdoors in neighborhood parks was launched. Service to Latino youth included the fifth successful Quinceanera. A partnership with the Washington Nationals baseball team enabled youth to experience professional baseball first-hand. The Prince George's Employees' Child Care Center and the facility at Glenridge Elementary School were accredited by the Maryland State Department of Education. Lunches were served to needy children at 77 summer program sites, and pre-school, before- and after- care, and Kids' Day Out programs continued at facilities countywide.

**Supporting Arts and Cultural Heritage:** The Gateway Arts Center in Brentwood launched its first Creative Expressions Summer Art Camp, where children and teens created fun art projects that expanded their imaginations, expressed their creativity and sharpened their learning skills. The Publick Playhouse received grants from the Mid- Atlantic Foundation– American Masterpieces Program and the National Endowment for the Arts. The Montpelier Art Center performance series included the well-known Canadian group, Wailin' Jennys, and local jazz pianist Lafayette Gilchrist, whose pre-concert workshop was attended by jazz enthusiasts of all ages. Arts/Harmony Hall revenue increased 15 percent. To expand marketing of the historic rental properties for corporate and business meetings and conferences, event planners throughout the region participated in a successful familiarization tour. The Show Place Arena hosted the prestigious Atlantic 10 Conference Women's Basketball Championship.

**Preserving and Protecting Natural and Historical Resources:** Staff presented over 4,000 innovative educational programs, tours and events at museums, nature centers, waterfront parks, natural areas and schools to more than 110,000 patrons and students. Volunteers provided nearly 30,000 service hours in support of nature and history programs, special events, conservation and reforestation projects, and river and stream valley clean-ups. Cooperative partnerships, such as one with the Maryland Department of Natural Resources Conservation Job Corps to accomplish enhancements to the park system, were expanded. Stewardship of historic sites via cooperative restoration projects at two historic schools, eight historic houses, and three tobacco barns was continued. Youth and community garden programs were expanded to seven sites, and a nonprofit partnership is developing an urban farm. Staff worked with local, state and national government and heritage organizations to prepare for the Bicentennial of the War of 1812.

**Keeping Parks Secure:** Park Police ensured the safety of park visitors and program participants using sophisticated technologies including mobile data terminals, in-car digital video cameras, T-3 all-terrain vehicles and remote digital video surveillance equipment. The Community Services Unit developed activities and programs to better serve patrons. The canine program helped combat crime, and an expanded unit patrolled the unique Potomac River Waterfront Community Park and Potomac Heritage Trails across the Woodrow Wilson Bridge. Officers participated in regional area task forces to combat drug abuse and trafficking and to address gang problems. Park Police Community Volunteer Academy members continued to assist with services like free fingerprinting and Park Watch, and several trained as Community Emergency Response Team members. The very popular Cops Camp for Kids offered campers a glimpse into the duties/responsibilities of a park police officer.

**Maintaining Parks and Facilities:** Park Maintenance staff provided routine upkeep for Commission facilities and grounds. Maintenance of athletic fields, trails, playgrounds, trees and landscapes, as well as community centers, historic mansions and facilities, and office buildings was performed. Staff responded to an unusual number of snow and ice events on both M-NCPPC property as well as County streets, roads, and highways. The Major Maintenance section installed new roofing, light upgrades, and heating and air conditioning upgrades at several facilities. A number of ADA improvements were made, most notably at the Camp Springs Senior Center and the Harmony Hall Regional Center. More visible entrance marquees were constructed at several community centers. Work on an enterprise asset management system began; this new computerized work request and inventory system will provide easy access to data and be a useful tool to improve the Department's accountability and productivity.

## Prince George's County Planning Department

**Communicating with the Public:** The Department continued extensive community outreach through stewardship of the *Envision Prince George's* initiative. Staff organized and supported volunteer Community Action Teams of more than 150 members dedicated to implementation of the *Envision* Action Agenda, which outlines objectives and strategies to actualize top priorities. The teams reached thousands of residents and stakeholders through quarterly events, monthly education forums, and community conversations on issues such as education, transit-oriented development, and health and wellness; a team survey on shopping and dining choices received nearly 500 responses. *Envision Prince George's* also continued successful outreach to the public through social media tools, including its web site blog, Facebook, and Twitter; nearly doubling its followers since the previous year. A monthly electronic newsletter reaches more than 20,000 in the community, and news and information are published in the quarterly *Your Guide* publication of the Department of Parks and Recreation, reaching an estimated 200,000. The *Envision Prince George's* brand and logo was prominently featured on Commission vehicles and communications materials, reaching countless thousands. Staff also coordinated the *Envision Prince George's* Implementation Council and Executive Committee, which represent business, nonprofit, and elected municipal leadership in the County. These house the Community Action Teams and have developed partner relationships with community organizations and businesses to help expand community engagement efforts and impact. Partnerships include: The Community Foundation for Prince George's County and Capital One (both affiliated sponsors of the initiative); the Coalition for Smarter Growth; and the Prince George's Municipal Association, Arts & Humanities Council, and Parent Teacher Association Council.

**Planning for Quality Communities:** Work continued on Master Plans, Sector Plans, Sectional Map Amendments, Planning Assistance to Municipalities and Communities projects, and specialized planning studies, including efforts related to supporting Transit Oriented Development. Community Planning North accomplishments included the final review, printing and distribution of: Capitol Heights TDDP and TDOZ Map Amendment, Landover Gateway Sector Plan and SMA, and the New Carrollton TDDP/TDOZ; formal initiation of the Takoma/Langley Crossroads Sectional Map Amendment and Greenbelt Metro Area Sector Plan and SMA; and completion of the Central Avenue TOD Mobility Study (Phase 1). Contracts were executed for: Purple Line Phase 3 Corridor Access Study, and Sub 4 TOD Implementation Project (Central Avenue Blue Line Corridor Phases 2&3). Community Planning South Division accomplishments included winning a Federal Department of Housing and Urban Development (HUD) Community Challenge Planning Grant for \$800,000 to prepare an action plan for transit-oriented development along the southern Metro Green Line and a \$30,000 grant from the Washington Council of Government Transportation and Land Use Connection Grant Program to prepare a pedestrian accessibility study for the Naylor Road Metro station area. Staff initiated the Central Branch Avenue Corridor Revitalization Sector Plan, began pre-planning on the Metro Green Line Corridor Action Plan, completed the Naylor Road Pedestrian Accessibility Study, completed a draft of the Brandywine Preservation and Revitalization Study, and began implementation of the 2009 Joint Land Use Study, including facilitating the creation of and providing support to the JLUS Implementation Committee and drafting Real Estate Notification requirements for residential properties.

**Providing for Public Facilities and Services:** Staff members provided public facility technical support for all active master plans. Staff also assisted the Board of Education with the annual Educational Facilities Master Plan and coordinated the Planning Department's analysis for the Water and Sewer Plan Amendment cycles.

**Developing Efficient Transportation Systems:** Work was completed on Phases 1 and 2 of the Purple Line Corridor Assessment, the W.B. & A Trail Extension Study and the Andrews Transportation Study (funded through an OEA Grant under the BRAC program). Work was initiated on an update of the traffic analysis guidelines to be completed in FY12, and staff assisted with the County's Bicycle and Trail Advisory Group, the Transit Services and Operations Plan, the Transportation Planning Board Technical Committee, and the Travel Forecasting and Bicycle/Pedestrian Subcommittees.

**Preserving and Protecting the Environment and Historic Properties:** The Countywide Green Infrastructure Plan continues to be implemented; the first comprehensive update of the Woodland Conservation Ordinance since 1989 became effective; and the technical manual associated with the Ordinance was approved by the Planning Board. The Chesapeake Bay Critical Area regulations were comprehensively updated and became effective. Review of Natural Resource Inventories increased due to a new requirement to submit NRIs with most development applications. The Water Resources Functional Master Plan was approved. A Priority Preservation Area Functional Master Plan was initiated and drafted and staff provided environmental planning technical support for all active master plans. The *Approved Historic Sites and Districts Plan* and the *Illustrated Inventory of Historic Sites and Districts* were published. National Register nominations were completed and reviewed by the Historic Preservation Commission (HPC) for Fairmount Heights, Piscataway, Broad Creek, St. Thomas Episcopal Parish, and Glenn Dale Hospital, and recommended for concurrence by the County Executive. Staff supported the Historic Properties Grant Committee by reviewing and field-surveying submitted

applications; 12 applications were approved and awards successfully signed. The HPC was provided reports and recommendations development review referrals, Historic Area Work Permits, and Preservation Tax Credits.

**Information Technology Advancements:** The county's planimetric mapping project was completed successfully and all the deliverables received and added to the master GIS database. A variety of GIS maps, data, reports and technical services have been provided to about 223 internal and external customers including municipalities, county agencies, educational institutions and developers. A professional services contract was executed to initiate a major software upgrade and to make numerous additions and modifications to services provided in the GIS web mapping application, *PGAtlas.com*. A document imaging application and database was expanded to the Development Review and Countywide Planning Divisions and the Chairman's Office. Staff redesigned and programmed a new document capture application that will reduce software licensing requirements and save money in the future.

**Promoting Responsible Development:** Approximately 300 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary and final plats of subdivision were analyzed for conformance with county plans, policies and development regulations. Approximately 16,000 permits were processed, and the Planning Information Center responded to almost 10,000 inquiries from the general public. Several major development proposals were approved, including a detailed site plan and final plats of subdivision for the EYA Arts District East Village and a preliminary plan of subdivision and detailed site plan for Hunter's Ridge, a 284-dwelling unit revitalization project in the Developed Tier. Significant progress was also made to improve the development review process by completing major legislative improvements to the existing Landscape Manual and through the implementation of legislative changes to environmental provisions within the county code.

## Montgomery County Department of Parks

**Park Projects and Acquisitions:** The long-awaited Rock Creek Trail Pedestrian Bridge was completed in FY11. The bridge spans Veirs Mill Road at Aspen Hill Road in Rockville and connects portions of the 15-mile hiker-biker trail from the District of Columbia line to Lake Needwood in Rock Creek Regional Park. The Black Hill Trail Extension provides a half-mile hard surface trail and connects two existing trail segments. Lake Needwood, a valued hydrological resource and recreational amenity located within Rock Creek Regional Park, was dredged to remove existing sediment, address further siltation, restore the lake for recreational use, and assess the present and future function and management of the lake for flood control, stormwater management, sediment and erosion control, and water quality downstream. The Cabin John outdoor tennis courts received a total renovation, including lighting, fencing, and color coating the surface. In the Woodside Urban Park, a small-scale skateboard facility was installed. The pavilion and stone wall for the Randolph Hills Local Park picnic shelter was completed. The project to design stream restoration and fish passage along the Left Fork of the Paint Branch in the Maydale Conservation Park Branch included replacing culverts and making enhancements through low-impact development. The King Dairy Barn Mooseum was upgraded for museum occupancy and use as a heritage museum and educational center. Synthetic turf and related site improvements were designed and installed at soccer field #5 in Fairland Recreational Park. The roof and HVAC were replaced at Saddlebrook, the Park Police Headquarters. In addition, the Department of Parks acquired 59 acres of land in 15 parks.

**FY11 Accomplishments:** In FY11, the Department prioritized projects based on its core mission. Accomplishments for FY11 include: maintaining Enterprise profitability; increasing volunteerism, which provides \$1.7million added value or the equivalent of 39.6 work years; adding six new sites for the popular community garden program and partnering with Montgomery County Public Schools on four school garden sites; assuming the operations of the Olney Manor Skate Park from the County Department of Recreation; collaborating with the Community Use of Public Facilities on program registration and permitting consolidation; reviewing and coordinating the Inter-County Connector (ICC) mitigation work; participating in the Cross Agency Resource Sharing Committee with Montgomery County Government; and developing mission-driven partnerships such as the Miracle League baseball field.

**Vision 2030:** In cooperation with the Montgomery County Department of Recreation, the Department completed the Parks and Recreation 2030 Vision and Strategic Plan. Staff will follow the Vision 2030 principles of renovation and repurposing of existing parks and facilities as a way to increase our level of service while keeping new expenses low. Through the Vision 2030 initiative, Parks staff is developing a resource allocation strategy based on an in-depth analysis of services offered by Montgomery Parks. Among other things, the project prioritized services for tax supported revenue and identified program targets for cost recovery through other resources, enabling Parks to more effectively determine the priorities for our scarce resources.

**Montgomery Parks Foundation:** In FY11, the Foundation made significant progress toward re-establishing itself as a viable and self-sustaining organization charged with acquiring private funding sources to help the Parks lessen the burdens of government while serving and providing facilities for the residents of Montgomery County as well as advocating on behalf of Montgomery Parks in a manner consistent with its non-profit status. For efficiency, the departmental fundraising process now will interface directly with the Foundation, streamlining non-fee revenue processes: donations, grants, capital campaigns, sponsorships, naming rights and special projects, etc., will fold into the Foundation donor management structure. In addition, the Foundation created the Friends Membership program and began building the major gifts/naming rights/endowments program and the corporate sponsorship program.

**Increased Stewardship Support for Historic Sites:** Park staff continued to secure grants and state funding to make improvements to the historic sites in our system and keep these work efforts moving forward. One historic structure, the Darby Store and property, was purchased in 2004 through the Legacy Open Space program. The Darby Store and its neighboring house represent the prominence of the local merchant in a rural turn-of-the-20th-century farming community. Although such stores were once found throughout Montgomery County, few remain today. In FY11, to preserve the store, the Department stabilized and moved the historic structure back from a busy intersection, with approvals from the county Historic Preservation Commission.

**New Sources of Revenue:** The Department of Parks continued to focus on obtaining State and Federal grants and State bond bill funding, securing over \$130,000 in FY11. In response to the economic challenges facing the nation and the county, and absent alternative sources of support, Parks introduced new fees for services, community gardens, party packages (event centers, splash playground, miniature trains, and nature centers), dog park permits, and increased fees for local park athletic fields to continue providing services for residents. In addition, the Department generated over \$20,000 in sponsorship fees in exchange for advertising on portable toilets placed throughout the parks.

**Departmental Reorganization and Other Cost-Savings Reductions:** In FY11, the Department of Parks reorganized the departmental divisional structure and realigned functions to continue to meet our priority of keeping the parks safe, clean and providing the best programs and services within severely constrained resources. Through the reorganization, the Department eliminated two divisions and abolished 63 of 735 adopted positions. Overall, the Department has reduced its work years by 10% over the past decade, despite adding significant park acreage and management responsibilities. Other personnel reductions included: 43 employees accepting a Retirement Incentive Plan; eliminating funding for 50 seasonal work years; eliminating compensation adjustments; reducing overtime; implementing departmental furloughs as temporary pay reductions; and continuing the Departmental hiring freeze. Other reductions included eliminating or reducing contracts and contracted services, forfeiting Operating Budget Impact funding for new capital projects and new regulatory requirements, eliminating funding for equipment, closing 11 park activity buildings, and reducing supplies and materials, vehicle fleet, employee development, maintenance frequencies, and landscaping.

**Continued Savings through Energy Management Efforts:** FY11 utility costs were \$300,000 lower than FY10 due to the continued implementation of our energy conservation program. Parks staff completed energy efficient upgrades to the lighting at Olney Manor Park, and installed a new roof on our Saddlebrook office building that meets Green Building Council requirements and is anticipated to produce significant utility savings. Staff continues to pursue grant funding for such improvements. In FY11, more than \$100,000 in grants was secured to improve our energy management efforts, contributing to the millions of dollars in utility savings achieved by Montgomery Parks over the past five years.

## Montgomery County Planning Department

Staff at the Montgomery County Planning Department completed or advanced myriad projects to improve quality of life for those who live and work in Montgomery County.

**Master planning.** Master plans shape communities by advancing the goals of the General Plan. In FY 11, the Department continued to work on several plans. An amendment to the 1994 Clarksburg Master Plan was completed, then approved and adopted during the fiscal year. At the request of the County Council, staff revised and Planning Board approved drafts of the Takoma Langley Crossroads and Kensington Sector Plans. The Planning Board also transmitted its draft of the Wheaton Sector Plan. Those plans are at the Council awaiting review and eventual approval. Staff continued work on the East County Science Center Master Plan, the Chevy Chase Lake Sector Plan, the Long Branch Sector Plan, and the Burtonville Crossroads Neighborhood Plan. The Board also approved implementation guidelines for White Flint and the Great Seneca Science Corridor plans as well as a staging and monitoring plan for White Flint.

**Functional plans.** Functional plans look at countywide topics – typically covering transportation and environmental issues. In FY11, staff delivered an amendment to the Housing Element of the General Plan. Transportation staff updated the annual report of transportation tests, the LATR/PAMR (Local Area and Policy Area reviews). The Department’s Research and Information Services division provided detailed analyses of the 2010 Census, helping highlight meaningful trends, such as Montgomery County becoming a majority minority community.

**Revising zoning.** The Department’s zoning rewrite project team continued work on a multi-year effort to reorganize, revise, and simplify the county Zoning Code. Staff, working with a consultant, helped produce four modules dealing with uses and use standards. Draft development standards and uses permitted in all agricultural, rural and residential zones were released last winter. Staff worked with county agency representatives and the Zoning Advisory Panel to review the current development application process and potential changes to consider. Finally, the zoning team and others continued an outreach program to keep stakeholders informed and to encourage feedback, including an interactive webpage. Much outreach occurred through the Zoning Advisory Panel monthly meetings.

**Historic preservation.** The Planning Board approved its draft of a plan identifying resources for the Upper Patuxent area, including two historic districts and several individual resources. Resources in this far northwestern area of Montgomery County were evaluated against the Locational Atlas for Historic Preservation. The plan will go to the County Council for consideration this fall. During the fiscal year, the Council designated the Greenwich Forest Historic District and Kensington Cabin as historic. Preservation staff also ran an energy audit grant program, awarding owners of 10 historic homes in Montgomery County a free home energy audit, thanks to a grant the County received from the Maryland Historical Trust. The results of the audits are expected to help owners of historic properties take steps to improve energy efficiency.

**Regulatory caseload.** In the past year, planning staff reviewed 141 cases for Planning Board review. On average, Board resolutions are adopted within two to three weeks of Board action.

**ReThink Montgomery speaker series.** The Planning Department continued to run its annual speaker series, but cut back on the frequency of events to respond to budget constraints. Like previously, the series served as a way for professionals such as architects and planners to receive credits for continuing education and provided a free opportunity for staff and the public to learn new, cutting-edge strategies.

**Leaves for Neighborhoods.** For the third year, the Department ran its Leaves for Neighborhoods program to encourage residents to plant trees in their yards. The campaign, which features a \$25 discount off native shade trees worth \$75 or more, is intended to increase the county’s tree canopy on residential property. The campaign is funded by the Montgomery County Forest Conservation Fund, which contains fees from developers in lieu of planting.

**Outreach.** Despite a reduction in staff, the Department continued to make outreach to its many constituents a priority. For the fourth year, the Department operated live webcasting of Board meetings. Planners hosted a number of community meetings designed to reach out to people who live or work in each active plan area, including Long Branch, Burtonsville, Chevy Chase Lake and the East County Science Center. Chevy Chase Lake planners premiered an interactive workshop featuring photos of different density scenarios and a scoring mechanism for attendees. Staff continued to refine the MontgomeryPlanning.org website to better highlight Board actions and Department initiatives. Special pages were developed to highlight recent development applications on a county map and a historic property locator tool, among others. The director contributes regularly to the Director’s Blog and planners produce The Straight Line blog focused on planning and design. At the direction of the County Council, communications staff expanded the “Montgomery Plans” cable show from 15 minutes to half an hour and produced several episodes.

## **Department of Human Resources and Management**

Under the leadership of the Executive Director, the Department of Human Resources and Management (DHRM), provides executive and operational leadership to the Commission through a set of best management practices, recommends and implements policy, and establishes administrative standards for efficient and effective operations. DHRM is responsible for striking the balance between public policy and organizational needs - from creation to implementation of robust, responsible systems and programs that meet local, State, County, and Federal regulatory requirements and support the agency. Human resources programs and policies ensure fair and equitable treatment of all employees. DHRM administers a system to create, maintain, and retain a diverse, qualified, healthy, and motivated workforce. The

Department also provides risk management, workplace safety programs, and insurance programs to protect the Commission's assets, employees and patrons.

**Performance Management and Accountability:** The Montgomery and Prince George's County Councils study of Central Administrative Services (CAS) functions (completed in FY10), informed the Department's improvements to governance, performance management, and service provision methods. The Executive Director worked in collaboration with the other Departments to implement and report on the progress of over 90% of the short term recommendations, and a substantial number of the medium term recommendations. Several corporate policy analyses were completed, adopted and implemented in areas including Internal Audit program, procurement policies and purchasing standards, Employment Dispute Resolution program, organizational sustainability, reduction in force, involuntary reduction in pay, appeals and hearings requirements, and equal employment opportunity standards, and preparation and handling of emergencies. A number of programs were implemented to ensure greater accountability and on-time communications including coordinated emergency closure system with online notification of facility closures, interstate driver license monitoring, and strengthened driver accountability standards.

**Streamlining for Affordability and Efficiency:** The Department proactively addressed an imposed budget reduction of \$1.0 million or -20.2% stemming from the impact of the ongoing housing bubble and economic instability. The Department restructured work programs, consolidated units, downgraded several management positions, abolished positions, implemented 10-day furlough, and cut costs. In support of the agency wide reductions, DHRM spearheaded and implemented two Retirement Incentive Program (RIP), Reduction in Force (RIF) proceedings and an Involuntary Reduction in Pay policy to reduce Commission expenditures to the salary and wage base for FY11 and beyond. Changes were negotiated for two union contracts, the Fraternal Order of Police (FOP), and United Food and Commercial Workers Union, Local 1994, Municipal and County Government Employees Organization (MCGEO), including adding the RIP and changing compensation structure.

**Program Improvements:** Policy revisions in governance and a change in executive leadership increased transparency and collaboration for leadership in the decision-making process. Program resources were reallocated to address changing needs in technology, management, and human resources. DHRM led the IT Council to develop a new governance model, appointed new Diversity Council members with updated strategic plan, and implementation of a separate office of Internal Audit.

**Human Resources:** The Department successfully applied to participate in the Early Retiree Reinsurance program and bid and awarded contracts to new medical and dental providers to achieve cost savings. DHRM led negotiations with two collective bargaining agents to achieve wage concessions and other cost control measures necessary to minimize the need for employee layoffs in FY11. Recruitment continued to roll out the on-line applicant tracking system for seasonal/intermittent hiring to field offices, and grievance case management was automated through a hosted solution (*LaborSoft*).

**Recognition of Excellence in Business and Results:** DHRM received Special Recognition for Performance Measures from the Government Finance Officers Association (GFOA) for its annual FY11 proposed budget. This Special Recognition award is granted to approximately 2% of all governments that receive the Distinguished Budget Presentation Award from the GFOA annually. The Office also received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for its FY11 annual proposed budget for the 25th consecutive year.

## Department of Finance

The Department of Finance provides fiscal management and oversight of all Commission financial activities. Services of the Department include: providing financial guidance to operating departments; financial reporting and policy development; processing of payroll, disbursements and purchasing transactions; investment management; debt issuance; and information systems management.

**Automating/Streamlining Efforts:** The Department has awarded a contract to replace its outdated financial system software product with a new enterprise resource planning (ERP) system. This new system will greatly enhance the toolset available to our operating departments and allow for enhanced financial analysis and program budgeting, along with better access to financial information.

**Information Systems Support:** The Department's IT Division has extended its management and support to include all Departments in Central Administrative Services (CAS). This now includes Legal, Employee Retirement System (ERS) and a disaster recovery site at CAB along with financial, human resources, payroll and EnergyCAP applications, INSITE, Redundant Internet and ATM Wide-Area Networks. Support includes ensuring business continuity plans for critical applications and resources along with strong security administration for all CAS information systems and services. During FY11, major efforts included: Implementation of a fully redundant Internet service for CAS and its disaster recovery site, dedicated wide area network for data replication of storage area networks, Redesign and re-hosting of INSITE, Upgrade to EnergyCAP from 5.2 to 6.1, implementation of VMware virtual servers, External Penetration and Security assessment, upgrade of Treasury operation investment software, upgrade of MS Office software to 2010, PC refreshment of 80 desktops and 10 laptops, Installation and integration of 2 additional video conferencing systems, design and implementation of a new training and hi-tech conference room.

**Outreach to Minority, Female and Disabled Vendors:** The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. The events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 23.9% which equated to \$24.2 million of procurement with MFD firms.

**Financial Reporting:** For the 38<sup>th</sup> consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY10 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

## Office of General Counsel

The Office of the General Counsel, OGC, (Legal Department) provides a comprehensive program of legal services to the Commission, supporting virtually every facet of the Commission's work program. The OGC guides the Commission's internal corporate operations; advises staff and the Planning Boards as they navigate their important quasi-judicial and regulatory responsibilities; advocates on the Commission's behalf in litigation before the state and federal courts; and participates in cross-functional teams assembled periodically to develop creative solutions to new challenges facing the Commission.

**Protecting the Public Interest in Litigation:** At the onset of FY11, the OGC was actively involved in 34 court cases (including state and federal courts) that were carried-over from FY10. During FY10, the OGC managed 44 new courts cases, resolved 37 court cases, and closed the fiscal year with 41 active court cases. During FY11, the OGC continued its administrative prosecution of a series of site and forest conservation plan enforcement actions, and assumed exclusive responsibility for the Commission's general liability and workers compensation litigation. Today, these risk management cases are being handled in-house at a lower relative cost than otherwise available under the auspices of the Montgomery County (Intergovernmental) Self-Insurance Fund.

**Building Quality of Life – One Transaction at a Time:** Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements and memoranda of understanding. Notable transactions handled recently include the OGC's role as a key advisor in the negotiation of a master lease agreement to outsource certain document management functions, and the procurement of a Commission-wide "Enterprise Resource Planning" (ERP) system. Although fiscal resources devoted to this team were cut by approximately 25% during the FY11 budget cycle, the OGC Transactions Practice Team continues to offer a structure to coordinate and manage legal support in both counties by integrating the service delivery for both the Montgomery County Department of Parks and the Prince George's County Department of Parks and Recreation.

**Legislative Support:** In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 130 bills during the 2011 Session of the Maryland General Assembly. On the local level, the OGC actively supported the Prince George's County Planning Department major initiatives, including ongoing updates to the County's Woodland Conservation Ordinance, as well as numerous small area master plans. In Montgomery County, the OGC is providing ongoing assistance to the Planning Department in the development of a new form based code and implementation of the new Commercial Residential (CR) zones.

## **Office of the Chief Information Officer**

This Office of the Chief Information Officer (OCIO) oversees enterprise-wide solutions to managing technology for business. The implementation of *LaborSoft*, a human resources grievance management system was completed. This managed hosted solution is maintained weekly by DHRM and tracks through the life cycle of employee grievance cases. The OCIO completed the planning, design, and configuration phase of the enterprise-wide email from an aging internal system to an outsourced solution. A cloud-based product was selected to support all M-NCPPC staff, except the Prince George's and Montgomery County's Park Police. The Park Police will reside in their own private environment maintained internally for confidentiality. The OCIO also re-negotiated copier/multifunction device equipment, services, and support contract with a 20% cost reduction including review and analysis of current needs and rightsizing the technology for optimal functionality.

## **Office of Internal Audit**

The primary focus of the Commission's Internal Audit Office is to provide the Board and Department Heads with objective information to assist them in determining whether Commission operations are adequately controlled and whether the required high degree of public accountability is maintained over public funds and to improve the efficiency and effectiveness of the Commission. To accomplish this, in fiscal year 2011 more than 40 audits and reviews were performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

## **Merit System Board**

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY11, the Board continued to maintain its caseload on a current and timely basis.

## **Employees' Retirement System**

The Employees' Retirement System (ERS), administered by an 11-member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a contributory defined benefit pension system with four plans, qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Chairman of the Board of Trustees. The ERS obtained its latest determination letter on July 31, 2003, in which the Internal Revenue Service stated that the ERS is in compliance with the applicable requirements of the Internal Revenue Code and the related trust is tax exempt.

ERS Trust Fund assets closed the year with a fair market value in excess of \$615.1 million. The FY11 annualized rate of return on investments was 21.92%. The Board of Trustees actions for the year included adopting revisions to the statement of Investment Policy; terminating two investment managers; developing a Valuation Policy for the alternative managers; engaging a transition manager; adopting revised actuarial assumptions following an Experience Study; and continuous comprehensive communications to all members which included an Annual Report, a Comprehensive Annual Financial Report, and conducting educational workshops for participants.



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# ◆ PART II A ◆

## FINANCIAL SECTION

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### Basic Financial Statements



The reopening of the Hillcrest Heights Community Center now includes 6,000 square feet of new program space and a fresh new look. In addition to interior upgrades, the exterior of the facility features a 65-space parking lot, irrigation, and landscaping.



CliftonLarsonAllen LLP  
11710 Beltsville Drive, Suite 300  
Calverton, MD 20705  
301-931-2050 | fax 301-931-1710  
[www.cliftonlarsonallen.com](http://www.cliftonlarsonallen.com)

## Independent Auditor's Report

Board of Commissioners  
The Maryland-National Capital Park and Planning Commission  
Riverdale, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of The Maryland-National Capital Park and Planning Commission (the Commission) as of and for the year ended June 30, 2011, which collectively comprise the Commission's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Commission as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2012, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and schedules of funding progress as referenced in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The accompanying supplementary information such as the introductory section, combining statements and schedules section, and statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules section has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "Clifton Larson Allen LLP". The signature is written in a cursive, flowing style.

Calverton, Maryland  
January 17, 2012



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As the management of The Maryland-National Capital Park and Planning Commission ("the Commission"), we offer readers of the Commission's financial statements this narrative overview and analysis of the financial activities for the Commission for the fiscal year ended June 30, 2011.

The Maryland-National Capital Park and Planning Commission is a body corporate of the State of Maryland established by the General Assembly in 1927. The Commission is a bi-county agency. It is empowered to acquire, develop, maintain and administer a regional system of parks in a defined Metropolitan District of Montgomery and Prince George's Counties and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County.

The major source of funding for the Commission's primary services are five property taxes levied on an individual County basis:

- Montgomery County
  - Administration tax - general administration and planning
  - Park tax - park operations and debt service for park acquisition and development bonds
- Prince George's County
  - Administration tax - general administration and planning
  - Park tax - park operations and debt service for park acquisition and development bonds
  - Recreation tax - the recreation program

Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a county are recorded in the appropriate account. Expenses that apply to both counties are allocated to the appropriate accounts. Debt is issued on a county basis, not for the Commission as a whole. General obligation debt is guaranteed by the Commission and by the county government for which the proceeds will be expended. Due to this unique arrangement, certain financial information provided in this discussion and analysis, as well as in the summaries presented in Note 6 of the Notes to the Financial Statements, has been provided by county to reflect the financing constraints within each county. Other funds and accounts are maintained on a Commission-wide or on a separate county basis as necessary and appropriate.

### Financial Highlights

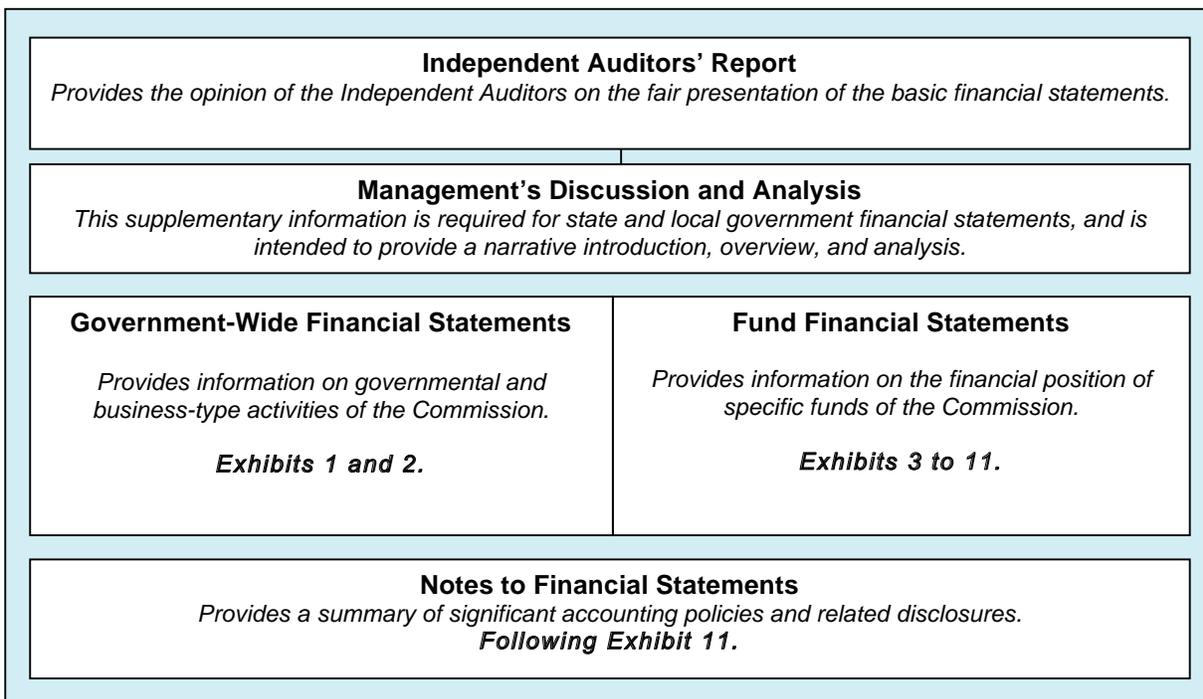
- The assets of the Commission exceeded its liabilities at June 30, 2011 by \$ 901.8 million (net assets). Of this amount, \$259.1 million may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$6.4 million during fiscal year 2011. This is largely a result of: pay-as-you-go funds of \$21.7 million in the Capital Projects Funds which has not been spent, \$28.8 million of grants and contributions, receipt of property taxes (\$4.3 million) lower than the budget, debt principal payments of \$16.2 million, increase in the pension liability of \$9.6 million and the increase in the OPEB liability of \$14.7 million.
- In fiscal year 2008 the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. Because the Commission is phasing into full funding of the actuarially calculated contribution for these benefits, which contribution must be recorded as an expense, a liability of \$51.0 million has been recognized on the Commission's Statement of Net Assets, including \$2.2 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2011, the Commission's governmental funds reported combined ending fund balances of \$303.3 million, an increase of \$1.3 million. Of this amount, \$198.5 million is unassigned, \$25.7 million is assigned and \$72.7 million is committed and \$6.4 million of fund balance is restricted.
- The Commission's General Fund balance at June 30, 2011 was \$137.1 million, an increase of \$1.5 million during the year. The unassigned fund balance of \$92.8 million is approximately 26.0% of fiscal year 2011 expenditures and transfers out.

- The Montgomery County Capital Projects deficit Fund balance at June 30, 2011 was \$2.7 million, a decrease of \$2.3 million. The unassigned fund deficit of \$ 17.5 million results from a combination of a delayed bond sale, and committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The Prince George’s County Capital Projects Fund balance at June 30, 2011 was \$161.6 million, an increase of \$0.4 million. The unassigned fund balance of \$123.2 million has grown due to major pay-as-you-go funding.
- The assets of the enterprise funds exceeded liabilities by \$74.6 million, a decrease of \$2.2 million. The Prince George’s Enterprise Fund had a decrease in net assets of \$2.7 million and the Montgomery Enterprise Fund had an increase in net assets of \$0.5 million.
- The Commission’s bonds and notes payable decreased by \$16.2 million due to scheduled principal payments.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Commission’s basic financial statements. The Commission’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Organization and Flow of Financial Section Information**



**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the Commission’s finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Commission’s assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The statement of activities presents information showing how the Commission’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Commission that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Commission include General Government, County Planning and Zoning, Park Operations and Maintenance, Recreation Programs and Interest on Long-term Debt. The business-type activity of the Commission is Recreational and Cultural Facilities.

The government-wide financial statements can be found as Exhibits 1 and 2 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Commission, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Commission can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. For both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances, reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

The Commission maintains eleven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Project Funds for each county, all of which are considered to be major funds. Data from the other eight governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, Schedules 1 and 2 in the Combining and Individual Statements section of this report.

The Commission adopts an annual appropriated budget for its General Fund, which is actually adopted as five "accounts" corresponding to the five different property tax levies. A budgetary comparison statement for the total General Fund has been provided as Exhibit 6, and summaries for each account are included in Note 6 of the Notes to the Financial Statements, to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibits 3 - 6 of this report.

**Proprietary funds.** The Commission maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Commission uses enterprise funds to account for Montgomery County's and Prince George's County's Recreational and Cultural Facilities.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Commission's various functions. The Commission uses internal service funds to account for Montgomery County's Capital Equipment, Employee Benefits and Risk Management and Prince George's County's Capital Equipment, Executive Office Building, Employee Benefits, and Risk Management, and Commission-wide Initiatives. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each county's Recreational and Cultural Facilities, both of which are considered to be major funds of the Commission. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the

internal service funds is provided in the form of combining statements, Schedules 7 - 9 in the Combining and Individual Statements Section of this report.

The basic proprietary fund financial statements can be found as Exhibits 7 - 9 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Commission uses fiduciary funds to account for the Employees' Retirement System Pension Trust, Postemployment Benefit Trust, and Private Purpose Trusts for each county, and two agency funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Commission's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary financial statements can be found as Exhibits 10 and 11 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Commission has also included financial statements for each county's portion of the governmental funds financial statements to reflect the relationship between the financing sources and responsibility for debt. The Notes to the Financial Statements can be found following Exhibit 11 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Commission's progress in funding its obligation to provide pension benefits and other post-employment benefits to its employees. Required supplementary information can be found immediately following the Notes to the Financial Statements.

### Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$901.8 million at the close of the most recent fiscal year. A summary of the Commission's net assets follows:

Summary of Net Assets (millions)  
June 30, 2011 and 2010

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010-2011
	2011	2010	2011	2010	2011	2010	
<b>Assets</b>							
Current and Other Assets	\$ 405.5	\$ 409.6	\$ 8.3	\$ 6.8	\$ 413.8	\$ 416.4	-0.6%
Capital Assets	655.6	632.8	75.0	78.4	730.6	711.2	2.7%
Total Assets	1,061.1	1,042.4	83.3	85.2	1,144.4	1,127.6	1.5%
<b>Liabilities</b>							
Current Portion of Long-term							
Liabilities	26.8	30.3	1.5	1.4	28.3	31.7	-10.7%
Long-term Liabilities	157.6	144.2	4.4	4.6	162.0	148.8	8.9%
Other Liabilities	49.5	49.3	2.8	2.4	52.3	51.7	1.2%
Total Liabilities	233.9	223.8	8.7	8.4	242.6	232.2	4.5%
<b>Net Assets</b>							
Invested in Capital Assets,							
Net of Related Debt	569.9	536.1	72.8	75.0	642.7	611.1	5.2%
Unrestricted	257.3	282.5	1.8	1.8	259.1	284.3	-8.9%
Total Net Assets	\$ 827.2	\$ 818.6	\$ 74.6	\$ 76.8	\$ 901.8	\$ 895.4	0.7%

Current and other assets decreased by 0.6%, primarily due to a minor decrease in cash and investments. Changes in other liabilities were primarily a result of accrued salaries and benefits. Changes in net assets are discussed later.

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

The remaining balance of \$259.1 million of net assets is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

At the end of the current fiscal year, the Commission is able to report positive balances in both categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

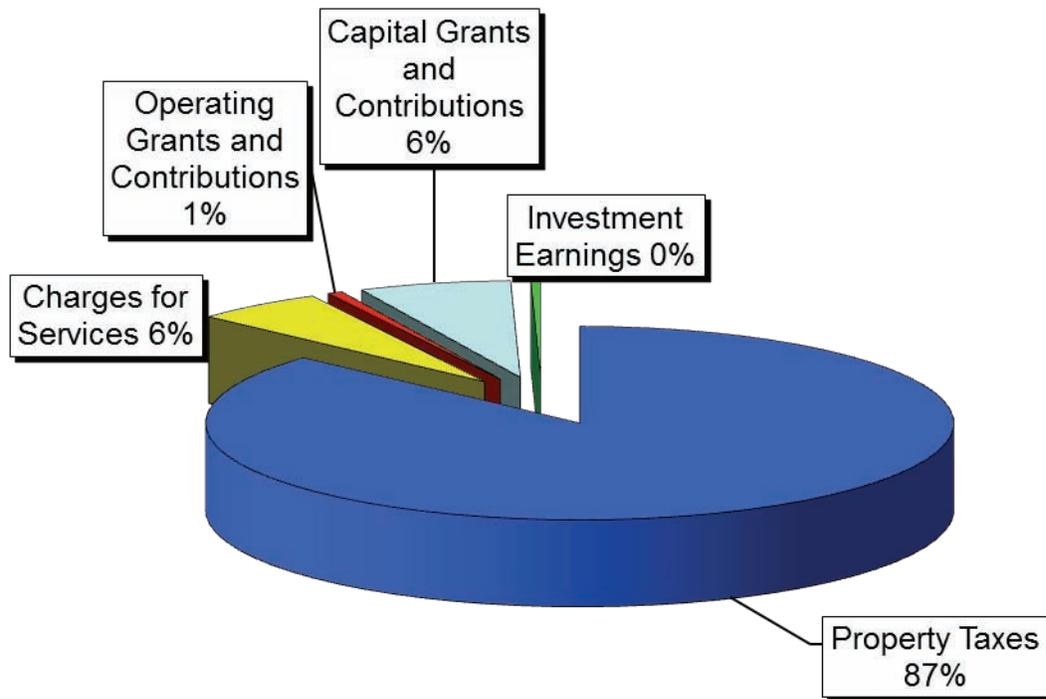
A summary of changes in net assets follows:

Summary of Changes in Net Assets (in millions) For the Fiscal Years Ended June 30, 2011 and 2010							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2010-2011
	2011	2010	2011	2010	2011	2010	
<b>Program Revenues:</b>							
Charges for Services	\$ 22.3	\$ 20.7	\$ 19.0	\$ 18.6	\$ 41.3	\$ 39.3	5.1%
Operating Grants and Contributions	2.6	2.8	-	0.1	2.6	2.9	-10.3%
Capital Grants and Contributions	26.2	23.7	-	-	26.2	23.7	10.5%
<b>General Revenues:</b>							
Property Taxes	345.8	380.1	-	-	345.8	380.1	-9.0%
Investment Earnings	1.7	2.1	-	-	1.7	2.1	-19.0%
<b>Total Revenues</b>	<b>398.6</b>	<b>429.4</b>	<b>19.0</b>	<b>18.7</b>	<b>417.6</b>	<b>448.1</b>	<b>-6.8%</b>
<b>Expenses:</b>							
General Government	19.0	19.8	-	-	19.0	19.8	-4.0%
County Planning and Zoning	55.9	58.7	-	-	55.9	58.7	-4.8%
Park Operations and Maintenance	232.7	224.8	-	-	232.7	224.8	3.5%
Recreation Programs	68.8	68.4	-	-	68.8	68.4	0.6%
Recreational and Cultural Facilities	-	-	31.0	30.9	31.0	30.9	0.3%
Interest on Long-term Debt	3.8	4.3	-	-	3.8	4.3	-11.6%
<b>Total Expenses</b>	<b>380.2</b>	<b>376.0</b>	<b>31.0</b>	<b>30.9</b>	<b>411.2</b>	<b>406.9</b>	<b>1.1%</b>
Increase (Decrease) in Net Assets Before Transfers	18.4	53.4	(12.0)	(12.2)	6.4	41.2	-84.5%
<b>Transfers</b>	<b>(9.8)</b>	<b>(9.7)</b>	<b>9.8</b>	<b>9.7</b>	<b>-</b>	<b>-</b>	
Increase (Decrease) in Net Assets	8.6	43.7	(2.2)	(2.5)	6.4	41.2	
Net Assets - beginning	818.6	774.9	76.8	79.3	895.4	854.2	
<b>Net Assets - ending</b>	<b>\$ 827.2</b>	<b>\$ 818.6</b>	<b>\$ 74.6</b>	<b>\$ 76.8</b>	<b>\$ 901.8</b>	<b>\$ 895.4</b>	

During the current fiscal year the Commission's net assets increased by \$6.4 million. This is largely a result of: pay-as-you-go funds received from the two counties of \$21.7 million in the Capital Projects Funds which has not been spent, \$28.8 million of grants and contributions, reduction in property taxes (\$4.3 million) lower than budgeted, debt principal payments of \$16.2 million, increase in the pension liability of \$9.6 million, and the increase in the OPEB liability of \$14.7 million. Investment earnings were lower due to the falling interest rates during the fiscal year. Charges for services increased in the County Planning and Zoning, in the Park Operations and Maintenance Activities and Rentals and Concessions activities for Recreation programs. This was offset by a reduction in property taxes of \$34.3 million.

**Governmental activities.** Governmental activities increased the Commission's net assets by \$8.6 million, thereby accounting for 134% of the total growth in the net assets of the Commission. This increase is primarily attributable to capital grants receipts of \$26.2 million, added to an excess of ongoing revenues over ongoing expenses of \$0.7 million, which were offset by the transfers to business-type activities of \$9.8 million.

## Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 87% of Commission governmental revenues. Investment earnings decreased due to lower interest rates.

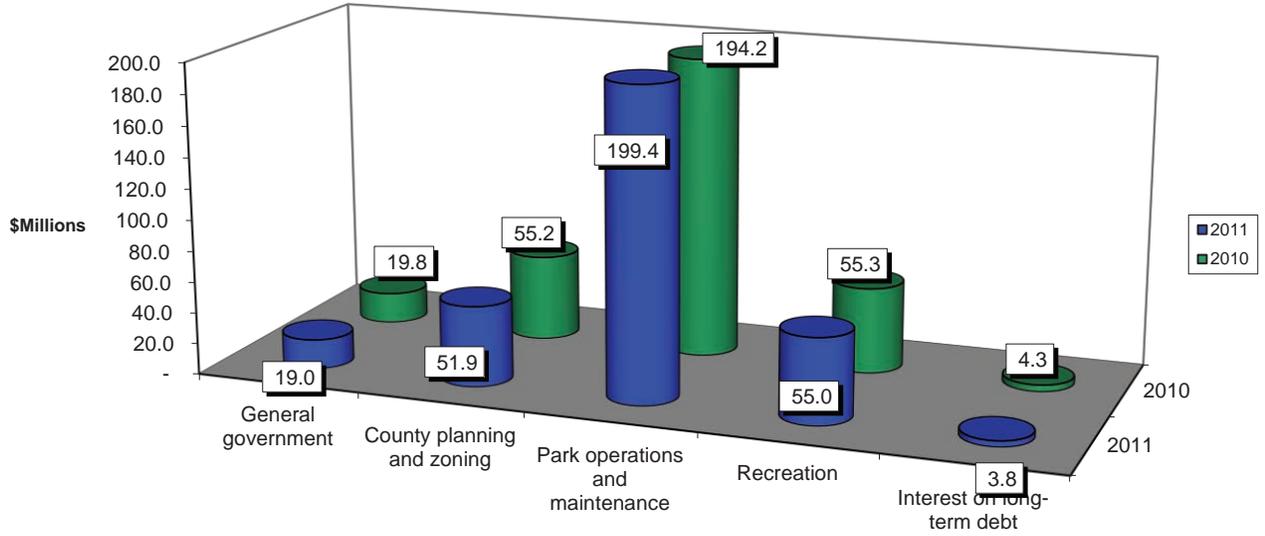
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 6.3% of governmental activities expenses.

The overall net cost of services and total cost of services were approximately the same for FY 2011 compared to FY 2010.

Net Cost of Governmental Activities (000's)  
For the Fiscal Years Ended June 30, 2011 and 2010

	2011		2010		Percentage Change 2010 - 2011	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 18,966	\$ 18,966	\$ 19,766	\$ 19,766	-4.0%	-4.0%
County Planning and Zoning	55,916	51,898	58,695	55,205	-4.7%	-6.0%
Park Operations and Maintenance	232,698	199,389	224,849	194,243	3.5%	2.6%
Recreation Programs	68,828	55,049	68,428	55,303	0.6%	-0.5%
Interest on Long-term Debt	3,831	3,831	4,295	4,295	-10.8%	-10.8%
<b>Total</b>	<b>\$ 380,239</b>	<b>\$ 329,133</b>	<b>\$ 376,033</b>	<b>\$ 328,812</b>	<b>1.1%</b>	<b>0.1%</b>

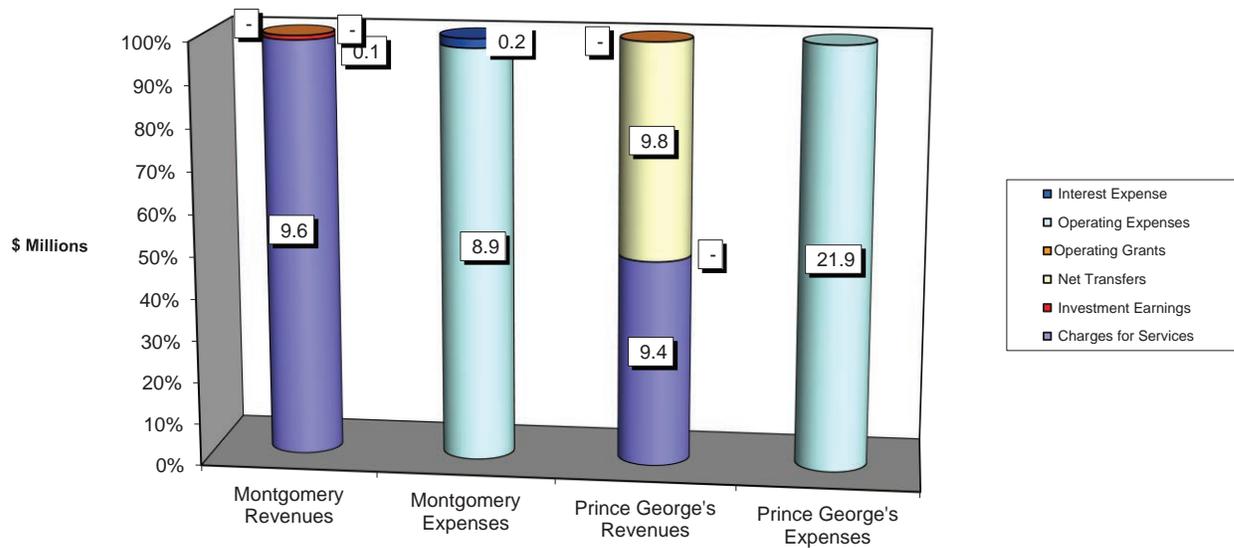
### Net Cost by Function - General Government



**Business-type Activities.** Business-type activities expenses in excess of revenues led to a decrease in the Commission's net assets by \$2.2 million.

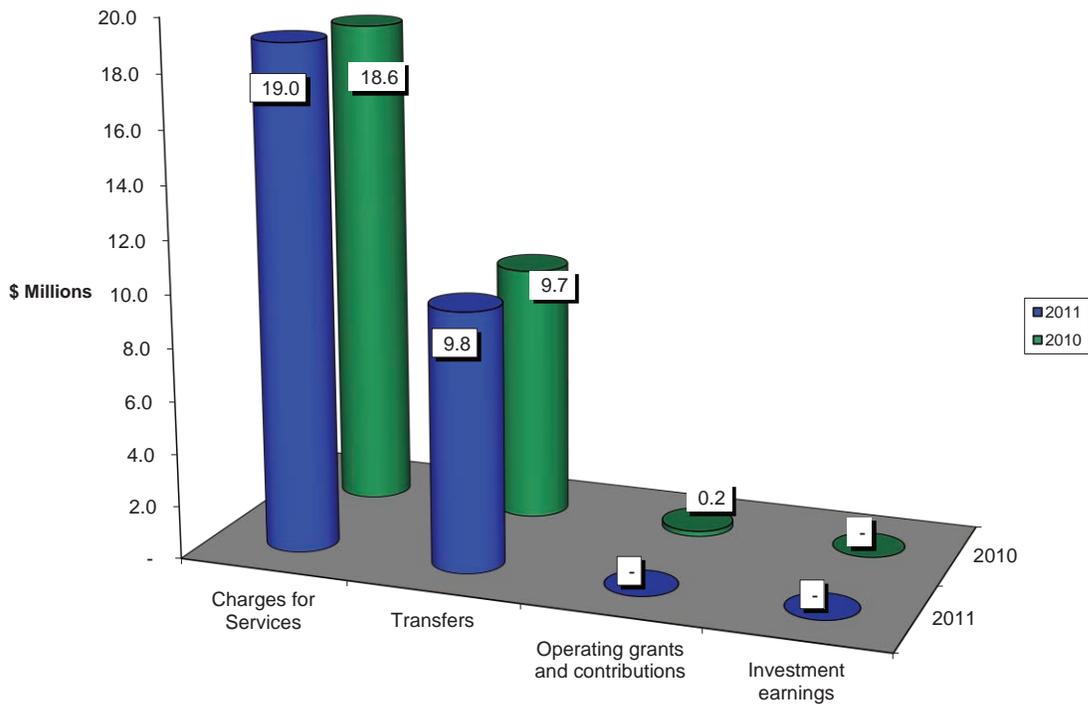
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$12.0 million.
- Governmental activities contributed \$9.8 million to support the enterprise activities. The funding is primarily for the Prince George's County business-type activities.

**Changes in Net Assets - Business-type Activities**



The operating losses occurred primarily as a result of operations at the Prince George's County Sports and Learning Center, the Equestrian Center/Multipurpose Arena, the Golf Courses, and the Ice Rinks. More detail is provided later in the Proprietary Funds discussion.

### Revenues by Source - Business-type Activities



Charges for services make up the major portion of revenues for the business-type operations, although support from governmental operations (transfers) also makes up a significant portion.

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

### Financial Analysis of the Commission's Funds

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

As of the end of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$303.3 million, an increase of \$1.3 million in comparison with the prior year. Approximately 67.6% of this total amount, or \$204.9 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. \$112.0 million of this balance is in the capital project funds. The remaining fund balances are restricted, committed or assigned to indicate that they are not available for new spending as \$72.7 million has been committed for contracts and purchase orders, and \$25.7 million is assigned to fund fiscal year 2012 expenditures.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$92.8 million, while total fund balance was \$137.1 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26.0% of the total general fund expenditures and transfers out, while total fund balance represents 38.4% of the same amount.

The fund balance of the Commission's General Fund increased by \$1.5 million during the current fiscal year. Key factors that generated this increase are as follows:

- A reduction of \$15.9 million was planned in the final budget for fiscal year 2011.
- Property taxes were \$4.3 million lower than anticipated, primarily due to decreases in the assessable base.
- Receipts from Charges for Services and Rentals and Concessions were \$.5 million lower than anticipated due to the general economic conditions.
- Interest revenues were \$.7 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- Interest revenues in the Capital Projects funds were \$.7 million lower than anticipated due to lower than budgeted interest rates. These revenues are transferred into the Park Accounts for each county.
- Transfers to the Debt Service funds were \$.5 million lower than anticipated due to the postponement of a new bond issue and savings generated by a refunding in the previous year.
- A control of expenditures generated \$18.7 million savings to provide funding for future years' budgets.

Encumbrances were \$4.9 million higher than in the prior year, representing additional fund balance increases.

The capital project fund for Montgomery County has a total deficit fund balance of \$2.7 million and Prince George's County has a surplus fund balance of \$161.6 million, all of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were a decrease of \$2.3 million in Montgomery County, and an increase of \$.4 million in Prince George's County primarily due to the \$21.3 million in pay-as-you-go funding received from Prince George's County, and construction grants realized of \$16.8 million in Montgomery County and \$8.6 million in Prince George's County, compared to expenditures of \$19.4 million in Montgomery County and \$29.8 million in Prince George's County.

**Proprietary Funds.** The Commission has determined that certain recreational and cultural facilities should be predominantly self-supporting through user fees. Enterprise fund accounting and reporting is used to emphasize the self-supporting nature of these activities and to provide improved cost accounting information. Enterprise Fund accounting, which is on a commercial accounting accrual basis, more accurately reflects whether individual facilities return the full cost of the program.

One enterprise fund has been established in each county to account for the various facilities. Separate cost centers are maintained for each major type of facility including an historical airport, four ice rinks, three golf courses, four enclosed tennis facilities, three conference centers, an equestrian center, a multipurpose arena, a trap and skeet center, certain regional park facilities, a sports and learning complex and a marina. Four golf courses in Montgomery County have been leased to the Montgomery County Revenue Authority since April 2006.

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

Unrestricted net assets of the Montgomery County fund at the end of the year amounted to \$1.6 million and those for the Prince George's County fund amounted to \$0.2 million. The total changes in net assets for the funds is an increase in the Montgomery County fund of \$0.5 million and a decrease of \$2.7 million in the Prince George's County fund.

Summary comparative results of the financial operations of the Enterprise Funds follow:

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2011 and 2010				
	Montgomery County		Prince George's County	
	FY2011	FY2010	FY2011	FY2010
Operating Revenues	\$ 9,555	\$ 9,219	\$ 9,440	\$ 9,503
Operating Expenses, Excluding Depreciation	7,614	7,764	19,618	19,428
Operating Income (Loss), Excluding Depreciation	1,941	1,455	(10,178)	(9,925)
Depreciation	1,294	1,331	2,305	2,200
Operating Income (Loss)	647	124	(12,483)	(12,125)
Nonoperating Revenue (Expense)	(153)	(189)	17	23
Transfers	-	35	9,789	9,664
Change in Net Assets	\$ 494	\$ (30)	\$ (2,677)	\$ (2,438)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2011 and 2010						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Event Centers	\$ 502	\$ 399	\$ 103	\$ (88)	\$ (214)	\$ 126
Golf Courses	338	479	(141)	207	264	(57)
Ice Rinks	4,271	3,894	377	835	372	463
Indoor Tennis	1,492	1,491	1	360	367	(7)
Park Facilities	2,952	2,956	(4)	627	666	(39)
Total	\$ 9,555	\$ 9,219	\$ 336	\$ 1,941	\$ 1,455	\$ 486

The Montgomery County Enterprise Fund revenues increased by \$336,000, and operating income, excluding depreciation, increased by \$486,000. Operating revenues at the two ice rinks have grown due to increased attendance at public sessions and classes. This increase in revenues along with efforts to control costs has led to an increase in Net Income at the Ice Rinks of \$463,000. Operating revenues at the Event Centers have increased due to a greater concentration on attracting more business and social events.

Comparative Prince George's County key data are as follows:

Prince George's County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2011 and 2010						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2011	FY2010	Change	FY2011	FY2010	Change
Airport	\$ 171	\$ 202	\$ (31)	\$ (259)	\$ (242)	\$ (17)
Equestrian Center/Arena	1,381	1,401	(20)	(2,513)	(2,757)	244
Golf Courses	2,321	2,466	(145)	(1,171)	(1,220)	49
Ice Rinks	584	523	61	(919)	(934)	15
Tennis Bubbles	339	328	11	(699)	(112)	(587)
Trap and Skeet Center	1,413	1,352	61	(44)	(146)	102
Sports and Learning Complex	3,178	3,160	18	(4,005)	(4,199)	194
Bladensburg Marina	53	71	(18)	(568)	(315)	(253)
Total	<u>\$ 9,440</u>	<u>\$ 9,503</u>	<u>\$ (63)</u>	<u>\$ (10,178)</u>	<u>\$ (9,925)</u>	<u>\$ (253)</u>

The Prince George's County Enterprise Fund revenues decreased by \$63,000 and the operating loss, excluding depreciation, increased by \$253,000. Revenues remained fairly stable at facilities with the exception of the Golf Courses where revenues were lower in FY 2011 due to the general state of the economy. Some of these revenue losses were offset by a reduction in spending for compensation and supplies. Expenses increased overall, primarily due to increased compensation costs resulting in greater losses than in 2010. By policy, the fee structures at all facilities are designed for maximum participation with General Fund support.

### General Fund Budgetary Highlights

The Commission's park, recreation, planning and general administrative functions are financed primarily by five legally designated property taxes that must be levied on a separate County basis. These functions are accounted for in accounts within the General Fund, each of which has its own budget, and is presented separately in the Notes to the Financial Statements.

A summary of the Montgomery County budget to actual variances follows:

Montgomery County Budget to Actual Variances (000's) For the Year Ended June 30, 2011		
	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (208.4)	\$ (547.6)
(Unfavorable) charges for services	(29.2)	(200.9)
(Unfavorable) intergovernmental revenue	(47.6)	(285.6)
(Unfavorable) investment revenue	(47.3)	(124.1)
Favorable other revenue	3.5	86.8
Total unfavorable revenue variance	<u>(329.0)</u>	<u>(1,071.4)</u>
Expenditure savings	903.2	1,842.3
Favorable other financing sources (uses)	-	176.6
Total favorable budgetary variance	<u>\$ 574.2</u>	<u>\$ 947.5</u>

Property tax collections were below budget due to decreases in the assessable base. Charges for services were almost equal to the budget in the Administration Account and were below budget in the Park Account primarily due to the continued economic slowdown. Investment revenue was below budget due to declining interest rates. Unfavorable intergovernmental revenues are offset by expenditure savings. Other revenue in both funds exceeded the budget. The Administration Account increase was the result of fines collected, and the Park Account increase was primarily the result of permit fees collected in excess of budget. The expenditure savings were primarily the result of managing operations to generate savings to help offset revenue losses. This savings was generated primarily by restructuring and abolishing

positions. The favorable other financing uses in the Park Account primarily results from a lower transfer to the Debt Service Fund, due to savings generated by the deferral of a bond issue.

The results summarized above, in conjunction with fund balances carried forward, resulted in ending fund balances for Montgomery County as indicated in the following table:

Montgomery County Budgetary Fund Balances June 30, 2011		
	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 513.0	\$ 798.6
Unassigned	1,558.5	4,392.7
Total Budgetary Fund Balance	<u>\$ 2,071.5</u>	<u>\$ 5,191.3</u>

A summary of the Prince George's County budget to actual variances follows:

Prince George's County Budget to Actual Variances (000's) For the Year Ended June 30, 2011			
	Administration Account	Park Account	Recreation Account
(Unfavorable) property tax collections	\$ (897.9)	\$ (1,773.3)	\$ (833.5)
Favorable (unfavorable) charges for services	(168.9)	(222.1)	80.0
(Unfavorable) intergovernmental revenue	109.0	-	-
(Unfavorable) investment revenue	(46.0)	(258.1)	(234.5)
Favorable other revenue	65.7	122.4	19.5
Total favorable revenue variance	<u>(938.1)</u>	<u>(2,131.1)</u>	<u>(968.5)</u>
Expenditure savings	2,239.9	5,904.3	6,968.5
(Unfavorable) other financing sources	-	(46.0)	-
Total favorable budgetary variance	<u>\$ 1,301.8</u>	<u>\$ 3,727.2</u>	<u>\$ 6,000.0</u>

Property tax collections were below budget due to decreases in the assessable base. Charges for services were down in the Administration Account as a result of the continued economic slowdown which impacted fees collected for subdivisions, zoning and urban design applications. Charges for services were also down in the Park Account at historical rental properties but were up in the Recreation Account at sports and athletic facilities. The unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to lower than budgeted interest rates. The expenditure savings were primarily the result of vacant positions in all of the Accounts, efforts to save in other categories to help offset the loss of revenues and non-departmental savings from liquidation of prior year encumbrances of \$707,802 in the Administration Account, \$104,913 in the Park Account and \$231,156 in the Recreation Account. Other financing sources were unfavorable due to lower than budgeted interest rates on cash balances in the capital projects fund. (this income is transferred to the Park Account), offset by the savings from budgeted debt service as a scheduled bond sale was not needed due to large cash balances.

The results summarized above, in conjunction with fund balances carried forward, resulted in ending fund balances for Prince George's County as indicated in the following table:

**Prince George's County Budgetary Fund Balances (000's)**

June 30, 2011

	<u>Administration Account</u>	<u>Park Account</u>	<u>Recreation Account</u>
<u>Fund balance, budget basis</u>			
Assigned	\$ 4,810.7	\$ -	\$ 13,149.4
Unassigned	15,954.9	56,233.3	14,692.3
Total Budgetary Fund Balance	<u>\$ 20,765.6</u>	<u>\$ 56,233.3</u>	<u>\$ 27,841.7</u>

**Capital Asset and Debt Administration**

**Capital assets.** The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2011 amounts to \$730.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 2.7% (a 3.6% increase for governmental activities and a 4.3% decrease for business-type activities). The most significant increases are from land acquisitions, construction of recreational facilities, community center renovation/expansion, construction of an irrigation system in a regional park, replacement of playground equipment and trail construction. The only significant capital asset changes in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Assets. During fiscal year 2011, projects totaling \$5.2 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are the installation and other enhancements at Hamilton Neighborhood Park, the installation of artificial turf at Fairland Recreational Park, and a new irrigation system at Brookside Gardens.

Expenditures on Montgomery County projects totaled \$19.4 million in fiscal year 2011, of which \$.5 million was for land acquisition and \$18.9 million was for development. Land acquisition included \$.4 million from the Maryland State Highway Administration. The largest project was the Rock Creek Trail Pedestrian Bridge, with construction costs to date of \$6.7 million, of which \$1.4 million was in fiscal year 2011 and, the Lake Needwood Dam modifications project with construction costs of \$2.2 million all of which was in fiscal year 2011. In addition, expenditures totaling \$6.4 million were spent on 15 projects for routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$29.8 million in fiscal year 2011, of which \$3.6 million was for land acquisition and \$26.2 million was for development. Land acquisition included \$2.5 million for Historic Agricultural Resources Preservation and .9 million was for stream valley park acquisition. Major Park Development expenditures include the Beltsville/Laurel Senior Center with construction costs to date of \$6.4 million of which \$2.9 million was in fiscal year 2011, the Glenarden Community Center re-construction/addition with construction costs to date of \$4.2 million, of which \$2.4 million was in fiscal year 2011, the Walker Mill Regional Park with construction costs to date of \$2.1 million, of which \$1.1 million was in fiscal year 2011, Play equipment replacement costs to date of \$4.0 million, of which \$1.0 million was in fiscal year 2011, Heurich Community Park with construction costs to date of \$1.6 million of which \$1.4 million was in FY 2011, and the Southern Regional Technology/Recreation Complex with construction costs to date of \$5.2 million, of which \$3.9 million was in fiscal year 2011. In addition, expenditures totaling \$1.1 million was spent on a community center project.

## Commission's Capital Assets

### Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2011 and 2010

	June 30, 2011			June 30, 2010			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 322,698	\$ 19,364	\$ 342,062	\$ 317,848	\$ 19,364	\$ 337,212	1.4%
Buildings and improvements	80,995	53,523	134,518	82,832	56,840	139,672	-3.7%
Infrastructure	111,980	-	111,980	115,780	-	115,780	-3.3%
Machinery, equip. & intangibles	22,465	1,747	24,212	24,486	1,761	26,247	-7.8%
Construction in progress	117,512	398	117,910	91,901	398	92,299	27.7%
Total	\$ 655,650	\$ 75,032	\$ 730,682	\$ 632,847	\$ 78,363	\$ 711,210	2.7%

Additional information on the Commission's capital assets can be found in Note 4B of the Notes to Financial Statements in this report.

**Long-term debt.** Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$94.8 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$18.0 million (Montgomery - \$4.6 million; Prince George's - \$13.4 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$92.6 million (Montgomery County - \$26.7 million and Prince George's County - \$65.9 million) at June 30, 2011. Park Bonds debt service expenditures totaled \$17.1 million (Montgomery - \$4.0 million, Prince George's - \$13.1 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.26 cents per \$100 of assessed valuation for real property and .65 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.48 cents per \$100 of assessed valuation for real property and 3.70 cents per \$100 of assessed valuation for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for park operation and maintenance expenditures in the respective counties.

The Commission's outstanding general obligation bonds have the following ratings:

Commission General Obligation Bond Ratings June 30, 2011			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aa1	AAA	AA+

The Commission's Montgomery County revenue bonds and revenue notes payable totaled \$2.2 million at June 30, 2011. These bonds and notes are accounted for in the Enterprise Funds. The revenue bonds and notes are not general obligations of the Commission or Montgomery County and are payable solely from revenues generated from revenue producing facilities. Debt service expenditures for the revenue bonds and notes totaled \$1.2 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2011, and the related debt service requirements are set forth in the Notes to the Financial Statements.

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2011 follow (\$000's):

**Commission's Outstanding Debt  
General Obligation and Revenue Bonds and Notes**

Commission's Outstanding Debt June 30, 2011 and 2010							
	Governmental Activities		Business-type Activities		Total		Change
	2011	2010	2011	2010	2011	2010	
General obligation bonds	\$ 93,194	\$ 106,986	\$ -	\$ -	\$ 93,194	\$ 106,986	-12.9%
Revenue bonds and notes	-	-	2,209	3,329	2,209	3,329	-33.6%
Notes payable	737	1,694	-	-	737	1,694	-56.5%
<b>Total</b>	<b>\$ 93,931</b>	<b>\$ 108,680</b>	<b>\$ 2,209</b>	<b>\$ 3,329</b>	<b>\$ 96,140</b>	<b>\$ 112,009</b>	<b>-14.2%</b>

Montgomery County Outstanding Debt June 30, 2011 and 2010							
	Governmental Activities		Business-type Activities		Total		Change
	2011	2010	2011	2010	2011	2010	
General obligation bonds	\$ 28,475	\$ 31,903	\$ -	\$ -	\$ 28,475	\$ 31,903	-10.7%
Revenue bonds and notes	-	-	2,209	3,329	2,209	3,329	-33.6%
Notes payable	368	1,041	-	-	368	1,041	-64.6%
<b>Total</b>	<b>\$ 28,843</b>	<b>\$ 32,944</b>	<b>\$ 2,209</b>	<b>\$ 3,329</b>	<b>\$ 31,052</b>	<b>\$ 36,273</b>	<b>-14.4%</b>

Prince George's County Outstanding Debt June 30, 2011 and 2010							
	Governmental Activities		Business-type Activities		Total		Change
	2011	2010	2011	2010	2011	2010	
General obligation bonds	\$ 64,719	\$ 75,083	\$ -	\$ -	\$ 64,719	\$ 75,083	-13.8%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	369	653	-	-	369	653	-43.5%
<b>Total</b>	<b>\$ 65,088</b>	<b>\$ 75,736</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 65,088</b>	<b>\$ 75,736</b>	<b>-14.1%</b>

The Commission's total debt decreased by \$15.9 million (14.2%) during the current fiscal year, due to principal payments made as scheduled.

State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,630.0 million of debt service for Montgomery County and \$983.6 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$33.2 million and \$79.2 million, respectively, over the 30 year period.

Additional information on the Commission's long-term debt can be found in Note 4E of the Notes to the Financial Statements.

**Economic Factors and Next Year's Budgets and Rates**

The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 87% of the Governmental Funds revenues in FY 2011. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2012 tax rates and adopting the FY 2012 Budget.

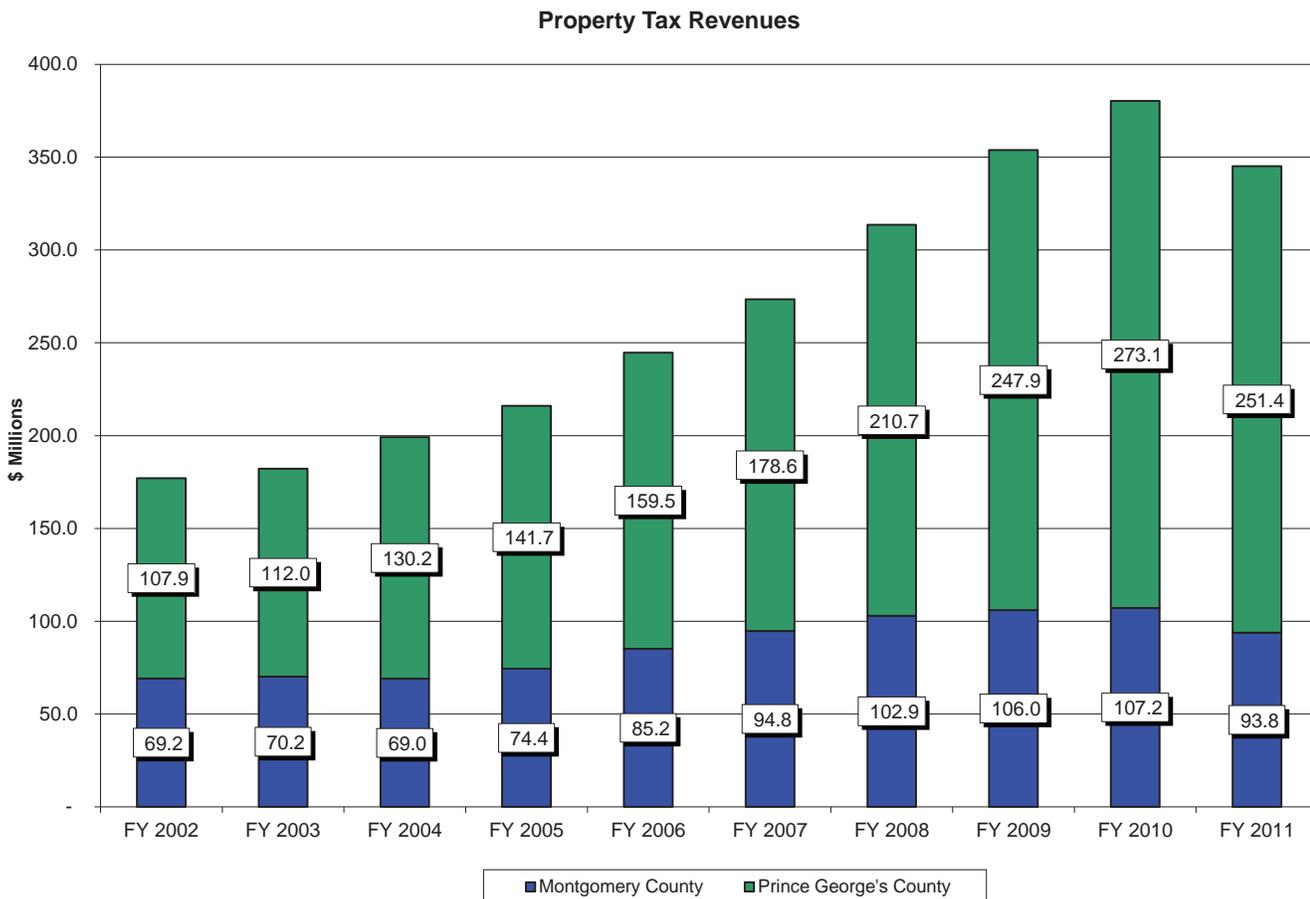
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates, which have resulted in declining Commission tax rates over the past few years. In FY 2012, the Commission's total Montgomery County real property tax rate was increased by .5 of a cent and the personal property tax rate was increased by 1.3 cents. However, the taxable real property assessable base is projected to decrease by 3.3%.

The Commission property tax revenue is budgeted to increase by 4.7% and budgeted expenditures are budgeted to increase 4.1% in the tax supported funds.

In Prince George's County, the Commission's property tax rates were increased in FY 2004 to maintain a level tax rate for the foreseeable future and to fund an aggressive capital improvement program. With the strong assessable base growth in prior years, the property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program keeping debt levels relatively low and providing capacity to assist the Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges increased from \$16.1 million in FY 2010 to \$21.5 million in FY 2011 and for FY 2012, they are budgeted at \$22.1 million. In addition, the Commission supported legislation effective in FY 2010 to transfer \$30 million from the Commission's Park Account property taxes in FY 2010 and FY 2011 to assist the Prince George's County Government. The transfers were achieved primarily by reducing the pay-as-you-go funding of the capital improvement program and selling bonds at a future date when resources are needed. The budgeted transfer from the Park Account to the Capital Project Fund was reduced from \$43.0 million in the FY 2011 Adopted Budget to \$10.7 million in the FY 2012 Adopted Budget.

As noted above, the assessable base in Montgomery County has declined due to the economic slow down. The assessable base in Prince George's County shows a decrease between budgeted FY 2011 and FY 2012. One-third of the property is inspected and revalued by the State Department of Assessments and Taxation each year so that all real property is inspected and revalued once every three years. The three-year cycle results in a smoothing effect on property tax revenues. In times of slowing or decreasing growth, the assessable base declines at a slower rate which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable. When the economy is recovering, the assessments growth rate will lag somewhat.

The steady growth in property tax revenues over the past 10 years is displayed in the chart below.



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$112.1 million. Of this amount, \$19.3 million is assigned fund balance and \$92.8 million is unassigned as of June 30, 2011. Of the unassigned portion, \$86.9 million is from Prince George's County operations and will be utilized in future years to maintain a stable tax rate in accordance with its long-term fiscal plan.

The Commission's Montgomery County activities are subject to spending affordability guidelines of Montgomery County Government. In Prince George's County, a Spending Affordability Committee makes recommendations during the budgetary process to the County Executive and the County Council concerning spending affordability of the Commission's Prince George's County operations.

The spending affordability processes along with close monitoring of financial results and projections during the fiscal year add to the solid foundation of financial management and assist the Commission in meeting the challenge of providing enhanced public services at an economical cost.

### **Requests for Information**

The financial report is designed to provide a general overview of the Commission's finances for all those with an interest in the Commission's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Department of Finance, Office of Secretary-Treasurer, The Maryland-National Capital Park and Planning Commission, 6611 Kenilworth Avenue, Riverdale, Maryland 20737. This report can also be found on the Commissions website, <http://www.mncppc.org> (See Budget/CAFR).



**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Exhibit 1**

**Statement of Net Assets  
June 30, 2011**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 379,793,948	\$ 7,186,105	\$ 386,980,053
Receivables - Taxes, net of allowance for uncollectibles	3,029,403	-	3,029,403
Receivables - Other	799,850	5,750	805,600
Due from County Governments	5,911,540	191,306	6,102,846
Due from Other Governments	7,536,629	-	7,536,629
Inventories	-	914,388	914,388
Deposits and Other	1,994,327	-	1,994,327
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	6,365,777	-	6,365,777
Capital Assets:			
Land and Construction in Progress	440,210,367	19,761,487	459,971,854
Other Capital Assets, Net of Accumulated Depreciation	<u>215,439,186</u>	<u>55,270,395</u>	<u>270,709,581</u>
Total Assets	<u>1,061,081,027</u>	<u>83,329,431</u>	<u>1,144,410,458</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	41,705,784	1,327,776	43,033,560
Accrued Interest Payable	1,023,921	15,900	1,039,821
Due to Other Governments	249,597	-	249,597
Deposits and Unearned Revenue	6,500,645	1,450,669	7,951,314
Claims Payable:			
Due within One Year	4,675,859	-	4,675,859
Due in more than One Year	8,983,969	-	8,983,969
Compensated Absences:			
Due within One Year	9,524,659	349,059	9,873,718
Due in more than One Year	9,377,161	727,881	10,105,042
Bonds and Notes Payable:			
Due within One Year	12,569,335	1,176,513	13,745,848
Due in more than One Year	81,361,963	1,032,039	82,394,002
Net Other Post Employment Benefit Obligations			
Due in more than One Year	48,718,399	2,238,798	50,957,197
Net Pension Obligations			
Due in more than One Year	9,167,400	406,300	9,573,700
Total Liabilities	<u>233,858,692</u>	<u>8,724,935</u>	<u>242,583,627</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	569,890,944	72,823,330	642,714,274
Unrestricted	<u>257,331,391</u>	<u>1,781,166</u>	<u>259,112,557</u>
Total Net Assets	\$ <u>827,222,335</u>	\$ <u>74,604,496</u>	\$ <u>901,826,831</u>

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 2

Statement of Activities  
For the Year Ended June 30, 2011

Functions/Programs	Program Revenues					Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
<b>Governmental Activities:</b>						
General Government	\$ 18,965,708	\$ -	\$ -	\$ -	(18,965,708)	\$ (18,965,708)
County Planning and Zoning	55,915,753	3,127,500	890,692	-	(51,897,561)	(51,897,561)
Park Operations and Maintenance	232,698,656	5,830,735	1,288,151	26,190,310	(199,389,460)	(199,389,460)
Recreation Programs	68,827,893	13,388,956	389,580	-	(55,049,357)	(55,049,357)
Interest on Long-term Debt	3,830,828	-	-	-	(3,830,828)	(3,830,828)
Total Governmental Activities	380,238,838	22,347,191	2,568,423	26,190,310	(329,132,914)	(329,132,914)
<b>Business-type Activities:</b>						
Recreational and Cultural Facilities	30,999,452	18,992,169	2,600	-	(12,004,683)	(12,004,683)
Total Business-type Activities	30,999,452	18,992,169	2,600	-	(12,004,683)	(12,004,683)
Total Government	\$ 411,238,290	\$ 41,339,360	\$ 2,571,023	\$ 26,190,310	\$ (329,132,914)	\$ (341,137,597)
<b>General Revenues:</b>						
Property Taxes					345,841,894	345,841,894
Unrestricted Investment Earnings					1,670,713	1,702,342
Transfers					(9,789,550)	-
Net General Revenues and Transfers					337,723,057	347,544,236
Change in Net Assets					8,590,143	6,406,639
Net Assets - Beginning					818,632,192	895,420,192
Net Assets - Ending					\$ 827,222,335	\$ 901,826,831

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Exhibit 3**

**Balance Sheet  
Governmental Funds  
June 30, 2011**

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 167,807,182	\$ -	\$ 155,064,671	\$ 7,934,504	\$ 330,806,357
Receivables - Taxes (net of allowance for uncollectibles)	2,989,302	-	-	40,101	3,029,403
Receivables - Other (net of allowance for uncollectibles)	54,152	-	-	13,728	67,880
Due from Other Funds	6,553,971	-	-	-	6,553,971
Due from County Governments	14,671	5,058,942	-	603,675	5,677,288
Due from Other Governments	207,236	3,019,467	4,280,926	29,000	7,536,629
Restricted Cash - Unspent Debt Proceeds	-	-	6,365,777	-	6,365,777
Other	22,579	-	-	39,474	62,053
<b>Total Assets</b>	<b>\$ 177,649,093</b>	<b>\$ 8,078,409</b>	<b>\$ 165,711,374</b>	<b>\$ 8,660,482</b>	<b>\$ 360,099,358</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 23,007,033	\$ 2,190,132	\$ 1,871,819	\$ 150,437	\$ 27,219,421
Accrued Liabilities	10,128,953	-	-	271,292	10,400,245
Retainage Payable	-	1,480,101	2,005,604	-	3,485,705
Due to Other Funds	-	6,553,971	-	-	6,553,971
Due to County Governments	60	-	-	35	95
Deposits and Deferred Revenue	7,444,663	561,000	206,186	930,464	9,142,313
<b>Total Liabilities</b>	<b>40,580,709</b>	<b>10,785,204</b>	<b>4,083,609</b>	<b>1,352,228</b>	<b>56,801,750</b>
<b>Fund Balance:</b>					
Restricted for:					
Parks	-	-	6,365,777	7,201	6,372,978
Committed to:					
Planning	11,345,457	-	-	536,851	11,882,308
Parks	11,021,770	14,818,381	32,069,856	220,933	58,130,940
Recreation	2,597,646	-	-	134,323	2,731,969
Assigned to:					
Planning	5,323,800	-	-	1,746,829	7,070,629
Parks	798,630	-	-	1,973,562	2,772,192
Recreation	13,149,400	-	-	2,688,555	15,837,955
Unassigned:	92,831,681	(17,525,176)	123,192,132	-	198,498,637
<b>Total Fund Balances</b>	<b>137,068,384</b>	<b>(2,706,795)</b>	<b>161,627,765</b>	<b>7,308,254</b>	<b>303,297,608</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 177,649,093</b>	<b>\$ 8,078,409</b>	<b>\$ 165,711,374</b>	<b>\$ 8,660,482</b>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	646,261,992
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,806,914
Internal service funds are used by management to charge the costs of capital equipment financing, risk management, group insurance and the Executive Office Building. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	43,814,324
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,641,667
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(170,600,170)
<b>Net Assets of Governmental Activities</b>	<b>\$ 827,222,335</b>

The notes to the financial statements are an integral part of this statement.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 342,242,643	\$ -	\$ -	\$ 3,012,120	\$ 345,254,763
Intergovernmental -					
Federal	50,902	2,607,028	1,134,600	-	3,792,530
State	408,274	2,524,693	7,493,077	-	10,426,044
County	255,804	11,703,200	-	1,429,525	13,388,529
Local	3,149	-	-	7,242	10,391
Charges for Services	8,414,855	-	-	3,199,207	11,614,062
Rentals and Concessions	4,660,473	-	-	5,099,003	9,759,476
Interest	684,932	1,849	701,366	32,949	1,421,096
Contributions	-	(65,418)	-	413,527	348,109
Miscellaneous	635,325	-	223,603	114,725	973,653
Total Revenues	<u>357,356,357</u>	<u>16,771,352</u>	<u>9,552,646</u>	<u>13,308,298</u>	<u>396,988,653</u>
<b>EXPENDITURES</b>					
Current -					
General Government	16,900,334	-	-	-	16,900,334
Planning and Zoning	47,875,869	-	-	3,801,709	51,677,578
Park Operations and Maintenance	183,683,510	-	-	1,440,876	185,124,386
Recreation	57,995,863	-	-	4,926,440	62,922,303
Contributions	-	-	-	2,100,896	2,100,896
Debt Service -					
Principal	56,800	-	-	14,115,957	14,172,757
Interest	-	-	-	3,888,860	3,888,860
Other Debt Service Costs	-	-	-	(95,874)	(95,874)
Capital Outlay -					
Park Acquisition	-	508,501	3,549,184	-	4,057,685
Park Development	-	18,928,445	26,213,628	-	45,142,073
Total Expenditures	<u>306,512,376</u>	<u>19,436,946</u>	<u>29,762,812</u>	<u>30,178,864</u>	<u>385,890,998</u>
Excess (Deficiency) of Revenues over Expenditures	<u>50,843,981</u>	<u>(2,665,594)</u>	<u>(20,210,166)</u>	<u>(16,870,566)</u>	<u>11,097,655</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	1,403,215	350,000	21,304,000	18,559,208	41,616,423
Transfers Out	(50,702,758)	(1,849)	(701,366)	-	(51,405,973)
Total Other Financing Sources (Uses)	<u>(49,299,543)</u>	<u>348,151</u>	<u>20,602,634</u>	<u>18,559,208</u>	<u>(9,789,550)</u>
Net Change in Fund Balances	1,544,438	(2,317,443)	392,468	1,688,642	1,308,105
Fund Balances - Beginning	<u>135,523,946</u>	<u>(389,352)</u>	<u>161,235,297</u>	<u>5,619,612</u>	<u>301,989,503</u>
Fund Balances - Ending	<u>\$ 137,068,384</u>	<u>\$ (2,706,795)</u>	<u>\$ 161,627,765</u>	<u>\$ 7,308,254</u>	<u>\$ 303,297,608</u>

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Exhibit 5

**Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2011**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances -- total governmental funds (Exhibit 4)	\$	1,308,105
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation in the current period.

Capitalized Expenditures	\$ 38,466,964	
Depreciation Expense	<u>(14,858,862)</u>	
Net adjustment		23,608,102

In the Statement of Activities, donated land activity that has no impact on financial resources is also included in the Statement of Activities.

Donations	<u>793,130</u>	
Net adjustment		793,130

Tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. This is the amount by which the deferred revenues changed from last fiscal year.

587,131

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Repayments of Principal	<u>14,172,757</u>	
Net adjustment		14,172,757

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is the unfunded cost of other post employment benefits, pension obligation, compensated absences and other expenses.

(23,428,990)

Accrued interest expense reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as expenditures in governmental funds. The amount is the impact of the net change in the liabilities from the prior year.

(148,603)

Internal service funds are used by management to charge the costs of capital equipment financings, employee benefits, risk management and Executive Office Building costs, to individual funds. The change in net assets of certain activities of internal service funds is reported with governmental activities.

Change in net assets of governmental activities (Exhibit 2)	\$ <u><u>(8,301,489)</u></u>	
	\$ <u><u>8,590,143</u></u>	

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - GENERAL FUND  
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 346,503,270	\$ 346,503,270	\$ 342,242,643	\$ (4,260,627)
Intergovernmental	753,000	942,400	718,129	(224,271)
Charges for Services	8,718,500	8,718,500	8,414,855	(303,645)
Rentals and Concessions	4,898,000	4,898,000	4,660,473	(237,527)
Interest	1,395,000	1,395,000	684,932	(710,068)
Miscellaneous	337,400	337,400	635,325	297,925
Total Revenues	362,605,170	362,794,570	357,356,357	(5,438,213)
Expenditures/Encumbrances:				
General Government	17,265,960	17,265,960	17,033,218	232,742
County Planning and Zoning	50,626,780	50,513,505	47,603,126	2,910,379
Park Operation and Maintenance	195,651,980	195,607,470	187,860,806	7,746,664
Recreation Programs	65,513,600	65,860,785	58,892,319	6,968,466
Total Expenditures/Encumbrances	329,058,320	329,247,720	311,389,469	17,858,251
Excess of Revenues over Expenditures/Encumbrances	33,546,850	33,546,850	45,966,888	12,420,038
Other Financing Sources (Uses):				
Transfers In	1,120,000	1,120,000	1,403,215	283,215
Transfers Out	(50,550,150)	(50,550,150)	(50,702,758)	(152,608)
Total Other Financing Sources (Uses)	(49,430,150)	(49,430,150)	(49,299,543)	130,607
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ (15,883,300)	\$ (15,883,300)	(3,332,655)	\$ 12,550,645
Fund Balances - Budget Basis, Beginning			115,436,166	
Fund Balances - Budget Basis, Ending			\$ 112,103,511	

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Exhibit 7**

**Statement of Net Assets  
Proprietary Funds  
June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 3,746,397	\$ 3,439,708	\$ 7,186,105	\$ 48,987,591
Accounts Receivable	5,136	614	5,750	731,971
Due from County Government	181,866	9,440	191,306	234,252
Deposits and Other	-	-	-	125,360
Inventories	137,892	776,496	914,388	-
Total Current Assets	<u>4,071,291</u>	<u>4,226,258</u>	<u>8,297,549</u>	<u>50,079,174</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	26,999,848	72,270,589	99,270,437	2,767,613
Machinery, Equipment and Intangibles	1,710,615	5,323,596	7,034,211	31,046,657
Construction in Progress	397,888	-	397,888	-
	<u>40,692,819</u>	<u>85,373,316</u>	<u>126,066,135</u>	<u>34,562,767</u>
Less - Accumulated Depreciation	<u>(17,682,747)</u>	<u>(33,351,506)</u>	<u>(51,034,253)</u>	<u>(25,175,206)</u>
Total Capital Assets, Net of Depreciation	<u>23,010,072</u>	<u>52,021,810</u>	<u>75,031,882</u>	<u>9,387,561</u>
Total Noncurrent Assets	<u>23,010,072</u>	<u>52,021,810</u>	<u>75,031,882</u>	<u>9,387,561</u>
Total Assets	<u>27,081,363</u>	<u>56,248,068</u>	<u>83,329,431</u>	<u>59,466,735</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	221,848	255,640	477,488	540,569
Claims Payable	-	-	-	4,675,859
Accrued Salaries and Benefits	227,526	622,762	850,288	59,843
Compensated Absences	54,016	295,043	349,059	42,950
Interest Payable	15,900	-	15,900	11,840
Revenue Collected in Advance	1,217,404	233,265	1,450,669	-
Current Portion of Revenue Bonds Payable	732,069	-	732,069	-
Current Portion of Revenue Notes Payable	444,444	-	444,444	-
Current Portion of Notes Payable	-	-	-	570,000
Due to Other Government	-	-	-	249,502
Total Current Liabilities	<u>2,913,207</u>	<u>1,406,710</u>	<u>4,319,917</u>	<u>6,150,563</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	8,983,969
Revenue Bonds Payable	365,367	-	365,367	-
Revenue Notes Payable	666,672	-	666,672	-
Notes Payable	-	-	-	110,000
Compensated Absences	219,875	508,006	727,881	82,983
Net Other Post Employment Benefit Obligations	447,162	1,791,636	2,238,798	324,895
Net Pension Obligation	101,388	304,912	406,300	-
Total Noncurrent Liabilities	<u>1,800,464</u>	<u>2,604,554</u>	<u>4,405,018</u>	<u>9,501,847</u>
Total Liabilities	<u>4,713,671</u>	<u>4,011,264</u>	<u>8,724,935</u>	<u>15,652,410</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	20,801,520	52,021,810	72,823,330	8,707,561
Unrestricted	1,566,172	214,994	1,781,166	35,106,764
Total Net Assets	<u>\$ 22,367,692</u>	<u>\$ 52,236,804</u>	<u>\$ 74,604,496</u>	<u>\$ 43,814,325</u>

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Exhibit 8

**Statement of Revenues, Expenses, and Changes in Fund Net Assets  
Proprietary Funds  
For the Year Ended June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	\$ -	\$ 2,600	\$ 2,600	\$ -
Sales	703,841	2,305,227	3,009,068	-
Charges for Services	6,137,974	4,458,369	10,596,343	32,067,160
Claim Recoveries	-	-	-	679,140
Rentals and Concessions	2,713,184	2,673,574	5,386,758	-
Total Operating Revenues	<u>9,554,999</u>	<u>9,439,770</u>	<u>18,994,769</u>	<u>32,746,300</u>
Operating Expenses:				
Cost of Goods Sold	344,611	1,540,102	1,884,713	-
Personal Services	3,098,263	11,491,600	14,589,863	1,293,316
Supplies and Materials	522,057	1,509,304	2,031,361	358,640
Claims Incurred	-	-	-	23,334,225
Insurance	-	-	-	8,248,763
Communications	21,288	262,448	283,736	-
Utilities	1,193,244	1,999,104	3,192,348	-
Maintenance	413,341	972,843	1,386,184	-
Contractual Services	610,944	711,812	1,322,756	1,266,730
Other Services and Charges	202,035	743,288	945,323	2,723,187
Administrative Services	1,208,434	387,000	1,595,434	-
Depreciation	1,294,511	2,305,589	3,600,100	2,226,204
Total Operating Expenses	<u>8,908,728</u>	<u>21,923,090</u>	<u>30,831,818</u>	<u>39,451,065</u>
Operating Income (Loss)	<u>646,271</u>	<u>(12,483,320)</u>	<u>(11,837,049)</u>	<u>(6,704,765)</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	14,907	16,722	31,629	249,617
Interest Expense, net of Amortization	(167,634)	-	(167,634)	(42,348)
Loss on Disposal of Asset	-	-	-	(1,803,993)
Total Nonoperating Revenue (Expense)	<u>(152,727)</u>	<u>16,722</u>	<u>(136,005)</u>	<u>(1,596,724)</u>
Income (Loss) before Transfers	493,544	(12,466,598)	(11,973,054)	(8,301,489)
Transfers	-	9,789,550	9,789,550	-
Change in Net Assets	<u>493,544</u>	<u>(2,677,048)</u>	<u>(2,183,504)</u>	<u>(8,301,489)</u>
Total Net Assets - Beginning	21,874,148	54,913,852	76,788,000	52,115,814
Total Net Assets - Ending	\$ <u>22,367,692</u>	\$ <u>52,236,804</u>	\$ <u>74,604,496</u>	\$ <u>43,814,325</u>

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Exhibit 9**

**Statement of Cash Flows - Proprietary Funds  
For the Year Ended June 30, 2011**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 9,713,304	\$ 9,244,285	\$ 18,957,589	\$ 32,202,839
Payments to Suppliers	(2,846,216)	(7,833,472)	(10,679,688)	(34,851,342)
Payments to Employees	(2,724,258)	(10,306,800)	(13,031,058)	(1,115,718)
Payments for Interfund Services Used	(399,700)	-	(399,700)	(899,200)
Payments for Administrative Charges	(1,208,434)	(387,000)	(1,595,434)	-
Net Cash Provided (Used) by Operating Activities	<u>2,534,696</u>	<u>(9,282,987)</u>	<u>(6,748,291)</u>	<u>(4,663,421)</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	<u>-</u>	<u>9,789,550</u>	<u>9,789,550</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(30,188)	(238,842)	(269,030)	(2,431,673)
Principal Paid on Bonds and Notes Payable	(1,152,647)	-	(1,152,647)	(900,212)
Interest Paid	(135,571)	-	(135,571)	(42,348)
Payment Received on Long Term Note	<u>180,000</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,138,406)</u>	<u>(238,842)</u>	<u>(1,377,248)</u>	<u>(3,374,233)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>14,907</u>	<u>16,722</u>	<u>31,629</u>	<u>249,617</u>
Net Decrease in Cash and Cash Equivalents	1,411,197	284,443	1,695,640	(7,788,037)
Cash and Cash Equivalents, July 1	<u>2,335,200</u>	<u>3,155,265</u>	<u>5,490,465</u>	<u>56,775,628</u>
Cash and Cash Equivalents, June 30	\$ <u><u>3,746,397</u></u>	\$ <u><u>3,439,708</u></u>	\$ <u><u>7,186,105</u></u>	\$ <u><u>48,987,591</u></u>

**Exhibit 9  
continued**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 646,271	\$ (12,483,320)	\$ (11,837,049)	\$ (6,704,765)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,294,511	2,305,589	3,600,100	2,226,204
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	(1,559)	(1,072)	(2,631)	(645,658)
Due from Other Government	(1,866)	-	(1,866)	102,197
Inventories, at Cost	1,945	39,786	41,731	-
Accounts Payable	67,456	(134,357)	(66,901)	(860,683)
Claims Payable	-	-	-	1,140,270
Accrued Salaries and Benefits	104,346	365,009	469,355	40,078
Compensated Absences	32,904	(13,620)	19,284	26,703
Interest Payable	(7,800)	-	(7,800)	(11,603)
Net Pension Obligation	101,388	304,912	406,300	(83,382)
Net Other Post Employment Obligations	135,370	528,499	663,869	107,218
Revenue Collected in Advance	161,730	(194,413)	(32,683)	-
Total Adjustments	<u>1,888,425</u>	<u>3,200,333</u>	<u>5,088,758</u>	<u>2,041,344</u>
Net Cash Provided (Used) by Operating Activities	\$ <u>2,534,696</u>	\$ <u>(9,282,987)</u>	\$ <u>(6,748,291)</u>	\$ <u>(4,663,421)</u>

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Exhibit 10

**Statement of Net Assets  
Fiduciary Funds  
June 30, 2011**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 969,466	\$ 16,974,867	\$ 2,726,186
Cash	109,446	-	-
Fixed Income Securities	129,645,952	-	-
International Fixed Income Securities	31,142,341	-	-
Venture Capital/Alternative Investments	14,630,846	-	-
Corporate Stock	277,080,791	-	-
International Corporate Stock	131,644,050	-	-
Real Estate Investments	26,814,937	-	-
Short Term Investments	17,770,123	-	-
Mutual Funds	11,152,969	-	-
Collateral for Securities Lending Transactions	67,213,393	-	-
Accounts Receivable	1,522,413	-	-
Land Held for Other Governments	-	60,244,017	-
Other	87,804	-	-
Total Assets	<u>709,784,531</u>	<u>77,218,884</u>	<u>2,726,186</u>
<b>LIABILITIES</b>			
Investment Payable	12,826,672	-	-
Accounts Payable	1,173,536	1,117	2,040,953
Claims Payable	769,283	-	-
Obligation for Collateral Received under Securities Lending Transactions	68,717,118	-	-
Deposits	-	-	685,233
Total Liabilities	<u>83,486,609</u>	<u>1,117</u>	<u>2,726,186</u>
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Land Held for Other Governments	-	60,244,017	-
Pension Benefits	615,127,402	-	-
Other Postemployment Benefits	11,170,520	-	-
Other Purposes	-	16,973,750	-
Total Net Assets	<u>\$ 626,297,922</u>	<u>\$ 77,217,767</u>	<u>\$ -</u>

The notes to the financial statements are an integral part of this statement.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Exhibit 11**

**Statement of Changes in Net Assets**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2011**

	Pension Trust Funds	Private Purpose Trust Funds
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 34,493,387	\$ -
Plan Members	4,698,246	-
Plan Members for Current Benefits	1,080,766	-
Private Donations	-	50,704
Total Contributions	40,272,399	50,704
Receipts from Commission Debt Service Funds	-	2,100,897
Federal Grants - Medicare	374,205	-
Investment Earnings:		
Interest	7,641,454	72,118
Dividends	1,721,507	-
Net Increase in the Fair Value of Investments	106,660,543	-
Total Investment Earnings	116,023,504	72,118
Less Investment Advisory and Management Fees	(2,466,640)	-
Net Income from Investing Activities	113,556,864	72,118
Securities Lending Activity		
Securities Lending Income	166,614	-
Securities Lending Fees	(62,248)	-
Net Income from Securities Lending Activity	104,366	-
Total Net Investment Income	113,661,230	72,118
Total Additions and Investment Income	154,307,834	2,223,719
<b>DEDUCTIONS</b>		
Benefits	43,090,075	-
Refunds of Contributions	359,239	-
Administrative Expenses	1,366,148	-
Other	-	59,911
Total Deductions	44,815,462	59,911
Change in Net Assets	109,492,372	2,163,808
Net Assets - Beginning	516,805,550	75,053,959
Net Assets - Ending	\$ 626,297,922	\$ 77,217,767

The notes to the financial statements are an integral part of this statement.

## NOTES TO FINANCIAL STATEMENTS

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# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## NOTES TO FINANCIAL STATEMENTS

June 30, 2011

### (1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (A) The Commission and Its Services

##### Background

The Maryland-National Capital Park and Planning Commission (the "Commission") is a body corporate of the State of Maryland established by the Maryland General Assembly in 1927. The Commission is a bi-county agency. It is empowered to acquire, develop, maintain and administer a regional system of parks in the defined Metropolitan District in Montgomery and Prince George's Counties and to prepare and administer a general plan for the physical development of a defined Regional District for the two Counties. The Commission also conducts the recreation program for Prince George's County. The express powers of the Commission are provided in Article 28 of the Annotated Code of Maryland. As a body corporate of the State of Maryland, the Commission is not generally subject to local county legislation such as the Tax Reform Initiative by Marylanders ("TRIM"), a Prince George's County Charter Amendment originally enacted in November 1978.

The major source of funding for the Commission's primary services are five property taxes levied on an individual County basis: Montgomery County administration tax - general administration and planning; Montgomery County park tax - park operations and debt service for park acquisition and development bonds; Prince George's County administration tax - general administration and planning; Prince George's County park tax - park operations and debt service for park acquisition and development bonds; and the Prince George's County recreation tax for the recreation program. Five separate accounts are maintained within the General Fund to account for the Commission's primary services. Revenues and expenditures that can be specifically identified with a County are recorded in the appropriate account of that County and those that apply to both Counties are allocated to the appropriate accounts. Other funds and accounts are maintained on a Commission-wide or on a separate County basis as necessary and appropriate.

The provisions of Sections 2-113 and 7-107 of Article 28 of the Annotated Code of Maryland require that the Commission publish an annual financial report and that its financial statements be audited by independent certified public accountants. The accompanying financial statements have been presented to meet the financial reporting needs of the Commission and the requirements of Maryland law.

##### Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America (GAAP), these financial statements present the Commission and its blended component units, the ERS and the 115 Trust. A blended component unit, although a legally separate entity, is, in substance, part of the Commission's operations and therefore data from these units are combined with data of the Commission. Accordingly, the financial statements of these component units are included as pension trust funds in the accompanying financial statements and are the only such component units of the Commission.

The Employees' Retirement System (ERS), administered by the 11 member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a contributory defined benefit pension system qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Board of Trustees. Publicly available Financial Statements for the ERS can be obtained at 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.

The Other Post-Employment Benefits Trust (115 Trust), administered by the 5 member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a trust qualified under the Internal Revenue Code Section 115 to provide health insurance benefits for eligible participants. Only employer

funds are held in the trust. The administrative operations are the responsibility of the Administrator who is a Commission employee, and reports directly to the Board of Trustees.

In accordance with GAAP, the Commission represents a joint venture of Montgomery and Prince George's Counties, reportable in the notes to their respective financial statements. The financial data of the Commission pertinent to Montgomery County and Prince George's County for governmental funds are set forth on a County basis in Note 6.

## **(B) Government-wide and Fund Financial Statements**

The Commission follows accounting standards established by the Governmental Accounting Standards Board ("GASB").

The reporting requirements established by GASB include:

**Management's Discussion and Analysis** – GASB standards require that financial statements be accompanied by a narrative introduction and analytical overview of the Commission's financial activities in the form of "management's discussion and analysis" (MD&A). This analysis is similar to analysis the private sector provides in their annual reports.

**Government-wide Financial Statements** – The reporting model includes financial statements prepared using full accrual accounting for all of the Commission's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable), but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads, and general obligation debt). Full accrual accounting also recognizes all revenues and the full cost to provide services each year, not just those received or paid in the current year or soon thereafter. Neither fiduciary funds nor component units that are fiduciary in nature are included in Government-wide financial statements.

The basic financial statements include both Government-wide (based on the Commission as a whole) and fund financial statements. The focus is on both the Commission as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary funds (by category). Both the Government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business-type. In the Government-wide Statement of Net Assets and Statement of Activities, both the governmental and business-type activities columns are presented on a consolidated basis by column on a full accrual, economic resource basis, as discussed above. Eliminations have been made to minimize the double counting of internal activities. Each presentation provides valuable information that can be analyzed and compared (between years and between governments) to enhance the usefulness of the information.

The Government-wide Financial Statements are made up of the following:

**Statement of Net Assets** – The Statement of Net Assets is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Assets and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net assets of the Commission are presented in three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction. The Commission has no restricted net assets as of June 30, 2011.

**Statement of Activities** – The Government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the Commission's functions. The expense of each individual function is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). The Government-wide Statement of Activities reflects both the gross and net cost per functional category (county planning and zoning, park operations and maintenance, recreation, etc.) that is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions.

The program revenues must be directly associated with the function (county planning and zoning, park operations and maintenance, recreation, etc.) or a business-type activity. Program revenues include 1) charges for county planning and zoning services; 2) charges for park operations and maintenance; 3) rentals and concessions; 4) recreational and cultural facilities and events and 5) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported as general revenues. Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Commission does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

In the fund financial statements, financial transactions and accounts of the Commission are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The governmental fund financial statements are presented on a current financial resource and modified accrual basis of accounting. This is the manner in which these funds are normally budgeted. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the Government-wide statements' governmental activities column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental activities column of the Government-wide financial statements.

The Commission's fiduciary funds, the Employees' Retirement System and the Other Post Employment Benefits Fund, which are fiduciary in nature, are presented in the fund financial statements by fund type (pension, private purpose trust, and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Commission, these funds are not incorporated into the Government-wide statements.

**Budgetary Comparison Schedules** – Demonstrating compliance with the adopted budget is an important component of the Commission's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments and have a keen interest in following the financial progress of their governments over the course of the year. For this reason, the Commission has chosen to make its General Fund budgetary comparison statement part of the basic financial statements. The Commission and many other governments revise their original budgets over the course of the year for a variety of reasons.

Since the Commission adopts its General Fund budget by accounts within each county, each of which has a dedicated tax levy, budgetary comparison summaries are presented for each account in Note 6. These accounts are as follows: Montgomery County Administration, Montgomery County Park, Prince George's County Administration, Prince George's County Park, and Prince George's County Recreation.

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

The Government-wide, proprietary and pension trust and private purpose fiduciary fund financial statements are reported using the economic resources measurement focus. The Government-wide, proprietary and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are generally recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Employee and employer contributions to pension trust funds are recognized as revenues (additions to net assets) in the period in which employee services are performed. Both benefits and refunds paid are recognized as expenses (deductions from net assets) in the period in which paid.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Amounts not received within 60 days are reported as deferred revenue. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

Property taxes, interest and grants associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Commission.

The Commission reports the following major governmental funds:

**General Fund** – The General Fund is the general operating fund of the Commission. It is used to account for the tax revenues and other revenues which fund the Commission's general operations and to account for all other financial resources except those required to be accounted for in another fund.

**Montgomery County and Prince George's County Capital Projects Funds** – These Capital Projects Funds are used to account for the acquisition, development or improvement of parkland and the acquisition or construction of major capital facilities other than those accounted for in the proprietary funds and the Advance Land Acquisition Accounts in the Private Purpose Trust Funds. The Commission maintains separate funds for each county.

The Commission reports the following major enterprise funds:

**Montgomery County and Prince George's County Enterprise Funds** – These Enterprise Funds are used to account for recreational and cultural facilities' operations that are financed and operated in a manner similar to private business enterprises. A separate Enterprise Fund is maintained for the enterprise operations of each county, each of which is considered a major fund.

Additionally, the Commission reports the following fund types:

**Other Governmental Funds** – The other governmental fund types used by the Commission are special revenue and debt service. Special revenue funds are used to account for specific revenues that are legally restricted for particular purposes. Debt service funds account for resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

**Internal Service Funds** – Internal service funds are used to account for the financing of certain goods or services provided by one department to other departments of the Commission on a cost-reimbursement basis. There are eight internal service funds reported by the Commission: Montgomery County Capital Equipment Fund, Montgomery County Employee Benefits Fund, Montgomery County Risk Management Fund, Prince George's County Capital Equipment Fund, Prince George's County Executive Office Building Fund, Prince George's County Employee Benefits Fund, Prince George's County Risk Management Fund, and Commission Wide Initiatives Fund.

The Commission reports the following fiduciary fund types:

**Pension Trust Funds** – The Employees' Retirement Fund is used to account for all activities of the Employees' Retirement System including accumulation of resources for, and payment of, retirement annuities and/or other benefits and the administrative costs of operating the system.

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission. The Commission is not required to make additional contributions unless obligated to do so by resolution. In fiscal years 2010 and 2011, the Commission suspended the 8 year phase-in of the actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The Commission has budgeted funds to resume the phase-in during FY 2012.

**Private-Purpose Trust Funds** – Private-purpose trust funds are used to account for funds whose principal and interest are legally held in trust and must be expended in accordance with their designated purposes. The most significant amounts included are the Advance Land Acquisition Accounts, which are used to acquire land for specific public uses, such as schools, libraries, parks or roads.

**Agency Funds** – The agency funds are used to account for the State retirement funds of participating Commission employees and retirees, and for certain deposits held.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the Government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of GASB. Although governments also have the option of following subsequent private-sector guidance for their business-type activities and Enterprise Funds, subject to this same limitation, the Commission has elected not to do so.

In the process of aggregating data for the Government-wide financial statements, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the Government-wide financial statements. Internal Service Funds are used by management to charge to funds using the service the costs of capital equipment financing, risk management, employee benefits, Commission-wide initiatives, and the Executive Office Building. The assets and liabilities of the Internal Service Funds are included in the governmental activities column of the Statement of Net Assets. The Commission eliminates internal service fund expenses by allocating the expenses to other functions. Expenses for capital equipment, risk management and Commission wide initiatives are allocated based on revenues, and for employee benefits based on salaries expense. The expenses of the Prince George's County Executive Office Building Fund are allocated to general government. The funds are so unique that a single allocation method was not appropriate.

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

#### **(D) Assets, Liabilities, and Net Assets or Equity**

**Cash and Cash Equivalents** – Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature within three months of the date acquired by the Commission.

**Equity in Pooled Cash and Investments** – The Commission pools the cash and investments of all funds into a common pool to maintain investment flexibility and maximize earnings. The Commission's Finance Department manages the pool. Investment earnings are allocated to participating Funds based upon their average monthly equity in pooled cash balances. Commission investments, including those in the Pension Trust Fund, are stated at fair value.

**Property Taxes Receivable** – All property tax receivables are shown net of an allowance for uncollectible accounts of \$1,611,432 at June 30, 2011. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as

appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

The property tax revenues and rates of the Commission are not subject to any legislative limitations. However, the respective County Council approves such revenues and rates when budgets are adopted.

**Accounts Payable and Other Current Liabilities** – Accounts payable includes only short-term liabilities due and payable within the normal course of business.

**Inventories** – Inventories are valued at the lower of cost (first-in, first-out) or market for proprietary funds.

**Capital Assets** – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, trails, dams and similar items), are reported in the applicable governmental or business-type activities columns in the Government-wide financial statements. The Commission defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed and actual costs are not known. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	20 – 40
Infrastructure	15 – 60
Machinery and Equipment	5 – 10

**Compensated Absences** – Commission employees earn annual leave and sick leave in varying amounts, and are granted three days of personal leave annually. Some employees may also earn compensatory leave in lieu of overtime pay. There is no liability for unpaid accumulated sick leave since the Commission does not have a policy to pay any amounts when employees separate from service.

In the Government-wide financial statements, and proprietary fund types in the fund financial statements, compensated absences are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. When annual and sick leave are used or taken by employees, the expense is charged directly to the employees' cost center. Compensated absences for leave liabilities for employees charged to proprietary funds, are charged directly to the proprietary funds' cost center to which the employee is assigned. The year-end liability for annual leave and compensatory leave for all employees is calculated based on hours of leave available, priced at current salary rates plus applicable employer payroll taxes.

**Long-term Obligations** – In the Government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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

**Fund Balances** - The Commission's policy is to maintain an adequate General Fund fund balance to provide liquidity in the event of an economic downturn and this policy is an important part of sound fiscal management. The Commission has adopted Resolution No. 06-21, a financial standard to maintain a minimum unrestricted fund balance of the General Fund so that at each fiscal year end this balance shall not be less than 3% to 5% of the current year's expenditures.

Fund balances, presented in the governmental fund financial statements, represent the difference between assets and liabilities reported in a governmental fund. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental funds. This new standard has not affected the total amount of reported fund balances but has substantially changed the categories and terminology used to describe their components. In fiscal year 2010, the Commission categorized fund balances in the Balance Sheet – Governmental Funds as reserved and unreserved. GASB Statement No. 54 requires that the fund balances be classified into categories based upon the type of restrictions imposed on the use of funds and has classified fund balances into the following five categories:

- **Nonspendable** – Items that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.
- **Restricted** – Items that are restricted by external parties such as creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- **Committed** – Items that have been committed for specific purposes pursuant to constraints imposed by a formal action (i.e. resolution) by the entity's "highest level decision-making authority", which the Commission considers actions taken by the Chairman and Vice-Chairman to be the highest level. These committed amounts could be changed by reversing the same type of action the Commission employed to previously commit the funds. The formal action should occur prior to the end of the reporting period.
- **Assigned** – Amounts reflecting a government's intended use of resources for specific purposes require less formal actions. Also, the Chairman and Vice-Chairman can delegate assignment authority to the upper levels of management (i.e. Executive Director) within the Commission.
- **Unassigned** – This category is for any balances that have no restrictions placed upon them.

The Commission reduces restricted amounts first when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. The Commission reduces committed amounts first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The Fund Balance in the General Fund Accounts is broken down as follows:

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Committed	\$ 4,523,667	\$3,824,165	\$ 6,821,790	\$ 7,197,605	\$ 2,597,646	24,964,873
Assigned	513,050	798,630	4,810,750	-	13,149,400	19,271,830
Unassigned	1,558,478	4,392,708	15,954,866	56,233,342	14,692,287	92,831,681
Total Fund Balance	<u>\$ 6,595,195</u>	<u>\$9,015,503</u>	<u>\$27,587,406</u>	<u>\$ 63,430,947</u>	<u>\$30,439,333</u>	<u>\$ 137,068,384</u>

**Encumbrances**

Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", provides additional guidance on the classification within the fund

balances section of amounts that have been encumbered. Encumbrances of balances within the General and Capital Project funds are classified as committed. These encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

General Fund - Montgomery County	8,347,832
General Fund - Prince George's County	16,617,040
Capital Projects Fund - Montgomery County	14,818,381
Capital Projects Fund - Prince George's County	32,069,856
Non-Major Governmental Funds	892,107

**(2) – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS**

The governmental fund balance sheet (Exhibit 3) includes reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the Statement of Net Assets (Exhibit 1). Details related to the most significant items on the reconciliation are as follows.

Capital assets used in governmental activities are not financial resources, and therefore are not reported in the funds. The capital assets related to governmental funds (not including internal service funds) include:

Land	\$	321,949,911
Buildings and improvements		202,774,946
Infrastructure		232,186,065
Machinery, Equipment and Intangibles		59,049,105
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles		(287,209,994)
Construction in Progress		117,511,959
Total	\$	<u>646,261,992</u>

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in the funds. The long-term debt related to governmental funds (not including internal service funds) includes:

Bonds and Notes Payable:		
Due Within One Year	\$	11,999,335
Due in More than One Year		81,251,963
Net Other Post Employment Benefit Obligations		48,393,504
Net Pension Obligations		9,167,400
Compensated Absences		
Due Within One Year		9,481,709
Due in More than One Year		9,294,178
Accrued Interest Payable		1,012,081
Totals	\$	<u>170,600,170</u>

### **(3) – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

#### **(A) Budgetary Information**

The following procedures are used in establishing the annual budget.

On or before January 15, the Commission submits to the County Executive of each County a proposed annual budget for the respective accounts of the General Fund (including park debt service) and the Special Revenue Funds, and a budget plan for the respective Enterprise Funds and Internal Service Funds. The Capital Projects Funds' budgets and six-year expenditure plans are submitted to the County Executive of Prince George's County prior to each November 1 and to the County Executive of Montgomery County prior to November 1 of each odd-numbered year. These budgets and plans include proposed expenditures and the means of financing them.

Each County Executive transmits the budgets and plans with recommendations to the respective County Council. The County Councils conduct public hearings on the budgets and plans, and the budgets and plans are legally adopted prior to July 1.

The legal level of budgetary control is the department or function for the Administration Accounts and the Montgomery County Park Account, and the Account level for Prince George's County Park Account, and Prince George's County Recreation Account. The Commission's expenditures may not exceed the total approved budget for each of the General Fund Accounts without prior approval by the respective County Council, except where grant funds received with the knowledge and approval of Prince George's County constitute an automatic budget amendment, thereby increasing the appropriations. Management is authorized to allow a department or function within a General Fund Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

General Fund and Special Revenue Funds unencumbered appropriations lapse at year-end. Capital project appropriations do not lapse until the project is completed. The budget plans for the proprietary funds serve as a guide to the Commission and not as legally binding limitations.

Formal budgetary integration is employed as a management control device for the General Fund. The budget for the General Fund is adopted on a modified accrual basis consistent with GAAP except that encumbrances are treated as expenditures.

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2011 were within the legal limitations pertinent to the Commission. Under the budgetary method, current year outstanding encumbrances are charged to the budgetary appropriations and are considered expenditures of the current period. Governmental GAAP considers outstanding encumbrances as reservations of fund balances that are charged to expenditures in the period in which the goods or services are used or received.

Reconciliation from the Budget Basis to the GAAP Basis for the year ended June 30, 2011 is as follows. The following account information is reported in Note 6.

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2010	\$ 3,535,854	\$ 1,863,790	\$ 7,977,862	\$ 5,009,084	\$ 1,701,190	\$ 20,087,780
To Decrease -						
Encumbrances -						
June 30, 2011	(4,523,667)	(3,824,165)	(6,821,790)	(7,197,605)	(2,597,646)	(24,964,873)
Total Adjustment	(987,813)	(1,960,375)	1,156,072	(2,188,521)	(896,456)	(4,877,093)
Net Change in Fund Balance:						
GAAP Basis	(608,078)	1,457,162	606,050	3,748,230	(3,658,926)	1,544,438
Budget Basis	\$ (1,595,891)	\$ (503,213)	\$ 1,762,122	\$ 1,559,709	\$ (4,555,382)	\$ (3,332,655)

#### (4) – DETAILED NOTES ON ALL FUNDS

##### (A) Cash and Investments

The Commission's deposits and investments as of June 30, 2011, totaled \$1,121,221,197. The Commission's unrestricted pool of deposits and investments (\$407,650,572) is available to all funds, except for the Pension Trust Funds.

##### Commission Cash and Investments

**Custodial Credit Risk - Deposits** - At year-end, the carrying amount of cash deposits was a deficit of \$1,568,193 and the bank balance was \$1,773,253. In addition, the Commission held cash at various locations totaling \$251,242. Effective December 31, 2010, Section 343 of the Dodd-Frank Act amends the Federal Deposit Insurance Act to include noninterest-bearing transactions accounts as a new temporary deposit insurance account category. Therefore, at June 30, 2011 the entire cash carrying amount is fully insured, without limit.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of \$111,386,319 at June 30, 2011. The certificates, with an average life of 246.73 days, were covered by collateral of \$112,972,219, which is greater than bank balances for all applicable banks.

The Commission requires collateral for the bank balances of deposits and investments to be held in the Commission's name by the trust department of a bank other than the pledging bank. The Commission's policy was complied with throughout the year ended June 30, 2011. Collateral shall be maintained in excess of FDIC insurance coverage for all Commission bank cash accounts, certificates of deposits and time deposits.

**Money Market Deposits** - At year end the carrying value (fair value) of deposits in investment grade money market accounts is \$34,149,615. Of these deposits \$7,918 relates to cash and investments restricted for construction.

**Investments** - The Annotated Code of Maryland authorizes the Commission to invest in obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, obligations that are issued by a Federal agency, repurchase agreements, bankers' acceptances, commercial paper, money market mutual funds, the State Treasurer's investment pool, and certificates of deposit. Commission bond proceeds may also be invested in municipal bonds and notes. The investments program also complies with the Commission's internal investment policy.

Statutes do not restrict the investment activity of the pension trust funds.

**Custodial Credit Risk - Investments** - For an investment, this is the risk that, in the event of the failure of the counterparty, the Commission will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Statutes require that securities underlying repurchase agreements have a fair value of at least 102% of the cost of the investment. If during the year, the fair value of securities underlying such investments falls below this required level, additional collateral is pledged or other collateral in the amount of the required level is substituted. All collateral met statutory requirements and is held in the Commission's name by a third-party custodian.

**Fixed Income Investments** - Fixed income investments included in the Commission's Pooled Investments at June 30, 2011 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Municipal Bonds	\$ 1,225,188	0.72
U.S. Treasury Bills	5,132,672	239.82
U.S Treasury Notes	15,133,247	320.67
Federal Farm Credit Bank	18,727,261	173.60
Federal Agricultural Mortgage Corporation Notes	29,506,481	19.83
Maryland State Investment Pool	43,184,333	46.00
Federal National Mortgage Association Notes	49,234,755	247.81
Federal Home Loan Mortgage Association Notes	50,138,989	117.60
Federal Home Loan Bank Notes	57,514,442	278.76
Total Fair Value	<b>\$ 269,797,368</b>	
Portfolio Weighted Average Maturity		170.76

**Interest Rate Risk** - The Commission manages its exposure to declines in fair value by limiting the maturity of its investment portfolio. The majority of investments shall be for a maximum maturity of one year. A portion of the portfolio may be invested in U.S. Government and U. S. Agency securities with a maturity of up to two years.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$7,918 (0.1%) of bond funds invested in a money market fund that is considered investment grade.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss attributed to the magnitude of the Commission's investment in a single issuer. It is the Commission's policy to diversify by investment type and institution in order to avoid unreasonable risks, with maximum limitation as follows:

<u>Diversification by Investment Type</u>	<u>Maximum Percent of Portfolio*</u>
U.S. Government Securities	100 %
U.S. Agency Securities	60
Repurchase Agreements	60
Certificates of Deposit (Including Time Deposits) **	25
Bankers' Acceptances	50
Bankers' Acceptances – Non-U.S.	5
Commercial Paper	10
Pooled Investments	25
Money Market Mutual Funds (10%/fund)	25
Bond Proceeds:	
Municipal Securities	100
Money Market Mutual Funds – Highest Rating	100
Money Market Mutual Funds – Investment Grade	10

<u>Diversification by Institution</u>	<u>Maximum Percent of Portfolio*</u>
Approved Broker/Dealers and Financial Institutions	30 %
Money Market Mutual Funds by Fund	10
U.S. Government Agency by Agency	20
Bankers Acceptances by Institution	20
Commercial Banks for CD's and Time Deposits**	20

\* At time of purchase

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

The Commission is currently in compliance with this policy.

### **Employees' Retirement System (ERS) Cash and Investments**

**Custodial Credit Risk - Deposits** - For cash deposits and cash equivalents, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it.

The amount of ERS's total cash and cash equivalents at June 30, 2011, was \$17,862,018. Cash deposits in the bank account totaled \$91,895 that was insured and collateralized. At June 30, 2011, ERS held \$17,770,123 of cash equivalents in its custodial investment accounts.

As of June 30, 2011, ERS's cash equivalents were exposed to custodial credit risk as follows:

Uninsured and held by custodial bank not in ERS's name	<u>\$ 82,073</u>
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**Investments** - The Board of Trustees ("Board") of ERS is authorized by the Trust Agreement dated July 26, 1972 and most recently amended September 16, 2009 to invest and reinvest the Trust Fund, as may be determined by investment counsel selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors. The Commission approves new investment managers.

The Trust Fund shall be diversified across investment classes and among investment managers in order to achieve an optimal balance between risk and return. The Board established target allocations for the authorized investment classes as follows:

U. S. Equities	35 %
Non-U.S. Equities	20
U.S. Core Fixed Income	15
U.S. Long Duration Fixed income	10
Alternative Investments	8
U.S. High Yield Fixed Income	7
U.S.Real Estate (Private)	<u>5</u>
Total	<u><u>100 %</u></u>

Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with the overriding goal of limiting the risk of a large loss.

Each investment manager has a set of guidelines, which contain investment objectives, and risk control provisions, which are appropriate for each manager’s mission. Investment managers have discretion within the constraints of these guidelines and are subject to regular review by the Board. The Trust Fund has guidelines, which apply broadly to each asset class as follows:

**U.S. Equity**

- U.S. Equity investment managers are limited to no more than 5% of the value of the portfolio in cash equivalents at any time.
- The U.S. Equity Composite should match the Russell 3000 Index in terms of capitalization and growth characteristics.
- 75% to 85% should be invested in “large capitalization stocks”.
- 15% to 25% should be invested in “small and mid-capitalization stocks”.

**Non-U.S. Equity**

- Cash equivalent exposure is limited to 5%.
- 80% to 100% should be invested in “developed markets”.
- 0% to 20% should be invested in “emerging markets”.

**Fixed Income Guidelines**

- The Fixed Income Composite is limited to 20% of its value in cash equivalents at any time.
- A single issuer cannot exceed 5% of the market value of the fixed income composite at any time.
- Duration of the fixed income composite should remain within +/- 1.5 years relative to the asset class benchmarks. The duration of the fixed income composite at June 30, 2010 was 7.50 years with the Merrill Lynch BB/B and the Barclays Aggregate at 4.76 and 5.19 years, respectively.
- The fixed income composite is expected to maintain an aggregate weighting of at least a single A.
- The fixed income composite may contain an allocation to opportunistic investments and distressed securities.
- Build America Bonds issued by Montgomery County and Prince George’s County are prohibited.

**Real Estate Guidelines**

- Cash equivalent exposure is limited to 10%.
- The maximum allocation by geographic region and property type is limited to 150% of its weight in the index and a minimum of 50% of its weight in the index.
- No individual property investment is expected to exceed 7.5% of the real estate composite at any time.
- The valuation objective is to accurately estimate the net asset value on a daily basis. The Valuation Consultant (VC) obtains an independent third-party appraisal for each property at least every 12 months. Monthly, the VC provides a list of property values that is based on a portfolio overview, updated discounted cash flow models, and/or limited scope, restricted appraisals and any facts regarding any event that occurs (i.e. lease or sale) that could impact property value.

### **Alternative Investment Guidelines**

- Investments will be structured privately in the form of limited partnerships and diversified among the following investment types: energy, mining, timber, agriculture, and infrastructure.
- The portfolio is expected to be diversified by geographic location with the following weightings: U.S. (65%-75%), Non-U.S. Developed (15%-20%), and Non-U.S. Emerging (10%-15%).
- The fund will be diversified by vintage year making primary investments during 2010, 2011, and 2012, each being equally weighted at 33% (with a range from 30% to 35%).
- No single partnership commitment is expected to be more than 20% of the real assets composite or more than 20% of the portfolio of a fund-of-funds manager.

Unless the Board grants prior authorization, an investment manager may not:

- Purchase securities on margin.
- Sell uncovered call options or sell put options.
- Leverage the portfolio.
- Sell securities short.
- Purchase commingled funds, mutual funds, or common trusts.
- Own more than 10% of any class of securities of any one issuer.
- Purchase letter stock, private placements, or sell securities restricted in a similar manner, other than those provided by SEC Rule 144A.
- Invest in commodities, or any vehicle that would leverage the portfolio.

**Derivatives Policy Statement-** A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Investment Policy Statement. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2011, the System held derivatives with fair market values of approximately \$1,837 with an underlying notional market value of -\$2,625,961. Gains and losses are determined based on quoted market values and recorded in the statement of changes in plan net assets. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

- **Leverage.** Derivatives shall not be used to magnify exposure to an asset beyond that which would be allowed by the guidelines.
- **Unrelated Speculation.** Derivatives shall not be used to create exposures to securities, currencies, indices, or any other financial variable unless such exposures would be allowed by the manager's guidelines if created with non-derivative securities.

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts is included in the ERS' net assets and represents the fair value of the contracts on June 30, 2011. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2011:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Australian dollar	\$ 362,072	\$ (1,035)	\$ (1,803,153)	\$ (1,114)
Brazilian real	1,552,821	(1,075)	(9,714)	(120)
British pound sterling	6,464,297	(34,069)	(32,516)	51
Canadian dollar	-	-	(2,572,316)	(9,645)
Czech koruna	114,472	(1,147)	(18,394)	(90)
Danish krone	-	-	(147,168)	531
Euro	3,308,381	(466)	(5,732,116)	8,794
Hong Kong dollar	3,242,215	(1,137)	(304,587)	30
Iceland krona	-	-	(3,507)	(543)
Japanese yen	736,601	2,303	(117,864)	(52)
Mexican peso	151,010	394	(58,906)	(124)
Norwegian krone	496,492	(1,026)	(101,706)	(6)
Singapore dollar	605,698	(2413)	(180,346)	61
South Korean won	694,136	(810)	-	-
Swedish krona	397,926	52	(21,547)	43
Swiss franc	42,235	(483)	(1,558,245)	3,189
Turkish Lira	-	-	(116,504)	(144)

Foreign Exchange Contracts Pending June 30, 2011:

<u>Currency</u>	<u>Purchases</u>	<u>Unrealized Gain/(Loss)</u>	<u>Sells</u>	<u>Unrealized Gain/(Loss)</u>
Canadian dollar	\$ 290,760	\$ (250)	\$ -	\$ -
Czech dollar	-	-	(70,288)	(3)
Euro	959,986	(1,953)	(391,183)	417
Hong Kong dollar	-	-	(1,100,341)	(158)
Japanese yen	102,598	(254)	-	-
Mexican peso	-	-	(122,334)	(364)

ERS's investments at June 30, 2011 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Common stock	\$ 399,983,597
Preferred stock	1,096,083
Convertible equity	1,463,463
Venture Capital and Partnerships	14,630,846
Government bonds	18,576,166
Government agencies	14,719,346
Provincial bonds	3,329,047
Corporate bonds	67,324,559
Corporate convertible bonds	3,673,870
Exchange equity traded fund	2,507,827
Government mortgage-backed securities	19,726,187
Government-issued commercial mortgage-backed	324,881
Commercial mortgage-backed	4,951,753
Asset backed securities	1,700,000
Non-government backed CMOs	2,290,293
Index linked government bonds	5,024,458
Fixed income mutual funds	22,821,604
Real estate	26,814,937
Cash & cash equivalent derivative-options	1,837
Short term investment funds	13,113,589
Securities lending short term collateral investment pool	67,213,393
Cash	4,654,697
<b>Total Investments</b>	<u><u>\$ 695,942,433</u></u>

**Custodial Credit Risk - Investments** – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the ERS will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. The ERS requires that all investments be clearly marked as to ownership and to the extent possible, shall be registered in the name of the ERS.

Of the ERS' \$695.9 million in investments at June 30, 2011, \$67.2 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

The fair value of loaned securities collateralized by cash collateral as of June 30, 2011 and cash collateral received from borrowers as of June 30, 2010 are presented by type below:

<u>Collateral</u>	<u>Fair Value</u>
Global equities	\$ 6,835,091
U.S. agencies	551,428
U.S. corporate fixed	12,199,329
U.S. equities	27,491,536
U.S. government fixed	20,136,009
Total	<u><u>\$ 67,213,393</u></u>

**Interest Rate Risk** – Each investment manager has duration targets and bands that control interest rate risk; however, the ERS has no policy relating to interest rate risk.

As of June 30, 2011, the ERS had the following fixed income investments and short term investments with the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity-Years</u>
Asset backed securities	1,700,000	21.905464
Commercial mortgage-backed	4,951,753	28.294274
Corporate bonds	67,324,558	12.999462
Corporate convertible bonds	3,673,870	22.037408
Equity exchange traded funds	2,507,827	N/A
Fixed income mutual funds	22,821,604	N/A
Government agencies	14,719,346	10.859632
Government bonds	18,576,166	15.311719
Government mortgage backed securities	19,726,187	26.554355
Gov't issued commercial mortgage-backed	324,881	9.242050
Index linked government bonds	5,024,458	13.675478
Municipal/Provincial bonds	3,329,047	26.052405
Non-government backed CMOs	2,290,293	30.088504
Short term investment funds	13,113,589	N/A
Totals	<u>180,083,579</u>	
Portfolio Weighted Average Maturity		<u>16.650338</u>

**Collateralized Mortgage Obligations** - Collateralized Mortgage Obligations are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. The ERS held \$2,290,293 in CMOs at June 30, 2011.

**Asset-backed Securities** – Asset-backed securities (ABS) are bond or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$1,700,000 in ABS at June 30, 2011.

**Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit risk of a debt instrument is measured by a nationally recognized statistical rating agency such as Standard & Poor's Services. Individual manager guidelines require investment managers to follow certain controls, documentation and risk management procedures. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating.

Individual investment manager guidelines include limitations on the percentage of securities below investment grade and various types of securities including derivatives. A Derivatives Policy Statement identifies and allows common derivative investments and strategies which are consistent with the Investment Policy Statement.

Credit Quality Ratings as of June 30, 2011:

<b>Credit Quality Distribution for Services</b>		<b>% of Total Portfolio</b>
Agency	Government	6.040%
Agency	AAA	1.569%
Agency	AA	0.082%
Agency	A	0.240%
Agency	BBB	0.036%
Agency	BB	0.037%
Agency	CCC	0.024%
Agency	Not Rated	0.119%
Asset Backed Securities	AAA	0.092%
Asset Backed Securities	AA	0.056%
Asset Backed Securities	A	0.004%
Asset Backed Securities	BB	0.022%
Asset Backed Securities	B	0.030%
Asset Backed Securities	CCC	0.017%
Asset Backed Securities	Not Rated	0.024%
Commercial Mortgage-Backed	AAA	0.487%
Commercial Mortgage-Backed	AA	0.043%
Commercial Mortgage-Backed	Not Rated	0.182%
Non-Government Backed C.M.O.s	AAA	0.156%
Non-Government Backed C.M.O.s	AA	0.003%
Non-Government Backed C.M.O.s	A	0.022%
Non-Government Backed C.M.O.s	BBB	0.009%
Non-Government Backed C.M.O.s	B	0.083%
Non-Government Backed C.M.O.s	CCC	0.023%
Non-Government Backed C.M.O.s	Not Rated	0.032%
Corporate Bonds	AAA	0.013%
Corporate Bonds	AA	0.510%
Corporate Bonds	A	1.930%
Corporate Bonds	BBB	2.056%
Corporate Bonds	BB	0.868%
Corporate Bonds	B	0.941%
Corporate Bonds	CCC	0.065%
Corporate Bonds	CC	0.052%
Corporate Bonds	Not Rated	3.238%
Corporate Convertible Bonds	A	0.111%
Corporate Convertible Bonds	BB	0.197%
Corporate Convertible Bonds	B	0.180%
Corporate Convertible Bonds	CCC	0.020%
Corporate Convertible Bonds	Not Rated	0.019%
Municipal/Provincial Bonds	AAA	0.068%
Municipal/Provincial Bonds	AA	0.253%
Municipal/Provincial Bonds	A	0.123%
Municipal/Provincial Bonds	Not Rated	0.035%
Government Mortgage Backed Securities	AAA	0.011%
Government Mortgage Backed Securities	Not Rated	0.191%
Gov't-issued Commercial Mortgage-Backed	AAA	0.038%
Other Fixed Income	Not Rated	3.267%
Short Term Investment Funds	Not Rated	1.884%

**Foreign Currency Risk** – The ERS does not have a policy for foreign currency risk. Foreign currency is intentionally unhedged.

The ERS' exposure to foreign currency risk at June 30, 2011, was as follows:

<b>Investment Type</b>	<b>Currency</b>	<b>Fair Value</b>
Government Bonds	Canadian dollar	\$ 289,868
Government Bonds	Euro	28,487
Government Bonds	Mexican peso	346,103
Government Agencies	Brazilian real	857,811
Government Agencies	Indonesian rupiah	965,678
Government Agencies	South Korean won	376,678
Government Agencies	Philippine peso	306,800
Corporate Bonds	Australian dollar	218,137
Corporate Bonds	South Korean won	289,701
Corporate Bonds	Mexican peso	156,771
Common Stock	Brazilian real	1,282,650
Common Stock	Swiss franc	1,052,743
Common Stock	Czech koruna	268,074
Common Stock	Euro	10,663,442
Common Stock	British pound sterling	4,006,753
Common Stock	Hong Kong dollar	6,017,328
Common Stock	Japanese yen	5,757,636
Common Stock	South Korean won	372,622
Common Stock	Mexican peso	416,304
Common Stock	Norwegian krone	2,647,950
Common Stock	Swedish krona	1,321,254
Common Stock	Singapore dollar	626,601
Cash	British pound sterling	1,966
Cash	Australian dollar	2,733
<b>Total</b>		<b>\$ 38,274,090</b>

### **Cash Received as Securities Lending Collateral**

The following table details the net income from securities lending for the period ending June 30, 2011:

Security lending income	\$ 166,614
Less security lending fees	(62,248)
Net securities lending income	<u>\$ 104,366</u>

The ERS accounts for securities lending transactions in accordance with GASB No. 28 Accounting and Financial Reporting for Securities Lending Transactions, which established standards of accounting and financial reporting for securities lending transactions.

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. The Board of Trustees authorized a securities lending loan cap of 30% effective October 6, 2010 with an increase to 50% effective February 1, 2011. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2011.

Securities are loaned against collateral that may include cash, U.S. government securities, and irrevocable letters of credit. U.S. government securities are loaned against collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the Statement of Plan Net Assets. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 130 days in 2011.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 21 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

The custodian bank's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral, and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. Loss indemnification is provided when securities are not returned due to the insolvency of a borrower and the trustee bank fails to fulfill its contractual responsibilities relating to the lending of those securities to that borrower.

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2011:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>
Fixed income securities	\$ 32,886,766	\$ 33,585,673
Domestic equities	27,491,536	28,006,619
Global equities	6,835,091	7,124,826
<b>Total</b>	<u>\$ 67,213,393</u>	<u>\$ 68,717,118</u>

\*The securities collateral value is based on the ERS' pro rata share of the value of the securities collateral maintained at The Northern Trust Bank on the program wide collateralization levels.

#### **Other Post-Employment Benefits (the "Trust") Cash and Investments**

The Trust had \$17,551 in money market funds at June 30, 2011. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$969,466. Investments in mutual funds totaled \$11,152,969.

**Investments** - The Board of Trustees of the Trust ("Board") is authorized by the Trust Agreement dated July 1, 1999 and amended May 16, 2007 to invest and reinvest the Trust Fund. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers. The target allocations as established by the Board for the authorized investment classes during fiscal year 2011 are as follows:

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
<b>Equity Funds</b>		
Index Fund	90%	100%
<b>Cash and Equivalents</b>	2%	10%

The Trust's investments in mutual funds at June 30, 2011 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity Index Fund	<u>\$ 11,152,969</u>

Cash and investment balances are shown in the financial statements as follows:

<u>Statement of Net Assets</u>	
Equity in Pooled Cash and Investments	\$ 386,980,053
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	6,365,777
<u>Statement of Net Assets - Fiduciary Funds</u>	
Equity in Pooled Cash and Investments - Pension Trust Funds	969,466
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	16,974,867
Equity in Pooled Cash and Investments - Agency Funds	2,726,186
Cash and Marketable Securities - Pension Trust Funds	639,991,455
Collateral for Securities Lending Transactions - Pension Trust Funds	67,213,393
Total	<u>\$ 1,121,221,197</u>
They are composed of:	
Cash in Banks of Commission	\$ (1,568,193)
Cash of Employees' Retirement System Pension Trust Fund	91,895
Cash in Other Post Employment Benefits Fund	-
Cash in Other Locations - Commission	251,242
Money Market Deposits of Commission	34,149,615
Money Market Deposits in Other Post Employment Benefits Fund	17,551
Certificates of Deposit of Commission	111,386,319
Fixed Income Securities In Commission's Investment Pool	269,797,367
Mutual funds in Other Post Employment Benefits Fund	11,152,969
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	402,543,143
Fixed Income Securities	180,083,579
Real Estate	26,814,937
Venture Capital and Partnerships	14,630,846
Cash	4,654,697
Cash & Cash Equivalent Derivative-Options	1,837
Collateral for Securities Lending Transactions	67,213,393
Total	<u>\$ 1,121,221,197</u>

## (B) Capital Assets

A summary of governmental activities capital assets at June 30, 2011 is as follows:

	July 1, 2010	Increases	Decreases	Transfers/ Contributions	June 30, 2011
Capital assets not being depreciated					
Land	\$ 317,847,593	\$ 4,850,815	\$ -	\$ -	\$ 322,698,408
Construction in progress	91,900,451	32,610,297	(1,803,993)	(5,194,796)	117,511,959
Total capital assets not being depreciated	<u>409,748,044</u>	<u>37,461,112</u>	<u>(1,803,993)</u>	<u>(5,194,796)</u>	<u>440,210,367</u>
Other capital assets, being depreciated					
Buildings and improvements	201,946,631	181,943	-	3,413,985	205,542,559
Infrastructure	230,405,254	-	-	1,780,811	232,186,065
Machinery, equipment and intangibles	86,705,928	4,048,713	(658,879)	-	90,095,762
Total other capital assets	<u>519,057,813</u>	<u>4,230,656</u>	<u>(658,879)</u>	<u>5,194,796</u>	<u>527,824,386</u>
Less accumulated depreciation for:					
Buildings and improvements	(119,114,498)	(5,433,614)	-	-	(124,548,112)
Infrastructure	(114,624,826)	(5,580,884)	-	-	(120,205,710)
Machinery, equipment and intangibles	(62,219,689)	(6,070,568)	658,879	-	(67,631,378)
Total accumulated depreciation	<u>(295,959,013)</u>	<u>(17,085,066)</u>	<u>658,879</u>	<u>-</u>	<u>(312,385,200)</u>
Total other capital asset, net	<u>223,098,800</u>	<u>(12,854,410)</u>	<u>-</u>	<u>5,194,796</u>	<u>215,439,186</u>
Governmental activities capital assets, net	<u>\$ 632,846,844</u>	<u>\$ 24,606,702</u>	<u>\$ (1,803,993)</u>	<u>\$ -</u>	<u>\$ 655,649,553</u>

Summaries of business-type activities capital assets at June 30, 2011, made up of two major enterprise funds, are as follows:

	July 1, 2010	Increases	Decreases	June 30, 2011
<b>Montgomery County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	397,888	-	-	397,888
Total capital assets not being depreciated	<u>11,982,356</u>	<u>-</u>	<u>-</u>	<u>11,982,356</u>
Capital assets being depreciated				
Buildings and improvements	26,999,848	-	-	26,999,848
Machinery, equipment and intangibles	1,680,427	30,188	-	1,710,615
Total capital assets being depreciated	<u>28,680,275</u>	<u>30,188</u>	<u>-</u>	<u>28,710,463</u>
Less accumulated depreciation for:				
Buildings and improvements	(15,028,211)	(1,245,578)	-	(16,273,789)
Machinery, equipment and intangibles	(1,360,025)	(48,933)	-	(1,408,958)
Total accumulated depreciation	<u>(16,388,236)</u>	<u>(1,294,511)</u>	<u>-</u>	<u>(17,682,747)</u>
Total capital assets being depreciated, net	<u>12,292,039</u>	<u>(1,264,323)</u>	<u>-</u>	<u>11,027,716</u>
Capital assets, net	<u>\$ 24,274,395</u>	<u>\$ (1,264,323)</u>	<u>\$ -</u>	<u>\$ 23,010,072</u>
<b>Prince George's County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 7,779,131	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:				
Buildings and improvements	72,270,589	-	-	72,270,589
Machinery, equipment and intangibles	5,106,641	238,842	(21,887)	5,323,596
Total capital assets being depreciated	<u>77,377,230</u>	<u>238,842</u>	<u>(21,887)</u>	<u>77,594,185</u>
Less accumulated depreciation for:				
Buildings and improvements	(27,401,853)	(2,071,630)	-	(29,473,483)
Machinery, equipment and intangibles	(3,665,951)	(233,959)	21,887	(3,878,023)
Total accumulated depreciation	<u>(31,067,804)</u>	<u>(2,305,589)</u>	<u>21,887</u>	<u>(33,351,506)</u>
Total capital assets being depreciated, net	<u>46,309,426</u>	<u>(2,066,747)</u>	<u>-</u>	<u>44,242,679</u>
Capital assets, net	<u>\$ 54,088,557</u>	<u>\$ (2,066,747)</u>	<u>\$ -</u>	<u>\$ 52,021,810</u>
Total Business-type activities	<u>\$ 78,362,952</u>	<u>\$ (3,331,070)</u>	<u>\$ -</u>	<u>\$ 75,031,882</u>

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

Governmental activities:	
General Government	\$ 346,452
County Planning and Zoning	626,343
Park Operations and Maintenance	13,859,250
Recreation Programs	2,253,021
Total depreciation expense - governmental activities	<u>\$ 17,085,066</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,600,100</u>

**Construction Commitments** - The Commission is committed to \$46,888,237 for construction contracts for work to be performed in subsequent years.

**(C) Interfund Receivables, Payables, and Transfers**

The Commission had one interfund receivable and payable balance at June 30, 2011. The Montgomery County Capital Projects Fund has a payable balance of \$6,553,971 to the Montgomery County Parks Fund. The short term borrowing is to remove a cash shortfall in the Capital Projects Fund.

The Commission had the following interfund transfers during fiscal year 2011:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
<b>Transfers In</b>						
General Fund - Administration Account	\$ 700,000	\$ -	\$ -	\$ 1,578,000	\$ -	\$ 2,278,000
General Fund - Park Account	-	350,000	21,304,000	16,981,208	-	38,635,208
General Fund - Recreation Account	-	-	-	-	9,789,550	9,789,550
Special Revenue Fund	-	-	-	-	-	-
Capital Projects	703,215	-	-	-	-	703,215
<b>Total Transfers In</b>	<b>\$ 1,403,215</b>	<b>\$ 350,000</b>	<b>\$ 21,304,000</b>	<b>\$ 18,559,208</b>	<b>\$ 9,789,550</b>	<b>\$ 51,405,973</b>
<b>Transfers Out</b>						
General Fund - Park Account	\$ 700,000	\$ 1,849	\$ 701,366	\$ -	\$ -	\$ 1,403,215
Debt Service Fund	16,981,208	-	-	-	-	16,981,208
Capital Projects	21,654,000	-	-	-	-	21,654,000
Special Revenue Fund	1,578,000	-	-	-	-	1,578,000
Enterprise Fund	9,789,550	-	-	-	-	9,789,550
<b>Total Transfers Out</b>	<b>\$ 50,702,758</b>	<b>\$ 1,849</b>	<b>\$ 701,366</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 51,405,973</b>

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$16,981,208) and current funding for Capital Projects (\$21,654,000)

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund	Total Proprietary Funds
<b>Transfers In</b>		
General Fund - Recreation Account	9,789,550	9,789,550
<b>Total Transfers In</b>	<b>\$ 9,789,550</b>	<b>\$ 9,789,550</b>

The Commission's policy is to account for the construction of Prince George's County Enterprise Fund assets in the Capital Projects Fund until completed. Once completed, the assets are transferred from Governmental Activities Capital Assets and capitalized in the Prince George's County Enterprise Fund.

In addition to the above transfers, tax revenues of \$2,100,896 not needed to pay current debt service were contributed by the Advanced Land Acquisition Debt Service Funds to the Advanced Land Acquisition Accounts in the Private Purpose Trust Funds.

### **(D) Operating Leases**

The Commission is committed under several operating leases for office space and office equipment expiring at various dates through 2014. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2011 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2012	2,480	518	1,962
2013	2,652	385	2,267
2014	2,508	309	2,199
2015	1,066	309	757
Total minimum lease payments	<u>\$ 8,706</u>	<u>\$ 1,521</u>	<u>\$ 7,185</u>

In fiscal year 2011, expenditures in the General Fund included \$1,614,814 relating to the rental of office space and \$1,134,527 relating to rental and other charges for rented equipment.

### **(E) Long-Term Obligations**

**Notes and Loans Payable** - Notes payable and loans are only reported at the Government-wide level. Payments required to maturity on notes payable at June 30, 2011 are as follows (\$000's):

Year Ending June 30	Total	Montgomery County Governmental		Prince George's County Governmental	
		Principal	Interest	Principal	Interest
2012	\$ 646	\$ 368	\$ 5	\$ 258	\$ 15
2013	113	-	-	110	3
Total payments	<u>\$ 759</u>	<u>\$ 368</u>	<u>\$ 5</u>	<u>\$ 368</u>	<u>\$ 18</u>

**General Obligation Bonds** - The Commission is authorized to issue general obligation bonds for the acquisition of park land and the development of parks and recreational facilities, designated as Park Acquisition and Development Bonds ("Park Bonds"); to provide resources for advance land acquisition for highways, schools and other public purposes, designated as Advance Land Acquisition Bonds ("Advance Land Bonds"); and to refund both Park and Advance Land Bonds. The general obligation bonds are issued on the full faith and credit of the Commission and the county for which the bonds are issued.

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by Article 28 of the Annotated Code of Maryland to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2011, debt service payments approximated 0.26 cents per \$100 of real property and 0.65 cents per \$100 of personal property for Montgomery County and 1.48 cents for real property and 3.70 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

The Advance Land Bonds are payable from limited annual ad valorem property taxes which are levied by the respective county on all property assessed for the purpose of county taxation.

The debt service requirements to maturity for general obligation bonds, for each of the subsequent five years and in five-year increments thereafter is as follows (000's):

Montgomery County General Obligation Bonds

Fiscal Year	Governmental Activities					
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA
	Principal	Interest	Payments	Principal	Interest	Payments
2012	2,515	904	3,419	240	79	319
2013	2,620	824	3,444	240	71	311
2014	2,345	747	3,092	235	61	296
2015	2,380	672	3,052	230	51	281
2016	1,835	603	2,438	120	45	165
2017-2021	9,085	2,030	11,115	600	157	757
2022-2026	4,700	679	5,379	480	40	520
2027-2031	1,230	68	1,298	-	-	-
Totals	<u>\$ 26,710</u>	<u>\$ 6,527</u>	<u>\$ 33,237</u>	<u>\$ 2,145</u>	<u>\$ 504</u>	<u>\$ 2,649</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities						Total Commission General Obligation Bonds
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA	
	Principal	Interest	Payments	Principal	Interest	Payments	
2012	9,188	2,485	11,673	-	-	-	15,411
2013	9,410	2,189	11,599	-	-	-	15,354
2014	7,912	1,910	9,822	-	-	-	13,210
2015	7,240	1,610	8,850	-	-	-	12,183
2016	6,568	1,302	7,870	-	-	-	10,473
2017 - 2021	19,758	3,097	22,855	-	-	-	34,727
2022 - 2026	5,315	671	5,986	-	-	-	11,885
2027 - 2031	535	23	558	-	-	-	1,856
Totals	<u>\$ 65,926</u>	<u>\$ 13,287</u>	<u>\$ 79,213</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,099</u>

**Outstanding General Obligation Bonds** - General obligation bonds outstanding at June 30, 2011, consist of the following individual issues (000's):

<u>Series</u>	<u>Effective Interest Rate at Date of Sale</u>	<u>Dated</u>	<u>Final Maturity Date</u>	<u>FY 2012 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2011</u>
<u>Montgomery County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	\$ 860	\$ 12,155	\$ 5,690
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	3,040
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	370	5,445	1,410
Series I I-2	3.9651	03/15/07	04/01/27	185	4,700	3,960
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	730	8,405	7,780
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	4,830
				<u>2,515</u>	<u>39,955</u>	<u>26,710</u>
<b>Advance Land Acquisition Bonds</b>						
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	160	1,550	625
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,520
				<u>240</u>	<u>3,550</u>	<u>2,145</u>
Total Montgomery County General Obligation Bonds				<u>\$ 2,755</u>	<u>\$ 43,505</u>	<u>\$ 28,855</u>
<u>Prince George's County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series W-2	6.4000	06/25/98	07/01/12	\$ 365	\$ 7,325	\$ 745
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	1,725	21,110	5,805
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,710	37,525	24,360
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	1,080	13,685	2,130
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	7,480
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,688	17,300	12,395
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,265	14,080	13,010
				<u>9,188</u>	<u>119,925</u>	<u>65,925</u>
Total Prince George's County General Obligation Bonds				<u>\$ 9,188</u>	<u>\$ 119,925</u>	<u>\$ 65,925</u>

Notes: (1) The CC-2 and EE-2 Bonds include Advance Refunding and Park Acquisition and Development Project Bonds.

**Revenue Bonds and Revenue Notes Payable** - The Commission is authorized to issue revenue bonds and notes to finance the cost of revenue producing facilities and to refund outstanding bonds. The revenue bonds and notes are not general obligations of the Commission or county for which they are issued and are payable solely from revenues generated from revenue producing facilities. The Commission's revenue bonds and revenue notes payable, which totaled \$2,208,552 (net of a deferred amount of \$32,063) at June 30, 2011, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$1,282,843 for the fiscal year. There were no revenue bonds or revenue notes payable for Prince George's County.

The outstanding proprietary fund debt as of June 30, 2011, and the related debt service requirements for Montgomery County are as follows (000's):

Fiscal Year	Business-type Activities Revenue Bonds and Notes		
	Total Principal	Total Interest	Total Payments
2012	1,176	83	1,259
2013	842	35	877
2014	222	6	228
Total	<u>\$ 2,240</u>	<u>\$ 124</u>	<u>\$ 2,364</u>

The Commission is in compliance with all significant restrictive covenants related to revenue bonds and notes.

**Outstanding Revenue Bonds and Revenue Notes Payable** - Revenue bonds, net of a \$32,063 deferred amount on the Little Bennett Golf Facilities Refunding Bond, and revenue notes payable at June 30, 2011, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale		Dated	Final Maturity Date	FY2012 Serial Payment	Original Issue	Outstanding at June 30, 2011
<u>Montgomery County</u>							
<u>Revenue Bonds and Notes</u>							
Little Bennett Golf Course (net of deferred amount)	3.3705	%	12/09/03	11/01/12	\$ 384	\$ 3,154	\$ 750
Wheaton Ice Rink	3.3706		12/09/03	05/01/12	348	2,799	348
Cabin John Ice Rink	5.1600		04/24/99	11/01/13	444	6,000	1,111
					<u>\$ 1,176</u>	<u>\$ 11,953</u>	<u>\$ 2,209</u>

**Defeased Debt** - In the prior fiscal year, the Commission defeased the callable portion of certain series of general obligation bonds by placing proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The refunded bonds and their amortization dates are detailed as follows:

Series	Redemption Date	Montgomery County
Series Z-2	November 1, 2011	\$ 12,150,000

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2011, were as follows:

<b>Governmental activities:</b>	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
<b>Montgomery County</b>					
General Obligation Park Bonds Payable	\$ 29,680,000	\$ -	\$ 2,970,000	\$ 26,710,000	\$ 2,515,000
General Obligation ALA Bonds Payable	2,680,000	-	535,000	2,145,000	240,000
Deferred charges, net of premiums, on General Obligation Bonds	(456,745)	-	(76,923)	(379,822)	-
Notes Payable - Governmental	927,029	-	615,536	311,493	311,493
Loan Payable to Montgomery County	113,600	-	56,800	56,800	56,800
Accrued Compensated Absences	7,407,710	4,107,177	3,539,316	7,975,571	3,539,316
Net Other Post Employment Benefit Obligations	15,032,911	5,694,085	-	20,726,996	-
Net Pension Obligations	-	3,934,859	-	3,934,859	-
Long-term Liabilities	55,384,505	13,736,121	7,639,729	61,480,897	6,662,609
<b>Prince George's County</b>					
General Obligation Park Bonds Payable	76,246,154	-	10,320,957	65,925,197	9,187,535
General Obligation ALA Bonds Payable	290,000	-	290,000	-	-
Deferred charges, net of premiums, on General Obligation Bonds	(1,452,983)	-	(247,106)	(1,205,877)	-
Notes Payable - Governmental	653,182	-	284,675	368,507	258,507
Accrued Compensated Absences	11,207,058	5,704,533	5,985,342	10,926,249	5,985,343
Net Other Post Employment Benefit Obligations	19,624,281	8,367,122	-	27,991,403	-
Net Pension Obligations	-	5,232,541	-	5,232,541	-
Long-term Liabilities	106,567,692	19,304,196	16,633,868	109,238,020	15,431,385
Total Long-term Liabilities	\$ 161,952,197	\$ 33,040,317	\$ 24,273,597	\$ 170,718,917	\$ 22,093,994
<b>Business type activities:</b>					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
<b>Montgomery County</b>					
Revenue Bonds and Notes Payable	\$ 3,393,261	\$ -	\$ 1,152,647	\$ 2,240,614	\$ 1,176,513
Unamortized Discount on Revenue Bonds and Notes	(64,125)	-	(32,063)	(32,062)	-
Accrued Compensated Absences	240,987	86,920	54,016	273,891	54,016
Net Other Post Employment Benefit Obligations	311,792	135,370	-	447,162	-
Net Pension Obligations	-	101,388	-	101,388	-
Long-term Liabilities	3,881,915	323,678	1,174,600	3,030,993	1,230,529
<b>Prince George's County</b>					
Accrued Compensated Absences	816,669	281,423	295,043	803,049	295,043
Net Other Post Employment Benefit Obligations	1,263,137	528,499	-	1,791,636	-
Net Pension Obligations	-	304,912	-	304,912	-
Long-term Liabilities	2,079,806	1,114,834	295,043	2,899,597	295,043
Total Long-term Liabilities	\$ 5,961,721	\$ 1,438,512	\$ 1,469,643	\$ 5,930,590	\$ 1,525,572

Long-term obligations are shown in the Statement of Net Assets as follows:

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 9,524,659	\$ 349,059	\$ 9,873,718
Due in more than One Year	9,377,161	727,881	10,105,042
Bonds and Notes Payable:			
Due within One Year	12,569,335	1,176,513	13,745,848
Due in more than One Year	81,361,963	1,032,039	82,394,002
Net Other Post employment Benefit Obligations			
Due in more than One Year	48,718,399	2,238,798	50,957,197
Total Long-term Liabilities	<u>\$ 161,551,517</u>	<u>\$ 5,524,290</u>	<u>\$ 167,075,807</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund.

## **(5) – OTHER INFORMATION**

### **(A) Risk Management**

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000 excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claims settlements in excess of \$250,000 for fiscal years 2009 and 2010 but in fiscal year 2011 there was one claim over \$250,000. No insurance coverages were reduced in fiscal year 2011.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: two exclusive provider organizations (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2011. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the plans' administrators

Premiums are paid into the Risk Management Internal Service Fund by the General Fund and Enterprise Funds and are available to pay claims, claim reserves and administrative costs of the Program. Claims paid during fiscal year 2011 totaled \$4,083,568. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Medical</u>	<u>Risk Management</u>
Unpaid Claims, June 30, 2009	\$ 1,998,695	\$ 10,174,138
Incurred Claims, Fiscal Year 2010	15,335,221	4,111,857
Claims Paid, Fiscal Year 2010	(15,646,896)	(3,453,457)
Unpaid Claims, June 30, 2010	1,687,020	10,832,538
Incurred Claims, Fiscal Year 2011	17,302,140	5,229,656
Claims Paid, Fiscal Year 2011	(17,307,958)	(4,083,568)
Unpaid Claims, June 30, 2011	<u>\$ 1,681,202</u>	<u>\$ 11,978,626</u>

The medical column excludes expenses that are fully insured.

Unpaid claims reconcile to the amounts shown in the Statement of Net Assets as follows:

	<u>Medical</u>	<u>Risk Management</u>	<u>Total</u>
Due within One Year	\$ 1,681,202	\$ 2,994,657	\$ 4,675,859
Due in more than One Year	-	8,983,969	8,983,969
Total	<u>\$ 1,681,202</u>	<u>\$ 11,978,626</u>	<u>\$ 13,659,828</u>

### **(B) Related Party Transactions**

The Commission was involved in the following related party transactions during fiscal year 2011:

**Payments and Obligations to Prince George's County** - The Commission paid or is obligated to pay Prince George's County for the following:

State Law Mandatory Fund Balance Transfer	\$ 30,000,000
Reimbursements to County Council for planning, zoning, and audio/visual	918,000
Dept. of Environ. Resources Zoning Enforcement and Inspection	1,891,600
Property Tax Collection Fees	78,500
Office Space Rental at the County Administrative Building	745,684
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel (Stan Derwin Brown)	199,200
Department of Environmental Resources - Water and Sewer Planning	155,300
Economic Development for Enterprise Zone	65,000
EDC - General Plan Goals	350,000
Permits & Inspection for M-NCPPC-DER	2,536,200
Permits & Inspection & Permitting - DPW&T	1,620,000
Redevelopment Authority	1,016,700
DPW&T - Director's Office	254,700
DPW&T Engineering, Snow Plowing, Etc.	686,900
Property Tax Collection Fees (Parks & Recreation)	353,700
Gorgeous Prince George's - Tree Planting	250,000
Prince George's Community College	2,500,000
Green Programs- Office of Central Services (OCS)	50,000
Prince George's County - Police Department	159,800
Prince George's County - Fire Department	43,200
Prince George's County - Health Department/Wellness Program	500,000
Prince George's County - Library Recreation Program	4,809,400
Total	<u>\$ 49,524,384</u>

Of this amount, \$17,722,100 is in Accounts Payable at June 30, 2011.

## **(C) Contingencies**

**Grant Program** – The Commission, as grantee or subgrantee, participates in several Federal and State grant programs, which are subject to financial and compliance audits. The Commission believes it has complied, in all material respects, with applicable grant requirements and the amount of expenditures that may be disallowed by the granting agencies, if any, would be immaterial.

**Litigation** – The Commission is a defendant in various legal actions that fall into three major categories – those arising from the Commission’s planning and zoning powers, those arising from incidents occurring on the Commission property and those arising from personnel actions. The Commission’s management and its General Counsel estimate that the resolution of claims resulting from all litigation against the Commission not covered by insurance will not materially affect the financial position or operations of the Commission.

## **(D) Employees’ Retirement System and Pension Plans**

### **Defined Benefit Pension Plan**

**Plan Description** - The Commission contributes to The Maryland-National Capital Park and Planning Commission Employees' Retirement System (the "System"), a single-employer defined benefit public employee retirement plan. Benefit provisions and obligations to contribute to the plans and all other requirements are established by a Trust Agreement between the Commission and the Board of Trustees of the System which has been periodically amended since the System was established July 1, 1972. Accounting and financial reporting for the system is performed by non-Commission employees who are employed directly by the System. The System’s financial records are not maintained on a separate county basis. The assets of the System are invested with the objective of ensuring sufficient funds will be available for meeting benefit payments. As the System’s investment asset pool provides collectively for benefit payments of all four plans, the System is considered a single “pension plan” for purposes of financial reporting in accordance with GAAP. Publicly available Financial Statements that include management’s discussion and analysis, financial statements and required supplementary information for the System can be obtained at the administrative offices of The Maryland-National Capital Park and Planning Commission Employees' Retirement System, 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.

Active plan members in Plan A are required to contribute 6% of their base pay. Plan B members contribute 3% of their base pay up to the maximum Social Security Wage Base and 6% in excess of the maximum Social Security Wage Base for the calendar year. Plan C members contribute 8% of their base pay and Plan D members contribute 7% of their base pay.

**Actuarial Methods for Defined Benefit Pension Plan** - The actuarial value of assets calculates gains or losses on the basis of the actuarially assumed interest rate and recognizes one-fifth of the cumulative gains or losses not yet recognized. This year’s asset value is based on the July 1, 2010 actuarial valuation.

The Entry Age Normal Cost method is used, with level dollar amortization of the unfunded actuarial accrued liabilities as of July 1, 2005 over a closed amortization period ending July 1, 2016. Subsequent changes in unfunded actuarial accrued liabilities are amortized in equal payments over 15 years.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2010. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 4% a year plus variable merit increases, (c) cost of living increases in benefits after retirement based on the Plan’s provision for annual increases of 100% of the first 3% of change in the CPI-Urban Index for major U.S. cities plus half of the change in excess of 3%, but no more than 5% in total. The assumed post-retirement cost of living adjustment is 3%.

The funded status of the plan as of the most recent actuarial date, July 1, 2010, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 609,903
Actuarial Accrued Liability	763,860
Funded Ratio	79.8%
Unfunded Actuarial Accrued Liability	153,957
Annual Covered Payroll	140,407
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	109.7%

The net assets available for benefits at June 30, 2011 totaled \$615,127,402.

The Commission's contributions to the System are made in accordance with actuarially determined requirements.

The following table shows the components of the Commission's annual pension cost for the year, the amount actually contributed to the plan, and the calculation of the year end net pension obligation.

Annual required contribution (expense)	\$ 35,206,700
Contribution made	25,633,000
Increase in Net Pension contribution	<u>9,573,700</u>
Net Pension obligation, beginning of year	-
Net Pension obligation, end of year	<u>\$ 9,573,700</u>

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2009, 2010 and 2011 are presented below (\$000):

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual Pension Cost (APC)	\$ 14,933	\$ 17,615	\$ 25,633
Percentage of APC Contributed	100%	100%	73%
Net Pension Obligation (NPO)	-	-	9,574

In FY 2011 the Commission contributed 73% of the adjusted annual required contribution and has an NPO of \$9,573,700 at year-end.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### **Deferred Compensation Plans**

The Commission offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. One plan, available to all career Commission employees, permits them to defer a portion of their salary to future years. The deferred compensation is not available to employees or beneficiaries until termination, retirement, death or unforeseeable emergency. The Commission also offers a separate deferred compensation plan to its officers and to the staff of the Employees' Retirement System. These plans are not included in the financial statements.

**(E) Other Postemployment Benefits**

**Plan Description** - In addition to the pension benefits provided by the System, the Commission provides postretirement healthcare benefits, a single-employer defined benefit healthcare plan, in accordance with Commission approval, to all full-time and part-time career employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 787 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 85 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission. Separate financial statements are not issued for the Trust.

**Funding Policy** - On July 1, 1999, the Commission established a 115 Trust account (the "Trust") for the purpose of pre-funding a portion of retiree insurance costs in the future. The Commission executed a Discretionary Investment Management Agreement with a Financial Advisor (Custodial Trustee) of the account. Per the Post-Retirement Insurance Benefits Program Trust Agreement I - Contributions, the Commission may elect to contribute additional amounts as deemed necessary to meet its benefit costs. Prior to fiscal year 2008, the Trust account had not been funded based on actuarial information. The fund was used in certain prior fiscal years to pay the net cost of postretirement health care benefits, net of the retiree contributions. A minimal balance was retained in the fund to maintain the legal status of the trust.

In fiscal year 2008, the Commission began phasing in over an 8 year period actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions".

**Annual OPEB Cost and Net OPEB Obligation** – The Commission's annual other postemployment benefit (OPEB) cost (Expense) is calculated based on the annual required contribution of the employer (ARC) an amount actuarially determined in accordance with parameters established in current GASB accounting standards. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Commission's annual OPEB cost for the year, the amount actually contributed to the plan, and the calculation of the year end net OPEB obligation (dollar amounts in thousands).

Annual required contribution (expense)	\$ 23,871
Interest on net OPEB obligation	1,144
Adjustment to annual required contribution	<u>(1,080)</u>
Annual OPEB cost (Expense)	23,935
Contribution made	<u>9,210</u>
Increase in Net OPEB contribution	14,725
Net OPEB obligation, beginning of year	<u>36,232</u>
Net OPEB obligation, end of year	<u><u>\$ 50,957</u></u>

The Commission's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (NPO) to the System for fiscal years 2009, 2010 and 2011 is presented below (\$000):

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Annual Required Contribution (ARC)	\$ 21,306	\$ 23,049	\$ 23,935
Percentage of ARC Contributed	50%	31%	39%
Net OPEB Obligation	20,386	36,232	50,957

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**Actuarial Valuation** - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the Commission and plan members) and include the types of benefits provided at the time of the valuation and the historical pattern of sharing of benefit costs between the Commission and plan members to that point. The actuarial methods and assumptions include techniques that are designed to reduce short-term volatility in actuarially accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

**Actuarial Methods for Retiree Health Care Benefits Plan** - The actuarial value of assets is the fair value of the investments. This year's asset value is based on the July 1, 2010 actuarial valuation.

The Projected Unit Credit Cost method is used, with level percentage of pay amortization of the unfunded actuarial liabilities over an open 30 year amortization period.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2010. Significant actuarial assumptions used in the valuation are as follows:

**Rate of Return** – The assumed rate of return on the investment of present and future assets is a “select and ultimate” interest rate starting at 4.25% and grading to 7.5% over an eight year period, and thereafter at 7.5% a year compounded annually.

**Salary Increases** - Salary increases of 4.00% a year are projected for calculating the level percentage of pay.

**Healthcare Cost Trend Rates** – The expected rate of increase for healthcare costs in 2011 was estimated at 9.0% for prescription drugs and medical costs, and 5.0% for dental and vision. Declining rates of increase were used, with 2020 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2010, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	8,553
Actuarial Accrued Liability		311,709
Funded Ratio		2.74%
Unfunded Actuarial Accrued Liability		303,156
Annual Covered Payroll		137,245
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		220.9%

The 115 Trust is reported by the Commission as a pension trust fund, the Other Post Employment Benefits Fund.

The Trust's financial records are not maintained on a separate county basis.

## (F) Pension Trust Funds

Combining schedules of the pension trust funds follow:

Combining Schedules of Net Assets  
Pension Trust Funds  
June 30, 2011

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 969,466	\$ 969,466
Cash	91,895	17,551	109,446
Fixed Income Securities	129,645,952	-	129,645,952
International Fixed Income Securities	31,142,341	-	31,142,341
Venture Capital/Alternative Investments	14,630,846	-	14,630,846
Corporate Stock	277,080,791	-	277,080,791
International Corporate Stock	131,644,050	-	131,644,050
Real Estate Investments	26,814,937	-	26,814,937
Short Term Investments	17,770,123	-	17,770,123
Mutual Funds	-	11,152,969	11,152,969
Collateral for Securities Lending Transactions	67,213,393	-	67,213,393
Accounts Receivable	1,522,413	-	1,522,413
Other	87,804	-	87,804
Total Assets	<u>697,644,545</u>	<u>12,139,986</u>	<u>709,784,531</u>
<b>LIABILITIES</b>			
Investments Payable	12,826,672	-	12,826,672
Accounts Payable	973,353	200,183	1,173,536
Claims Payable	-	769,283	769,283
Obligation for Collateral Received under Securities Lending Transactions	68,717,118	-	68,717,118
Total Liabilities	<u>82,517,143</u>	<u>969,466</u>	<u>83,486,609</u>
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Pension Benefits	615,127,402	-	615,127,402
Other Postemployment Benefits	-	11,170,520	11,170,520
Total Net Assets	<u>\$ 615,127,402</u>	<u>\$ 11,170,520</u>	<u>\$ 626,297,922</u>

Combining Schedules of Changes in Net Assets  
Pension Trust Funds  
For the Year Ended June 30, 2011

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
<b>ADDITIONS:</b>			
<b>Contributions:</b>			
Employer	\$ 25,633,000	\$ 8,860,387	\$ 34,493,387
Plan Members	4,698,246	-	4,698,246
Plan Members for Current Benefits	-	1,080,766	1,080,766
Total Contributions	<u>30,331,246</u>	<u>9,941,153</u>	<u>40,272,399</u>
Federal Grants - Medicare	-	374,205	374,205
<b>Investment Earnings:</b>			
Interest	7,641,445	9	7,641,454
Dividends	1,517,461	204,046	1,721,507
Net increase in the Fair Value of Investments	104,247,167	2,413,376	106,660,543
Total Investment Earnings	<u>113,406,073</u>	<u>2,617,431</u>	<u>116,023,504</u>
Less Investment Advisory and Management Fees	(2,466,640)	-	(2,466,640)
Net Income from Investing Activities	<u>110,939,433</u>	<u>2,617,431</u>	<u>113,556,864</u>
<b>Securities Lending Activity</b>			
Securities Lending Income	166,614	-	166,614
Securities Lending Fees	(62,248)	-	(62,248)
Net Income from Securities Lending Activity	<u>104,366</u>	<u>-</u>	<u>104,366</u>
Total Net Investment Earnings	<u>111,043,799</u>	<u>2,617,431</u>	<u>113,661,230</u>
Total Additions and Investment Earnings	<u>141,375,045</u>	<u>12,932,789</u>	<u>154,307,834</u>
<b>DEDUCTIONS:</b>			
Benefits	32,774,717	10,315,358	43,090,075
Refunds of Contributions	359,239	-	359,239
Administrative expenses	1,366,148	-	1,366,148
Total Deductions	<u>34,500,104</u>	<u>10,315,358</u>	<u>44,815,462</u>
Change in Net Assets	<u>106,874,941</u>	<u>2,617,431</u>	<u>109,492,372</u>
Net Assets - Beginning	508,252,461	8,553,089	516,805,550
Net Assets - Ending	<u>\$ 615,127,402</u>	<u>\$ 11,170,520</u>	<u>\$ 626,297,922</u>

**(6) – COUNTY FINANCIAL DATA**

The following financial data pertains to both Montgomery and Prince George's Counties.

**MONTGOMERY COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2011**

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 8,261,925	\$ 6,494,859	\$ 14,756,784	\$ -	\$ 3,252,561	\$ 18,009,345
Receivables - Taxes (net of allowance for uncollectibles)	221,527	609,663	831,190	-	21,827	853,017
Receivables - Other	4,759	42,724	47,483	-	13,728	61,211
Due from Other Funds	-	6,553,971	6,553,971	-	-	6,553,971
Due from County Government	-	-	-	5,058,942	260,840	5,319,782
Due from Other Governments	-	59,202	59,202	3,019,467	29,000	3,107,669
Other	12,388	-	12,388	-	-	12,388
Total Assets	<u>\$ 8,500,599</u>	<u>\$ 13,760,419</u>	<u>\$ 22,261,018</u>	<u>\$ 8,078,409</u>	<u>\$ 3,577,956</u>	<u>\$ 33,917,383</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 422,775	\$ 1,122,097	\$ 1,544,872	\$ 2,190,132	\$ 56,508	\$ 3,791,512
Accrued Liabilities	1,086,538	2,873,382	3,959,920	-	4,538	3,964,458
Retainage Payable	-	-	-	1,480,101	-	1,480,101
Due to Other Funds	-	-	-	6,553,971	-	6,553,971
Due to County Government	60	-	60	-	35	95
Deposits and Deferred Revenue	396,031	749,437	1,145,468	561,000	888,164	2,594,632
Total Liabilities	<u>1,905,404</u>	<u>4,744,916</u>	<u>6,650,320</u>	<u>10,785,204</u>	<u>949,245</u>	<u>18,384,769</u>
Fund Balance:						
Restricted for::						
Parks	-	-	-	-	7,227	7,227
Committed to:						
Planning	4,523,667	-	4,523,667	-	536,851	5,060,518
Parks	-	3,824,165	3,824,165	14,818,381	219,833	18,862,379
Assigned to:						
Planning	513,050	-	513,050	-	1,505,511	2,018,561
Parks	-	798,630	798,630	-	359,289	1,157,919
Unassigned:	1,558,478	4,392,708	5,951,186	(17,525,176)	-	(11,573,990)
Total Fund Balances	<u>6,595,195</u>	<u>9,015,503</u>	<u>15,610,698</u>	<u>(2,706,795)</u>	<u>2,628,711</u>	<u>15,532,614</u>
Total Liabilities and Fund Balances	<u>\$ 8,500,599</u>	<u>\$ 13,760,419</u>	<u>\$ 22,261,018</u>	<u>\$ 8,078,409</u>	<u>\$ 3,577,956</u>	<u>\$ 33,917,383</u>

**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2011**

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>REVENUES</b>						
Property Taxes	\$ 23,012,587	\$ 69,049,034	\$ 92,061,621	\$ -	\$ 1,785,987	\$ 93,847,608
Intergovernmental:						
Federal	-	1,114	1,114	2,607,028	-	2,608,142
State	-	94,801	94,801	2,524,693	-	2,619,494
County	102,357	15,300	117,657	11,703,200	1,086,805	12,907,662
Local	-	3,149	3,149	-	7,242	10,391
Charges for Services	320,831	783,753	1,104,584	-	2,162,874	3,267,458
Rentals and Concessions	-	1,667,286	1,667,286	-	135,977	1,803,263
Interest	42,734	(4,105)	38,629	1,849	13,897	54,375
Contributions	-	-	-	(65,418)	369,432	304,014
Miscellaneous	3,478	172,419	175,897	-	71,634	247,531
Total Revenues	<u>23,481,987</u>	<u>71,782,751</u>	<u>95,264,738</u>	<u>16,771,352</u>	<u>5,633,848</u>	<u>117,669,938</u>
<b>EXPENDITURES</b>						
Current:						
General Government	7,551,162	-	7,551,162	-	-	7,551,162
Planning and Zoning	14,282,503	-	14,282,503	-	3,801,709	18,084,212
Park Operations and Maintenance	-	66,685,995	66,685,995	-	957,045	67,643,040
Contributions	-	-	-	-	1,157,414	1,157,414
Debt Service:						
Principal	28,400	28,400	56,800	-	3,505,000	3,561,800
Interest	-	-	-	-	1,086,255	1,086,255
Other Debt Service Costs	-	-	-	-	2,092	2,092
Capital Outlay:						
Park Acquisition	-	-	-	508,501	-	508,501
Park Development	-	-	-	18,928,445	-	18,928,445
Total Expenditures	<u>21,862,065</u>	<u>66,714,395</u>	<u>88,576,460</u>	<u>19,436,946</u>	<u>10,509,515</u>	<u>118,522,921</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,619,922</u>	<u>5,068,356</u>	<u>6,688,278</u>	<u>(2,665,594)</u>	<u>(4,875,667)</u>	<u>(852,983)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	701,849	701,849	350,000	5,491,043	6,542,892
Transfer Out	(2,228,000)	(4,313,043)	(6,541,043)	(1,849)	-	(6,542,892)
Total Other Financing Sources (Uses)	<u>(2,228,000)</u>	<u>(3,611,194)</u>	<u>(5,839,194)</u>	<u>348,151</u>	<u>5,491,043</u>	<u>-</u>
Net Change in Fund Balances	(608,078)	1,457,162	849,084	(2,317,443)	615,376	(852,983)
Fund Balances - Beginning	<u>7,203,273</u>	<u>7,558,341</u>	<u>14,761,614</u>	<u>(389,352)</u>	<u>2,013,335</u>	<u>16,385,597</u>
Fund Balances - Ending	<u>\$ 6,595,195</u>	<u>\$ 9,015,503</u>	<u>\$ 15,610,698</u>	<u>\$ (2,706,795)</u>	<u>\$ 2,628,711</u>	<u>\$ 15,532,614</u>

**MONTGOMERY COUNTY**  
**ADMINISTRATION ACCOUNT- GENERAL FUND**  
**Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 23,220,970	\$ 23,220,970	\$ 23,012,587	\$ (208,383)
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	-	-	102,357	102,357
Charges for Services	350,000	350,000	320,831	(29,169)
Interest	90,000	90,000	42,734	(47,266)
Miscellaneous	-	-	3,478	3,478
Total Revenues	<u>23,810,970</u>	<u>23,810,970</u>	<u>23,481,987</u>	<u>(328,983)</u>
<b>Expenditures/Encumbrances:</b>				
Commissioners' Office	1,022,660	1,022,660	1,020,596	2,064
Central Administrative Services -				
Department of Human Resources and Management	1,968,900	1,958,900	1,956,379	2,521
Department of Finance	3,174,450	3,174,450	3,171,373	3,077
Legal Department	1,038,850	1,038,850	946,204	92,646
Support Services	444,700	444,700	441,087	3,613
Merit System Board	47,650	57,650	57,032	618
Total Central Administrative Services	<u>6,674,550</u>	<u>6,674,550</u>	<u>6,572,075</u>	<u>102,475</u>
Planning Department -				
Park and Planning Director's Office	486,200	486,200	435,368	50,832
Management Services	3,777,600	3,777,600	3,633,442	144,158
Urban Design	1,298,800	1,298,800	1,219,903	78,897
Environmental Planning	1,873,600	1,873,600	1,818,160	55,440
Transportation Planning	1,352,100	1,352,100	1,462,403	(110,303)
Community-Based Planning	2,137,300	2,137,300	2,053,900	83,400
Development Review	900,100	900,100	884,504	15,596
Center for Research and Information Systems	2,199,200	2,199,200	2,137,767	61,433
Support Services	1,880,980	1,880,980	1,819,130	61,850
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>16,055,880</u>	<u>16,055,880</u>	<u>15,464,577</u>	<u>591,303</u>
Non-Departmental	-	-	(207,370)	207,370
Total Expenditures/Encumbrances	<u>23,753,090</u>	<u>23,753,090</u>	<u>22,849,878</u>	<u>903,212</u>
Excess of Revenues over Expenditures/Encumbrances	<u>57,880</u>	<u>57,880</u>	<u>632,109</u>	<u>574,229</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Park Account	(700,000)	(700,000)	(700,000)	-
Special Revenue Fund - Dev. Review	(1,528,000)	(1,528,000)	(1,528,000)	-
Total Other Financing Sources (Uses)	<u>(2,228,000)</u>	<u>(2,228,000)</u>	<u>(2,228,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,170,120)</u>	<u>\$ (2,170,120)</u>	<u>(1,595,891)</u>	<u>\$ 574,229</u>
Fund Balance - Budget Basis, Beginning			<u>3,667,419</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 2,071,528</u>	

**MONTGOMERY COUNTY**  
**PARK ACCOUNT- GENERAL FUND**  
**Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2011**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 69,596,600	\$ 69,596,600	\$ 69,049,034	\$ (547,566)
Intergovernmental -				
Federal	-	-	1,114	1,114
State	400,000	400,000	94,801	(305,199)
Other	-	-	3,149	3,149
County	-	-	15,300	15,300
Charges for Services	807,000	807,000	783,753	(23,247)
Rentals and Concessions	1,845,000	1,845,000	1,667,286	(177,714)
Interest	120,000	120,000	(4,105)	(124,105)
Miscellaneous	85,600	85,600	172,419	86,819
Total Revenues	<u>72,854,200</u>	<u>72,854,200</u>	<u>71,782,751</u>	<u>(1,071,449)</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	780,500	780,500	825,554	(45,054)
Park Information and Customer Service	939,100	-	-	-
Special Programs	640,000	-	-	-
Management Services	822,000	2,985,700	3,423,269	(437,569)
Facilities Management	873,000	-	-	-
Park Planning and Stewardship	2,960,500	2,960,500	2,929,967	30,533
Research and Technology	1,658,900	-	-	-
Park Development	2,385,600	2,385,600	2,431,793	(46,193)
Park Police	11,288,500	11,288,500	10,270,062	1,018,438
Horticultural Resources	5,272,900	7,125,900	7,126,677	(777)
Central Maintenance	10,759,900	10,726,804	10,451,071	275,733
Public Affairs and Community Service	-	2,028,396	1,984,249	44,147
Northern Region	7,949,900	7,022,600	6,907,376	115,224
Southern Region	11,499,000	10,573,300	10,672,330	(99,030)
Support Services	11,220,280	11,172,280	11,289,776	(117,496)
Grants	400,000	400,000	102,472	297,528
Property Management	1,067,000	1,067,000	920,917	146,083
Non-Departmental	-	-	(660,743)	660,743
Total Expenditures/Encumbrances	<u>70,517,080</u>	<u>70,517,080</u>	<u>68,674,770</u>	<u>1,842,310</u>
Excess of Revenues over Expenditures/Encumbrances	<u>2,337,120</u>	<u>2,337,120</u>	<u>3,107,981</u>	<u>770,861</u>
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	170,000	170,000	1,849	(168,151)
Debt Service Fund	(4,307,800)	(4,307,800)	(3,963,043)	344,757
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Administration Account	700,000	700,000	700,000	-
Total Other Financing Sources (Uses)	<u>(3,787,800)</u>	<u>(3,787,800)</u>	<u>(3,611,194)</u>	<u>176,606</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,450,680)</u>	<u>\$ (1,450,680)</u>	<u>(503,213)</u>	<u>\$ 947,467</u>
Fund Balance - Budget Basis, Beginning			<u>5,694,551</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 5,191,338</u>	

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2011**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 37,972,627	\$ 70,322,290	\$ 44,755,481	\$ 153,050,398	\$ 155,064,671	\$ 4,681,943	\$ 312,797,012
Receivables - Taxes (net of allowance for uncollectibles)	329,572	1,047,520	781,020	2,158,112	-	18,274	2,176,386
Receivables - Other	3,519	1,159	1,991	6,669	-	-	6,669
Due from County Government	14,671	-	-	14,671	-	342,835	357,506
Due from Other Governments	119,598	8,875	19,561	148,034	4,280,926	-	4,428,960
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	6,365,777	-	6,365,777
Other	10,191	-	-	10,191	-	39,474	49,665
<b>Total Assets</b>	<b>\$ 38,450,178</b>	<b>\$ 71,379,844</b>	<b>\$ 45,558,053</b>	<b>\$ 155,388,075</b>	<b>\$ 165,711,374</b>	<b>\$ 5,082,526</b>	<b>\$ 326,181,975</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 9,209,097	\$ 4,233,247	\$ 8,019,817	\$ 21,462,161	\$ 1,871,819	\$ 93,929	\$ 23,427,909
Accrued Liabilities	1,260,448	2,580,927	2,327,658	6,169,033	-	266,754	6,435,787
Retainage Payable	-	-	-	-	2,005,604	-	2,005,604
Deposits and Deferred Revenue	393,227	1,134,723	4,771,245	6,299,195	206,186	42,300	6,547,681
<b>Total Liabilities</b>	<b>10,862,772</b>	<b>7,948,897</b>	<b>15,118,720</b>	<b>33,930,389</b>	<b>4,083,609</b>	<b>402,983</b>	<b>38,416,981</b>
<b>Fund Balance:</b>							
Restricted for:							
Parks	-	-	-	-	6,365,777	(26)	6,365,751
Committed to:							
Planning	6,821,790	-	-	6,821,790	-	-	6,821,790
Parks	-	7,197,605	-	7,197,605	32,069,856	1,100	39,268,561
Recreation	-	-	2,597,646	2,597,646	-	134,323	2,731,969
Assigned to:							
Planning	4,810,750	-	-	4,810,750	-	241,318	5,052,068
Parks	-	-	-	-	-	1,614,273	1,614,273
Recreation	-	-	13,149,400	13,149,400	-	2,688,555	15,837,955
Unassigned:	15,954,866	56,233,342	14,692,287	86,880,495	123,192,132	-	210,072,627
<b>Total Fund Balances</b>	<b>27,587,406</b>	<b>63,430,947</b>	<b>30,439,333</b>	<b>121,457,686</b>	<b>161,627,765</b>	<b>4,679,543</b>	<b>287,764,994</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 38,450,178</b>	<b>\$ 71,379,844</b>	<b>\$ 45,558,053</b>	<b>\$ 155,388,075</b>	<b>\$ 165,711,374</b>	<b>\$ 5,082,526</b>	<b>\$ 326,181,975</b>

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2011**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>REVENUES</b>							
Property Taxes	\$ 42,591,567	\$ 151,616,903	\$ 55,972,552	\$ 250,181,022	\$ -	\$ 1,226,133	\$ 251,407,155
Intergovernmental:							
Federal	119,598	(107,522)	37,712	49,788	1,134,600	-	1,184,388
State	-	4,000	309,473	313,473	7,493,077	-	7,806,550
County	79,135	59,012	-	138,147	-	342,720	480,867
Charges for Services	568,599	116,086	6,625,586	7,310,271	-	1,036,333	8,346,604
Rentals and Concessions	-	2,101,964	891,223	2,993,187	-	4,963,026	7,956,213
Interest	173,995	266,855	205,453	646,303	701,366	19,052	1,366,721
Contributions	-	-	-	-	-	44,095	44,095
Miscellaneous	65,694	309,246	84,488	459,428	223,603	43,091	726,122
Total Revenues	<u>43,598,588</u>	<u>154,366,544</u>	<u>64,126,487</u>	<u>262,091,619</u>	<u>9,552,646</u>	<u>7,674,450</u>	<u>279,318,715</u>
<b>EXPENDITURES</b>							
Current:							
General Government	9,349,172	-	-	9,349,172	-	-	9,349,172
Planning and Zoning	33,593,366	-	-	33,593,366	-	-	33,593,366
Park Operations and Maintenance	-	116,997,515	-	116,997,515	-	483,831	117,481,346
Recreation	-	-	57,995,863	57,995,863	-	4,926,440	62,922,303
Contributions	-	-	-	-	-	943,482	943,482
Debt Service:							
Principal	-	-	-	-	-	10,610,957	10,610,957
Interest	-	-	-	-	-	2,802,605	2,802,605
Other Debt Service Costs	-	-	-	-	-	(97,966)	(97,966)
Capital Outlay:							
Park Acquisition	-	-	-	-	3,549,184	-	3,549,184
Park Development	-	-	-	-	26,213,628	-	26,213,628
Total Expenditures	<u>42,942,538</u>	<u>116,997,515</u>	<u>57,995,863</u>	<u>217,935,916</u>	<u>29,762,812</u>	<u>19,669,349</u>	<u>267,368,077</u>
Excess (deficiency) of Revenues over Expenditures	<u>656,050</u>	<u>37,369,029</u>	<u>6,130,624</u>	<u>44,155,703</u>	<u>(20,210,166)</u>	<u>(11,994,899)</u>	<u>11,950,638</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	701,366	-	701,366	21,304,000	13,068,165	35,073,531
Transfer Out	(50,000)	(34,322,165)	(9,789,550)	(44,161,715)	(701,366)	-	(44,863,081)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(33,620,799)</u>	<u>(9,789,550)</u>	<u>(43,460,349)</u>	<u>20,602,634</u>	<u>13,068,165</u>	<u>(9,789,550)</u>
Net Change in Fund Balances	606,050	3,748,230	(3,658,926)	695,354	392,468	1,073,266	2,161,088
Fund Balances - Beginning	<u>26,981,356</u>	<u>59,682,717</u>	<u>34,098,259</u>	<u>120,762,332</u>	<u>161,235,297</u>	<u>3,606,277</u>	<u>285,603,906</u>
Fund Balances - Ending	<u>\$ 27,587,406</u>	<u>\$ 63,430,947</u>	<u>\$ 30,439,333</u>	<u>\$ 121,457,686</u>	<u>\$ 161,627,765</u>	<u>\$ 4,679,543</u>	<u>\$ 287,764,994</u>

**PRINCE GEORGE'S COUNTY  
ADMINISTRATION ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 43,489,500	\$ 43,489,500	\$ 42,591,567	\$ (897,933)
Intergovernmental -				
Federal	-	-	119,598	119,598
County	203,000	89,725	79,135	(10,590)
Charges for Services	737,500	737,500	568,599	(168,901)
Interest	220,000	220,000	173,995	(46,005)
Miscellaneous	-	-	65,694	65,694
Total Revenues	44,650,000	44,536,725	43,598,588	(938,137)
Expenditures/Encumbrances:				
Commissioners' Office	2,881,700	2,881,700	2,848,669	33,031
Central Administrative Services -				
Department of Human Resources and Management	1,998,900	1,988,900	1,986,340	2,560
Department of Finance	3,234,400	3,234,400	3,231,264	3,136
Legal Department	961,400	961,400	876,155	85,245
Support Services	444,700	444,700	441,087	3,613
Merit System Board	47,650	57,650	57,032	618
Total Central Administrative Services	6,687,050	6,687,050	6,591,878	95,172
Planning Department -				
Director's Office	4,673,482	4,673,482	4,265,511	407,971
Development Review	7,601,709	7,601,709	7,529,659	72,050
Community Planning North	4,485,625	4,485,625	4,058,724	426,901
Community Planning South	3,109,536	3,109,536	2,763,501	346,035
Information Management	5,172,472	5,172,472	5,062,924	109,548
Countywide Planning	7,425,576	7,425,576	7,268,205	157,371
Support Services	1,964,500	1,964,500	1,803,291	161,209
Grants	138,000	24,725	144,323	(119,598)
Total Planning Department	34,570,900	34,457,625	32,896,138	1,561,487
Non-Departmental	-	-	(550,219)	550,219
Total Expenditures/Encumbrances	44,139,650	44,026,375	41,786,466	2,239,909
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	510,350	510,350	1,812,122	1,301,772
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	(50,000)	(50,000)	(50,000)	-
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 460,350	\$ 460,350	1,762,122	\$ 1,301,772
Fund Balance - Budget Basis, Beginning			19,003,494	
Fund Balance - Budget Basis, Ending			\$ 20,765,616	

**PRINCE GEORGE'S COUNTY  
PARK ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 153,390,200	\$ 153,390,200	\$ 151,616,903	\$ (1,773,297)
Intergovernmental -				
Federal	-	(107,522)	(107,522)	-
State	-	4,000	4,000	-
County	-	59,012	59,012	-
Charges for Services	315,100	315,100	116,086	(199,014)
Rentals and Concessions	2,125,100	2,125,100	2,101,964	(23,136)
Interest	525,000	525,000	266,855	(258,145)
Miscellaneous	186,800	186,800	309,246	122,446
Total Revenues	<u>156,542,200</u>	<u>156,497,690</u>	<u>154,366,544</u>	<u>(2,131,146)</u>
Expenditures/Encumbrances:				
Director's Office	643,300	643,300	457,761	185,539
Park Police	16,580,500	16,580,500	16,440,243	140,257
Support Services	11,777,500	11,777,500	10,945,141	832,359
Park Planning and Development	6,410,800	6,410,800	6,320,554	90,246
Information Technology and Communication	4,142,100	4,142,100	4,488,263	(346,163)
Facility Operations -				
Administration - Deputy Director	482,300	482,300	345,155	137,145
Administrative Services - Park	1,430,800	1,430,800	1,190,294	240,506
Management Supervision - Public Affairs & Marketing	1,831,400	1,831,400	1,598,231	233,169
Maintenance and Development	25,567,800	25,567,800	24,239,413	1,328,387
Natural and Historical Resources	2,792,500	2,792,500	2,499,532	292,968
Arts and Cultural Heritage	1,928,500	1,928,500	1,720,757	207,743
Total Facility Operations	<u>34,033,300</u>	<u>34,033,300</u>	<u>31,593,382</u>	<u>2,439,918</u>
Area Operations -				
Northern Area	6,361,300	6,361,300	6,017,248	344,052
Central Area	6,659,100	6,659,100	5,674,608	984,492
Southern Area	5,511,000	5,511,000	5,204,888	306,112
Total Area Operations	<u>18,531,400</u>	<u>18,531,400</u>	<u>16,896,744</u>	<u>1,634,656</u>
Grants	-	(44,510)	(44,510)	-
Non-Departmental	33,016,000	33,016,000	32,088,458	927,542
Total Expenditures/Encumbrances	<u>125,134,900</u>	<u>125,090,390</u>	<u>119,186,036</u>	<u>5,904,354</u>
Excess of Revenues over Expenditures/Encumbrances	<u>31,407,300</u>	<u>31,407,300</u>	<u>35,180,508</u>	<u>3,773,208</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	950,000	950,000	701,366	(248,634)
Debt Service - Park Fund	(13,220,800)	(13,220,800)	(13,018,165)	202,635
Capital Projects Funds - Development	(21,304,000)	(21,304,000)	(21,304,000)	-
Total Other Financing Sources (Uses)	<u>(33,574,800)</u>	<u>(33,574,800)</u>	<u>(33,620,799)</u>	<u>(45,999)</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (2,167,500)</u>	<u>\$ (2,167,500)</u>	<u>1,559,709</u>	<u>\$ 3,727,209</u>
Fund Balance - Budget Basis, Beginning			<u>54,673,633</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 56,233,342</u>	

**PRINCE GEORGE'S COUNTY  
RECREATION ACCOUNT- GENERAL FUND  
Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual  
For the Year Ended June 30, 2011**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 56,806,000	\$ 56,806,000	\$ 55,972,552	\$ (833,448)
Intergovernmental - Federal	-	37,712	37,712	-
State	-	309,473	309,473	-
Charges for Services	6,508,900	6,508,900	6,625,586	116,686
Rentals and Concessions	927,900	927,900	891,223	(36,677)
Interest	440,000	440,000	205,453	(234,547)
Miscellaneous	65,000	65,000	84,488	19,488
Total Revenues	64,747,800	65,094,985	64,126,487	(968,498)
Expenditures/Encumbrances:				
Director's Office	2,497,300	2,497,300	2,173,964	323,336
Deputy Director	306,500	306,500	260,002	46,498
Public Affairs & Marketing	884,700	884,700	728,630	156,070
Support Services	5,855,500	5,855,500	4,653,725	1,201,775
Total Director's Office	9,544,000	9,544,000	7,816,321	1,727,679
Facility Operations:				
Sports/Athletic/Outreach Program	7,770,950	7,770,950	8,064,375	(293,425)
Natural and Historical Resources	4,558,500	4,558,500	4,214,992	343,508
Arts and Cultural Heritage	3,575,550	3,575,550	3,280,873	294,677
Grants	-	347,185	347,185	-
Total Facility Operations	15,905,000	16,252,185	15,907,425	344,760
Area Operations:				
Deputy Director	438,950	438,950	386,845	52,105
Northern Area	7,767,300	7,767,300	7,327,615	439,685
Central Area	7,775,900	7,775,900	6,564,061	1,211,839
Southern Area	7,690,950	7,690,950	6,051,169	1,639,781
Child Care and Special Projects	7,660,700	7,660,700	7,133,107	527,593
Total Area Operations	31,333,800	31,333,800	27,462,797	3,871,003
Non-Departmental	8,730,800	8,730,800	7,705,776	1,025,024
Total Operating Expenditures/Encumbrances	65,513,600	65,860,785	58,892,319	6,968,466
Excess of Revenues over Expenditures/Encumbrances	(765,800)	(765,800)	5,234,168	5,999,968
Other Financing Sources (Uses):				
Transfers In (Out) - Enterprise	(9,789,550)	(9,789,550)	(9,789,550)	-
Total Other Financing Sources (Uses)	(9,789,550)	(9,789,550)	(9,789,550)	-
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (10,555,350)	\$ (10,555,350)	(4,555,382)	\$ 5,999,968
Fund Balance - Budget Basis, Beginning			32,397,069	
Fund Balance - Budget Basis, Ending			\$ 27,841,687	

## **Required Supplementary Information for Defined Benefit Pension Plan (Unaudited)**

**Schedule of Funding Progress for Defined Benefit Pension Plan (the System)** - The actuarial accrued liability at the valuation date shown on the Schedule of Funding Progress is a measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers.

Funding activity for the last three years is summarized as follows:

SCHEDULE OF FUNDING PROGRESS (000'S)

	<u>July 1, 2008</u>	<u>July 1, 2009</u>	<u>July 1, 2010</u>
Actuarial Valuation of Plan Assets	\$ 633,700	\$ 541,519	\$ 609,903
Actuarial Accrued Liability	662,225	726,000	763,860
Funded Ratio	95.7%	74.6%	79.8%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	(28,525)	(184,481)	(153,957)
Annual Covered Payroll	132,241	142,591	140,407
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	-21.6%	-129.4%	-109.7%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the unfunded percentage, the stronger the system.

**Publicly available Financial Statements for the Employees' Retirement System can be obtained at 6611 Kenilworth Avenue, Suite 100, Riverdale, Maryland 20737.**

**Required Supplementary Information for Other Postemployment Benefits**  
**(Unaudited)**

**Schedule of Funding Progress for Other Postemployment Benefits Plan (the Plan)** - The actuarial accrued liability at the valuation date shown on the Schedule of Funding Progress is a measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the System on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers.

Funding activity for the last three years is summarized as follows:

SCHEDULE OF FUNDING PROGRESS (000'S)

	<u>July 1, 2008</u>	<u>July 1, 2009</u>	<u>July 1, 2010</u>
Actuarial Valuation of Plan Assets	\$ 2,817	\$ 7,475	\$ 8,553
Actuarial Accrued Liability	257,492	266,473	311,709
Funded Ratio	1.09%	2.81%	2.74%
Unfunded Actuarial Accrued Liability	254,675	258,998	303,156
Annual Covered Payroll	131,074	142,681	137,245
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	194.3%	181.5%	220.9%

Analysis of the dollar amounts of plan net assets, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net assets as a percentage of the actuarial accrued liability provides one indication of the system's funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the system. Trends in the unfunded actuarial accrued liability (or excess of) and annual covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of annual covered payroll approximately adjusts for the effects of inflation and aids analysis of the system's progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller the unfunded percentage, the stronger the system.



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# ◆ PART IIB ◆

## FINANCIAL SECTION

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### Combining Statements and Schedules



The Woodlawn Manor Cultural Park features a unique stone barn. Cultural and historic programs, including the Underground Railroad Experience Trail Hikes, are offered at this site.

### SPECIAL REVENUE FUNDS

The Special Revenue Funds account for certain revenues which are dedicated by the Commission to certain purposes other than debt service, and are used in general operations comprised of park operation and maintenance, recreation (Prince George's County only), and planning administration.

### DEBT SERVICE FUNDS

The Debt Service Funds are used to account for the accumulation of resources and the payment of general obligation bond principal, interest, and related costs. The Commission maintains Park Debt Service and Advance Land Acquisition Debt Service Funds for each County.

**THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION**

Schedule 1

Combing Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

MONTGOMERY COUNTY

PRINCE GEORGES COUNTY

	MONTGOMERY COUNTY				PRINCE GEORGES COUNTY				Total Nonmajor Governmental Funds	
	Special Revenue Funds		Advance Land Acquisition		Special Revenue Funds		Advance Land Acquisition			
	Planning	Parks	Total Special Revenue	Park Debt Service	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service		
<b>ASSETS</b>										
Equity in Pooled Cash and Investments	\$ 2,612,543	\$ 640,018	\$ 3,252,561	\$ -	\$ 241,318	\$ 4,440,625	\$ 4,661,943	\$ -	\$ 4,661,943	\$ 7,934,504
Taxes Receivable	-	-	21,827	-	-	-	-	18,274	-	40,101
Accounts Receivable	-	13,728	13,728	-	-	-	-	-	-	13,728
Due from County Government	260,840	-	260,840	-	-	342,835	342,835	-	-	603,675
Due from Other Government	29,000	-	29,000	-	-	39,474	39,474	-	-	68,474
<b>Total Assets</b>	<b>\$ 2,902,383</b>	<b>\$ 653,746</b>	<b>\$ 3,556,129</b>	<b>\$ -</b>	<b>\$ 241,318</b>	<b>\$ 4,822,934</b>	<b>\$ 5,064,252</b>	<b>\$ -</b>	<b>\$ 5,064,252</b>	<b>\$ 8,660,482</b>
<b>LIABILITIES</b>										
Accounts Payable	\$ -	\$ 56,508	\$ 56,508	\$ -	\$ -	\$ 93,929	\$ 93,929	\$ -	\$ -	\$ 150,437
Accrued Liabilities	-	4,538	4,538	-	-	266,754	266,754	-	-	271,292
Due to County Government	35	-	35	-	-	-	-	-	-	35
Deposits and Deferred Revenue	859,986	13,578	873,564	14,600	-	24,000	24,000	18,300	18,300	930,464
<b>Total Liabilities</b>	<b>\$ 860,021</b>	<b>\$ 74,624</b>	<b>\$ 934,645</b>	<b>\$ 14,600</b>	<b>\$ -</b>	<b>\$ 384,683</b>	<b>\$ 384,683</b>	<b>\$ 18,300</b>	<b>\$ 18,300</b>	<b>\$ 1,352,228</b>
<b>FUND BALANCES</b>										
Fund Balance:										
Restricted for:										
Parks	-	-	-	7,227	-	-	-	-	(26)	7,201
Committed to:										
Planning	536,851	-	536,851	-	-	-	-	-	-	536,851
Parks	219,833	219,833	219,833	-	1,100	1,100	1,100	-	1,100	220,933
Recreation	-	-	-	-	134,323	134,323	134,323	-	-	134,323
Assigned to:										
Planning	1,505,511	-	1,505,511	-	241,318	-	241,318	-	-	1,746,829
Parks	-	359,289	359,289	-	-	1,614,273	1,614,273	-	-	1,973,562
Recreation	-	-	-	-	-	2,688,555	2,688,555	-	-	2,688,555
<b>Total Fund Balances</b>	<b>\$ 2,042,362</b>	<b>\$ 579,122</b>	<b>\$ 2,621,484</b>	<b>\$ 7,227</b>	<b>\$ 241,318</b>	<b>\$ 4,438,251</b>	<b>\$ 4,679,569</b>	<b>\$ (26)</b>	<b>\$ 4,679,543</b>	<b>\$ 7,308,254</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,902,383</b>	<b>\$ 653,746</b>	<b>\$ 3,556,129</b>	<b>\$ 21,827</b>	<b>\$ 241,318</b>	<b>\$ 4,822,934</b>	<b>\$ 5,064,252</b>	<b>\$ 18,274</b>	<b>\$ 5,082,526</b>	<b>\$ 8,660,482</b>

**THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2011

Schedule 2

	MONTGOMERY COUNTY										PRINCE GEORGE'S COUNTY											
	Special Revenue Funds					Advance Land Acquisition Debt Service					Special Revenue Funds					Advance Land Acquisition Debt Service						
	Planning	Parks	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Total		
<b>REVENUES:</b>																						
Property Taxes			825,965		1,086,805			1,785,987		1,785,987			1,785,987			1,785,987			1,785,987			1,785,987
Intergovernmental - County	260,840		7,242		2,162,874			2,162,874		2,162,874			2,162,874			2,162,874			2,162,874			2,162,874
Intergovernmental - Other			135,977		13,897			13,897		13,897			13,897			13,897			13,897			13,897
Charges for Services			2,000		369,432			369,432		369,432			369,432			369,432			369,432			369,432
Recreation Activities			6,137		71,634			71,634		71,634			71,634			71,634			71,634			71,634
Interest	11,897																					
Contributions	328,762																					
Miscellaneous	65,497																					
Total Revenues	2,770,397	1,077,464	3,847,861		5,633,848	792	6,447,525	6,448,317		1,226,133		7,674,450			1,226,133			13,306,298				
<b>EXPENDITURES:</b>																						
Principal Retirements					3,505,000			3,505,000		3,505,000			3,505,000			3,505,000			3,505,000			
Interest					95,304			95,304		95,304			95,304			95,304			95,304			
Other Debt Service Costs					2,092			2,092		2,092			2,092			2,092			2,092			
Contributions					1,157,414			1,157,414		1,157,414			1,157,414			1,157,414			1,157,414			
Planning and Zoning	3,801,709		3,801,709		3,801,709			3,801,709		3,801,709			3,801,709			3,801,709			3,801,709			
Park Operations and Maintenance			957,045		957,045			957,045		957,045			957,045			957,045			957,045			
Recreation			957,045		957,045			957,045		957,045			957,045			957,045			957,045			
Total Expenditures	3,801,709	957,045	4,758,754		10,509,515	792	10,377,254	10,380,446		14,780		16,257,486			14,780			30,178,864				
Excess (deficiency) of revenues over expenditures	(1,031,312)	120,419	(910,893)		(4,875,667)			(4,875,667)		(4,875,667)			(4,875,667)			(4,875,667)			(16,870,566)			
<b>OTHER FINANCING SOURCES (USES):</b>																						
Transfers In	1,528,000		1,528,000		5,491,043			5,491,043		5,491,043			5,491,043			5,491,043			5,491,043			
Total Other Financing Sources (Uses)	1,528,000		1,528,000		5,491,043			5,491,043		5,491,043			5,491,043			5,491,043			5,491,043			
Net change in fund balances	496,688	120,419	617,107		615,376			615,376		615,376			615,376			615,376			615,376			
Fund Balances - beginning	1,545,674	458,703	2,004,377		2,013,335			2,013,335		2,013,335			2,013,335			2,013,335			2,013,335			
Fund Balances - ending	2,042,362	579,122	2,621,484		2,628,711			2,628,711		2,628,711			2,628,711			2,628,711			2,628,711			

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Schedule 3

Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - Special Revenue Funds  
For the Year Ended June 30, 2011

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Intergovernmental	\$ 1,275,840	\$ 1,275,840	\$ 1,094,047	\$ (181,793)	\$ 376,000	\$ 342,720	\$ (33,280)	
Charges for Services	1,880,100	1,880,100	2,162,874	282,774	1,337,200	1,036,333	(300,867)	
Recreation Activities	125,800	125,800	135,977	10,177	6,646,000	4,963,026	(1,682,974)	
Interest	30,000	30,000	13,897	(16,103)	50,500	19,052	(31,448)	
Contributions	221,500	221,500	369,432	147,932	30,500	44,095	13,595	
Miscellaneous	345,000	345,000	71,634	(273,366)	9,300	43,091	33,791	
<b>Total Revenues</b>	<b>3,878,240</b>	<b>3,878,240</b>	<b>3,847,861</b>	<b>(30,379)</b>	<b>8,449,500</b>	<b>6,448,317</b>	<b>(2,001,183)</b>	
<b>Expenditures/Encumbrances:</b>								
Current -								
County Planning and Zoning	4,218,040	4,218,040	3,827,112	390,928	50,000	-	50,000	
Park Operations and Maintenance	1,747,400	1,747,400	1,054,379	693,021	1,463,300	480,238	983,062	
Recreation	-	-	-	-	8,004,600	4,914,575	3,090,025	
<b>Total Expenditures/Encumbrances</b>	<b>5,965,440</b>	<b>5,965,440</b>	<b>4,881,491</b>	<b>1,083,949</b>	<b>9,517,900</b>	<b>5,394,813</b>	<b>4,123,087</b>	
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>	<b>(2,087,200)</b>	<b>(2,087,200)</b>	<b>(1,033,630)</b>	<b>1,053,570</b>	<b>(1,068,400)</b>	<b>1,053,504</b>	<b>2,121,904</b>	
<b>Other Financing Sources (Uses):</b>								
Operating Transfers In	1,528,000	1,528,000	1,528,000	-	50,000	50,000	-	
<b>Total Other Financing (Uses)</b>	<b>1,528,000</b>	<b>1,528,000</b>	<b>1,528,000</b>	<b>-</b>	<b>50,000</b>	<b>50,000</b>	<b>-</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis</b>	<b>\$ (559,200)</b>	<b>\$ (559,200)</b>	<b>\$ 494,370</b>	<b>\$ 1,053,570</b>	<b>\$ (1,018,400)</b>	<b>\$ 1,103,504</b>	<b>\$ 2,121,904</b>	
<b>Fund Balances - Budget Basis, July 1</b>			<b>1,370,430</b>			<b>3,440,642</b>		
<b>Fund Balances - Budget Basis, June 30</b>			<b>\$ 1,864,800</b>			<b>\$ 4,544,146</b>		

The funds budgets are approved by the respective County Council only for the total of both funds



Enterprise Golf course in Prince George's County is one of the Mid-Atlantic region's finest public golf courses. This 18-hole, par 72, championship course is open year-round and offers all the amenities.

## ENTERPRISE FUNDS

Enterprise Funds are used to account for recreational and cultural facilities that are operated in a manner similar to private business enterprises, where the Commission's intent is that the costs of providing goods or services to the general public will be recovered primarily through user charges.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Assets  
Enterprise Funds  
June 30, 2011 and 2010

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010	June 30, 2011	June 30, 2010
<b>ASSETS</b>						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 3,746,397	\$ 2,335,200	\$ 3,439,708	\$ 3,155,265	\$ 7,186,105	\$ 5,490,465
Accounts Receivable	5,136	3,577	614	-	5,750	3,577
Due from County Government	181,866	180,000	9,440	-	191,306	180,000
Due from Other Government	-	-	-	8,982	-	8,982
Inventories	137,892	139,837	776,496	816,282	914,388	956,119
Total Current Assets	<u>4,071,291</u>	<u>2,658,614</u>	<u>4,226,258</u>	<u>3,980,529</u>	<u>8,297,549</u>	<u>6,639,143</u>
Noncurrent Assets:						
Due from County Government	-	180,000	-	-	-	180,000
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	26,999,848	26,999,848	72,270,589	72,270,589	99,270,437	99,270,437
Machinery, Equipment and Intangibles	1,710,615	1,680,427	5,323,596	5,106,641	7,034,211	6,787,068
Construction in Progress	397,888	397,888	-	-	397,888	397,888
	40,692,819	40,662,631	85,373,316	85,156,361	126,066,135	125,818,992
Less - Accumulated Depreciation	(17,682,747)	(16,388,236)	(33,351,506)	(31,067,804)	(51,034,253)	(47,456,040)
Total Capital Assets (net of depreciation)	<u>23,010,072</u>	<u>24,274,395</u>	<u>52,021,810</u>	<u>54,088,557</u>	<u>75,031,882</u>	<u>78,362,952</u>
Total Noncurrent Assets	<u>23,010,072</u>	<u>24,454,395</u>	<u>52,021,810</u>	<u>54,088,557</u>	<u>75,031,882</u>	<u>78,542,952</u>
Total Assets	<u>27,081,363</u>	<u>27,113,009</u>	<u>56,248,068</u>	<u>58,069,086</u>	<u>83,329,431</u>	<u>85,182,095</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	221,848	154,392	255,640	389,997	477,488	544,389
Accrued Salaries and Benefits	227,526	123,180	622,762	257,753	850,288	380,933
Compensated Absences	54,016	86,112	295,043	215,951	349,059	302,063
Interest Payable	15,900	23,700	-	-	15,900	23,700
Revenue Collected in Advance	1,217,404	1,055,674	233,265	427,678	1,450,669	1,483,352
Current Portion of Revenue Bonds Payable	732,069	708,203	-	-	732,069	708,203
Current Portion of Revenue Notes Payable	444,444	444,444	-	-	444,444	444,444
Total Current Liabilities	<u>2,913,207</u>	<u>2,595,705</u>	<u>1,406,710</u>	<u>1,291,379</u>	<u>4,319,917</u>	<u>3,887,084</u>
Noncurrent Liabilities:						
Revenue Bonds Payable	365,367	1,065,373	-	-	365,367	1,065,373
Revenue Notes Payable	666,672	1,111,116	-	-	666,672	1,111,116
Compensated Absences	219,875	154,875	508,006	600,718	727,881	755,593
Net Other Post Employment Benefit Obligations	447,162	311,792	1,791,636	1,263,137	2,238,798	1,574,929
Net Pension Obligations	101,388	-	304,912	-	406,300	-
Total Noncurrent Liabilities	<u>1,800,464</u>	<u>2,643,156</u>	<u>2,604,554</u>	<u>1,863,855</u>	<u>4,405,018</u>	<u>4,507,011</u>
Total Liabilities	<u>4,713,671</u>	<u>5,238,861</u>	<u>4,011,264</u>	<u>3,155,234</u>	<u>8,724,935</u>	<u>8,394,095</u>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	20,801,520	20,945,259	52,021,810	54,088,557	72,823,330	75,033,816
Unrestricted	1,566,172	928,889	214,994	825,295	1,781,166	1,754,184
Total Net Assets	<u>\$ 22,367,692</u>	<u>\$ 21,874,148</u>	<u>\$ 52,236,804</u>	<u>\$ 54,913,852</u>	<u>\$ 74,604,496</u>	<u>\$ 76,788,000</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Assets  
Enterprise Funds  
For the Years Ended June 30, 2011 and 2010

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2011	2010	2011	2010	2011	2010
Operating Revenues:						
Intergovernmental	\$ -	\$ 150,000	\$ 2,600	\$ -	\$ 2,600	\$ 150,000
Sales	703,841	637,367	2,305,227	2,473,523	3,009,068	3,110,890
Charges for Services	6,137,974	5,908,744	4,458,369	4,521,813	10,596,343	10,430,557
Rentals and Concessions	2,713,184	2,523,333	2,673,574	2,508,131	5,386,758	5,031,464
Total Operating Revenues	<u>9,554,999</u>	<u>9,219,444</u>	<u>9,439,770</u>	<u>9,503,467</u>	<u>18,994,769</u>	<u>18,722,911</u>
Operating Expenses:						
Cost of Goods Sold	344,611	345,027	1,540,102	1,389,382	1,884,713	1,734,409
Personal Services	3,098,263	3,129,527	11,491,600	11,449,984	14,589,863	14,579,511
Supplies and Materials	522,057	431,349	1,509,304	1,624,706	2,031,361	2,056,055
Communications	21,288	31,620	262,448	289,388	283,736	321,008
Utilities	1,193,244	1,180,463	1,999,104	2,161,910	3,192,348	3,342,373
Maintenance	413,341	331,767	972,843	782,537	1,386,184	1,114,304
Contractual Services	610,944	619,317	711,812	662,664	1,322,756	1,281,981
Other Services and Charges	202,035	379,202	743,288	702,206	945,323	1,081,408
Administrative Services	1,208,434	1,315,804	387,000	365,700	1,595,434	1,681,504
Depreciation	1,294,511	1,331,778	2,305,589	2,199,848	3,600,100	3,531,626
Total Operating Expenses	<u>8,908,728</u>	<u>9,095,854</u>	<u>21,923,090</u>	<u>21,628,325</u>	<u>30,831,818</u>	<u>30,724,179</u>
Operating Income (Loss)	<u>646,271</u>	<u>123,590</u>	<u>(12,483,320)</u>	<u>(12,124,858)</u>	<u>(11,837,049)</u>	<u>(12,001,268)</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	14,907	11,918	16,722	22,703	31,629	34,621
Interest Expense, net of Amortization	(167,634)	(200,815)	-	-	(167,634)	(200,815)
Total Nonoperating Revenue (Expense)	<u>(152,727)</u>	<u>(188,897)</u>	<u>16,722</u>	<u>22,703</u>	<u>(136,005)</u>	<u>(166,194)</u>
Loss before Transfers	<u>493,544</u>	<u>(65,307)</u>	<u>(12,466,598)</u>	<u>(12,102,155)</u>	<u>(11,973,054)</u>	<u>(12,167,462)</u>
Transfers In	-	35,000	9,789,550	9,663,900	9,789,550	9,698,900
Total Contributions and Transfers	<u>-</u>	<u>35,000</u>	<u>9,789,550</u>	<u>9,663,900</u>	<u>9,789,550</u>	<u>9,698,900</u>
Change in Net Assets	<u>493,544</u>	<u>(30,307)</u>	<u>(2,677,048)</u>	<u>(2,438,255)</u>	<u>(2,183,504)</u>	<u>(2,468,562)</u>
Total Net Assets - Beginning	<u>21,874,148</u>	<u>21,904,455</u>	<u>54,913,852</u>	<u>57,352,107</u>	<u>76,788,000</u>	<u>79,256,562</u>
Total Net Assets - Ending	<u>\$ 22,367,692</u>	<u>\$ 21,874,148</u>	<u>\$ 52,236,804</u>	<u>\$ 54,913,852</u>	<u>\$ 74,604,496</u>	<u>\$ 76,788,000</u>

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**Schedule 6**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2011 and 2010**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County			
	Year Ended June 30,		Year Ended June 30,			
	2011	2010	2011	2010		
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 9,713,304	\$ 9,465,682	\$ 9,244,285	\$ 9,598,101	\$ 18,957,589	\$ 19,063,783
Payments to Suppliers	(2,846,216)	(2,737,649)	(7,833,472)	(7,689,503)	(10,679,688)	(10,427,152)
Payments to Employees	(2,724,258)	(3,775,869)	(10,306,800)	(10,845,709)	(13,031,058)	(14,621,578)
Payments for Interfund Services Used	(399,700)	(446,600)	-	-	(399,700)	(446,600)
Payments for Administrative Charges	(1,208,434)	(596,599)	(387,000)	(365,700)	(1,595,434)	(962,299)
Net Cash Provided (Used) by Operating Activities	<u>2,534,696</u>	<u>1,908,965</u>	<u>(9,282,987)</u>	<u>(9,302,811)</u>	<u>(6,748,291)</u>	<u>(7,393,846)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	35,000	9,789,550	9,663,900	9,789,550	9,698,900
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(30,188)	-	(238,842)	(66,993)	(269,030)	(66,993)
Principal Paid on Bonds and Notes Payable	(1,152,647)	(1,129,560)	-	-	(1,152,647)	(1,129,560)
Interest Paid	(135,571)	(168,752)	-	-	(135,571)	(168,752)
Payment Received on Long Term Note	180,000	180,000	-	-	180,000	180,000
Net Cash Used by Capital and Related Financing Activities	<u>(1,138,406)</u>	<u>(1,118,312)</u>	<u>(238,842)</u>	<u>(66,993)</u>	<u>(1,377,248)</u>	<u>(1,185,305)</u>
Cash Flows from Investing Activities:						
Interest on Investments	14,907	11,918	16,722	22,703	31,629	34,621
Net Increase in Cash and Cash Equivalents	1,411,197	837,571	284,443	316,799	1,695,640	1,154,370
Cash, Cash Equivalents and Restricted Cash, July 1	<u>2,335,200</u>	<u>1,497,629</u>	<u>3,155,265</u>	<u>2,838,466</u>	<u>5,490,465</u>	<u>4,336,095</u>
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 3,746,397</u>	<u>\$ 2,335,200</u>	<u>\$ 3,439,708</u>	<u>\$ 3,155,265</u>	<u>\$ 7,186,105</u>	<u>\$ 5,490,465</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 646,271	\$ 123,590	\$ (12,483,320)	\$ (12,124,858)	(11,837,049)	\$ (12,001,268)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,294,511	1,331,778	2,305,589	2,199,848	3,600,100	3,531,626
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	(1,559)	3,351	(1,072)	-	(2,631)	3,351
Due from Other Government	(1,866)	-	-	249	(1,866)	249
Inventories, at Cost	1,945	12,650	39,786	11,496	41,731	24,146
Accounts Payable	67,456	52,374	(134,357)	(88,206)	(66,901)	(35,832)
Accrued Salaries and Benefits	104,346	58,163	365,009	43,245	469,355	101,408
Compensated Absences	32,904	(35,415)	(13,620)	18,325	19,284	(17,090)
Interest Payable	(7,800)	(7,670)	-	-	(7,800)	(7,670)
Net Pension Obligation	101,388	-	304,912	-	406,300	-
Net Other Post Employment Obligations	135,370	127,257	528,499	542,705	663,869	669,962
Revenue Collected in Advance	161,730	242,887	(194,413)	94,385	(32,683)	337,272
Total Adjustments	<u>1,888,425</u>	<u>1,785,375</u>	<u>3,200,333</u>	<u>2,822,047</u>	<u>5,088,758</u>	<u>4,607,422</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,534,696</u>	<u>\$ 1,908,965</u>	<u>\$ (9,282,987)</u>	<u>\$ (9,302,811)</u>	<u>\$ (6,748,291)</u>	<u>\$ (7,393,846)</u>



Montgomery Parks' Nature Centers host the Apple Festival, featuring apple games, folklore, crafts, and more.

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the consolidated financing of certain goods or services provided to other Commission funds on a cost-reimbursement basis.

### *Capital Equipment Funds*

The Montgomery County Capital Equipment Fund is used to account for the acquisition of equipment through the use of tax exempt financing and the leasing of the equipment to other Commission funds.

### *Executive Building Fund*

The Executive Building Fund is used to account for the cost of operating the Executive Office Building in Prince George's County and was used to account for the renovation costs of that building which was acquired in February of 1992.

### *Employee Benefits Funds*

The Employee Benefits Funds are used to account for the costs related to employees' life and health insurance coverage, and the flexible spending program.

### *Risk Management Fund*

The Risk Management Funds are used to account for the activity related to general liability, property damage, and workers compensation.

### *Commission Wide Initiatives Fund*

The Commission Wide Initiatives Fund is used to account for the acquisition of equipment through the use of tax exempt financing for certain projects which benefit the entire Commission.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Internal Service Funds**  
**Combining Statement of Net Assets**  
**For the Year Ended June 30, 2011**  
**(With Summary and Comparative Totals for 2010)**

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2011	June 30, 2010		
<b>ASSETS</b>												
Current Assets:												
Equity in Pooled Cash and Investments	\$ 5,119,369	\$ 4,525,265	\$ 10,154,608	\$ 3,494,275	\$ 1,283,247	\$ 4,525,265	\$ 13,482,745	\$ 6,402,817	\$ 48,987,591	\$ 56,775,628		
Restricted Cash, Cash Equivalents and Investments:												
Equipment Financing	-	364,736	1,250	-	-	364,735	1,250	-	731,971	86,313		
Accounts Receivable	-	-	117,126	-	-	62,680	117,126	-	234,252	336,449		
Due from County Government	-	62,680	-	-	-	62,680	-	-	125,360	125,360		
Deposits and Other	-	-	-	-	-	-	-	-	-	-		
Total Current Assets	5,119,369	4,952,681	10,272,984	3,494,275	1,283,247	4,952,680	13,601,121	6,402,817	50,079,174	57,323,750		
Noncurrent Assets:												
Capital Assets:												
Land	-	-	-	-	748,497	-	-	-	748,497	748,497		
Buildings and Improvements	81,000	-	-	36,748	2,649,865	-	-	-	2,767,613	2,649,865		
Machinery, Equipment and Intangibles	28,450,142	-	208,405	835,567	100,770	-	365,626	1,086,147	31,046,657	29,127,538		
Construction in Progress	-	-	-	-	-	-	-	-	-	1,803,993		
Less-Accumulated Depreciation	(21,797,831)	-	(177,034)	(424,460)	(1,872,221)	-	(340,422)	(563,238)	(25,175,206)	(23,343,809)		
Total Capital Assets (net of accumulated depreciation)	6,733,311	-	31,371	447,855	1,626,911	-	25,204	522,909	9,387,561	10,966,084		
Total Assets	11,852,680	4,952,681	10,304,355	3,942,130	2,910,198	4,952,680	13,626,325	6,925,726	59,466,735	68,309,834		
<b>LIABILITIES</b>												
Current Liabilities:												
Accounts Payable	121,390	170,491	6,309	52,964	1,250	170,490	17,675	-	540,569	1,401,252		
Current Portion of Claims Payable	-	840,601	1,288,084	-	-	840,601	1,706,573	-	4,675,859	4,395,161		
Accrued Salaries and Benefits	-	-	27,050	-	5,743	-	27,050	-	59,843	19,765		
Current Portion of Notes Payable	310,498	-	-	42,015	215,000	-	-	2,487	570,000	900,211		
Current Portion of Compensated Absences	-	-	20,716	-	1,518	-	20,716	-	42,950	52,629		
Due to County Government	-	-	124,751	-	-	-	124,751	-	249,502	332,884		
Interest Payable	2,837	-	-	384	8,596	-	-	23	11,840	23,443		
Total Current Liabilities	434,725	1,011,092	1,466,910	95,363	232,107	1,011,091	1,896,765	2,510	6,150,563	7,125,345		
Noncurrent Liabilities:												
Claims Payable - Net of Current Portion	-	-	3,864,250	-	-	-	5,119,719	-	8,983,969	8,124,397		
Notes Payable - Net of Current Portion	-	-	-	-	110,000	-	-	-	110,000	680,000		
Compensated Absences - Net of Current Portion	-	-	32,002	-	18,980	-	32,001	-	82,983	46,601		
Net Other Post Employment Benefit Obligations	-	-	147,935	-	29,018	-	147,942	-	324,895	217,677		
Total Noncurrent Liabilities	-	-	4,044,187	-	157,998	-	5,295,662	-	9,501,847	9,068,675		
Total Liabilities	434,725	1,011,092	5,511,097	95,363	390,105	1,011,091	7,196,427	2,510	15,652,410	16,194,020		
<b>NET ASSETS</b>												
Invested in Capital Assets, Net of Related Debt	6,422,813	-	31,371	405,840	1,301,911	-	25,204	520,422	8,707,561	9,405,873		
Unrestricted	4,985,142	3,941,589	4,761,887	3,440,927	1,218,142	3,941,589	6,404,694	6,402,794	35,106,764	42,709,941		
Total Net Assets	11,417,955	3,941,589	4,793,258	3,846,767	2,520,053	3,941,589	6,429,898	6,923,216	43,814,325	52,115,814		

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**For the Year Ended June 30, 2011**  
**(With Summary and Comparative Totals for 2010)**

Schedule 8

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2011	June 30, 2010		
<b>Operating Revenues:</b>												
Charges for Services	\$ 3,505,274	\$ 9,930,015	\$ 2,819,900	\$ 400,000	\$ 1,195,347	\$ 9,930,015	\$ 3,497,100	\$ 789,509	\$ 32,067,160	\$ 36,752,949		
Claim Recoveries	-	-	209,988	-	-	-	469,152	-	679,140	586,311		
<b>Total Operating Revenues</b>	<b>3,505,274</b>	<b>9,930,015</b>	<b>3,029,888</b>	<b>400,000</b>	<b>1,195,347</b>	<b>9,930,015</b>	<b>3,966,252</b>	<b>789,509</b>	<b>32,746,300</b>	<b>37,339,260</b>		
<b>Operating Expenses:</b>												
Personal Services	-	-	579,577	2,400	131,975	-	579,364	-	1,293,316	1,322,719		
Supplies and Materials	113,153	-	3,478	193,940	15,527	-	32,542	-	358,640	1,590,463		
Contractual Services -												
Other Contractual Services	-	87,976	407,452	-	-	87,977	683,325	-	1,266,730	1,451,743		
Claims Incurred	-	9,052,284	2,332,655	-	-	9,052,285	2,897,001	-	23,334,225	20,272,668		
Insurance	-	3,996,728	98,389	-	-	3,996,728	156,918	-	8,248,763	8,040,174		
Other Services and Charges	210,317	189,000	296,736	603,051	714,943	189,000	273,782	246,358	2,723,187	2,195,050		
Depreciation	1,876,566	-	10,635	102,495	116,072	-	11,846	108,590	2,226,204	2,014,339		
<b>Total Operating Expenses</b>	<b>2,200,036</b>	<b>13,325,988</b>	<b>3,728,922</b>	<b>901,886</b>	<b>978,517</b>	<b>13,325,990</b>	<b>4,634,778</b>	<b>354,948</b>	<b>39,451,065</b>	<b>36,887,156</b>		
Operating Income (Loss)	1,305,238	(3,395,973)	(699,034)	(501,886)	216,830	(3,395,975)	(668,526)	434,561	(6,704,765)	452,104		
<b>Nonoperating Revenues (Expenses):</b>												
Interest Income	12,961	32,623	50,609	13,189	7,949	32,624	72,752	26,910	249,617	280,967		
Interest Expense	(19,694)	-	-	(2,665)	(19,831)	-	-	(158)	(42,348)	(85,922)		
Loss on Disposal of Asset	(1,803,993)	-	-	-	-	-	-	-	(1,803,993)	-		
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,810,726)</b>	<b>32,623</b>	<b>50,609</b>	<b>10,524</b>	<b>(11,882)</b>	<b>32,624</b>	<b>72,752</b>	<b>26,752</b>	<b>(1,596,724)</b>	<b>195,045</b>		
Income (Loss) Before Contributions and Transfers	(505,488)	(3,363,350)	(648,425)	(491,362)	204,948	(3,363,351)	(595,774)	461,313	(8,301,489)	647,149		
Change in Net Assets	(505,488)	(3,363,350)	(648,425)	(491,362)	204,948	(3,363,351)	(595,774)	461,313	(8,301,489)	647,149		
<b>Total Net Assets, July 1</b>	<b>11,923,443</b>	<b>7,304,939</b>	<b>5,441,683</b>	<b>4,338,129</b>	<b>2,315,105</b>	<b>7,304,940</b>	<b>7,025,672</b>	<b>6,461,903</b>	<b>52,115,814</b>	<b>51,468,665</b>		
<b>Total Net Assets, June 30</b>	<b>11,417,955</b>	<b>3,941,589</b>	<b>4,793,258</b>	<b>3,846,767</b>	<b>2,520,053</b>	<b>3,941,589</b>	<b>6,429,898</b>	<b>6,923,216</b>	<b>43,814,325</b>	<b>52,115,814</b>		

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Schedule 9

**Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2011**

	MONTGOMERY COUNTY						PRINCE GEORGES COUNTY								
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment/	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	TOTAL		Capital Equipment	Employee Benefits	Risk Management	Commission Wide Initiatives	TOTAL
<b>Cash Flows from Operating Activities:</b>															
Receipts from Customers and Users	\$ 3,505,274	\$ 9,591,650	\$ 3,099,920	\$ 400,000	\$ 1,195,347	\$ 9,591,652	\$ 4,029,487	\$ 789,509	\$ 32,202,839						
Payments to Suppliers	(258,768)	(13,193,197)	(2,941,284)	(849,692)	(778,303)	(13,193,201)	(3,390,496)	(246,401)	(34,851,342)						
Payments to Employees	-	-	(498,877)	-	(117,947)	-	(498,894)	-	(1,115,718)						
Payments for Interfund Services Used	(45,000)	(189,000)	(227,300)	(2,400)	(1,200)	(189,000)	(245,300)	-	(899,200)						
Net Cash Provided (Used) by Operating Activities	<u>3,201,506</u>	<u>(3,790,547)</u>	<u>(567,541)</u>	<u>(452,092)</u>	<u>297,897</u>	<u>(3,790,549)</u>	<u>(105,203)</u>	<u>543,108</u>	<u>(4,663,421)</u>						
<b>Cash Flows from Capital and Related Financing Activities:</b>															
Acquisition of Capital Assets	(2,389,614)	-	-	(42,059)	-	-	-	-	(2,431,673)						
Principal Paid on Notes Payable	(613,600)	-	-	(81,771)	(200,000)	-	-	(4,841)	(900,212)						
Interest Paid on Notes Payable	(19,694)	-	-	(2,665)	(19,831)	-	-	(158)	(42,348)						
Net Cash Used by Capital and Related Financing Activities	<u>(3,022,908)</u>	-	-	<u>(126,495)</u>	<u>(219,831)</u>	-	-	<u>(4,999)</u>	<u>(3,374,233)</u>						
<b>Cash Flows from Investing Activities:</b>															
Interest on Investments	12,961	32,623	50,609	13,189	7,949	32,624	72,752	26,910	249,617						
Net Increase (Decrease) in Cash and Cash Equivalents	191,559	(3,757,924)	(516,932)	(566,398)	86,015	(3,757,925)	(32,451)	565,019	(7,788,037)						
<b>Cash and Cash Equivalents, July 1</b>	<u>4,927,810</u>	<u>8,283,189</u>	<u>10,671,540</u>	<u>4,059,673</u>	<u>1,197,232</u>	<u>8,283,190</u>	<u>13,515,196</u>	<u>5,837,798</u>	<u>56,775,628</u>						
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 5,119,369</u>	<u>\$ 4,525,265</u>	<u>\$ 10,154,608</u>	<u>\$ 3,494,275</u>	<u>\$ 1,283,247</u>	<u>\$ 4,525,265</u>	<u>\$ 13,482,745</u>	<u>\$ 6,402,817</u>	<u>\$ 48,987,591</u>						
<b>Operating Income (Loss)</b>	\$ 1,305,238	\$ (3,395,973)	\$ (699,034)	\$ (501,886)	\$ 216,830	\$ (3,395,975)	\$ (668,526)	\$ 434,561	\$ (6,704,765)						
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:															
Depreciation	1,896,566	-	10,635	102,495	116,072	-	11,846	108,590	2,226,204						
Effect of Changes in Assets and Liabilities in:															
Accounts Receivable	-	(338,365)	18,934	-	-	(338,363)	12,136	-	(645,658)						
Due from County Government	-	-	51,098	-	-	-	51,099	-	102,197						
Accounts Payable	25,224	(53,300)	(693,905)	(51,953)	(42,544)	(53,302)	9,097	-	(860,683)						
Claims Payable	-	(2,909)	705,722	-	-	(2,909)	440,366	-	1,140,270						
Accrued Salaries and Benefits	-	-	18,447	-	3,414	-	18,217	-	40,078						
Compensated Absences	-	-	12,684	-	1,337	-	12,682	-	26,703						
Interest Payable	(5,522)	-	-	(748)	(5,290)	-	-	(43)	(11,603)						
Net Other Post Employment Obligations	-	-	49,569	-	8,078	-	49,571	-	107,218						
Due to County Government	-	-	(41,691)	-	-	-	(41,691)	-	(83,382)						
Total Adjustments	<u>1,896,268</u>	<u>(394,574)</u>	<u>131,493</u>	<u>49,794</u>	<u>81,067</u>	<u>(394,574)</u>	<u>563,323</u>	<u>108,547</u>	<u>2,041,344</u>						
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,201,506</u>	<u>\$ (3,790,547)</u>	<u>\$ (567,541)</u>	<u>\$ (452,092)</u>	<u>\$ 297,897</u>	<u>\$ (3,790,549)</u>	<u>\$ (105,203)</u>	<u>\$ 543,108</u>	<u>\$ (4,663,421)</u>						



This serene setting at Lake Artemesia Natural Area in College Park is a benefit of a turnkey park.

## FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the Commission in a trustee capacity or as an agent for employees, individuals, private organizations, other governmental units, and/or other funds.

### *Pension Trust Funds*

The Pension Trust Funds are used to account for activities related to benefits for retired employees. This includes all activities of the Employees' Retirement System including accumulation of resources for, and payment of, retirement annuities and/or other benefits and the administrative costs of operating the system. This also includes all activities related to the Commission's portion of medical costs of retirees.

### *Private Purpose Trust Funds*

The Private Purpose Trust Funds are used to account for funds whose principal and interest must be expended in accordance with their designated purposes.

### *Agency Funds*

The Agency Funds are used to account for funds where the Commission is merely acting in an agent capacity for another organization.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

Combining Statements of Net Assets  
Fiduciary Fund Types  
June 30, 2011

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	State Retirement	Montgomery	Prince George's	Total Agency Funds
<b>ASSETS</b>										
Equity in Pooled Cash and Investments	\$ -	\$ 969,466	\$ 969,466	\$ 7,731,096	\$ 9,243,771	\$ 16,974,867	\$ 2,040,953	\$ 684,230	\$ 1,003	\$ 2,726,186
Cash	91,895	17,551	109,446	-	-	-	-	-	-	-
Fixed Income Securities	129,645,952	-	129,645,952	-	-	-	-	-	-	-
International Fixed Income Securities	31,142,341	-	31,142,341	-	-	-	-	-	-	-
Venture Capital/Alternative Investments	14,630,846	-	14,630,846	-	-	-	-	-	-	-
Corporate Stock	277,080,791	-	277,080,791	-	-	-	-	-	-	-
International Corporate Stock	131,644,050	-	131,644,050	-	-	-	-	-	-	-
Real Estate Investments	26,814,937	-	26,814,937	-	-	-	-	-	-	-
Short Term Investments	17,770,123	-	17,770,123	-	-	-	-	-	-	-
Mutual Funds	-	11,152,969	11,152,969	-	-	-	-	-	-	-
Collateral for Securities Lending										
Transactions	67,213,393	-	67,213,393	-	-	-	-	-	-	-
Accounts Receivable	1,522,413	-	1,522,413	-	-	-	-	-	-	-
Land Held for Other Governments	-	-	-	42,406,675	17,837,342	60,244,017	-	-	-	-
Other	87,804	-	87,804	-	-	-	-	-	-	-
Total Assets	697,644,545	12,139,986	709,784,531	50,137,771	27,081,113	77,218,884	2,040,953	684,230	1,003	2,726,186
<b>LIABILITIES</b>										
Investments Payable	12,826,672	-	12,826,672	-	-	-	-	-	-	-
Accounts Payable	973,353	200,183	1,173,536	799	318	1,117	2,040,953	-	-	2,040,953
Claims Payable	-	769,283	769,283	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	68,717,118	-	68,717,118	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	684,230	1,003	685,233
Total Liabilities	82,517,143	969,466	83,486,609	799	318	1,117	2,040,953	684,230	1,003	2,726,186
<b>NET ASSETS</b>										
Assets Held in Trust for:										
Land Held for Transfer	-	-	-	42,406,675	17,837,342	60,244,017	-	-	-	-
Pension Benefits	615,127,402	-	615,127,402	-	-	-	-	-	-	-
Other Postemployment Benefits	-	11,170,520	11,170,520	-	-	-	-	-	-	-
Other Purposes	-	-	-	7,730,297	9,243,453	16,973,750	-	-	-	-
Total Net Assets	\$ 615,127,402	\$ 11,170,520	\$ 626,297,922	\$ 50,136,972	\$ 27,080,795	\$ 77,217,767	\$ -	\$ -	\$ -	\$ -

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Assets  
Fiduciary Fund Types  
For the Year Ended June 30, 2011

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals
<b>ADDITIONS:</b>						
Contributions:						
Employer	\$ 25,633,000	\$ 8,860,387	\$ 34,493,387	\$ -	\$ -	\$ -
Plan Members	4,698,246	-	4,698,246	-	-	-
Plan Members for Current Benefits	-	1,080,766	1,080,766	-	-	-
Private Donations	-	-	-	4,997	45,707	50,704
Total Contributions	30,331,246	9,941,153	40,272,399	4,997	45,707	50,704
Contributions from Commission Debt Service Funds	-	-	-	1,157,415	943,482	2,100,897
Federal Grants - Medicare	-	374,205	374,205	-	-	-
Investment Earnings:						
Interest	7,641,445	9	7,641,454	31,481	40,637	72,118
Dividends	1,517,461	204,046	1,721,507	-	-	-
Net Increase in the Fair Value of Investments	104,247,167	2,413,376	106,660,543	-	-	-
Total Investment Earnings	113,406,073	2,617,431	116,023,504	31,481	40,637	72,118
Less Investment Advisory and Management Fees	(2,466,640)	-	(2,466,640)	-	-	-
Net Income from Investing Activities	110,939,433	2,617,431	113,556,864	31,481	40,637	72,118
Securities Lending Activity						
Securities Lending Income	166,614	-	166,614	-	-	-
Securities Lending Fees	(62,248)	-	(62,248)	-	-	-
Net Income from Securities Lending Activity	104,366	-	104,366	-	-	-
Total Net Investment Income	111,043,799	2,617,431	113,661,230	31,481	40,637	72,118
Total Additions and Investment Income	141,375,045	12,932,789	154,307,834	1,193,893	1,029,826	2,223,719
<b>DEDUCTIONS:</b>						
Benefits	32,774,717	10,315,358	43,090,075	-	-	-
Refunds of Contributions	359,239	-	359,239	-	-	-
Administrative expenses	1,366,148	-	1,366,148	-	-	-
Other	-	-	-	2,250	57,661	59,911
Total Deductions	34,500,104	10,315,358	44,815,462	2,250	57,661	59,911
Change in Net Assets	106,874,941	2,617,431	109,492,372	1,191,643	972,165	2,163,808
Net Assets - Beginning	508,252,461	8,553,089	516,805,550	48,945,329	26,108,630	75,053,959
Net Assets - Ending	615,127,402	11,170,520	626,297,922	50,136,972	27,080,795	77,217,767

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 12

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2011

	July 1, 2010	Additions	Deductions	June 30, 2011
<b>MARYLAND STATE RETIREMENT SYSTEM FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 2,225,814	\$ 161,672	\$ 346,533	\$ 2,040,953
Total Current Assets	\$ 2,225,814	\$ 161,672	\$ 346,533	\$ 2,040,953
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,225,814	\$ 161,672	\$ 346,533	\$ 2,040,953
Total Current Liabilities	\$ 2,225,814	\$ 161,672	\$ 346,533	\$ 2,040,953
<b>MONTGOMERY COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 577,683	\$ 372,390	\$ 265,843	\$ 684,230
Accounts Receivable	12,099	-	12,099	-
Total Current Assets	\$ 589,782	\$ 372,390	\$ 277,942	\$ 684,230
<b>LIABILITIES</b>				
Accounts Payable	\$ 9,828	\$ 57,599	\$ 67,427	\$ -
Deposits	579,954	182,710	78,434	684,230
Total Current Liabilities	\$ 589,782	\$ 240,309	\$ 145,861	\$ 684,230
<b>PRINCE GEORGE'S COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 9,667	\$ 3,723	\$ 12,407	\$ 1,003
Total Current Assets	\$ 9,667	\$ 3,723	\$ 12,407	\$ 1,003
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Deposits	9,667	3,723	12,407	1,003
Total Current Liabilities	\$ 9,667	\$ 3,723	\$ 12,407	\$ 1,003
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 2,813,184	\$ 537,785	\$ 624,783	\$ 2,726,186
Accounts Receivable	12,099	-	12,099	-
Total Current Assets	\$ 2,825,283	\$ 537,785	\$ 636,882	\$ 2,726,186
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,235,642	\$ 219,271	\$ 413,960	\$ 2,040,953
Deposits	589,641	186,433	90,841	685,233
Total Current Liabilities	\$ 2,825,283	\$ 405,704	\$ 504,801	\$ 2,726,186

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◆ PART III ◆  
STATISTICAL SECTION

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Montgomery Parks' volunteers help with trail maintenance, non-native invasive plant removal, programs, events and much more.

## STATISTICAL SECTION

This part of The Maryland-National Capital Park and Planning Commission's (Commission) Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Commission's overall financial health.

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	124
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	129
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i>	133
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	138
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	141

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

Net Assets by Category (1)  
Last Ten Fiscal Years  
Entity-wide Basis

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>										
Invested in Capital Assets, net of related debt	\$ 282,595,478	\$ 305,800,251	\$ 364,642,996	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779	\$ 536,147,424	\$ 569,890,944
Unrestricted	82,792,312	86,192,777	91,953,723	126,681,153	159,962,347	201,622,613	253,129,079	282,047,968	282,484,768	257,331,391
Subtotal Governmental Activities Net Assets	365,387,790	391,993,028	456,596,719	497,150,427	543,419,370	617,963,410	709,896,748	774,978,747	818,632,192	827,222,335
<b>Business-type Activities:</b>										
Invested in Capital Assets, net of related debt	82,267,248	80,397,496	85,843,860	83,421,966	84,318,532	81,455,721	79,384,327	77,400,952	75,033,816	72,823,330
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-	-	-
Unrestricted	3,772,189	1,910,929	2,238,739	2,334,180	2,101,083	3,881,454	2,763,707	1,855,610	1,754,184	1,781,166
Subtotal Business-type Activities Net Assets	86,622,703	82,898,273	88,082,599	85,756,146	86,419,615	85,337,175	82,148,034	79,256,562	76,788,000	74,604,496
<b>Primary Government:</b>										
Invested in Capital Assets, net of related debt	364,862,726	386,197,747	450,486,256	453,891,240	467,775,555	497,596,518	536,151,996	570,331,731	611,181,240	642,714,274
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-	-	-
Unrestricted	86,564,501	88,103,706	94,192,462	129,015,333	162,063,430	205,704,067	255,892,786	283,902,978	284,238,952	259,112,557
Total Government Net Assets	\$ 452,010,493	\$ 474,891,301	\$ 544,678,718	\$ 582,906,573	\$ 629,838,985	\$ 703,300,585	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831

(1) Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when an external party places a restriction on how the resources may be used.

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-2

Change in Net Assets  
Last Ten Fiscal Years  
Entity-wide Basis

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
<b>Governmental Activities:</b>										
General Government	\$ 11,614,891	\$ 12,678,079	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,062,982	\$ 17,397,550	\$ 18,875,258	\$ 19,765,804	\$ 18,965,709
County Planning and Zoning	29,739,984	29,119,749	29,792,531	31,089,512	35,931,600	39,150,300	48,649,825	60,370,641	58,695,074	55,915,753
Park Operations and Maintenance	102,355,291	104,484,551	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243	224,848,872	232,698,656
Recreation Programs	37,992,630	38,057,899	39,174,875	42,175,961	43,058,594	46,907,997	52,688,659	68,011,470	68,427,714	68,827,883
Interest on Long-term Debt	8,460,869	6,994,245	5,483,168	6,396,948	6,045,652	5,693,542	5,902,190	5,211,728	4,295,266	3,830,828
Subtotal Governmental Activities	190,163,665	191,334,523	199,726,076	210,448,671	239,524,967	252,772,152	290,391,945	333,828,340	376,032,730	380,238,839
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities	28,203,070	28,243,046	30,033,511	31,635,252	32,957,080	28,861,349	30,626,723	30,899,133	30,924,994	30,999,452
Total Government Expenses	218,366,735	219,577,569	229,759,587	242,083,923	272,482,047	281,633,501	321,018,668	364,727,473	406,957,724	411,238,291
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
County Planning and Zoning	2,771,580	3,068,135	4,392,967	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192
Park Operations and Maintenance	31,666,712	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,968	26,817,082	30,605,467	33,309,196
Recreation Programs	10,330,965	9,410,542	11,921,917	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536
Subtotal Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	28,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769
Total Government Program Revenues	67,189,515	59,547,702	61,949,585	63,140,031	68,506,853	68,486,379	82,053,633	63,297,588	65,943,963	70,100,693
<b>Net Government Expenses</b>	<u>(151,177,220)</u>	<u>(161,029,867)</u>	<u>(167,810,002)</u>	<u>(178,943,892)</u>	<u>(203,976,194)</u>	<u>(213,147,122)</u>	<u>(238,965,035)</u>	<u>(301,429,885)</u>	<u>(341,013,761)</u>	<u>(341,137,598)</u>
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,689	372,465,723	337,723,057
Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,058	7,180,179	8,073,533	9,359,955	9,738,113	9,733,521	9,821,179
Total Primary Government	174,900,419	183,910,675	205,767,831	217,171,747	250,908,606	286,608,722	327,709,232	363,619,812	382,199,244	347,544,236
<b>Change in Net Assets</b>										
Governmental Activities	21,122,387	26,605,238	32,773,503	40,554,308	46,268,943	74,544,040	91,933,338	65,081,399	43,654,045	8,590,142
Business-type Activities	2,600,812	(3,724,430)	5,184,326	(2,326,453)	663,469	(1,082,440)	(3,189,141)	(2,891,472)	(2,486,562)	(2,183,504)
Total Primary Government	\$ <u>23,723,199</u>	\$ <u>22,880,808</u>	\$ <u>37,957,829</u>	\$ <u>38,227,855</u>	\$ <u>46,932,412</u>	\$ <u>73,461,600</u>	\$ <u>88,744,197</u>	\$ <u>62,189,927</u>	\$ <u>41,168,483</u>	\$ <u>6,406,638</u>

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-3

Government Wide Revenues  
Last ten Fiscal Years  
Entity-wide Basis

	2002	2003	2004	2005	2006	2007	2008	2008	2010	2011
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
County Planning and Zoning	\$ 2,004,103	\$ 2,206,015	\$ 3,743,951	\$ 3,523,763	\$ 4,535,128	\$ 5,703,337	\$ 3,612,794	\$ 3,257,841	\$ 2,851,449	\$ 3,127,500
Charges for services	767,477	852,120	649,006	1,013,503	1,020,755	749,283	1,124,883	1,419,179	638,868	890,692
Operating grants and contributions	2,771,580	3,058,135	4,392,957	4,537,266	5,555,683	6,452,620	4,737,677	4,677,020	3,480,317	4,018,192
Total County Planning and Zoning	5,029,035	4,689,195	5,294,071	6,544,420	5,498,642	5,553,868	5,473,310	5,381,156	5,048,728	5,830,735
Park Operations and Maintenance	570,005	762,869	705,213	645,795	1,106,898	1,122,332	1,272,686	891,923	1,894,538	1,288,151
Charges for services	26,067,672	20,869,343	14,104,776	16,188,902	17,157,775	23,207,055	40,038,962	20,544,003	23,662,201	26,190,310
Operating grants and contributions	31,666,712	26,321,407	20,104,060	23,359,117	23,765,315	29,883,255	46,784,958	26,817,082	30,605,467	33,309,196
Total Park Operations and Maintenance	9,989,550	9,083,148	11,239,721	11,641,554	12,294,579	12,052,358	11,916,298	12,725,930	12,819,658	13,388,956
Recreation Programs	341,415	327,394	311,216	280,363	451,706	392,770	536,073	808,008	305,610	389,580
Charges for services	10,530,965	9,410,542	11,550,937	11,921,917	12,745,285	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536
Operating grants and contributions	44,769,257	38,790,084	36,047,954	39,818,300	42,065,463	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924
Total Recreation Programs	22,420,258	19,757,618	22,046,268	23,321,731	22,969,521	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169
Business-type Activities:										
Recreational and Cultural Facilities	-	-	26,000	-	-	146,598	151,636	91,937	150,000	2,600
Charges for services	22,420,258	19,757,618	22,046,268	23,321,731	22,969,521	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169
Operating grants and contributions	-	-	3,829,363	-	3,470,849	272,772	151,636	91,937	150,000	2,600
Capital grants and contributions	-	-	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,546	18,722,911	18,994,769
Total Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,546	18,722,911	18,994,769
Total Government Program Revenues	\$ 67,189,515	\$ 58,547,702	\$ 61,949,585	\$ 63,140,031	\$ 68,505,653	\$ 68,486,379	\$ 82,063,633	\$ 63,297,588	\$ 65,943,963	\$ 70,100,693
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities</b>										
Property Taxes	\$ 174,735,630	\$ 181,859,997	\$ 204,217,877	\$ 213,178,802	\$ 241,784,351	\$ 272,927,451	\$ 313,813,140	\$ 354,329,523	\$ 380,067,118	\$ 345,841,894
Unrestricted Investment Earnings	3,073,142	1,931,787	1,418,407	3,908,309	8,870,876	13,361,838	13,601,237	9,152,076	2,097,505	1,670,713
Gain/Loss on Disposal of Land	(3,170,165)	(4,920)	35,676	-	(6,926,800)	(7,754,100)	(9,064,100)	(9,599,900)	(9,698,900)	(9,789,550)
Transfers	(8,121,812)	(4,637,187)	(9,220,335)	(5,902,432)	(6,926,800)	(7,754,100)	(9,064,100)	(9,599,900)	(9,698,900)	(9,789,550)
Total Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,729,427	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057
Business-type Activities										
Unrestricted Investment Earnings	261,812	123,811	95,871	84,636	253,379	319,433	284,855	138,213	34,621	31,629
Transfers	8,121,812	4,637,187	9,220,335	5,902,432	6,926,800	7,754,100	9,064,100	9,599,900	9,698,900	9,789,550
Total Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179
Total Primary Government	\$ 174,900,419	\$ 183,910,675	\$ 205,767,831	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812	\$ 382,199,244	\$ 347,544,236

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-4

Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009
<b>General Fund</b>								
Reserved	\$ 8,720,270	\$ 9,828,316	\$ 7,909,128	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415
Unreserved, reported in:								
Montgomery Administration Account	2,015,586	2,303,332	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034
Montgomery Park Account	4,123,670	5,489,328	4,289,120	3,419,516	3,662,593	7,240,864	10,702,580	7,548,971
Prince George's Administration Account	4,439,016	5,779,000	7,655,832	10,120,856	12,568,819	15,888,797	18,658,565	14,420,070
Prince George's Park Account	20,175,540	17,581,235	28,032,500	36,850,247	50,284,754	54,213,314	64,078,004	56,642,003
Prince George's Recreation Account	9,619,463	8,674,676	8,463,689	10,997,196	16,987,850	23,875,520	33,487,704	30,404,917
Total General Fund	49,093,545	49,655,887	58,839,553	74,135,468	100,858,141	123,153,246	150,695,121	143,555,410
<b>All Other Governmental Funds</b>								
Reserved	14,432,004	15,166,586	19,279,123	16,239,896	30,979,446	27,311,293	25,013,746	29,845,493
Unreserved (deficit), reported in:								
Special Revenue Funds	6,546,298	5,888,267	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039
Capital Projects Funds	17,427,284	21,121,422	19,573,788	27,292,889	15,279,284	40,535,220	69,407,232	110,264,080
Total All Other Governmental Funds	38,405,586	42,176,275	45,319,633	50,621,503	54,617,119	77,268,422	101,413,764	145,449,612
<b>Total All Governmental Funds</b>	\$ 87,499,131	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022
	2010	2011						
<b>General Fund</b>								
Committed	\$ 20,087,780	\$ 24,964,873						
Assigned	16,343,650	19,271,830						
Unassigned	99,092,516	92,831,681						
Total General Fund	135,523,946	137,068,384						
<b>All Other Governmental Funds</b>								
Restricted	23,712	7,201						
Committed	46,032,175	47,780,344						
Assigned	131,465,297	6,408,946						
Unassigned	(11,055,627)	112,032,733						
Total All Other Governmental Funds	166,465,557	166,229,224						
<b>Total All Governmental Funds</b>	\$ 301,989,503	\$ 303,297,608						

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

TABLE T-5

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Property Taxes	\$ 177,143,063	\$ 182,180,854	\$ 199,176,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,263	\$ 380,292,455	\$ 345,254,763
Intergovernmental	18,561,030	14,291,593	14,282,243	13,475,196	13,728,507	20,395,468	38,609,800	17,411,704	20,281,231	27,617,494
Charges for Services	8,233,858	8,285,233	11,378,060	10,905,923	12,170,203	13,302,886	11,457,579	11,572,219	11,024,346	11,614,064
Rentals and Concessions	7,374,700	6,562,896	7,752,377	8,119,786	8,883,464	8,872,522	8,977,209	9,017,218	8,929,134	9,759,475
Interest	2,265,821	1,361,363	1,040,326	2,996,567	6,934,901	10,582,784	10,996,141	7,565,096	1,816,538	1,421,095
Miscellaneous	1,420,835	1,129,476	1,297,262	3,278,902	2,312,925	2,004,402	1,749,098	3,666,197	3,260,261	1,321,762
<b>Total Revenues</b>	<b>214,999,307</b>	<b>213,811,417</b>	<b>234,928,354</b>	<b>254,824,003</b>	<b>288,637,360</b>	<b>328,601,283</b>	<b>385,418,248</b>	<b>403,198,697</b>	<b>425,603,965</b>	<b>396,988,653</b>
<b>Expenditures</b>										
General Government	12,088,929	12,698,310	13,097,617	13,814,296	14,989,960	15,307,979	16,809,827	18,355,088	18,760,282	16,900,334
Planning and Zoning	29,707,273	29,367,574	30,921,513	32,024,402	35,660,252	39,453,463	47,993,136	57,139,743	56,761,092	51,677,578
Park Operations and Maintenance	95,550,144	99,466,159	103,998,826	109,838,327	118,469,005	131,788,561	148,113,743	162,803,732	201,163,727	185,124,386
Recreation	36,242,037	37,467,508	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564	65,009,956	64,896,624	62,922,303
Contributions	-	-	-	-	-	1,269,884	1,545,894	1,860,781	2,187,475	2,100,896
Debt Service	-	-	-	-	-	-	-	-	-	-
Principal	9,340,000	31,335,000 (1)	10,755,000	11,290,000	11,820,000	11,630,000	13,131,800	13,705,849	13,181,597	14,172,757
Interest	8,076,447	6,638,933	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685	4,223,697	3,888,860
Other Debt Service Costs	70,981	553,630	525,375	186,317	262,491	258,155	87,937	178,835	113,412	(95,874)
Capital Projects	25,615,322	16,387,523	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742	41,632,678	49,198,758
<b>Total Expenditures</b>	<b>216,691,133</b>	<b>233,934,637</b>	<b>236,799,097</b>	<b>236,598,387</b>	<b>250,942,376</b>	<b>289,878,484</b>	<b>324,416,931</b>	<b>362,088,421</b>	<b>402,920,584</b>	<b>385,890,998</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from General Obligation Bonds	18,744,820	26,422,900	14,720,000	4,002,020	-	13,600,000	17,300,000	5,250,000	-	-
Refunding Bonds Issued	-	29,592,100	22,805,000	-	19,130,000	-	(17,300,000)	8,405,000	14,080,000	-
Loan Issued	-	-	-	-	-	284,000	-	-	-	-
Premiums on Bonds Issued	-	281,807	1,926,886	-	88,405	93,709	-	381,617	769,574	-
Payment to Refunding Bond Escrow Account	-	(29,552,066)	(23,862,764)	-	(19,018,300)	-	-	(8,650,866)	(14,849,574)	-
Contribution to Private Purpose Trust Funds	-	9,874	8,615	-	-	-	-	-	-	-
Contribution to Private Purpose Trust Funds	(286,585)	(493,058)	(609,148)	-	-	-	-	-	-	-
Transfers In	20,320,029	22,591,017	26,577,814	31,727,099	31,327,417	46,882,822	54,409,188	84,117,596	62,185,114	41,616,423
Transfers Out	(25,448,702)	(24,396,303)	(29,368,636)	(33,355,950)	(38,504,217)	(54,636,922)	(63,723,288)	(93,717,496)	(71,884,014)	(51,405,973)
<b>Total Other Financing Sources (Uses)</b>	<b>13,329,562</b>	<b>24,456,251</b>	<b>14,197,767</b>	<b>2,373,169</b>	<b>(6,976,695)</b>	<b>6,223,609</b>	<b>(9,314,100)</b>	<b>(4,214,139)</b>	<b>(9,698,900)</b>	<b>(9,789,550)</b>
<b>Net Change in Fund Balances</b>	<b>11,637,736</b>	<b>4,333,031</b>	<b>12,327,024</b>	<b>20,597,785</b>	<b>30,718,289</b>	<b>44,946,408</b>	<b>51,687,217</b>	<b>36,896,137</b>	<b>12,984,481</b>	<b>1,308,105</b>
Beginning Fund Balance	75,861,395	87,499,131	91,832,162	104,159,186	124,756,971	155,475,260	200,421,668	252,108,885	289,005,022	301,989,503
<b>Ending Fund Balance</b>	<b>\$ 87,499,131</b>	<b>\$ 91,832,162</b>	<b>\$ 104,159,186</b>	<b>\$ 124,756,971</b>	<b>\$ 155,475,260</b>	<b>\$ 200,421,668</b>	<b>\$ 252,108,885</b>	<b>\$ 289,005,022</b>	<b>\$ 301,989,503</b>	<b>\$ 303,297,608</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	9.22%	17.65%	8.30%	8.09%	7.62%	6.77%	6.56%	5.86%	4.84%	5.20%

(1) Due to the pay-off of the X-2 bond issue in Prince George's County which was re-financed in FY 2003

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-6

Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2002	\$ 77,574,948	\$ 84,229,042	1.005	\$ 4,201,345	2.495	\$ 81,776,293	\$ 88,430,387	\$	92.48 %	
2003	82,407,338	93,432,356	1.004	4,227,854	2.494	86,635,192	97,660,210		88.71	
2004	89,263,005	98,091,215	1.005	3,963,802	2.498	93,226,807	102,055,017		91.35	
2005	98,281,725	105,339,469	0.994	3,902,612	2.474	102,184,337	109,242,081		93.54	
2006	110,529,249	118,593,615	0.952	3,831,629	2.367	114,360,878	122,425,244		93.41	
2007	125,710,776	131,634,320	0.902	3,948,950	2.242	129,659,726	135,583,270		95.63	
2008	142,306,436	145,210,649	0.902	3,970,547	2.241	146,276,983	149,181,196		98.05	
2009	158,133,491	164,038,892	0.902	3,920,171	2.241	162,053,662	167,959,063		96.48	
2010	167,096,844	168,676,000	0.904	4,123,997	2.247	171,220,841	179,277,921		95.51	
2011	167,790,793	189,808,589	0.904	3,856,192	2.247	171,646,984	193,664,781		88.63	

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2002	\$ 39,091,456	\$ 39,326,338	0.981	\$ 3,099,323	2.453	\$ 42,190,779	\$ 42,425,661	\$	99.45 %	
2003	40,794,370	42,546,271	0.980	3,037,763	2.450	43,832,133	45,584,034		96.16	
2004	43,066,688	45,195,233	0.980	2,956,111	2.452	46,022,799	48,151,344		95.58	
2005	46,612,629	49,379,361	0.978	2,828,385	2.444	49,441,014	52,207,746		94.70	
2006	52,277,305	58,874,924	0.980	2,823,369	2.449	55,100,674	61,696,293		89.31	
2007	60,716,650	69,500,205	0.924	2,827,545	2.312	63,544,195	72,327,750		87.86	
2008	72,840,584	82,244,050	0.915	2,888,299	2.327	75,728,883	85,132,349		88.95	
2009	85,649,437	99,986,181	0.907	2,987,437	2.294	88,636,874	102,973,618		86.08	
2010	95,749,759	102,512,190	0.900	2,772,044	2.272	98,521,803	105,284,234		93.58	
2011	88,129,040	96,199,089	0.900	2,734,464	2.000	90,863,504	98,933,553		91.84	

Note: (1) For personal property, the assessed value and estimated value are the same.  
(2) Total includes real property, business personal property, public utility operating property and domestic shares.

Source: Montgomery County and Prince George's County Governments.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-7

Property Tax Rates - Direct and Overlapping Governments  
Last Ten Fiscal Years

**M-NCPPC TAXES**

MONTGOMERY COUNTY

Fiscal Year	Administration	Park Operations	Advance Land Acquisition	Total		County-wide Property Taxes Within County		Total
2002	(1) \$ 0.024/0.059	\$ 0.0660/0.1650	\$ 0.0010/0.0020	\$ 0.0910/0.2260	\$ 0.914/2.269	\$ 1.005/2.495		
2003	0.023/0.058	0.0630/0.1580	0.0010/0.0030	0.0870/0.2190	0.917/2.275	1.004/2.494		
2004	0.021/0.053	0.0590/0.1480	0.0010/0.0030	0.0810/0.2040	0.924/2.294	1.005/2.498		
2005	0.020/0.050	0.0590/0.1480	0.0010/0.0030	0.0800/0.2010	0.914/2.273	0.994/2.474		
2006	0.022/0.055	0.0610/0.1530	0.0010/0.0030	0.0840/0.2110	0.868/2.156	0.952/2.367		
2007	0.020/0.050	0.0570/0.1430	0.0010/0.0030	0.0780/0.1960	0.824/2.048	0.902/2.244		
2008	0.019/0.047	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950	0.824/2.048	0.902/2.241		
2009	0.019/0.047	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820	0.829/2.059	0.902/2.241		
2010	0.018/0.045	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.835/2.074	0.904/2.247		
2011	0.015/0.038	0.0450/0.1120	0.0010/0.0030	0.0610/0.1530	0.843/2.094	0.904/2.247		

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration	Park Operations	Recreation	Advance Land Acquisition	Total		County-wide Property Taxes Within County		Total
2002	(1) \$ 0.0466/0.1165	\$ 0.1420/0.3550	\$ 0.0541/0.1353	\$ 0.0013/0.0032	\$ 0.2440/0.6100	\$ 1.0906/2.7277	\$ 1.3346/3.3377		
2003	0.0466/0.1165	0.1420/0.3550	0.0541/0.1353	0.0013/0.0032	0.2440/0.6100	1.0901/2.7253	1.3341/3.3353		
2004	0.0466/0.1165	0.1770/0.4425	0.0541/0.1353	0.0013/0.0032	0.2790/0.6975	1.1384/2.8471	1.3341/3.3353		
2005	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1357/2.8390	1.4147/3.5365		
2006	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1381/2.8437	1.4171/3.5412		
2007	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1165/2.7916	1.3955/3.4891		
2008	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1069/2.8069	1.3859/3.5044		
2009	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0986/2.7740	1.3776/3.4715		
2010	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0915/2.7524	1.3705/3.4499		
2011	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0918/2.4800	1.3708/3.1775		

Note: Rates are per \$100 of assessed valuation.  
(1) Rates shown are for Real/Personal.

Source: Montgomery County and Prince George's County Governments.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

Taxpayer	2011			%	2002			%
	Total Assessment	Rank	Percentage of Total Assessed Valuation		Total Assessment	Rank	Percentage of Total Assessed Valuation	
Potomac Electric Power Company	\$ 686,620,820	1	0.40	\$ 851,052,270	1	1.04	%	
Verizon Maryland INC	610,124,340	2	0.36	674,847,570	2	0.83		
Montgomery Mall LLC	340,730,300	3	0.20	232,522,680	3	0.28		
Washington Gas Light Company	260,082,650	4	0.15	185,723,370	4	0.23		
Camalier, Anne D et al, Trustee	216,903,628	5	0.13	130,482,114	6	0.16		
Chevy Chase Land Co	214,070,700	6	0.12	-	-	-		
7501 Wisconsin Avenue LLC	212,000,000	7	0.12	-	-	-		
Federal Realty Investment Trust	201,681,952	8	0.12	-	-	-		
Democracy Associates	171,000,000	9	0.10	123,961,566	10	0.15		
Bethesda Arc LLC	160,293,790	10	0.09	-	-	-		
Bryant F. foulger, Trustee	-	-	-	146,146,266	5	0.18		
Lake Forest Associates	-	-	-	127,095,532	7	0.16		
Albert & R. Abramson, et. al.	-	-	-	126,909,383	8	0.16		
Marbeth Partnership	-	-	-	123,962,492	9	0.15		
Total	\$ 3,073,508,180		1.79	\$ 2,722,703,243		3.33	%	
Total Assessable Base	\$ 171,646,984,481		100.00	\$ 81,776,292,140		100.00	%	

PRINCE GEORGE'S COUNTY

Taxpayer	2011			%	2002			%
	Total Assessment	Rank	Percentage of Total Assessed Valuation		Total Assessment	Rank	Percentage of Total Assessed Valuation	
Gaylord National, LLC	\$ 581,995,100	1	0.64	\$ -	-	-	%	
Potomac Electric Power Company	458,167,080	2	0.50	495,957,350	1	1.18		
Verizon Maryland	395,162,460	3	0.43	474,751,290	2	1.13		
Washington Gas Light Company	250,109,353	4	0.28	163,813,496	5	0.39		
Greenbelt Homes, Incorporated	233,512,719	5	0.26	83,526,562	9	0.20		
JKC Stadium (FedEx Field)	208,358,294	6	0.23	207,937,332	4	0.49		
Empirian Village of Maryland, LLC	202,133,413	7	0.22	-	-	-		
Mirant Chalk Point LLC	162,997,600	8	0.18	473,756,590	3	1.12		
Baltimore Gas and Electric Company	153,790,050	9	0.17	99,407,950	7	0.24		
Silver Oaks Campus LLC	143,179,100	10	0.15	-	-	-		
Safeway Stores, Inc.	-	-	-	110,514,510	6	0.26		
Summerfield Housing LTD Partnership	-	-	-	92,635,832	8	0.22		
Digex Incorp	-	-	-	79,621,920	10	0.19		
Total	\$ 2,789,405,169		3.07	\$ 2,281,922,832		5.41	%	
Total Assessable Base	\$ 90,863,504,299		100.00	\$ 42,190,778,637		100.00	%	

Source: Montgomery County and Prince George's County Governments.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-9

Property Tax Levies and Collections  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2002	\$ 69,302,154	\$ 68,605,694	99.0 %	\$ 632,174	\$ 69,237,868	99.9 %
2003	69,493,121	68,994,492	99.3	366,077	69,360,569	99.8
2004	68,788,496	68,447,863	99.5	253,208	68,701,071	99.9
2005	74,428,353	74,232,900	99.7	124,080	74,356,980	99.9
2006	87,277,546	84,587,921	96.9	2,526,129	87,114,050	99.8
2007	91,903,957	91,347,333	99.4	(22,210)	91,325,123	99.4
2008	102,981,734	102,582,155	99.6	(150,137)	102,432,018	99.5
2009	106,450,471	105,976,302	99.6	396,350	106,372,652	99.9
2010	106,745,211	106,536,204	99.8	(467,821)	106,068,383	99.4
2011	94,042,259	93,847,608	99.8	-	93,847,608	99.8

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2002	\$ 107,977,263	\$ 106,777,906	98.9 %	\$ 933,786	\$ 107,711,692	99.8 %
2003	112,003,391	110,517,257	98.7	771,714	111,288,971	99.4
2004	132,837,385	128,734,271	96.9	3,651,572	132,385,843	99.7
2005	141,452,179	140,621,685	99.4	318,400	140,940,085	99.6
2006	156,005,194	155,091,912	99.4	392,566	155,484,478	99.7
2007	178,448,928	177,139,126	99.3	571,135	177,710,261	99.6
2008	210,271,715	208,168,095	99.0	1,065,977	209,234,072	99.5
2009	247,780,995	244,957,183	98.9	387,786	245,344,969	99.0
2010	273,147,553	271,182,300	99.3	(190,971)	270,991,329	99.2
2011	252,516,048	250,411,969	99.2	-	250,411,969	99.2

Source: Montgomery County and Prince George's County Governments.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-10

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income	Outstanding Debt Per Capita			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2002	\$ 28,700	3,577	\$ 11,811	218	\$ 44,306	0.09	\$ 48.80	\$ 4,500	\$ 48,806	0.10	\$ 53.76
2003	32,125	4,976	10,852	290	48,243	0.10	52.66	4,225	52,468	0.11	57.27
2004	29,830	3,291	9,860	204	43,185	0.08	46.88	3,805	46,990	0.09	51.01
2005	31,760	5,256	8,825	114	45,955	0.08	49.55	5,390	51,345	0.09	55.36
2006	29,555	3,711	7,780	54	41,100	0.07	43.86	4,845	45,945	0.08	49.03
2007	32,025	5,259	6,715	27	44,026	0.07	46.49	4,290	48,316	0.08	51.02
2008	29,465	3,522	5,630	-	38,617	0.06	40.78	3,745	42,362	0.07	44.73
2009	32,290	2,301	4,523	-	39,114	0.06	41.30	3,210	42,324	0.07	44.69
2010	29,680	1,041	3,393	-	34,114	0.06	35.31	2,680	36,794	0.06	38.85
2011	26,710	368	2,241	-	29,319	0.04	29.93	2,145	31,464	0.05	32.12

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Total Debt (1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income	Outstanding Debt Per Capita			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2002	\$ 119,620	1,765	-	-	\$ 121,385	0.48	146.99	\$ 2,800	\$ 124,185	0.49	\$ 150.38
2003	113,655	1,675	-	-	115,330	0.44	138.49	2,470	117,800	0.45	141.46
2004	121,965	1,530	-	-	123,495	0.44	147.40	2,145	125,640	0.45	149.96
2005	113,480	1,714	-	-	115,194	0.39	136.69	1,825	117,019	0.40	138.85
2006	105,030	1,496	-	-	106,526	0.35	126.62	1,505	108,031	0.36	128.41
2007	105,400	1,806	-	-	107,206	0.36	129.36	1,190	108,396	0.34	130.79
2008	95,735	1,438	-	-	97,173	0.30	117.00	885	98,058	0.30	118.07
2009	85,501	1,054	-	-	86,555	0.26	104.22	585	87,140	0.26	104.92
2010	76,246	653	-	-	76,899	n.a	89.06	290	77,189	n.a	49.40
2011	65,925	369	-	-	66,294	n.a	n.a	-	66,294	n.a	n.a

Notes: (1) 000's omitted.

(2) See Table 15 for personal income and population data. Data are not available for Prince George's County for FY 2010 and FY 2011.

Source: The Maryland-National Capital Park and Planning Commission, Montgomery and Prince George's County Governments

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-11

Ratio of Net General Obligation Bonded Debt  
To Assessed Value and Net General Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds		
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2002	908,233	\$ 71,060,080	\$ 28,700	0.04 %	\$ 4,500	0.01 %	\$ 4.95
2003	917,160	75,030,387	32,125	0.04	4,225	0.00	4.61
2004	923,094	80,589,255	29,830	0.04	3,805	0.00	4.12
2005	930,286	88,294,369	31,760	0.04	5,390	0.01	5.79
2006	936,070	99,136,692	29,555	0.03	4,845	0.00	5.18
2007	941,491	112,335,704	32,025	0.03	4,290	0.00	4.56
2008	949,591	126,613,148	29,465	0.02	3,745	0.00	3.94
2009	957,760	140,254,264	32,290	0.02	3,210	0.00	3.35
2010	966,000	149,161,911	29,680	0.02	2,680	0.00	2.77
2011	979,551	149,284,865	26,710	0.02	2,145	0.00	2.19

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds		
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2002	825,815	\$ 39,068,577	\$ 119,620	0.31 %	\$ 2,800	0.01 %	\$ 3.39
2003	832,761	40,706,364	113,655	0.28	2,470	0.01	2.97
2004	837,837	42,782,719	121,965	0.29	2,145	0.00	2.56
2005	842,764	45,981,392	113,480	0.25	1,825	0.00	2.17
2006	841,315	55,083,907	105,030	0.19	1,505	0.00	1.79
2007	828,770	59,177,385	105,400	0.18	1,190	0.00	1.44
2008	820,852	70,615,992	95,735	0.14	885	0.00	1.08
2009	834,560	82,671,572	85,501	0.10	585	0.00	0.70
2010	863,420	91,889,365	76,246	0.08	290	0.00	0.34
2011	n. a.	84,718,780	65,925	0.08	-	0.00	n. a.

Notes: (1) 000's omitted

(2) Metropolitan District only

Source: Assessed Value is from Montgomery County and Prince George's County Governments. Population estimates are from the U.S. Bureau of the Census, Population Estimates Branch except 2008 Montgomery County population estimated by the Montgomery County Office of Finance

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2011

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>					
<b>Montgomery County:</b>					
Montgomery County Government Direct Debt	\$ 2,689,416,062	100.00%	\$ 2,689,416,062	\$ -	\$ 2,689,416,062
MCPS - capital leases	31,405,867	100.00%	31,405,867	-	31,405,867
MCC - capital leases	46,232,121	100.00%	46,232,121	-	46,232,121
Kingsview Village Center - bonds	1,895,000	100.00%	1,895,000	-	1,895,000
West Germantown - bonds	14,545,000	100.00%	14,545,000	-	14,545,000
Towns, Cities and Villages	61,381,415	100.00%	61,381,415	-	61,381,415
<b>Prince George's County:</b>					
Prince George's County Direct Debt	714,419,526	100.00%	-	714,419,526	714,419,526
IDA of Prince George's County - lease revenue bonds	69,401,416	100.00%	-	69,401,416	69,401,416
Towns, Cities and Villages (2)	47,924,159	100.00%	-	47,924,159	47,924,159
<b>Total Overlapping Debt</b>			<u>2,844,875,465</u>	<u>831,745,101</u>	<u>3,676,620,566</u>
<b>M-NCPPC Direct Debt Outstanding (1)</b>			<u>29,223,294</u>	<u>66,293,704</u>	<u>95,516,998</u>
<b>Total Direct and Overlapping Debt</b>			<u>\$ 2,874,098,759</u>	<u>\$ 898,038,805</u>	<u>\$ 3,772,137,564</u>

Note: (1) Direct Debt is comprised of Park bonds, ALA bonds, and note & loan payables.

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2011 data from Prince George's County.

Source: Montgomery County and Prince George's County Governments and The Maryland-National Capital Park and Planning Commission.

TABLE T-13

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Computation of Legal Debt Margin										
Park Acquisition and Development Bonds										
Last Ten Fiscal Years										
Park Acquisition and Development Bonds										
Guaranteed by Montgomery County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 67,628,590,879	\$ 71,653,677,756	\$ 77,392,706,440	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,067,997,868	\$ 123,349,223,504	\$ 137,037,338,727	\$ 145,753,018,621	\$ 146,152,672,587
Personal Property	3,431,488,780	3,376,709,429	3,196,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,216,925,627	3,408,892,008	3,132,192,188
Total Assessed Value	71,060,079,659	75,030,387,185	80,589,255,330	88,294,369,345	99,136,692,634	112,315,703,729	126,613,147,775	140,254,264,354	149,161,910,629	149,284,864,775
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 3.6 cents	24,346,293	25,795,324	27,661,374	30,641,742	34,562,980	39,271,679	44,405,720	49,333,442	52,471,067	52,614,962
Personal Property at 9 cents	3,089,340	3,039,058	2,876,894	2,860,577	2,815,574	2,922,935	2,937,532	2,895,233	3,068,003	2,818,973
	27,434,633	28,834,382	30,738,268	33,502,319	37,378,554	42,194,614	47,343,252	52,228,675	55,539,080	55,433,935
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	823,038,990	865,030,860	922,148,040	1,005,069,570	1,121,356,620	1,265,838,420	1,420,297,560	1,566,860,250	1,666,172,700	1,663,018,050
Debt Service Applicable to Limit	39,469,000	43,472,000	39,836,487	42,224,115	38,393,681	41,883,976	38,059,329	40,869,590	37,198,245	33,237,288
Legal Debt Margin	\$ 783,569,990	\$ 821,558,860	\$ 882,311,553	\$ 962,845,455	\$ 1,082,962,939	\$ 1,223,954,444	\$ 1,382,238,231	\$ 1,525,990,660	\$ 1,628,974,455	\$ 1,629,780,762
Debt Service Applicable to Limit as a Percentage of the Limit	4.80%	5.03%	4.32%	4.20%	3.42%	3.31%	2.68%	2.61%	2.23%	2.00%
Park Acquisition and Development Bonds										
Guaranteed by Prince George's County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 36,198,688,000	\$ 37,840,312,000	\$ 40,023,911,556	\$ 43,332,056,449	\$ 52,272,039,269	\$ 56,538,661,889	\$ 67,906,380,950	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056
Personal Property	2,869,889,000	2,866,052,000	2,758,807,706	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652	2,807,843,657	2,601,841,179	2,565,743,970
Total Assessed Value	39,068,577,000	40,706,364,000	42,782,719,262	45,981,389,582	55,083,906,851	59,177,384,646	70,615,991,602	82,671,571,672	91,889,365,342	84,718,779,926
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 4 cents	14,479,475	15,136,125	16,009,565	17,332,823	20,908,816	22,615,465	27,162,552	31,945,491	36,715,010	32,861,214
Personal Property at 10 cents	2,869,889	2,866,052	2,758,808	2,649,333	2,811,868	2,638,723	2,709,611	2,807,844	2,601,841	2,565,744
	17,349,364	18,002,177	18,768,373	19,982,156	23,720,684	25,254,188	29,872,163	34,753,335	38,316,851	35,426,958
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	520,480,920	540,065,310	563,051,190	599,464,680	711,620,520	757,625,640	886,164,890	1,042,600,050	1,149,505,530	1,062,808,740
Debt Service Applicable to Limit	157,767,000	147,391,000	156,442,246	146,419,484	136,076,320	135,699,883	119,846,031	105,933,668	92,328,755	79,212,624
Legal Debt Margin	\$ 362,713,920	\$ 392,674,310	\$ 406,608,944	\$ 453,045,196	\$ 575,544,200	\$ 621,925,757	\$ 776,318,859	\$ 936,666,382	\$ 1,057,176,775	\$ 983,596,116
Debt Service Applicable to Limit as a Percentage of the Limit	30.31%	27.29%	27.78%	24.42%	19.12%	17.91%	13.37%	10.16%	8.03%	7.65%

Source: Montgomery County and Prince George's County Governments and The Maryland-National Capital Park and Planning Commission, Finance Department

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-14

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Little Bennett Golf Course Revenue Bonds (1)							
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage	
				Principal	Interest		
2002	\$ 1,782,015	\$ 1,910,369	\$ (128,354)	\$ 270,000	\$ 244,643	(0.25)	
2003	1,433,356	1,636,476	(203,120)	285,000	228,796	(0.40)	
2004	1,547,197	1,501,372	45,825	300,000	248,684	0.08	
2005	1,407,434	1,571,068	(163,634)	314,634	122,975	(0.37)	
2006	999,416	1,303,515	(304,099)	315,137	120,699	(0.70)	
2007	213,804	3,194	210,610	325,757	109,811	0.48	
2008	301,059	159,104	141,955	336,735	98,587	0.33	
2009	300,000	70,385	229,615	348,083	86,983	0.53	
2010	450,000	208,925	241,075	359,813	74,989	0.55	
2011	300,131	57,474	242,657	371,939	32,617	0.60	

Wheaton Ice Rink Revenue Bonds							
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage	
				Principal	Interest		
2002	\$ 949,130	\$ 986,319	\$ (37,189)	\$ 215,000	\$ 192,335	(0.09)	
2003	917,785	995,430	(77,645)	230,000	179,174	(0.19)	
2004	962,056	1,036,132	(74,076)	315,662	158,692	(0.16)	
2005	1,017,062	1,112,823	(95,761)	275,622	83,433	(0.27)	
2006	1,248,187	1,375,948	(127,761)	284,910	72,748	(0.36)	
2007	1,129,298	1,329,107	(199,809)	294,512	63,144	(0.56)	
2008	981,681	1,262,416	(280,735)	304,437	53,165	(0.79)	
2009	969,600	1,360,638	(391,038)	314,696	42,846	(1.09)	
2010	967,805	1,205,865	(238,060)	325,301	32,182	(0.67)	
2011	993,678	1,136,389	(142,711)	336,264	23,046	(0.40)	

Cabin John Ice Rink Revenue Notes							
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage	
				Principal	Interest		
2002	\$ 2,778,017	\$ 2,506,214	\$ 271,803	\$ 444,444	\$ 277,111	0.38	
2003	2,968,982	2,529,806	439,176	444,444	254,177	0.63	
2004	3,071,550	2,495,269	576,281	444,444	231,245	0.85	
2005	3,066,518	2,608,814	457,704	444,444	208,311	0.70	
2006	3,384,115	3,066,518	317,597	444,444	185,378	0.50	
2007	3,006,568	2,604,061	402,507	444,444	162,444	0.66	
2008	2,505,663	2,204,101	301,562	444,444	139,512	0.52	
2009	2,724,698	2,399,913	324,785	444,444	116,578	0.58	
2010	2,906,570	2,293,433	613,137	444,444	93,645	1.14	
2011	3,268,960	2,255,172	1,013,788	444,444	74,534	1.95	

- Notes: (1) The Commission's Montgomery County golf courses lease to the Montgomery County Revenue Authority on a short-term basis on April 15, 2006 was converted to a long-term lease in October 2006.  
(2) Gross revenues include nonoperating interest income.  
(3) Operating expenses do not include interest, depreciation, or amortization expenses.  
(4) These are the revenues that are actually pledged to cover this debt. In practice, the Commission uses the available resources of the entire Montgomery County Enterprise Fund.

Source: The Maryland-National Capital Park and Planning Commission

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-15

Demographic Statistics  
Last Ten Fiscal Years

MONTGOMERY COUNTY

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income 000's omitted (2,3)</u>	<u>Per Capita Income (4)</u>	<u>Labor Force (5)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (7)</u>
2002	906,145	\$ 46,951,186	\$ 51,814	496,101	3.5 %	136,832
2003	914,893	48,650,108	53,176	496,223	3.3	138,891
2004	920,965	52,238,928	56,722	497,204	3.2	139,203
2005	928,916	55,846,295	60,120	508,251	3.1	139,337
2006	935,168	60,372,289	64,558	518,142	2.8	139,387
2007	941,491	62,643,745	66,537	517,734	2.7	137,798
2008	953,685	64,809,366	67,957	521,326	3.3	137,745
2009	971,600	64,438,944	66,323	516,728	5.4	137,763
2010	971,777	67,000,000	68,946	513,884	5.6	140,500
2011	979,551	69,220,000	70,665	517,995	5.0	143,309

PRINCE GEORGE'S COUNTY

<u>Year</u>	<u>Population (8)</u>	<u>Total Personal Income 000's omitted (2)</u>	<u>Per Capita Income (2) (4)</u>	<u>Labor Force (9)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (10)</u>
2002	824,290	\$ 25,445,330	\$ 30,783	471,602	5.1 %	135,039
2003	830,923	26,248,500	31,429	475,007	5.2	135,439
2004	836,103	28,162,399	33,461	440,424	4.5	137,285
2005	840,513	29,518,546	35,120	445,124	4.5	136,095
2006	836,644	30,412,449	36,351	446,366	4.1	133,325
2007	832,699	31,658,181	38,018	448,144	3.7	131,014
2008	830,514	32,761,012	39,447	454,201	4.5	129,752
2009	834,560	33,079,238	39,637	452,754	7.1	127,977
2010	863,420	n. a.	n. a.	449,371	7.4	127,039
2011	n. a.	n. a.	n. a.	446,864	7.0	126,671

Notes:

- (1) Source: Data for 2002-2009 from the U.S. Bureau of the Census, data for 2010-2011 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2010 and 2011 is not currently available)
- (3) Source: Data for 2009 - 2011 are estimates derived by the Montgomery County Department of Finance
- (4) Source: Per Capita Income is derived by dividing personal income by population
- (5) Source: Bureau of Labor Statistics, U.S. Department of Labor
- (6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.
- (7) Source: Office of Management and Budget, Montgomery County
- (8) Source: U.S. Bureau of the Census, Population Estimates Branch
- (9) Source: Maryland Department of Labor, Career and Workforce Information
- (10) Source: www.mdreportcard.org

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-16

Total Government Employees by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
General Government:	77.96	77.11	76.52	75.99	81.00	81.00	83.45	78.75	76.35	74.05
County Planning and Zoning:										
Office of the Planning Director	2.50	2.30	2.50	2.50	2.50	3.30	3.77	3.82	3.00	3.00
Management Services	12.80	12.40	12.80	11.30	11.10	9.30	7.60	25.57	28.35	29.02
Strategic Planning	4.50	4.50	4.50	4.50	4.40	3.30	4.30	-	-	-
Community-Based Planning	45.70	45.75	44.70	43.70	39.00	38.00	38.77	22.22	24.17	21.20
County-Wide Planning	41.40	42.35	41.70	40.20	40.10	41.00	48.57	-	-	-
Environmental Planning	-	-	-	-	-	-	-	23.67	23.67	22.43
Transportation Planning	-	-	-	-	-	-	-	17.89	18.15	13.29
Urban Design	-	-	-	-	-	-	-	17.01	16.99	15.20
Development Review	24.80	24.40	24.80	24.60	28.50	35.60	35.00	32.32	31.48	15.60
Center for Research and Information Systems	28.50	29.80	28.00	26.80	26.30	26.90	31.30	28.55	24.84	23.18
Total County Planning and Zoning	160.20	161.50	159.00	153.60	151.90	157.40	169.31	171.05	170.65	142.92
Park Operations and Maintenance:										
Director of Parks	17.00	16.50	2.00	4.00	3.90	24.20	23.65	21.57	5.55	5.55
Superintendent of Parks	-	-	15.00	19.00	19.00	-	-	-	6.00	6.00
Special Programs	-	-	-	-	-	-	-	-	10.30	10.30
Park Information and Customer Service	-	-	-	-	-	-	-	7.13	7.67	7.50
Management Services	-	-	-	-	-	-	7.22	6.83	6.00	6.00
Facilities Management	-	-	-	-	-	-	6.90	6.83	6.00	6.00
Technology Center	8.00	8.00	10.00	7.70	8.90	10.10	11.50	10.74	10.90	11.15
Park Planning and Stewardship	17.10	16.30	16.05	18.95	20.50	18.85	29.88	33.43	31.96	31.62
Park Development	27.80	26.50	27.50	27.00	27.70	26.50	28.50	28.43	28.50	28.55
Park Police	115.50	115.05	115.50	112.50	111.20	117.50	112.85	114.72	115.56	115.61
Horticultural Resources	69.05	69.25	67.65	65.05	67.30	65.65	62.65	63.84	63.40	63.50
Central Maintenance	109.90	107.25	102.30	98.30	106.80	102.77	102.77	104.76	102.90	102.65
Northern Region	117.40	123.25	118.00	113.90	118.00	115.10	114.71	116.25	116.52	116.52
Southern Region	194.20	197.30	190.30	175.00	181.50	174.22	179.11	180.51	182.14	181.84
Support Services	-	-	-	-	-	-	-	-	1.10	1.10
Property Management	1.10	2.10	3.10	3.10	3.00	3.00	3.50	3.50	3.50	3.50
Total Park Operations and Maintenance	677.05	681.50	667.40	644.50	667.80	656.42	683.24	691.71	692.00	691.39
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	231.65	226.35	229.30	215.40	204.70	109.70	110.30	104.60	113.10	110.90
Total Workyears	1,146.86	1,146.46	1,132.22	1,089.49	1,105.40	1,004.52	1,046.30	1,046.11	1,052.10	1,019.26

Source: The Park and Planning Commission Adopted Annual Budget, various years

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

TABLE T-16  
continued

Total Government Employees by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
General Government:	77.45	76.60	75.70	75.70	77.20	79.35	82.65	86.90	85.40	83.75
County Planning and Zoning:										
Director's Office	15.50	14.00	14.00	13.00	15.00	14.00	14.00	16.00	27.00	28.00
Development Review	39.70	41.20	42.70	43.60	46.60	48.40	49.70	52.70	60.00	59.00
Information Permit Review	-	-	-	-	-	-	-	-	-	-
Community Planning	24.60	22.93	21.03	24.13	26.88	33.63	45.80	43.80	43.60	43.60
Redevelopment Authority	14.00	13.90	14.00	-	-	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Urban Design	-	-	-	-	-	-	-	-	-	-
Information Management	22.00	21.80	23.00	22.00	23.00	23.50	24.60	25.60	27.60	27.80
County-Wide Planning	30.60	29.80	31.00	32.00	34.00	35.50	42.00	39.50	46.00	46.00
Information Center	22.70	21.00	20.00	22.00	22.00	23.50	25.00	27.00	-	-
Total County Planning and Zoning	169.10	164.73	165.73	156.73	167.48	178.53	201.10	204.60	204.20	204.40
Park Operations and Maintenance:										
Office of the Director	33.20	34.70	40.70	39.70	39.70	39.70	25.10	27.50	4.00	4.00
Administrative Services	-	-	-	-	-	-	-	-	16.10	15.10
Public Affairs and Marketing	-	-	-	-	-	-	-	-	12.00	15.00
IT & Communications	-	-	-	-	-	-	15.20	-	16.20	15.00
Park Police	123.40	123.40	124.20	124.20	129.80	130.80	137.60	143.50	146.50	151.50
Park Planning and Development	48.00	48.00	47.00	47.00	48.00	51.00	52.00	61.00	61.00	61.00
Facility Operations	233.00	232.50	234.50	235.50	243.50	243.50	250.50	271.60	269.50	266.50
Area Operations	202.00	202.10	204.10	204.10	219.60	219.60	228.10	240.10	240.10	249.10
Total Park Operations and Maintenance	639.60	640.70	650.50	650.50	680.60	684.60	708.50	759.90	765.40	789.40
Recreation Programs:										
Director's Office	3.00	3.00	3.00	8.00	8.00	9.50	9.50	19.50	-	-
Administrative Services	-	-	-	-	-	-	-	-	20.50	18.50
Public Affairs and Marketing	-	-	-	-	-	-	-	-	3.00	2.00
Administration and Development	-	-	-	-	-	-	-	2.00	2.00	2.00
IT & Communications	-	-	-	-	-	-	9.00	9.00	9.00	-
Facility Operations	161.00	159.60	157.60	157.60	159.10	161.10	160.70	164.70	217.30	226.50
Area Operations	476.60	473.00	472.00	622.40	644.10	654.60	670.60	718.30	700.30	733.30
Total Recreation Programs	640.60	635.60	632.60	788.00	811.20	825.20	849.80	913.50	952.10	982.30
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	217.50	217.50	210.50	209.50	207.50	215.50	218.00	213.00	202.00	200.50
<b>Total Workyears</b>	1,744.25	1,735.13	1,735.03	1,880.43	1,943.98	1,983.18	2,060.05	2,177.90	2,209.10	2,260.35

Source: The Park and Planning Commission Adopted Annual Budget, various years

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Operating Indicators by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
General Government, Commission-Wide:										
Number of Positions Advertised	175	200	200	362	325	400	350	376	109	60
Number of Vendors in Directory	14,165	15,171	16,015	17,014	17,741	18,481	19,514	20,593	14,048	14,974
Number of MFD Vendors in Directory	1,549	1,772	2,094	2,551	2,818	3,028	3,383	3,747	3,830	4,182
<b>County Planning and Zoning:</b>										
Number of Master & Sectional Map Amendment Plans Completed	3	8	9	12	6	7	-	4	4	2
Number of Regulatory Planning Reviews	n/a	26	30	35	35	38	120	124	220	254
Number of Transportation Studies	125	53	46	56	52	40	39	40	26	29
Number of Site Plan and Project Plans Reviews	68	135	107	142	109	160	na	na	na	76
Number of Daily Website Visits	n/a	n/a	1,963	2,000	2,800	3,000	3,080	3,624	3,439	4,190
Number of GIS Updates	n/a	2,086	2,500	1,805	2,140	2,400	5,697	14,576	23,602	18,537
<b>Park Operations and Maintenance:</b>										
Number of Park Permits Issued	9,282	9,239	9,505	9,475	9,475	9,547	9,882	9,014	8,003	8,753
Number of Playground Renovations Completed	9	2	14	16	6	6	10	12	7	2
Total Acres of Parkland Acquired	529	1,031	224	407	310	480	297	140	877	59
Trees Planted for Reforestation Projects	n/a	2,000	1,200	1,300	1,512	1,295	1,100	1,581	1,642	1,797
Major Maintenance Requests Completed	n/a	32	30	33	146	184	240	84	172	85
Service Requests Completed	3,900	5,463	5,300	5,569	5,812	6,830	7,104	7,798	8,556	6,432
Number of Customers Attending Nature Programs	n/a	n/a	n/a	35,225	30,355	45,808	46,700	37,877	45,248	34,533
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	398,664	418,318	426,493	440,235	459,863	449,007	408,746	390,336	424,638	427,854
Number of Indoor Tennis Customers	145,511	159,869	155,604	140,760	139,839	132,801	58,510	96,103	121,715	122,049
Number of Park Facilities Customers	526,628	358,668	494,563	520,097	496,112	569,315	490,220	422,565	500,679	588,464
Number of Conference Center Customers	31,191	32,301	31,873	37,466	39,153	29,964	30,359	27,729	31,834	28,455

Source: The Park and Planning Commission Proposed Annual Budget, various years  
n/a - not available.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities</b>										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	113	157	214	214	163	70	152	50	90	52
Number of New Zoning Applications	98	88	71	76	90	59	53	42	54	45
Number of Help Desk Requests Completed	1309	1986	2240	2030	2770	2450	2900	3843	3714	3600
Number of GIS Requests Delivered	175	212	212	240	206	200	211	228	213	200
Number of Transportation Referrals Received	414	338	369	303	318	346	282	192	151	128
Number of Environmental Referrals Received	1174	1441	1791	1783	2355	1923	1323	944	550	550
Number of Walk-in Customers Served	7,106	n/a	7165	7100	10149	7000	7269	6417	7000	7500
Number of Telephone Calls Responded to	11,215	n/a	10911	10911	9645	11000	8128	4440	5000	5500
<b>Park Operations and Maintenance:</b>										
Number of Nature Education Attendees	44,968	39,193	91,320	152,817	152,346	167,372	160,799	165,500	n/a	n/a
Number of Museum Visitors (College Park Airport)	42,000	53,000	76,331	77,246	88,019	65,772	60,331	68,000	n/a	n/a
Number of Commission Facility Permits Issued	5,300	5,400	4,876	5,494	4,363	4,521	4,600	4,700	n/a	n/a
Number of Historic Property Rentals	458	706	663	566	596	609	752	763	779	n/a
Acres of Grass Mowed	5,092	5,582	5,698	6,040	6,450	6,600	7,100	7,550	7,595	n/a
Number of Park acres	n/a	n/a	n/a	n/a	n/a	n/a	26,776	26,998	27,188	27,826
Number of completed Capital Improvement projects	n/a	n/a	n/a	n/a	n/a	n/a	36	32	49	50
Number of picnic shelters rentals	n/a	n/a	n/a	n/a	n/a	n/a	972	936	928	926
Number of ADA Accommodations	n/a	n/a	n/a	n/a	n/a	n/a	1,400	1,500	1,600	1,700
Number of Community Sponsored Events	n/a	n/a	n/a	n/a	n/a	n/a	112	131	262	286
Number of activities for fee assistance clients	n/a	n/a	n/a	n/a	n/a	n/a	1,400	1,750	2,000	2,150
<b>Recreation Programs:</b>										
Number of Museum Visitors (Historic Sites)	22,400	33,718	34,030	42,246	51,155	48,194	47,336	49,000	n/a	n/a
Number of Youth Sports Participants	18,000	18,000	20,000	18,000	15,400	13,000	12,000	12,800	14,933	n/a
Total Aquatics Activities Attendance	298,871	222,835	275,772	271,834	284,844	295,242	290,000	291,000	65,403	n/a
Total Community Center Classes Conducted	1,983	4,000	4,877	4,699	5,078	5,387	6,866	5,650	11,901	n/a
Total Youth registered for recreation programs	n/a	n/a	214,422							
Total Seniors registered for recreation programs	n/a	n/a	90,662							
Number of program youth volunteers	n/a	n/a	n/a	n/a	n/a	n/a	1,400	1,500	2,600	2,900
Number of Art class registrants	n/a	n/a	n/a	n/a	n/a	n/a	2,400	2,500	2,900	3,100
Number of Therapeutic Recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	362	375	425	430
<b>Business-Type Activities</b>										
<b>Recreational and Cultural Facilities</b>										
Number of Rounds of Golf	110,650	88,561	89,102	91,867	90,556	81,274	84,558	94,000	n/a	n/a
Number of Fitness Center Class Participants	9,000	22,000	22,000	23,500	26,000	26,500	28,000	26,500	10,867	n/a
Number of Ice Rink General Admissions	11,360	11,700	16,800	27,900	27,000	24,355	36,564	31,000	4,753	n/a
Number of Attendance (Show Place Arena)	227,925	216,061	253,446	268,304	277,295	278,147	240,840	226,652	n/a	n/a
Number of Attendance (Equestrian Center)	30,900	41,806	36,941	37,735	38,562	37,122	35,315	27,821	n/a	n/a
Number of Fitness center memberships	n/a	n/a	n/a	n/a	n/a	n/a	3,725	4,046	n/a	4,100
Number of swimming classes	n/a	n/a	n/a	n/a	n/a	n/a	12,843	13,700	14,385	15,105
Number of event days at Show Place Arena	n/a	n/a	n/a	n/a	n/a	n/a	204	175	184	173

Source: The Park and Planning Commission Proposed Annual Budget, various years  
n/a - not available

The Maryland-National Capital Park and Planning Commission

TABLE T-18

Capital Asset Statistics by Function  
Last Seven Fiscal Years (1)

	2005	2006	2007	2008	2009	2010	2011
<b>COMMISSION-WIDE</b>							
<b>Governmental Activities</b>							
General Government:							
Office Building	1	1	1	1	1	1	1
<b>MONTGOMERY COUNTY</b>							
<b>Governmental Activities</b>							
County Planning and Zoning:							
Office Building	1	1	1	1	1	1	1
Park Operations and Maintenance:							
Athletic Fields	356	356	360	361	359	363	363
Basketball Courts	159	173	173	208	208	207	207
Campsites	102	102	102	102	102	102	102
Dog Parks	-	3	4	4	4	4	5
Historic Buildings	27	27	27	27	27	27	45
Office Building	13	13	13	13	13	13	13
Picnic Shelters	131	131	190	191	194	193	132
Playgrounds	249	255	284	290	291	291	291
Recreation Buildings	32	32	32	32	31	31	31
Rental Buildings	61	61	61	61	61	61	49
Skateboard Park	-	-	1	1	1	1	1
Tennis Courts	139	153	153	305	305	305	305
<b>Business-Type Activities</b>							
Recreational and Cultural Facilities:							
Antique Carousel	1	1	1	1	1	1	1
Conference Centers	3	3	3	3	3	3	5
Equestrian Centers	5	5	5	5	5	5	5
Golf Courses (2)	4	4	-	-	-	-	-
Ice Rinks	2	2	2	2	2	2	2
Indoor Tennis Facilities	2	2	2	2	2	2	2
Miniature Trains	2	2	2	2	2	2	2
Miniature Golf Course	-	1	1	1	1	2	1
Splash Park	-	1	1	1	1	1	1
<b>PRINCE GEORGE'S COUNTY</b>							
<b>Governmental Activities</b>							
Park Operations and Maintenance:							
Office Building	14	14	14	14	14	14	14
Recreation Buildings	24	24	24	25	25	25	26
Picnic Shelters	86	86	87	88	88	88	88
Playgrounds	209	209	223	227	227	227	228
Athletic Fields	380	380	383	389	390	390	390
Tennis Courts	160	160	161	163	163	163	163
Basketball Courts	211	211	211	213	214	214	214
Recreation Programs:							
Historic Buildings	15	15	15	15	15	15	15
Community Centers	29	29	30	30	30	30	31
Swimming Pools	10	10	10	10	10	10	11
<b>Business-Type Activities</b>							
Recreational and Cultural Facilities:							
Ice Rinks	2	2	2	2	2	2	2
Golf Courses	3	3	3	3	3	3	3
Tennis Bubbles	2	2	2	2	2	2	2
Equestrian Center	1	1	1	1	1	1	1
Sports and Learning Complex	1	1	1	1	1	1	1
Trap and Skeet Range	1	1	1	1	1	1	1
Marina	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1

(1) Data for 2002-2004 not readily available

(2) The four Montgomery County golf courses have been leased to the Montgomery County Revenue Authority as of October 2006.

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-19

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	2011			2002		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	29,700	1	6.35 %	34,600	1	7.42 %
Montgomery County Public Schools	22,016	2	4.71	19,759	2	4.24
U.S. Department of Defense	12,690	3	2.71	13,030	3	2.80
Montgomery County Government	8,849	4	1.89	10,238	4	2.20
U.S. Department of Commerce	8,250	5	1.76	6,500	5	1.39
Marriott International, Inc. (Headquarters)	5,441	6	1.16	-	-	-
Adventist Healthcare	5,310	7	1.14	6,000	6	1.29
Lockheed Martin	4,745	8	1.01	3,896	10	0.84
Verizon	3,842	9	0.82	4,700	8	1.01
Giant Food Corporation	3,392	10	0.73	4,900	7	1.05
Chevy Chase Bank	-	-	-	4,700	8	1.01
<b>Total</b>	<b>104,235</b>		<b>22.28 %</b>	<b>108,323</b>		<b>23.25 %</b>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2010 (1)			2001 (1)		
	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
United Parcel Service	4,220	1	0.94 %	2,300	3	0.47 %
Giant Food, Inc.	3,600	2	0.80	6,152	1	1.27
Verizon	2,738	3	0.61	-	-	-
Dimensions Health Corporation	2,500	4	0.56	2,100	4	0.43
Gaylord National Resort and Convention Center	2,000	5	0.45	-	-	-
Shoppers Food Warehouse	1,975	6	0.44	1,975	6	0.41
Safeway Stores, Inc	1,605	7	0.36	2,400	2	0.49
Chevy Chase Bank	1,456	8	0.32	-	-	-
Target	1,400	9	0.31	-	-	-
Doctor's Community Hospital	1,300	10	0.29	-	-	-
Southern Maryland Hospital Center	1,300	10	0.29	1,300	7	0.27
Bell Atlantic Corp/Verizon	-	-	-	2,030	5	0.42
Raytheon Systems Company	-	-	-	1,300	8	0.27
Computer Science Corp	-	-	-	1,200	9	0.25
Aetna U.S. Healthcare, Inc.	-	-	-	1,100	10	0.23
<b>Total</b>	<b>24,094</b>		<b>5.37 %</b>	<b>21,857</b>		<b>4.51 %</b>

Note:

(1) In 2011, Information is not yet available. The number of employees in FY 2001 is provided for the ten year comparison.

Source: Montgomery County and Prince George's County Governments.

**THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

**SUPPLEMENTAL ENTERPRISE INFORMATION**

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2011

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 502,697	\$ 337,771	\$ 4,271,054	\$ 1,491,700	\$ 2,951,777	\$ 9,554,999
Operating Expenses Before Depreciation	590,510	130,673	3,436,466	1,131,552	2,325,016	7,614,217
Operating Income (Loss) Before Depreciation	(87,813)	207,098	834,588	360,148	626,761	1,940,782
Depreciation	33,056	440,175	669,944	40,109	111,227	1,294,511
Operating Income (Loss)	(120,869)	(233,077)	164,644	320,039	515,534	646,271
Nonoperating Revenues (Expenses)	-	(62,591)	(105,043)	6,869	8,038	(152,727)
Net Income (Loss)	\$ (120,869)	\$ (295,668)	\$ 59,601	\$ 326,908	\$ 523,572	\$ 493,544

PRINCE GEORGE'S COUNTY

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Skeet Center	Sports and Learning Complex	Bladensburg Marina	Totals
Operating Revenues	\$ 170,524	\$ 1,381,005	\$ 2,320,645	\$ 584,232	\$ 338,932	\$ 1,412,935	\$ 3,178,431	\$ 53,066	\$ 9,439,770
Operating Expenses Before Depreciation	429,815	3,894,449	3,491,897	1,502,999	1,037,736	1,456,974	7,182,736	620,895	19,617,501
Operating Income (Loss) Before Depreciation	(259,291)	(2,513,444)	(1,171,252)	(918,767)	(698,804)	(44,039)	(4,004,305)	(567,829)	(10,177,731)
Depreciation	166,466	639,442	112,681	132,114	32,511	4,430	1,157,871	60,074	2,305,589
Operating Income (Loss)	(425,757)	(3,152,886)	(1,283,933)	(1,050,881)	(731,315)	(48,469)	(5,162,176)	(627,903)	(12,483,320)
Nonoperating Revenues (Expenses)	868	2,675	-	-	3,703	-	5,819	3,657	16,722
Transfers In (Out)	242,800	2,458,000	997,250	857,500	645,700	59,200	4,213,100	316,000	9,789,550
Net Income (Loss)	\$ (182,089)	\$ (692,211)	\$ (286,683)	\$ (193,381)	\$ (81,912)	\$ 10,731	\$ (943,257)	\$ (308,246)	\$ (2,677,048)

Source: The Maryland-National Capital Park and Planning Commission, Finance Department

## **ACKNOWLEDGMENTS**

The following individuals contributed to the preparation of this Comprehensive Annual Financial Report:

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Dolente Thomas  
Marquia L. Tillery  
John Williams  
Mary L. Williford

## **Photo Index**

### **Cover:**

The Laurel-Beltsville Senior Center

### **Page 9:**

A child participates in Astronomy Day at Black Hill Visitor Center. Children and adults learned about sunspots, satellites and the night sky...Montgomery Parks offers a number of unique tennis classes and programs for children...Children participate in "Kid Fishing Day" at Black Hill Regional Park. Participants win prizes for the biggest, smallest and greatest number of fish...A child enjoys activities offered at Monarch Fiesta Day, held at Black Hill Visitor Center. The event celebrates monarch butterflies with educational programs, crafts, story times and more...Chair Exercise at Camp Springs Senior Activity Center...Park Police visit with a mother and her son...Mid Atlantic Regional Quad Rugby Tournament.

### **Photo Credits:**

Cassi Hayden (Prince George's County): Cover, pages 9, 20, 110, and 118

Francine Bethea (Montgomery County): pages 1, 9, 106, 114, and 122.

Vicki Scuri (Independent): page 1.



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The Maryland-National Capital  
Park and Planning Commission



8787 Georgia Avenue  
Silver Spring, Maryland 20910  
14741 Governor Oden Bowie Drive  
Upper Marlboro, Maryland 20772

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