

THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION



Comprehensive Annual Financial Report  
For the Fiscal Year ended June 30, 2002

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

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

**For the Fiscal Year Ended June 30, 2002**

**Commissioners**

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Arthur Holmes, Jr., Vice Chairman of the Commission  
James M. Brown  
Allison Bryant  
William M. Eley, Jr.  
George H. Lowe, Jr.  
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Trudye Morgan Johnson, Executive Director  
Patricia Colihan Barney, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

**Department Directors**

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Fern V. Piret, Prince George's County Director of Planning  
Marye Wells-Harley, Prince George's County Director of Parks and Recreation  
Trudye Morgan Johnson, Department of Human Resources and Management  
Patricia Colihan Barney, Department of Finance  
Adrian R. Gardner, Legal Department

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

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Keith R. Phillip, Cash Management  
John W. Waddell, Information Technology

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♦ PART I ♦

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INTRODUCTORY SECTION

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Canoeists paddle the Anacostia River near the shores of Bladensburg Waterfront Park





THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

October 14, 2002

#### Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2002 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 results of operations of the 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 valuation of costs and benefits requires estimates and judgments by management.

The Comprehensive Annual Financial Report is presented in three sections: Introductory, Financial and Statistical. The Introductory Section includes this transmittal letter, the Commission's background and organization, and the Commission's program highlights. The Financial Section includes the basic financial statements, and the combining and individual nonmajor fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. As part of the Financial Section, GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Commission's MD&A can be found immediately following the report of the independent auditors. The Statistical Section includes selected financial and demographic information, generally presented on a multi-year basis.

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of KPMG 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, 2002 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, 2002 are fairly presented in conformance with GAAP. The independent auditors' report is presented as the first component of the Financial Section of this Report.

The Commission is normally 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 this year because of the relatively low level of federal grant awards received by the Commission.



The Commission is also required to file a Uniform Financial Report with the Maryland State Department of Legislative Services by November 1 of each year.

### **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 as Note 6 in the basic financial statements.

The Commission maintains an internal auditing division that reports to the Secretary-Treasurer. 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 and the Commission's conservative fiscal management policies. The assessable bases in both counties continue to experience modest growth, and collections, including interest and penalties as a percent of the levy, are consistently above 99%. The Commission prepares quarterly and long-term financial projections to help guide current year and future years' expenditures based upon anticipated revenue sources. In addition, the Commission adopted a comprehensive fund balance policy in fiscal year 2000 to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. The Commission's fiscal year 2002 General Fund budget basis ending fund balance was in excess of \$40 million.

Along with the Commission's internal financial management policies, spending affordability guidelines continue to be provided by Montgomery County Government and will be provided by Prince George's County Government starting with the fiscal year 2004 budget. More detailed information on the financial outlook is provided in the Management's Discussion and Analysis section of this Report.

### **Major Initiatives**

The Commission enjoyed an excellent program year in fiscal year 2002. The major accomplishments of the Commission are set forth in the Program Highlights section of this Report.

### **Cash Management**

The Commission actively manages a cash and investment program. The primary objectives of the program are the preservation of capital, providing liquidity to meet financial obligations, and the maximization of investment return consistent with the risk limitations and investment guidelines per the Commission's investment policy. Commission investments are limited to those authorized by the Annotated Code of Maryland and the Commission's investment policy.



The Commission's accounting system operates under a pooled cash fund concept. This method reduces the efforts needed to manage cash and investments since bank accounts and investments are consolidated in a Treasurer's Fund instead of having separate bank accounts and investments for each fund. Investments of the Treasurer's Fund earned interest income of \$3,137,000 during fiscal year 2002. The average rate of return on the Commission's cash and investments during fiscal year 2002 was 2.38%.

### **Risk Management**

The Commission is a participant in the Montgomery County Self-Insurance Program (the "Program") and is therefore self-insured for most claims filed by third parties. The Commission has an in-house Risk Management and Safety Office which develops and implements the internal loss control program to reduce workplace accidents and injuries. Commercial policies provide further liability and property loss coverage for claims arising out of real and personal property damage (over \$100,000), operation of a public airport, and other specific items of personal property.

### **Pension and Other Post Employment Benefits**

The Commission sponsors a single employer defined benefit pension plan, The Maryland-National Capital Park and Planning Commission Employees' Retirement System (ERS), included in this report as the Employees' Retirement Pension Trust Fund. Each year an independent actuary engaged by the ERS calculates the amount of the annual contribution that the Commission must make to ERS to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the Commission fully funds each year's annual required contribution as determined by the actuary. As a result of this conservative funding policy, the Commission has succeeded, as of July 1, 2001 in funding 129.9% of the actuarially accrued liability to employees.

The Commission also provides health and dental care benefits for certain retirees and their dependants. At the end of the fiscal year, 503 retired employees received these benefits, which are financed on a pay-as-you-go-basis. GAAP does not require governments to report a liability in the financial statements in connection with an employer's obligation to pay these benefits. The Commission has elected to establish a trust fund for payment of future benefits. Amounts placed here are not based on any actuarial studies. No contributions were made to this fund in 2002. The fund had net assets of \$8,844,000 at June 30, 2002. Benefits for 2003 are to be paid by this fund.

### **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, 2001. 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.

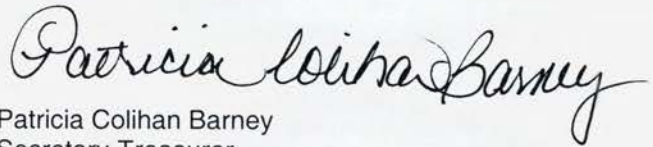
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2002. 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 the Accounting Division staff. Thanks also are extended to the members of the Montgomery County Park and Planning Department and the Prince George's County Parks and Recreation Department for their significant help in the asset analysis required to properly implement Governmental Accounting Standards Board Statement No. 34, *"Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments."* 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,

A handwritten signature in cursive script that reads "Patricia Colihan Barney". The signature is written in dark ink and is positioned above the printed name and title.

Patricia Colihan Barney  
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, 2001

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.



*Thomas A. Bauer*  
President

*Jeffrey L. Esser*  
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.

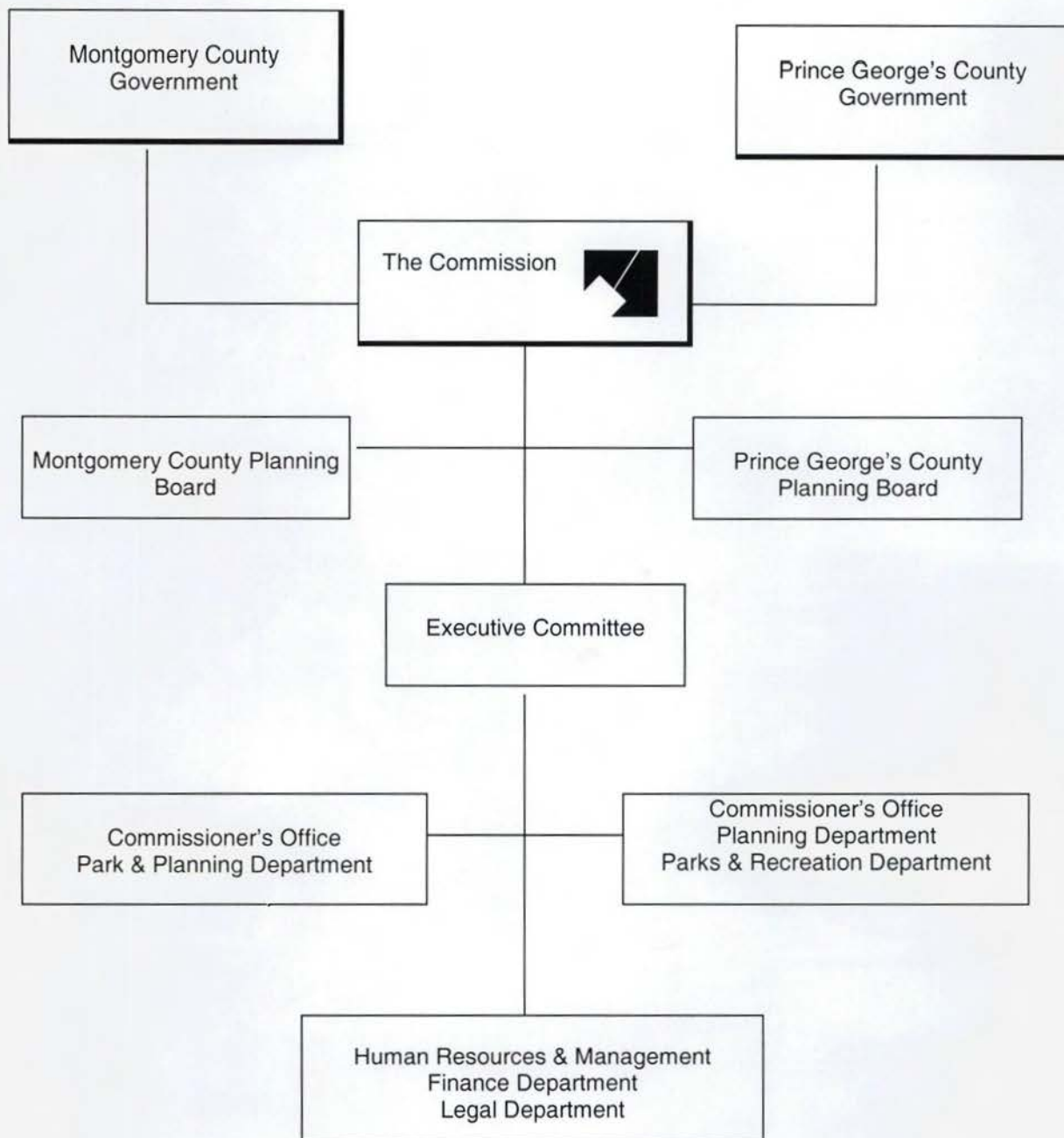
The Commission consists of ten members, five appointed by Montgomery County and five by Prince George's County. In Montgomery County, all five of the Commissioners are appointed by the County Council and confirmed by the County Executive. Montgomery County Commissioners may not be appointed for more 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 which currently contains over 54,700 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,052 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









## **Program Highlights**

### **Celebrating 75 Years of "Turning Visions Into Reality"**

Calendar year 2002 proved to be a very special time for The Maryland-National Capital Park and Planning Commission, its employees, and the residents of the bi-county region it serves, as the agency celebrated its 75<sup>th</sup> Anniversary! This milestone provided an opportunity for all to join in celebrating both the Commission's past and present accomplishments, as well as its future promise. To reflect this two-fold celebration, a special anniversary logo and slogan, "Turning Visions Into Reality," were adopted and used widely. The Commission launched a variety of anniversary-themed special events and activities for the community. More than 7,000 citizens attended Open House celebrations to learn about the Commission and its services; hundreds signed up as members of the "75 mile club", an incentive program for trails users; scores of families enjoyed special promotions at a July "75 Weekend" featuring reduced rates at selected facilities; and still more citizens viewed and enjoyed a special anniversary exhibit of photos and memorabilia at a variety of locations throughout Prince George's and Montgomery Counties. As part of its anniversary observance, the Commission also hosted its first-ever "all staff" workshop, to educate and train staff on the effect the Commission's work has had on the community and the effects that expected changes in demographics and in society will have on the Commission's operations in the future.

In this anniversary year, as always, the Commission continued its reputation for excellence by developing and delivering quality award-winning projects and programs in planning, parks and recreation services for the citizens of the bi-county area, while keeping within strict funding guidelines. Ongoing efforts to identify and nurture business and community organizations continued, resulting in new and expanded sports fields and recreational facilities and additional parkland acquisition. The Commission also proceeded with a number of technological improvements and enhancements to reinforce its commitment to quality customer service. In recognition of innovative and outstanding achievements, the agency again received numerous awards from national, regional, and statewide organizations, including the National Association of Counties and the National Association of County Information Officers; the American Planning Association's National Capital Area Chapter; the National Recreation and Park Association; and the Maryland Recreation and Parks Association, and for the second year in a row, received the "Workplace Excellence Seal of Approval" from the Montgomery Work-Life Alliance.

### **Montgomery County Department of Park and Planning**

**Protecting Important Open Space for the Future:** Legacy Open Space is a bold initiative that has identified irreplaceable and unprotected natural and cultural features and acquires or otherwise protects those properties. Through the implementation of this newly adopted Master Plan, the Commission acquired the 800-acre Hoyles Mill property using state funds. This was the largest single addition to the park system in the 75-year history of the Commission. Part of the unique Shale Barrens area near Dickerson was also acquired. To maintain the rural entranceway into historic Sandy Spring, the Red Door Store property was also put under contract for acquisition. Additional priority properties listed in the Master Plan are currently under negotiation.

**Keeping Montgomery County Moving:** As the source of transportation forecasting for the County, the Department continues to strive for the best approaches to knowledge-based decision making that the profession has to offer. The Department is moving to a GIS database to display and analyze both intersections and road link forecasts. Staff is investigating a new transportation model, which will permit average daily traffic forecasts and permit changes in the regional network to be put into the model efficiently. At the same time, staff supports all requests from the County Council, and Community-Based Planning and Development Review Divisions for transportation analysis.

**Promoting Development Patterns Concurrent with Environmental Protection:** Fragile environmental areas coexist with areas of the County where future development will occur. Ongoing master plans for the Upper Rock Creek, Damascus and Potomac areas include regulatory guidelines that sustain and



improve ecological systems and environmental quality. As the lead agency for the Forest Conservation Ordinance, the Department recommended amendments to existing law to ensure the intent of the law is carried out and that unnecessary regulatory submissions are eliminated. The County Council has now adopted those changes. Increasing the survival rate of reforested areas and retaining existing forests are principal areas of the law that needed revision. Each year, the forest conservation program is responsible for planting trees on 600 acres, and the Park system grows native trees for reforestation projects along streams. Throughout the park system, a major campaign is underway to upgrade maintenance yards to meet new environmental regulations.

**Conserving our Past:** The Department's commitment to historic preservation is evident in its leadership role in Heritage Tourism. By next year, this plan will be up for adoption to reinforce the conservation and interpretation of significant historic resources in the County. We continue to work through the Locational Atlas of Historic Sites as the Planning Board reviews master plans. Work continues on an amendment to the Master Plan of Historic Preservation to consider designating additional historic sites in the Olney area.

**Streamlining the Development Approval Process:** The Department is now implementing the new development review tracking and information system to improve the tracking and monitoring of development applications, eliminating redundant data entry required for older, stand-alone systems. Advancements continue to be made with the integration of Geographic Information System (GIS) mapping and development applications. Staff continues to work with the area's building industry association to make additional improvements to the development approval process.

**Planning for Metro Station Areas:** A compact pattern of intense development in Metro Station areas is the result of more than 30 years of careful planning. In recent years, planning work has been concentrated in the more mature areas of Silver Spring, Friendship Heights and Bethesda Central Business Districts. The Department continues to address the challenges for other areas including the Wheaton Central Business District and the Grosvenor, White Flint, Twinbrook and Shady Grove areas.

**Strategies for Older Communities:** Recent master plans for Kemp Mill, North Silver Spring, Takoma Park and East Silver Spring developed strategies to maintain and support older communities. These strategies include establishing regulatory standards to encourage improvement of existing neighborhood commercial centers, improving bicycle and pedestrian connections throughout existing communities and reducing the impact of highways on existing residential and commercial areas through community design.

**Supporting Employment Center Development in the I-270 Corridor:** Beginning with the County's 1969 General Plan, the I-270 Corridor has been the focus of employment and economic development. Infrastructure investment has been directed to this area to accommodate the intensity and diversity of land uses envisioned for the Corridor. The I-270 Corridor is in intense competition with other jurisdictions in the Washington metropolitan area and across the country. Planning work is directed toward strengthening and supporting the important employment needs and includes providing for affordable housing, balancing the mix of jobs and housing, supporting transportation improvements, and providing transit options.

**Encouraging Improvement to Commercial Centers:** Existing commercial centers in Montgomery County provide an employment base and revenue that support the services and facilities supplied to residents. Recent planning for these centers accommodates a greater mix of uses connected by pedestrian paths for workers and nearby residents. New overlay zones, revised parking standards, and new street standards have been created to improve these commercial centers.

**Protecting Rural Communities:** Montgomery County is experiencing a substantial increase in rural development. Accordingly, the planning work includes methods to enhance and preserve the rural landscape, maintain the viability of the agricultural economy, and protect the character of rural communities, including the creation of new subdivision regulations, new street standards, and revised sewer policies.

**Geographic Information Systems:** The GIS team's work program for FY02 has focused on access to the GIS through the Internet and database development and maintenance. Projects include the web-based application "Where Am I?," finalization of zoning coverage, and updating the park property books.



**Research Activities:** In fiscal year 2002, research activities included: the annual update of the economy study, analysis and reporting of Census 2000 data, demographic and market studies in support of two master plans, staff support of initiatives to strengthen the MPDU program, the 2001-2003 Annual Growth Policy *Policy Element*, and a complete redesign of the Planning Board's website ([www.mc-mncppc.org](http://www.mc-mncppc.org)) with many new features.

**Parks' Capital Improvements Program (CIP):** Significant accomplishments include opening Nike Local Park, reconstructing Rosemary Hills Local Park, replacing play equipment at six playgrounds, opening South Germantown Recreational Park's Adventure Playground and picnic area, and repairing twelve vehicular bridges and three parking lots. Other CIP funded completions include building or extending hiker/biker trails in nine park locations throughout the county, adding restrooms at Cabin John and Rock Creek Regional Parks, providing storage bins for Brookside Gardens, and adding ballfield lighting at Blake High School. Construction began on Ridge Road Recreational Park Phase II, Seneca and Rachel Carson Trails, Little Falls Road resurfacing, East Wayne Avenue Pedestrian Bridge replacement, Rock Creek Trail improvements, Manor Oaks Local Park parking lot, and Capital Crescent Trail connector.

**Land Acquisition:** Including the Legacy Open Space properties mentioned previously, parkland acquisitions totaled nearly 1,150 acres in fiscal year 2002, bringing the total acreage managed in Montgomery County parks to more than 31,700 acres. Properties acquired as additions to existing parks included lands in the Upper Paint Branch Watershed, Great Seneca and Reddy Branch Stream Valleys, Ten Mile Creek Greenway, South Germantown Recreational, Northwest Branch and Rock Creek Stream Valleys, and Little Seneca Stream Valley, to name a few. Several acquisitions represented initial purchases in new parks that did not exist prior to the fiscal year. These included the Hoyles Mill Special Protection Area, the River Road Shale Barrens, and Seneca Springs Local Park.

**Public Private Partnerships:** The Department continues to engage in public/private partnerships with various non-profit groups and/or individuals creating new and expanded recreational facilities within the parks system. Examples include the recent proposal for new baseball stadium facilities at Blair High School and at the Ridge Road Recreational Park by the Maryland Community Baseball/Blair Boosters and the Germantown Black Rocks; and the development of baseball field #2 in Cabin John Regional Park into an improved junior league baseball stadium with an underground irrigation system, 50 stadium style seats, and dugouts. In addition, the Red Wiggler Foundation has developed an environmentally sensitive vegetable farming operation for physically and mentally challenged children at Ovid Hazen Wells Special Park.

**Volunteers:** During the past year, the Volunteer Services Office coordinated volunteers who built a section of the Seneca Creek Greenway Trail, provided 1,121 hours of service to the Annual Harvest Festival at the Agricultural History Farm Park, and greeted and guided the public on a "Not So Scary Night Hike" at Brookside Nature Center. For Montgomery County Community Service Day, 1,200 volunteers cleaned trash and debris from County watersheds. Volunteers also contributed to Emancipation Day at Oakley Cabin and the Garden of Lights Show, a three-month long display at Brookside Gardens. This year alone, the Volunteer Services Office coordinated 80 group volunteer programs, including 4,045 volunteers who provided 42,520 hours of service.

**Park Safety:** The Department recently reached a cooperative agreement with the Department of Public Works & Transportation to provide speed management improvements on Sligo Creek Parkway. Included in the agreement are: new traffic signage, increased Park Police enforcement equipment, and construction of speed tables along the five-mile segment of the parkway to slow and/or stop speeding. This parkway safety initiative will be duplicated along Beach Drive and Little Falls Parkway as well.

**Enterprise Fund:** The Park Enterprise Fund accounts for the operations of numerous recreational and cultural facilities and programs, which are entirely or predominantly supported by user fee revenue. Due to the self-sustaining nature of the Fund, Enterprise facilities and operations provide County residents with a diverse selection of recreational opportunities with no impact on the tax-supported operating or capital budgets. Among the capital projects completed with the cumulative net income from Enterprise operations are Little Bennett Golf Course, Cabin John and Wheaton Ice Rinks. The new miniature golf courses and splash playground at South Germantown Recreational Park were partially funded by the Enterprise Fund.



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

**Meeting Community Needs:** The Department of Parks and Recreation enjoys a long-standing reputation for being a leader in the leisure field. It is nationally recognized for the delivery and management of the best parks and recreation services, facilities, and programs to more than 811,000 residents of the county. Meeting the needs of an ever-growing and diverse population is accomplished by highly trained, creative staff members, including the recent addition of professional Grants and Volunteer Coordinators. In the past year alone, the Volunteer Services Office placed more than 1,000 teen volunteers in summer programs and more than 10,000 year-round volunteers.

**Enhancing the Parks System:** This past year, the Department moved forward with projects designed to enhance the park system of more than 23,00 acres: the construction of the Lake Arbor Community Center located in the fast-growing central area of the county; the opening of the Patuxent Community Center; major renovations of heavily used facilities, including Allentown Fitness and Splash Park, Temple Hills Community Center, and the Tucker Road Ice Rink; continuing improvements to the Show Place Arena, and the Sports and Learning Complex; acquisition of 720 acres of parkland; and the award of \$2 million in Rural Legacy Funds to acquire farmland for preservation purposes. The Department also undertook completion, construction, and/or design of the parks and recreation component of the community park-school initiatives, including: completion of the East Central Middle and Hill Road school facilities and the Patuxent Elementary gymnasium addition; on-going construction of Oakcrest/Greater Capitol Heights, Suitland Hil-Mar, Cora Rice Elementary, G. James Gholson Middle, and Ernest Everett Just Middle Park Schools; and design of Fort Washington Forest and North Forestville Gymnasiums.

**Improving Service Through Technology:** The Department launched an initiative of a department-wide automated CLASS registration program designed to assist the public in finding classes and activities with ease, and to register for these either online, or by telephone. The Department's established web site ([www.pg parks.com](http://www.pg parks.com)) continued to be enhanced, and offered vast amounts of information to the public with the click of a mouse.

**Staging Outstanding Community Events:** The tragic events of 9/11 resulted in the cancellation of two heavily attended mid-September events, the College Park AirFair, and the annual Hispanic Festival. However, thousands of people attended other crowd pleasing events like the 21<sup>st</sup> annual Kinderfest, the Montpelier Spring Festival, Marlboro Day, and the 5<sup>th</sup> annual Teen Cotillion, and over 112,000 visitors were dazzled by the holiday light displays at the Winter Festival of Lights at Watkins Regional Park.

**Furnishing Recreational Opportunities for All:** Thousands of community recreation programs were offered to meet the interests of all ages. Inclusion services designed to mainstream people with disabilities into existing programming served numerous participants, and offered opportunities for activities ranging from dance to leisure skill development. Teen and senior centers, day camps and summer playgrounds, offered a wide variety of recreation classes, including "extreme" theme classes and trips for all ages. Off-site trips and excursions again proved exceptionally popular and well subscribed. Countless fitness enthusiasts took part in a full offering of sports and leisure time activities at all facilities, enjoying the best in golf, swimming, tennis, weightlifting, and a wide variety of other activities. Hikers, bikers, joggers, rollerbladers, equestrians, and other trails enthusiasts made full use of the extended trail system, taking them through pristine areas of the county, with transition points to mass transit and major shopping.

**Providing Quality Child Care Services:** The Prince George's Employees' Child Care Center in Upper Marlboro, and the child care facility at Glenridge Elementary School, operated at full capacity and continued to serve as models for child care providers and facilities across the nation. Facilities staff continued to lend their expertise as board members and presenters to various child care organizations. The Department carried its commitment to child care further by providing 99,000 lunches to needy children at 52 summer program sites.

**Offering Varied Sports and Leisure-Time Activities:** The Sports/Permit Division administered a diversified program of countywide sports for youth and adults. Thousands of people permitted park facilities and the popular garden plots. The Division also administered the Prince George's County Boys and Girls Program offering team recreation opportunities for thousands of youth. The Show Place Arena



hosted the NCAA Division 1 Patriot League Conference Men's and Women's Basketball Tournaments, and the state-of-the-art Prince George's Sports & Learning Complex was the site for several prestigious national events, including the Nike National High School Track & Field Meet and Level 10 Gymnastics Junior Olympics.

**Supporting the Arts and Enhancing Cultural Heritage:** Arts and cultural offerings were well attended, as locally and nationally acclaimed artists and performers thrilled audiences and gallery visitors at Commission-sponsored programs and facilities. The Prince George's Summer Teen Theater program was awarded the Dorothy Mullen Arts and Humanities Award for Innovative Programming by the National Recreation and Park Association. The newly opened Clarice Smith Performing Arts Center at the University of Maryland, in partnership with the Commission, sponsored numerous on-site special events, performances and learning opportunities for local community audiences, artists and students.

**Preserving and Protecting Natural and Historical Resources:** Our natural and historical interpretive programs proved popular again with high attendance at special events like the Patuxent 10K Run for Wildlife. Special projects included a major expansion and reopening of Watkins Nature Center, the restoration and dedication of the Seabrook Schoolhouse Museum, the creation of the Patuxent Rural Life Museum, and the restoration of a second building foundation at the Northampton Plantation Slave Quarters archaeological site. Park Rangers continue to provide a wide range of services, from directing conservation projects, to protecting wildlife.

**Keeping Our Parks Secure:** The Park Police maintained an around-the-clock watch at neighborhood parks, community centers, regional parks, and special facilities. Use of Mobile Data Terminals in police vehicles allowed officers direct access to records checks, thereby reducing time to verify information. Volunteers continue to enroll in the popular Park/Community Volunteer Academy to become trained in assisting Park Police as another set of eyes and ears throughout the park system and at special events and performing a variety of activities to maintain a safe and secure park environment. The Park Police continue to provide a variety of educational and training services to the community, including special programs in mentoring, drug abuse resistance, Halloween safety, and gun safety.

**Maintaining Safe and Attractive Parks and Facilities:** The task of maintaining a 23,000-acre park system and hundreds of facilities in a cost-efficient manner continues to be accomplished by the Maintenance and Development (M&D) Division, which insures that all facilities and parks are in pristine condition for park patrons. This past year, the Paint Branch Golf Course and nearby trail were severely damaged by a tornado, and M&D worked diligently for weeks to repair damage to both. The M&D facility was a test site for implementation of M-NCPPC's energy cost reduction and staff awareness programs. The FASTER System for vehicle maintenance work orders, providing connectivity to satellite garages, was installed to further enhance fleet maintenance.

## **Prince George's County Planning Department**

**Providing Professional Excellence in Customer Service:** The work of the Planning Department continues to be recognized nationwide with the receipt of 13 awards for a variety of planning, public participation and customer communication projects. This year, awards were received from the National Association of Counties, National Association of County Information Officers, International Publishing Management Association, APEX, and the National Capital Area Chapter of the American Planning Association. A sample of the efforts recognized include the Anacostia Trails Heritage Plan, the Biennial Growth Policy Plan, and the "Citizen's Handbook: Planning, Zoning and Development Review in Prince George's County." In addition, Planning Department staff served as expert panelists at local and national conferences on such subjects as smart growth, development around metro stations, and African American history and genealogy in Prince George's County. Information regarding the department can be found at [www.mncppc.org/pgco](http://www.mncppc.org/pgco).

**Planning for Quality Communities:** Community Planning staff continued to work on sector master plans, sectional map amendment (SMA) revisions, specialized planning studies and land use legislation. Sector plans and SMAs for the Greenbelt Metro Area and College Park/US1 Commercial Corridor were adopted by the Prince George's County Planning Board and approved by the County Council/District Council. Studies completed and presented to the Planning Board included: a needs assessment for a



Multi-Cultural Center in Langley Park; the Tuxedo Road-Arbor Street Industrial/Commercial Area Planning Study; the Broad Creek Historic District Planning Study; and the International Corridor Issues Study. District Council legislation was proposed that provides standards for land use in the areas surrounding public use and general aviation airports. New planning projects included: the Tuxedo Road-Arbor Street-Cheverly Metro Station Area Sector Plan; the Suitland Mixed Use Town Center (M-UTC) Zone Development Plan; the Hyattsville M-UTC Zone Development Plan; Riverdale M-UTC Zone Development Plan; the Patuxent River Civic Association Area Planning Study; the International Corridor Planning Study; and the West Hyattsville Transit-Oriented Development Planning Study. Work continued on the Morgan Boulevard Metro-Largo Town Center Metro Sector Plan.

**Amending and Updating the County's General Plan:** The Growth Policy and Public Facilities Section worked with the Planning Board and County Council on the General Plan Amendment, which was adopted in May 2002. The General Plan recommends a system of growth tiers, corridors, and centers to guide future growth and development of the county. It provides guiding principles and broad strategies to be implemented in future planning efforts and regulatory revisions.

**Revitalizing and Preserving Older Communities:** Planning Department staff in the Redevelopment Authority (RA) continued a number of projects. The Anacostia Trails Heritage Area (ATHA) became fully certified as a state heritage area. The RA obtained several grants including a \$200,000 operating grant from the Maryland Heritage Areas Authority, a \$6.5 million grant awarded by the U.S. Department of Housing and Urban Development (HUD) to Victory Housing, and a \$100,000 grant from the Maryland Community Legacy Program. The RA also acquired several properties for redevelopment and school expansion purposes.

**Developing Efficient Transportation Systems:** Transportation Planning staff supported the General Plan Amendment, the Capital Beltway Corridor Transportation Study/Purple Line Study, the US 1 (College Park) Study and the MD 210 Project Planning Study. The MD 202 Minor Public Facility Amendment was completed and approved by the County Council. Support was provided to the Bicycle and Trail Advisory Group and a new transportation model was begun. In addition, traffic forecasts for the design of six CIP projects were prepared and 82 traffic impact studies for development activities were processed.

**Preserving and Protecting the Environment:** The Environmental Planning Section prepared a grant application for the FY 2003 State Rural Legacy Program, requesting \$5.0 million for the county to protect 1,431 acres of farm, forest and open space. Work was completed on: the FY 2001 Forest Conservation Annual Report; Environmental Impact Reports for sand and gravel mining and rubble landfill special exceptions; and the environmental portions of the General Plan Amendment.

**Achieving Better Customer Service Through Technical Innovation:** The Data Systems Section completed the successful migration of our E-Mail system from Lotus CC:Mail to MS Exchange, implemented new web-based applications for Permits and Labor Tracking and Inventory Management and tested all software and computer applications in anticipation of a desktop migration to Windows 2000.

**Instituting State-of-the-Art Mapping Systems:** The GIS Section acquired major updates to our GIS database including planimetric and topographic data. The property layer and county zoning maps were brought up to date. The section continued to provide GIS products and services to the Department staff and external customers.

**Furnishing Up-to-Date Information:** The Department continued to serve as a single source of information for the public to access: zoning information; copies of zoning, plat, aerial and property maps; plans, statistical studies and census data; and a broad range of other documents and information.

**Promoting Responsible Development:** The Development Review Division reviewed and analyzed several hundred applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary and final plats of subdivision, along with nearly 17,000 permits of all types, and provided expert professional advice to the Planning Board, Zoning Hearing Examiner, County Council, and other decision makers. This year, the Division began a new service for applicants and the public by posting staff reports and agendas on the Department's web site. The Division completed a study and initiated legislation to raise development review fees beginning on January 1, 2003, which will result in an



increase of nearly a million dollars annually when fully implemented. The Division also initiated the first piece of legislation as part of a major effort to streamline and modernize the Zoning Ordinance.

## Central Administrative Services

**Department of Human Resources and Management:** The Department of Human Resources and Management (DHRM), under the leadership of the Commission's Executive Director, provides quality administrative, managerial and human resources services to the public and Commission. The Department is organized into two major divisions: Corporate Management and Human Resources. The work program is supported by a team structure in order to enhance service quality and increase productivity.

Highlighting fiscal year 2002, the Department led the *One Commission: A Preferred Workplace* initiative of the Leadership Council and coordinated cross-functional teams such as the Diversity Council, the Marketing and Communication Team and the Senior Technology Management Group. Activities for the Preferred Workplace initiative included conducting a first-time all Commission workshop, *Celebrating Our Past...Turning to Our Future* with over 1,000 employees attending to celebrate the past, examine the present and prepare for the future; promulgation of an internal communication policy with implementing procedures and processes; and initiation of an employee communication vehicle called *Have Your Say* available through multiple access methods that allows employees to ask questions, receive responses or air concerns. Also as an integral part of this initiative, DHRM spearheads the Commission-wide Leadership Institute, which offers Supervisory Development, Career and Professional, and Executive Development Training. Approximately 170 employees completed the Supervisory Development training that includes capstone projects, such as for improving Commission services and operations. Capstone projects adopted include making a business case for an employee wellness program entitled "Working Well," improving new employee orientation to the Commission facilities and services through "One Tour," augmenting the development activities of the Commission's new mentoring program through identification of successful characteristics of a mentoring program, and strengthening the Commission's accessibility through publicizing of WEB addresses.

The Department successfully completed and implemented a new three-year collective bargaining agreement with the Fraternal Order of Police, Lodge #30, which represents over 150 park police officers. DHRM was the leader of an inter-departmental task force on emergency preparedness, security and disaster recovery. The Department completed a study on options for risk management. The centralized Information Technology led the upgrade of the Commission's Personnel/Payroll System, Personality, through a multi-disciplined team from DHRM and the Department of Finance, along with input from field users. Other accomplishments include obtaining a grant from the State of Maryland and completing work on telecommuting initiatives, instituting annual mandatory training on preventing sexual harassment and preventing violence at the workplace and expanding a very successful employment program for persons with disabilities. Restructuring of the recruitment function was completed and a costly preferred provider health insurance option was discontinued as a continuing part of medical insurance cost containment measures. The Department, on behalf of the Commission, received the recognition award as a Workplace of Excellence from the Work-Life Alliance for the 2<sup>nd</sup> year and the Distinguished Budget Presentation Award from the Government Finance Officers' Association for the 15<sup>th</sup> consecutive year.

Beginning in January 2002, the Department has led and coordinated the year-long celebration of the Commission's 75<sup>th</sup> Anniversary. These efforts included open houses for the community, incentives for the public to use parks and facilities and recognition displays and programs of our legacy.

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

In fiscal year 2002, the Department coordinated an \$18.7 million Prince George's County park acquisition and development bond sale at a 4.55% true interest cost. The Department also refinanced the Executive Office Building at a rate of 5.29% with present value savings of over \$100,000, and began work to refinance the Prince George's Sports and Learning Complex taxable debt. Through the Department's



efforts, the Commission realized interest earnings of \$3.1 million, and averaged a rate of return on investments of 2.38% for the year. Department staff completed more than 173 facility, program and financial audits, and finalized the audit to transfer management of the Prince George's Sports and Learning Complex from a private company to the Commission. The development of a revised fixed asset procedure manual was completed during the year, and inventories were expanded to include numerous locations in the Montgomery Park and Planning Department. The Purchase Card program was expanded and now includes over 100 cardholders throughout the Commission, and Phase 1 of the Performance Series purchasing module was implemented. Both of these efforts are expected to continue to generate efficiencies in the Commission's purchasing and payment processes. Purchasing staff also participated in cooperative procurements with other agencies for natural gas and electricity, and began implementing streamlined procedures, both of which will serve to simplify the procurement process while ensuring competitive pricing and equal opportunity. The Department also provided financial and contractual guidance on numerous public/private partnerships such as the SoccerPlex, the golf driving range at South Germantown Recreational Park, the National Trolley Museum expansion, and a few baseball field initiatives.

While continuing to maintain more than 70 different applications, the Department's IT Division also accomplished the installation and configuration of a command console for the computer room; installation of an enterprise-wide backup system; migration of all Central Administrative Services users from a Novell to Windows 2000 platform and from Lotus cc:Mail to Exchange/Outlook; and an upgrade of Windows 95 desktop computers to Windows 2000 Professional. In addition, upgrades to the Performance Series System and the KRONOS Timekeeping System were completed. Work continues toward the implementation of Personality 2000 and to improving network and financial system security.

The plan for implementing the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, was completed and this year's Comprehensive Annual Financial Report reflects changes which were developed to be in compliance with GASB 34. Among the many new changes were the development of a section entitled "Management's Discussion and Analysis," and new schedules that prospectively and retroactively capture infrastructure assets and depreciation of those assets. For the 29<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 fiscal year 2001 Comprehensive Annual Financial Report, which was prepared by the Finance Department.

**Office of the General Counsel:** The Office of the General Counsel provides comprehensive legal services to the Commission, assisting in every facet of the Commission's work program. The scope of its work is as broad as that of the Commission itself, ranging from externally focused activities such as land use planning and regulation, stewardship and policing of park property and recreation programs, to more internally directed corporate matters such as legislative liaison, contracting and procurement, risk management and employment. Legal Department attorneys represent the Commission in litigation and administrative proceedings, provide advice and counsel to Commissioners and staff, assist in implementing new legislative mandates, and participate in teams to develop creative solutions to the new challenges facing the Commission.

The 2002 fiscal year was another successful and challenging one for the Office of the General Counsel. Attorneys from the Department represented the Commission in commercial arbitration proceedings which prevented a private shooting range from operating adjacent to the hiker-biker trail located in the abandoned Washington, Baltimore & Annapolis Railroad right of way in Bowie, Maryland, and resolved a substantial contract claim resulting from construction of that same facility. In addition, the Department successfully defended the Commission in a number of court challenges, including one to the Commission's authority to allow expansion of the Montgomery College campus into Silver Spring's Jessup Blair Park, a legal challenge to the Commission's site plan decisions pertaining to the National Harbor Project in Oxon Hill, and a number of other cases relating to subdivision within the Regional District.

The Legal Department represented staff in the negotiation and development of dozens of complex agreements and memoranda of understanding. Examples of these transactions include: the complex facility use agreement which allowed Mercedes Benz to utilize the historic College Park Airport to



demonstrate and promote several of its fascinating next-generation "concept cars"; another facility use agreement authorizing the National Collegiate Athletic Association's "Patriot League" to hold its nationally-televised championship tournament at the Commission's Show Place Arena in Upper Marlboro, Maryland for up to three years; a complex right of entry agreement which enables the Commission's commercial partner to begin making improvements and holding programs at South Germantown Recreational Park; the new lease for the Commission's Wheaton Stables equestrian facility; the tri-partite memorandum of understanding with the Montgomery County Government and Town of Chevy Chase for jointly funding acquisition of the historic Wohlfarth property under the State's new Urban Legacy Program; and the facility development and licensing agreement with the World Golf Foundation's "First Tee" program for youth golf instruction.

### **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 fiscal year 2002, the Board continued to maintain its caseload on a current and timely basis.

### **Employees' Retirement System**

The Employees' Retirement System (ERS), administered by the 12-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.

On July 18, 2001, the Commission approved a change in the composition of the Board of Trustees staged over the next several years to accommodate completion of terms of current members of the Board. The Board will eventually consist of eleven voting members as explained in the Financial Statements report available from the System.

ERS Trust Fund assets closed the year with a fair market value in excess of \$436 million. The fiscal year 2002 annualized rate of return on investments was an overall loss of approximately (4.22%). The Board of Trustees' actions for the year included continued comprehensive communications to all members including publishing the System's Annual Summary Report and conducting concentrated worksite and full day retirement planning workshops for participants, as well as a second annual Retiree's Workshop.







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♦ PART II ♦

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FINANCIAL SECTION

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Basic Financial Statements



Agricultural History Farm Park, Derwood, MD, keeps our rural and agricultural heritage alive





2001 M Street, N.W.  
Washington, D.C. 20036

## Independent Auditors' Report

To The Maryland-National Capital Park and Planning Commission:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of The Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2002, 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, 2002, 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.

As described in Note 1 to the financial statements, the Commission adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, effective July 1, 2001.

The management's discussion and analysis and the schedules of funding progress and Commission contributions as listed in the accompanying 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied 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 and statistical sections 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 11, 2002 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

KPMG LLP

October 11, 2002



## 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, 2002.

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 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, 2002 by \$452,010,000 (net assets). Of this amount, \$86,565,000 may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$23,723,000 during fiscal year 2002. This is primarily a result of \$26,068,000 of grants received for capital asset acquisitions.
- As of June 30, 2002, the Commission's governmental funds reported combined ending fund balances of \$87,499,000, an increase of \$11,638,000 during the year. Of this amount, \$23,123,000 is reserved for contracts already issued (encumbrances) and \$21,971,000 is designated for use in the fiscal year 2003 budget and as contingency reserves.
- The Commission's General Fund balance at June 30, 2002 was \$49,094,000, a decrease of \$1,162,000 during the year. The fund balance is approximately 29% of fiscal year 2002 expenditures. Of this amount, \$18,402,000 (11% of fiscal year 2002 expenditures) is unreserved and undesignated.
- The assets of the enterprise funds exceeded liabilities by \$86,623,000, an increase of \$2,601,000 during the year.



- The Commission's bonded debt increased by \$9,360,000 primarily as a result of a new debt issue of \$18,700,000.
- The Commission implemented GASB Statement No.'s 34, 37 and 38 and GASB Interpretation No. 6, which included a new financial reporting model and changes to required disclosures in the Notes to the Financial Statements.

### 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.

**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, a reconciliation is 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 Executive Office Building, Employee Benefits and Risk Management. Because 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 6 - 8 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, 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 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 \$452,010,000 at the close of the most recent fiscal year. A summary of the Commission's net assets follows.

#### Commission's Net Assets (in 000's)

|  | Governmental<br>Activities | Business-type<br>Activities | Total      | Percent of<br>Total Assets |
|--|----------------------------|-----------------------------|------------|----------------------------|
| <u>Assets</u>                                      |                            |                             |            |                            |
| Current and Other Assets                           | \$ 138,839                 | \$ 6,996                    | \$ 145,835 | 22%                        |
| Capital Assets                                     | 423,862                    | 97,804                      | 521,666    | 78%                        |
| Total Assets                                       | 562,701                    | 104,800                     | 667,501    | 100%                       |
| <u>Liabilities</u>                                 |                            |                             |            |                            |
| Current Portion of Long-term Liabilities           | 41,823                     | 1,376                       | 43,199     | 6%                         |
| Long-term Liabilities                              | 139,163                    | 15,069                      | 154,232    | 23%                        |
| Other Liabilities                                  | 16,327                     | 1,733                       | 18,060     | 3%                         |
| Total Liabilities                                  | 197,313                    | 18,178                      | 215,491    | 32%                        |
| <u>Net Assets:</u>                                 |                            |                             |            |                            |
| Invested in Capital Assets, Net of<br>Related Debt | 282,596                    | 82,267                      | 364,863    | 55%                        |
| Restricted for Debt Service                        | -                          | 583                         | 583        | 0%                         |
| Unrestricted                                       | 82,792                     | 3,772                       | 86,564     | 13%                        |
| Total Net Assets                                   | \$ 365,388                 | \$ 86,622                   | \$ 452,010 | 68%                        |

By far the largest portion of the Commission's net assets of \$364,863,000 reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment 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.

An additional portion of the Commission's net assets of \$583,000 represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$86,564,000 of net assets is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Commission is able to report positive balances in all three 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.

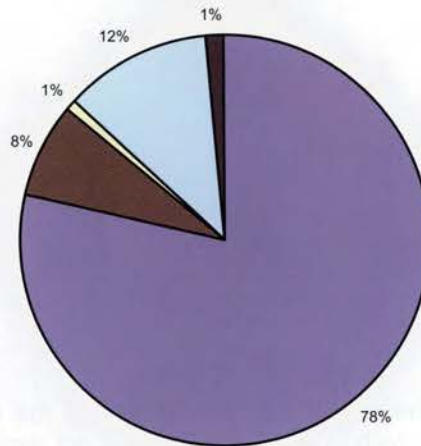
|   | Governmental<br>Activities | Business-<br>type<br>Activities | Total             | Percent of<br>Total<br>Revenues |
|---|----------------------------|---------------------------------|-------------------|---------------------------------|
| Program Revenues:                                     |                            |                                 |                   |                                 |
| Charges for Services                                  | \$ 17,023                  | \$ 22,420                       | \$ 39,443         | 16%                             |
| Operating Grants and Contributions                    | 1,679                      | -                               | 1,679             | 1%                              |
| Capital Grants and Contributions                      | 26,068                     | -                               | 26,068            | 11%                             |
| General Revenues:                                     |                            |                                 |                   |                                 |
| Property Taxes  | 174,736                    | -                               | 174,736           | 71%                             |
| Interest  | 3,073                      | 261                             | 3,334             | 1%                              |
| Total Revenues  | <u>222,579</u>             | <u>22,681</u>                   | <u>245,260</u>    | <u>100%</u>                     |
| Expenses:   |                            |                                 |                   |                                 |
| General Government                                    | 11,615                     | -                               | 11,615            | 5%                              |
| County Planning and Zoning                            | 29,740                     | -                               | 29,740            | 12%                             |
| Park Operations and Maintenance                       | 102,355                    | -                               | 102,355           | 42%                             |
| Recreation Programs                                   | 37,993                     | -                               | 37,993            | 15%                             |
| Recreational and Cultural Facilities                  | -                          | 28,203                          | 28,203            | 12%                             |
| Interest on Long-term Debt                            | 8,461                      | -                               | 8,461             | 3%                              |
| Loss on Disposal of Land                              | 3,170                      | -                               | 3,170             | 1%                              |
| Total Expenses  | <u>193,334</u>             | <u>28,203</u>                   | <u>221,537</u>    | <u>90%</u>                      |
| Increase (Decrease) in Net<br>Assets Before Transfers | 29,245                     | (5,522)                         | 23,723            | <u>10%</u>                      |
| Transfers   | (8,122)                    | 8,122                           | -                 |                                 |
| Increase in Net Assets                                | <u>21,123</u>              | <u>2,600</u>                    | <u>23,723</u>     |                                 |
| Net Assets - beginning                                | 344,265                    | 84,022                          | 428,287           |                                 |
| Net Assets - ending                                   | <u>\$ 365,388</u>          | <u>\$ 86,622</u>                | <u>\$ 452,010</u> |                                 |

During the current fiscal year the Commission's net assets increased by \$23,723,000. This increase was due to receipts of capital grants of \$26,068,000 and revenues in excess of ongoing expenses of \$825,000, offset by a loss on disposal of land of \$3,170,000. The loss on disposal of land includes a contribution of land to the Prince George's County Revenue Authority costing \$3,175,000.

**Governmental activities.** Governmental activities increased the Commission's net assets by \$21,123,000, thereby accounting for 89 percent of the total growth in the net assets of the Commission. The previously mentioned receipts of capital grants of \$26,068,000, added to an excess of ongoing revenues over ongoing expenses of \$6,347,000, were offset by the loss on disposal of land of \$3,170,000 and transfers to Business-type activities of \$8,122,000.



### Revenues by Source - Governmental Activities



|                                      |                                    |
|--------------------------------------|------------------------------------|
| ■ Property Taxes                     | ■ Charges for Services             |
| ■ Operating Grants and Contributions | ■ Capital Grants and Contributions |
| ■ Investment Earnings                |                                    |

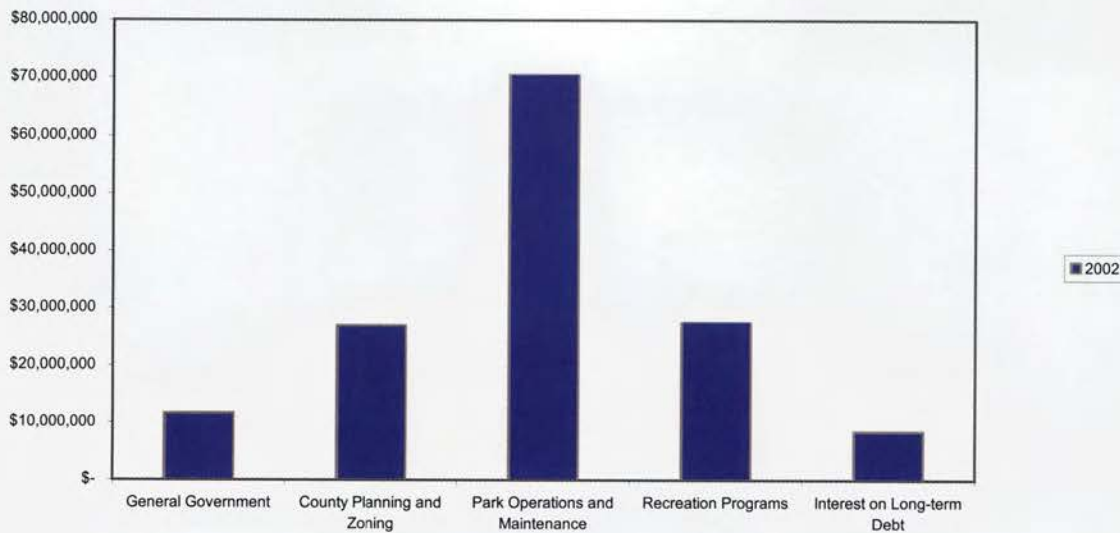
As the above diagram shows, property taxes make up 78% of Commission governmental revenues. Property tax revenues in fiscal year 2002 were approximately 1% in excess of anticipated amounts. Interest income was lower than anticipated due to the drop in interest rates on investments.

As is reflected in the following chart (000's omitted), the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Program revenues cover 23% of governmental activities expenses.

|                                 | Total Cost<br>Of Services | Net Cost<br>Of Services |
|---------------------------------|---------------------------|-------------------------|
| General Government              | \$ 11,615                 | \$ 11,615               |
| County Planning and Zoning      | 29,740                    | 26,968                  |
| Park Operations and Maintenance | 102,355                   | 70,689                  |
| Recreation Programs             | 37,993                    | 27,661                  |
| Interest on Long-term Debt      | 8,461                     | 8,461                   |
| Total                           | <u>\$ 190,164</u>         | <u>\$ 145,394</u>       |



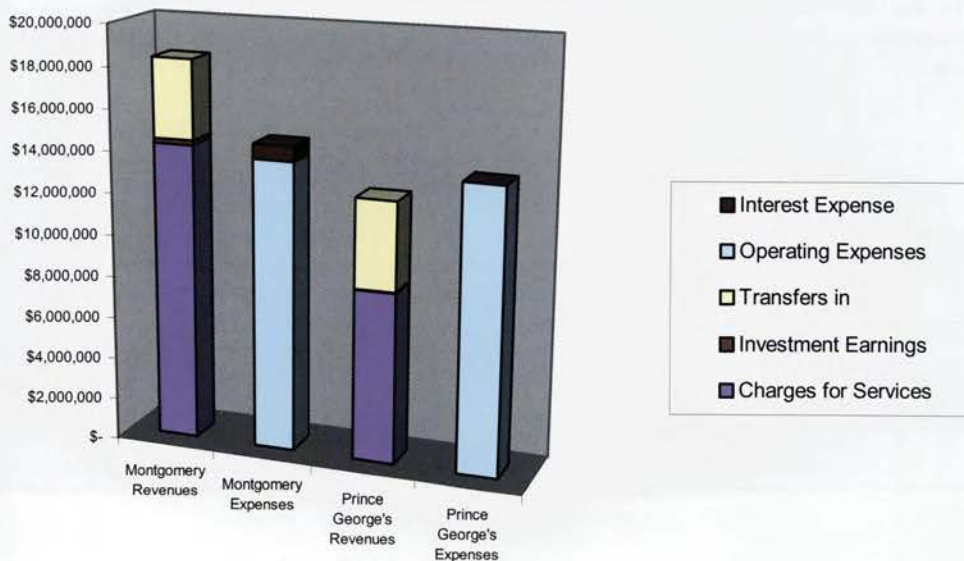
### Net Cost by Function - Government Activities



**Business-type Activities.** Business-type activities increased the Commission's net assets by \$2,600,000, accounting for 11% of the total growth in the Commission's net assets. Key elements of this increase are as follows:

- Expenses of operating these recreational and cultural activities exceeded charges for services and interest income by \$5,522,000.
- Governmental activities contributed \$8,122,000 to support the enterprise activities. This is primarily \$4,243,000 of operating support for the Prince George's County business-type activities, and a \$3,793,000 land contribution from the Commission's governmental activities in Montgomery County.

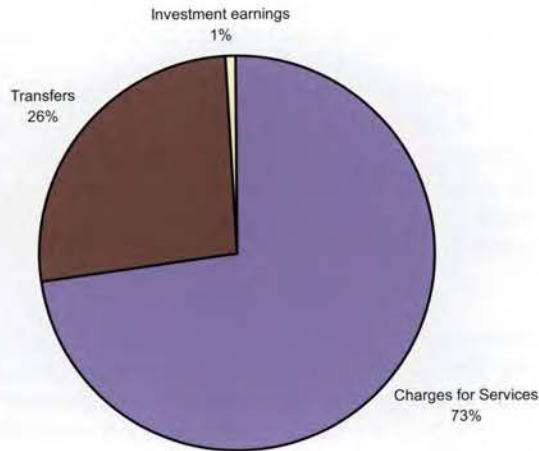
### Changes in Net Assets - Business-type Activities





The major operating losses occurred in the Prince George's County operations (\$5,436,000) and were anticipated to be covered by transfers from the Prince George's County accounts in the General Fund. 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. This relationship is similar to that experienced in the prior year.

#### Financial Analysis of the Commission's Funds

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

**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 \$87,499,000, an increase of \$11,638,000 in comparison with the prior year. Approximately one half of this total amount, or \$42,376,000, constitutes unreserved and undesignated fund balance, which is available for spending in future years, with \$17,427,000 of this balance in the capital project funds. The remainder of fund balances is reserved to indicate that it is not available for new spending because \$23,123,000 has been committed to liquidate contracts and purchase orders of the prior period, \$29,000 has been committed to pay debt service, and \$21,971,000 is designated to fund the next fiscal year's expenditures and provide reserves for unforeseen expenditure needs.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$18,402,000, while total fund balance was \$49,094,000. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved and undesignated fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 10% of the total general fund expenditures and transfers out, while total fund balance represents 26% of the same amount.



The fund balance of the Commission's General Fund decreased by \$1,162,000 during the current fiscal year. Key factors in this decrease are as follows:

- A decrease of \$10,099,000 was planned in the budget for fiscal year 2002
- Property taxes were \$2,927,000 more than anticipated
- A control of expenditures generated \$10,072,000 savings to provide funding for future years budgets.
- Interest fell short of budget by \$2,131,000 due to declining interest rates

The capital project funds for Montgomery and Prince George's counties have total fund balances of \$4,011,000 and \$27,390,000, respectively, 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 was a decrease of \$890,000 in Montgomery County, and an increase of \$14,724,000 due to the \$18,700,000 bond sale in Prince George's County. Positive fund balances were maintained in these funds at all times. The unreserved fund balance in the Montgomery County Capital Projects Fund is a deficit of \$2,942,000, which will be eliminated by a planned bond sale in fiscal year 2003.

**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, eight 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.

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 \$2,630,000 and those for the Prince George's County fund amounted to \$1,142,000. The total change in net assets for both funds was \$3,763,000 and \$(1,162,000), respectively.

Summary comparative results of the financial operations of the Enterprise Funds for fiscal years 2002 and 2001 follow (\$000's).

|   | Montgomery<br>County |                | Prince George's<br>County |                   |
|---|----------------------|----------------|---------------------------|-------------------|
|   | <u>FY2002</u>        | <u>FY2001</u>  | <u>FY2002</u>             | <u>FY2001</u>     |
| Operating Revenues                              | \$ 14,238            | \$ 12,755      | \$ 8,182                  | \$ 7,042          |
| Operating Expenses, Excluding Depreciation      | 12,368               | 11,528         | 11,380                    | 12,714            |
| Operating Income (Loss), Excluding Depreciation | 1,870                | 1,227          | (3,198)                   | (5,672)           |
| Depreciation                                    | 1,472                | 1,297          | 2,238                     | 2,107             |
| Operating Income (Loss)                         | <u>\$ 398</u>        | <u>\$ (70)</u> | <u>\$ (5,436)</u>         | <u>\$ (7,779)</u> |



Comparative Montgomery County key data are as follows (\$000's).

|                    | Operating Revenues |                  |                 | Operating Income (Loss) Excluding Depreciation |                 |               |
|--------------------|--------------------|------------------|-----------------|--|-----------------|---------------|
|                    | FY 2002            | FY 2001          | Change          | FY 2002  | FY 2001         | Change        |
| Conference Centers | \$ 368             | \$ 384           | \$ (16)         | \$ (57)  | \$ (23)         | \$ (34)       |
| Golf Courses       | 7,315              | 6,639            | 676             | 892  | 534             | 358           |
| Ice Rinks          | 3,712              | 3,110            | 602             | 212  | 33              | 179           |
| Indoor Tennis      | 1,125              | 1,040            | 85              | 381  | 378             | 3             |
| Park Facilities    | 1,718              | 1,582            | 136             | 442  | 305             | 137           |
| Total              | <u>\$ 14,238</u>   | <u>\$ 12,755</u> | <u>\$ 1,483</u> | <u>\$ 1,870</u>                                | <u>\$ 1,227</u> | <u>\$ 643</u> |

The Enterprise Fund revenues increased by \$1,483,000 and operating income, excluding depreciation, increased by \$643,000. Significant changes occurred at a few of the facilities. The ice rink revenues increased by \$602,000 and the operating income increased by \$179,000, fueled by the better operating income of the reconstructed and expanded Cabin John Ice Rink, as well as having a full year's operations at the Wheaton Ice Rink which opened in the fall of 2000. The golf course revenues increased \$676,000 due to better weather in 2002 and the full availability of the Northwest Golf Course, where activity was somewhat limited in 2001 by construction of a cart path.

Comparative Prince George's County key data are as follows (\$000's).

|                             | Operating Revenues |                 |                 | Operating Income (Loss) Excluding Depreciation |                   |                 |
|-----------------------------|--------------------|-----------------|-----------------|--|-------------------|-----------------|
|                             | FY 2002            | FY 2001         | Change          | FY 2002  | FY 2001           | Change          |
| Airport                     | \$ 175             | \$ 287          | \$ (112)        | \$ (109)                                       | \$ (223)          | \$ 114          |
| Equestrian Center/Arena     | 1,222              | 1,087           | 135             | (1,252)  | (1,584)           | 332             |
| Golf Courses                | 2,525              | 2,262           | 263             | 24   | (59)              | 83              |
| Ice Rinks                   | 240                | 454             | (214)           | (163)  | (228)             | 65              |
| Regional Parks              | 230                | 176             | 54              | 54   | (210)             | 264             |
| Trap and Skeet Center       | 1,262              | 1,198           | 64              | (16)   | (25)              | 9               |
| Sports and Learning Complex | 2,508              | 1,576           | 932             | (1,530)  | (3,054)           | 1,524           |
| Bladensburg Marina          | 21                 | 2               | 19              | (206)  | (289)             | 83              |
| Total                       | <u>\$ 8,183</u>    | <u>\$ 7,042</u> | <u>\$ 1,141</u> | <u>\$ (3,198)</u>                              | <u>\$ (5,672)</u> | <u>\$ 2,474</u> |

The Enterprise Fund revenues increased by \$1,141,000 and the operating loss, excluding depreciation, decreased by \$2,474,000. The major changes occurred in the Sports and Learning Complex, the ice rinks, the airport, and the regional parks. The Sports and Learning Complex, in its second full year in 2002, increased revenues by \$932,000. Expenses decreased as 2001 included some remaining start-up costs, resulting in a reduction in the operating loss of \$1,524,000. The ice rinks revenue dropped as the Tucker Road Ice Rink was closed for the winter season, while being converted into a year round facility. Lower expenses reduced the operating loss. The airport revenues decreased approximately \$112,000 since the operations were severely limited by the changes made in air use policies resulting from the September 11 tragedy. An intense effort was made to control airport expenses resulting in reduced operating loss. Operating results in the regional parks improved largely because the Watkins Summer Program was operated as a program of the Park Account in the General Fund.



### **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.

In the Montgomery County Administration and Park Accounts, the \$1,246,000 and \$2,442,000, respectively, positive variances were primarily a result of expenditure savings. Favorable property tax collections, offset by shortfalls in intergovernmental revenues and interest income, resulted in total revenues exceeding (being less than) the budget by \$50,000 and \$(107,000), respectively. Total expenditure savings of \$1,200,000 and \$2,671,000 net of unfavorable transfers in and out of \$4,000 and \$122,000 added to the positive variance. The expenditure savings was primarily the result of the commitment to the County to realize a 5% budget savings, to be utilized in the fiscal year 2003 budget and non-departmental savings from liquidation of prior year encumbrances of \$124,000. The variance, together with July 1, 2002 undesignated fund balances, resulted in budget basis fund balances at June 30, 2002 of \$2,016,000 and \$4,124,000. Of those amounts, \$1,162,000 and \$1,603,000 are designated to fund fiscal year 2003 expenditures and \$616,000 and \$2,079,000 are designated for unforeseen circumstances (approximating 3.9% of the fiscal year 2002 operating budget). The remaining balances, \$238,000 and \$442,000, are undesignated as of June 30, 2002.

Prince George's County experienced positive variances for the Administration, Park and Recreation Accounts of \$1,444,000, \$3,447,000, and \$1,785,000 respectively. The revenue variances of \$282,000, \$409,000, and \$(906,000) respectively, were generated as a result of property tax revenues exceeding the budget, offset by a shortfall in interest revenues due to declining interest rates, and a significant shortfall in charges for services in the Recreation Account. In these cases revenues actually increased, but not at the aggressive rate anticipated in the budget. With respect to expenditures, the Commission had savings of \$1,161,000, \$2,440,000, and \$2,600,000, respectively. Transfers generated positive variances, especially in the Park account due to debt service savings from the lower than budgeted interest rate received on a bond sale from fiscal year 2001 to fiscal year 2002, and a \$483,000 decrease in interest transferred from the Park Account to the Capital Projects Fund as interest rates fell. Expenditure savings were primarily from salary lapses achieved in the Planning Department and the Parks and Recreation Department. The variance, together with July 1, 2002 undesignated fund balances, resulted in budget basis fund balances at June 30, 2002 of \$4,439,000, \$20,176,000, and \$9,619,000, respectively. Of these amounts, \$448,000, \$5,574,000, and \$2,082,000 are designated for fiscal year 2003 expenditures, \$663,000, \$1,718,000, and \$1,002,000 are designated for unforeseen circumstances (approximating 2.7% of the fiscal year 2002 operating budget), and \$5,026,000 in the Park Account for the operating costs and debt service of future facilities. The remaining balances, \$3,328,000, \$7,858,000 and \$6,536,000, are undesignated as of June 30, 2002. Prince George's County fund balances reflect the stabilization of property tax rates at the 1993 rate by utilizing reserves accumulated to offset future tax rate increases.

There was only one difference between the total original budget and the final amended budget. A \$160,000 increase in appropriations for transfers out in the Montgomery County Parks Account was approved to fund a new capital project out of fund balance. However, since expenditures were less than budgetary estimates, there was no actual draw upon existing fund balance.

### **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, 2002, amounts to \$521,667,000 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 4% (a 4% increase for governmental activities and a 3% increase for business-type activities).



Major capital asset events during the current fiscal year included the following: proceeds of general obligation park acquisition and development issues 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 2002, projects totaling \$12,818,000 in governmental activities and \$1,043,000 in business-type activities were completed. Among these projects are the South Germantown Recreational Splash Park and Digitalization of the Roads Network in Montgomery County, and, in Prince George's County, improvements to the Snow Hill Manor and Calvert Mansion, and completion of the Henson Creek Stream Valley Park.

Expenditures on Montgomery County projects totaled \$13,155,000 in fiscal year 2002, of which \$1,521,000 was for acquisition and \$11,634,000 was for development. The largest project was the funding of \$3,325,000 for additional facilities at South Germantown Recreational Park including a splash playground, miniature golf, and adventure playground. Expenditures to date total \$8,852,000. Construction is near completion at Ridge Road Recreational Park where an in-line skating facility, ball fields, picnic shelters, restrooms, playground and parking lots are planned at an estimated cost of \$6,684,000, of which \$5,103,000 has been spent to date, including \$2,646,000 in fiscal year 2002. Other major projects that are yet to be completed with their accumulated costs through fiscal year 2002 are: Rosemary Hills-Laytonsville Local Park - \$765,000, Nike Local Park - \$719,000, Ball field initiatives - \$957,000, and numerous park and recreation constructions. In addition, expenditures totaling \$1,775,000 were spent on 25 projects for routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$12,470,000 in fiscal year 2002, of which \$4,353,000 was for acquisition and \$8,107,000 was for development. Major acquisition projects included park acquisitions such as the Green Branch Community Park of \$1,928,000, land along the Patuxent River for \$855,000, Walker Mill Regional Park of \$726,000, and Dodge Neighborhood Park of \$553,000. Park development expenditures include the Patuxent Elementary Gym addition of \$1,115,000; trail construction along stream valley parks in Folly Branch, Henson Creek, Sligo Creek and Paint Branch for \$1,313,000; and the W. B. & A. Trail for \$427,000. Historic sites renovations, which include Snow Hill Manor, Surratt House, and Oxon Hill Manor amounted to \$799,000. Renovations of park facilities, playground equipment, and various community centers cost about \$4,400,000.

#### Commission's Capital Assets (net of depreciation) (\$000's)

|                            | Governmental<br>Activities | Business-<br>type<br>Activities | Total             |
|----------------------------|----------------------------|---------------------------------|-------------------|
| Land                       | \$ 230,157                 | \$ 19,364                       | \$ 249,521        |
| Buildings and improvements | 74,226                     | 72,937                          | 147,163           |
| Infrastructure             | 83,625                     | -                               | 83,625            |
| Machinery and equipment    | 18,411                     | 3,730                           | 22,141            |
| Construction in progress   | 17,443                     | 1,773                           | 19,216            |
| Total                      | <u>\$ 423,862</u>          | <u>\$ 97,804</u>                | <u>\$ 521,666</u> |

Additional information on the Commission's capital assets can be found in the 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 \$155,620,000 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 expenditures for Park Bonds and ALA Bonds totaled \$17,443,000 (Montgomery - \$4,425,000; Prince George's - \$13,018,000) for the fiscal year.



Of the outstanding debt, Park Bonds totaled \$148,320,000 (Montgomery County - \$28,700,000 and Prince George's County - \$119,620,000) at June 30, 2002. Park Bonds debt service expenditures totaled \$16,268,000 (Montgomery - \$3,741,000; Prince George's - \$12,527,000) 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 for real property and 9 cents for personal property in Montgomery County and 4 cents for real property and 10 cents for personal property in Prince George's County. Debt service payments approximated 0.43 cents of the mandatory debt service tax proceeds for real property and 1.07 cents for personal property for Montgomery County and 2.68 cents for real property and 6.70 cents 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 continue to have the following ratings:

|                        | Moody's<br>Investor<br>Services Inc. | Standard & Poor's<br>Rating Services | Fitch Ratings |
|------------------------|--------------------------------------|--------------------------------------|---------------|
| Montgomery County      | Aaa                                  | AAA                                  | Not Rated     |
| Prince George's County | Aa2                                  | AA                                   | AA+           |

The Commission's Montgomery County revenue bonds and revenue notes payable, which totaled \$11,811,000 at June 30, 2002, and after considering \$320,000 of unamortized discount have a reported value of \$11,491,000, 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 \$1,621,000 for the fiscal year. The outstanding proprietary fund debt as of June 30, 2002, and the related debt service requirements are set forth in the Notes to the Financial Statements.

During fiscal year 2002, the Commission sold \$18,700,000 of Prince George's County Park Acquisition and Development General Obligation Bonds, Series Z-2, with a final maturity date of May 1, 2021, at a true interest cost of 4.55% to fund various capital improvement projects. The Commission also issued a note payable of \$1,765,000 to refinance an existing note payable for the Executive Office Building, recorded in a Prince George's County Internal Service Fund. Semiannual payments are due until July 1, 2012 at an interest rate of 5.29%.

Details of the Commission's outstanding debt at June 30, 2002 follow (\$000's).

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

|                          | Governmental Activities |                   | Business-type Activities |                  | Total             |                   | Change |
|--------------------------|-------------------------|-------------------|--------------------------|------------------|-------------------|-------------------|--------|
|                          | 2002                    | 2001              | 2002                     | 2001             | 2002              | 2001              |        |
| General obligation bonds | \$ 155,620              | \$ 146,260        | \$ -                     | \$ -             | \$ 155,620        | \$ 146,260        | 6%     |
| Revenue bonds and notes  | -                       | -                 | 11,491                   | 12,388           | 11,491            | 12,388            | -7%    |
| Notes payable            | 5,342                   | 6,589             | 217                      | 273              | 5,559             | 6,862             | -19%   |
| Total                    | <u>\$ 160,962</u>       | <u>\$ 152,849</u> | <u>\$ 11,708</u>         | <u>\$ 12,661</u> | <u>\$ 172,670</u> | <u>\$ 165,510</u> | 4%     |

**Montgomery County's Outstanding Debt**

|                          | Governmental Activities |                  | Business-type Activities |                  | Total            |                  | Change |
|--------------------------|-------------------------|------------------|--------------------------|------------------|------------------|------------------|--------|
|                          | 2002                    | 2001             | 2002                     | 2001             | 2002             | 2001             |        |
| General obligation bonds | \$ 33,200               | \$ 35,845        | \$ -                     | \$ -             | \$ 33,200        | \$ 35,845        | -7%    |
| Revenue bonds and notes  | -                       | -                | 11,491                   | 12,388           | 11,491           | 12,388           | -7%    |
| Notes payable            | 3,577                   | 4,792            | 217                      | 273              | 3,794            | 5,065            | -25%   |
| Total                    | <u>\$ 36,777</u>        | <u>\$ 40,637</u> | <u>\$ 11,708</u>         | <u>\$ 12,661</u> | <u>\$ 48,485</u> | <u>\$ 53,298</u> | -9%    |



### Prince George's County's Outstanding Debt

|                          | Governmental Activities |                   | Business-type Activities |             | Total             |                   | Change |
|--------------------------|-------------------------|-------------------|--------------------------|-------------|-------------------|-------------------|--------|
|                          | 2002                    | 2001              | 2002                     | 2001        | 2002              | 2001              |        |
| General obligation bonds | \$ 122,420              | \$ 110,415        | \$ -                     | \$ -        | \$ 122,420        | \$ 110,415        | 11%    |
| Revenue bonds and notes  | -                       | -                 | -                        | -           | -                 | -                 | 0%     |
| Notes payable            | 1,765                   | 1,797             | -                        | -           | 1,765             | 1,797             | -2%    |
| Total                    | <u>\$ 124,185</u>       | <u>\$ 112,212</u> | <u>\$ -</u>              | <u>\$ -</u> | <u>\$ 124,185</u> | <u>\$ 112,212</u> | 11%    |

The Commission's total debt increased by \$7,160,000 (4%) during the current fiscal year. The key factor in this increase was the new \$18,700,000 of bonded debt issued for Prince George's County capital projects.

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 tax or taxes authorized for payment of the bonds. The legal debt margin for each County of the Commission is \$783,570,000 of debt service for Montgomery County and \$362,714,000 of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$39,469,000 and \$157,767,000, 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

In evaluating the Commission's economic condition and future outlook consideration should be given to two factors. First, at year-end, the Commission had a budget basis fund balance in the General Fund of \$40,373,000. Of this amount, \$10,867,000 is designated to fund fiscal year 2003, \$6,078,000 is designated for unforeseen circumstances, \$5,026,000 is designated to fund the operating maintenance and debt service costs of future Prince George's County facilities, and \$18,402,000 is uncommitted as of June 30, 2002. Second, property taxes, which constitute approximately 92% of the Commission's General Fund revenues in fiscal year 2002, are expected to continue to be a stable revenue source. The assessed value of all taxable property increased, contributing to an increase in property tax revenues from \$169,029,000 to \$177,143,000 (4.6%). The Commission's total Montgomery County tax rate decreased slightly in fiscal year 2003. The Commission's total Prince George's County tax rate has remained the same since fiscal year 1993. The Montgomery and Prince George's County unemployment rates obtained from the Maryland Department of Labor, Licensing and Regulations were 2.6% and 4.1%, respectively, as of June 2002 in comparison to the 4.4% State and 5.9% national unemployment rates.

The Commission's Montgomery County activities are subject to spending affordability guidelines of Montgomery County Government. Legislation was passed in 2001 by the Prince George's County Council which created a Spending Affordability Committee to make recommendations during the budgetary process to the Council concerning spending affordability of the Commission's Prince George's County operations. These efforts 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.

All of these factors were considered in preparing the Commission's budget for the 2003 fiscal year.

### 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.



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

**Exhibit 1**

**Statement of Net Assets  
June 30, 2002**

|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| <b>ASSETS</b>   |                            |                             |                       |
| Equity in Pooled Cash and Investments                 | \$ 103,852,121             | \$ 5,021,492                | \$ 108,873,613        |
| Receivables - Taxes                                   | 3,220,567                  | -                           | 3,220,567             |
| Receivables - Other                                   | 612,368                    | 2,699                       | 615,067               |
| Due from County Governments                           | 4,954,694                  | -                           | 4,954,694             |
| Due from Other Governments                            | 6,444,455                  | -                           | 6,444,455             |
| Inventories   | -                          | 1,388,785                   | 1,388,785             |
| Deposits and Other                                    | 59,314                     | -                           | 59,314                |
| Restricted Cash, Cash Equivalents and Investments:    |                            |                             |                       |
| Revenue Bond Covenant Accounts                        | -                          | 583,266                     | 583,266               |
| Unspent Bond Proceeds                                 | 19,694,920                 | -                           | 19,694,920            |
| Capital Assets:                                       |                            |                             |                       |
| Land and Construction in Progress                     | 247,600,895                | 21,136,730                  | 268,737,625           |
| Other Capital Assets, Net of Accumulated Depreciation | 176,261,351                | 76,667,647                  | 252,928,998           |
| Total Assets  | <u>562,700,685</u>         | <u>104,800,619</u>          | <u>667,501,304</u>    |
| <b>LIABILITIES</b>                                    |                            |                             |                       |
| Accounts Payable and Other Current Liabilities        | 10,372,668                 | 1,015,433                   | 11,388,101            |
| Accrued Interest Payable                              | 3,098,392                  | 126,400                     | 3,224,792             |
| Due to Other Governments                              | 3,260                      | -                           | 3,260                 |
| Deposits and Deferred Revenue                         | 1,116,406                  | 590,471                     | 1,706,877             |
| Payable to Advance Land Acquisition Trust Fund        | -                          | 3,829,363                   | 3,829,363             |
| Claims Payable:                                       |                            |                             |                       |
| Due within One Year                                   | 2,120,532                  | -                           | 2,120,532             |
| Due in more than One Year                             | 5,571,702                  | -                           | 5,571,702             |
| Compensated Absences:                                 |                            |                             |                       |
| Due within One Year                                   | 7,607,953                  | 358,319                     | 7,966,272             |
| Due in more than One Year                             | 4,723,294                  | 550,164                     | 5,273,458             |
| Bonds and Notes Payable:                              |                            |                             |                       |
| Due within One Year                                   | 32,093,905                 | 1,017,921                   | 33,111,826            |
| Due in more than One Year                             | 128,867,783                | 10,689,845                  | 139,557,628           |
| Estimated Liability for Closure and Postclosure Costs |                            |                             |                       |
| Due within One Year                                   | 1,622,000                  | -                           | 1,622,000             |
| Due in more than One Year                             | 115,000                    | -                           | 115,000               |
| Total Liabilities                                     | <u>197,312,895</u>         | <u>18,177,916</u>           | <u>215,490,811</u>    |
| <b>NET ASSETS</b>                                     |                            |                             |                       |
| Invested in Capital Assets, Net of Related Debt       | 282,595,478                | 82,267,248                  | 364,862,726           |
| Restricted for Debt Service                           | -                          | 583,266                     | 583,266               |
| Unrestricted  | 82,792,312                 | 3,772,189                   | 86,564,501            |
| Total Net Assets                                      | <u>\$ 365,387,790</u>      | <u>\$ 86,622,703</u>        | <u>\$ 452,010,493</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, 2002**

| Functions/Programs                   | Program Revenues |                         |  |  | Governmental<br>Activities | Business-type<br>Activities | Total           |
|--------------------------------------|------------------|-------------------------|--|--|----------------------------|-----------------------------|-----------------|
|                                      | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |                            |                             |                 |
| Governmental Activities:             |                  |                         |  |  |                            |                             |                 |
| General Government                   | \$ 11,614,891    | \$ -                    | \$ -                                     | \$ -                                   | \$ (11,614,891)            | \$ -                        | \$ (11,614,891) |
| County Planning and Zoning           | 29,739,984       | 2,004,103               | 767,477                                  | -                                      | (26,968,404)               | -                           | (26,968,404)    |
| Park Operations and Maintenance      | 102,355,291      | 5,029,035               | 570,005                                  | 26,067,672                             | (70,688,579)               | -                           | (70,688,579)    |
| Recreation Programs                  | 37,992,630       | 9,989,550               | 341,415                                  | -                                      | (27,661,665)               | -                           | (27,661,665)    |
| Interest on Long-term Debt           | 8,460,869        | -                       | -  | -                                      | (8,460,869)                | -                           | (8,460,869)     |
| Total Governmental Activities        | 190,163,665      | 17,022,688              | 1,678,897                                | 26,067,672                             | (145,394,408)              | -                           | (145,394,408)   |
| Business-type Activities:            |                  |                         |  |  |                            |                             |                 |
| Recreational and Cultural Facilities | 28,203,070       | 22,420,258              | -  | -                                      | -                          | (5,782,812)                 | (5,782,812)     |
| Total Government                     | \$ 218,366,735   | \$ 39,442,946           | \$ 1,678,897                             | \$ 26,067,672                          | (145,394,408)              | (5,782,812)                 | (151,177,220)   |
| General Revenues:                    |                  |                         |  |  |                            |                             |                 |
| Property Taxes                       |                  |                         |  |  | 174,735,630                | -                           | 174,735,630     |
| Unrestricted Investment Earnings     |                  |                         |  |  | 3,073,142                  | 261,812                     | 3,334,954       |
| Transfers                            |                  |                         |  |  | (8,121,812)                | 8,121,812                   | -               |
| Loss on Disposal of Land             |                  |                         |  |  | (3,170,165)                | -                           | (3,170,165)     |
| Total General Revenues and Transfers |                  |                         |  |  | 166,516,795                | 8,383,624                   | 174,900,419     |
| Change in Net Assets                 |                  |                         |  |  | 21,122,387                 | 2,600,812                   | 23,723,199      |
| Net Assets - Beginning               |                  |                         |  |  | 344,265,403                | 84,021,891                  | 428,287,294     |
| Net Assets - Ending                  |                  |                         |  |  | \$ 365,387,790             | \$ 86,622,703               | \$ 452,010,493  |

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, 2002**

|   | General              | Montgomery<br>County<br>Capital<br>Projects | Prince George's<br>County<br>Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---|--|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                      |   |  |                                |                                |
| Equity in Pooled Cash and Investments                     | \$ 53,187,014        | \$ 211,141                                  | \$ 7,832,984                                     | \$ 7,472,310                   | \$ 68,703,449                  |
| Receivables - Taxes (net of allowance for uncollectibles) | 3,220,567            | -   | -  | -                              | 3,220,567                      |
| Receivables - Other (net of allowance for uncollectibles) | 266,449              | 20,000                                      | 284,683  | 40,736                         | 611,868                        |
| Due from County Governments                               | 2,409,572            | 2,286,906                                   | -  | 93,752                         | 4,790,230                      |
| Due from Other Governments                                | 98,268               | 4,008,224                                   | 2,337,963  | -                              | 6,444,455                      |
| Restricted Cash - Unspent Bond Proceeds                   | -                    | 1,496,374                                   | 18,198,546                                       | -                              | 19,694,920                     |
| Other   | 2,198                | -   | -  | -                              | 2,198                          |
| Total Assets  | <u>\$ 59,184,068</u> | <u>\$ 8,022,645</u>                         | <u>\$ 28,654,176</u>                             | <u>\$ 7,606,798</u>            | <u>\$ 103,467,687</u>          |
| <b>LIABILITIES AND FUND BALANCES</b>                      |                      |   |  |                                |                                |
| <b>Liabilities:</b>                                       |                      |   |  |                                |                                |
| Accounts Payable  | \$ 3,101,728         | \$ 1,058,238                                | \$ 216,657                                       | \$ 185,534                     | \$ 4,562,157                   |
| Accrued Liabilities                                       | 3,401,288            | -   | -  | 68,796                         | 3,470,084                      |
| Retainage Payable   | -                    | 926,796                                     | 1,047,286  | -                              | 1,974,082                      |
| Estimated Liability for Closure Costs                     | -                    | 1,622,000                                   | -  | -                              | 1,622,000                      |
| Due to County Governments                                 | -                    | -   | -  | 3,260                          | 3,260                          |
| Deposits and Deferred Revenue                             | 3,587,507            | 404,259                                     | -  | 345,207                        | 4,336,973                      |
| Total Liabilities   | <u>10,090,523</u>    | <u>4,011,293</u>                            | <u>1,263,943</u>                                 | <u>602,797</u>                 | <u>15,968,556</u>              |
| <b>Fund Balances:</b>                                     |                      |   |  |                                |                                |
| Reserved for Encumbrances                                 | 8,720,270            | 6,953,293                                   | 7,021,008  | 428,231                        | 23,122,802                     |
| Reserved for Debt Service                                 | -                    | -   | -  | 29,472                         | 29,472                         |
| Unreserved, Designated for Subsequent Years               | 21,971,400           | -   | -  | -                              | 21,971,400                     |
| Unreserved, Undesignated, Reported in:                    |                      |   |  |                                |                                |
| General Fund  | 18,401,875           | -   | -  | -                              | 18,401,875                     |
| Special Revenue Fund                                      | -                    | -   | -  | 6,546,298                      | 6,546,298                      |
| Capital Projects Fund                                     | -                    | (2,941,941)                                 | 20,369,225                                       | -                              | 17,427,284                     |
| Total Fund Balances                                       | <u>49,093,545</u>    | <u>4,011,352</u>                            | <u>27,390,233</u>                                | <u>7,004,001</u>               | <u>87,499,131</u>              |
| Total Liabilities and Fund Balances                       | <u>\$ 59,184,068</u> | <u>\$ 8,022,645</u>                         | <u>\$ 28,654,176</u>                             | <u>\$ 7,606,798</u>            |                                |

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.  | 415,933,325           |
| 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. | 17,549,485            |
| 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.  | 3,105,567             |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.   | (158,699,718)         |
| Net Assets of Governmental Activities  | <u>\$ 365,387,790</u> |

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, 2002

|   | General              | Montgomery<br>County<br>Capital<br>Projects | Prince George's<br>County<br>Capital<br>Projects | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------|---|--|--------------------------------|--------------------------------|
| <b>REVENUES</b>   |                      |   |  |                                |                                |
| Property Taxes  | \$ 175,674,397       | \$ -  | \$ -   | \$ 1,468,666                   | \$ 177,143,063                 |
| Intergovernmental -                                       |                      |   |  |                                |                                |
| Federal   | 78,718               | -   | 156,980  | -                              | 235,698                        |
| State   | 397,573              | 4,266,794                                   | 5,066,104  | -                              | 9,730,471                      |
| County  | 740,289              | 7,376,477                                   | -  | 460,517                        | 8,577,283                      |
| Local   | -                    | 3,457                                       | 14,121   | -                              | 17,578                         |
| Charges for Services                                      | 7,418,365            | -   | 14,964   | 800,529                        | 8,233,858                      |
| Rentals and Concessions                                   | 3,257,937            | -   | -  | 4,116,763                      | 7,374,700                      |
| Interest  | 1,399,115            | 89,836                                      | 610,138  | 166,732                        | 2,265,821                      |
| Sale of Land  | -                    | -   | 4,905  | -                              | 4,905                          |
| Contributions   | -                    | -   | -  | 1,800                          | 1,800                          |
| Miscellaneous   | 513,505              | 25,000                                      | 366,799  | 508,826                        | 1,414,130                      |
| Total Revenues  | <u>189,479,899</u>   | <u>11,761,564</u>                           | <u>6,234,011</u>                                 | <u>7,523,833</u>               | <u>214,999,307</u>             |
| <b>EXPENDITURES</b>                                       |                      |   |  |                                |                                |
| Current -   |                      |   |  |                                |                                |
| General Government  | 12,088,929           | -   | -  | -                              | 12,088,929                     |
| Planning and Zoning                                       | 28,711,012           | -   | -  | 996,261                        | 29,707,273                     |
| Park Operations and Maintenance                           | 94,678,717           | -   | -  | 871,427                        | 95,550,144                     |
| Recreation  | 31,393,781           | -   | -  | 4,848,256                      | 36,242,037                     |
| Debt Service -  |                      |   |  |                                |                                |
| Principal   | -                    | -   | -  | 9,340,000                      | 9,340,000                      |
| Interest  | -                    | -   | -  | 8,076,447                      | 8,076,447                      |
| Bond Issuance Costs                                       | -                    | -   | 44,820   | 26,161                         | 70,981                         |
| Capital Outlay -  |                      |   |  |                                |                                |
| Park Acquisition  | -                    | 1,521,673                                   | 4,352,919  | -                              | 5,874,592                      |
| Park Development  | -                    | 11,633,683                                  | 8,107,047  | -                              | 19,740,730                     |
| Total Expenditures  | <u>166,872,439</u>   | <u>13,155,356</u>                           | <u>12,504,786</u>                                | <u>24,158,552</u>              | <u>216,691,133</u>             |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>22,607,460</u>    | <u>(1,393,792)</u>                          | <u>(6,270,775)</u>                               | <u>(16,634,719)</u>            | <u>(1,691,826)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                      |   |  |                                |                                |
| Proceeds from General Obligation Bonds                    | -                    | -   | 18,744,820                                       | -                              | 18,744,820                     |
| Transfers out to Private Purpose Trust Funds              | -                    | -   | -  | (286,585)                      | (286,585)                      |
| Transfers In  | 626,706              | 594,000                                     | 2,644,383  | 16,454,940                     | 20,320,029                     |
| Transfer Out - Other                                      | (24,396,062)         | (89,836)                                    | (394,569)  | (568,235)                      | (25,448,702)                   |
| Total Other Financing Sources (Uses)                      | <u>(23,769,356)</u>  | <u>504,164</u>                              | <u>20,994,634</u>                                | <u>15,600,120</u>              | <u>13,329,562</u>              |
| Net Change in Fund Balances                               | (1,161,896)          | (889,628)                                   | 14,723,859                                       | (1,034,599)                    | 11,637,736                     |
| Fund Balances - Beginning                                 | 50,255,441           | 4,900,980                                   | 12,666,374                                       | 8,038,600                      | 75,861,395                     |
| Fund Balances - Ending                                    | <u>\$ 49,093,545</u> | <u>\$ 4,011,352</u>                         | <u>\$ 27,390,233</u>                             | <u>\$ 7,004,001</u>            | <u>\$ 87,499,131</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, 2002

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) | \$ | 11,637,736 |
|---|----|------------|

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 capital outlay exceeded depreciation in the current period.

|                      |                    |            |
|----------------------|--------------------|------------|
| Capital Outlay       | \$ 25,346,027      |            |
| Depreciation Expense | <u>(9,384,244)</u> |            |
| Net adjustment       |                    | 15,961,783 |

In the Statement of Activities, only the gain on the sale of property is reported, whereas in the governmental funds, the proceeds from sales increase financial resources. Other land activity that has no impact on financial resources is also included in the statement of activities.

|   |              |           |
|---|--------------|-----------|
| Donations of Land                           | 9,183,739    |           |
| Transfer to Enterprise Fund                 | (3,793,139)  |           |
| Transfer to Other Governmental Organization | (3,174,700)  |           |
| Sales of Assets                             | <u>(370)</u> |           |
| Net adjustment                              |              | 2,215,530 |

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.

(2,407,433)

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.

|   |                  |             |
|---|------------------|-------------|
| General Obligation Bonds issued, net of bond issuance costs of \$44,820 | (18,700,000)     |             |
| Repayments of Principal   | <u>9,340,000</u> |             |
| Net adjustment  |                  | (9,360,000) |

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

641,476

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.

2,433,295

|   |    |                   |
|---|----|-------------------|
| Change in net assets of governmental activities (Exhibit 2) | \$ | <u>21,122,387</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, 2002

|   | Budgeted Amounts      |                        |                      | Variance               |
|---|-----------------------|------------------------|----------------------|------------------------|
|   | Original              | Final                  | Actual               | Positive<br>(Negative) |
| Revenues:   |                       |                        |                      |                        |
| Property Taxes  | \$ 172,747,200        | \$ 172,747,200         | \$ 175,674,397       | \$ 2,927,197           |
| Intergovernmental   | 1,267,570             | 1,584,788              | 1,216,580            | (368,208)              |
| Charges for Services  | 8,555,555             | 8,555,555              | 7,419,008            | (1,136,547)            |
| Rentals and Concessions   | 2,866,913             | 2,866,913              | 3,257,299            | 390,386                |
| Interest  | 3,530,000             | 3,530,000              | 1,399,115            | (2,130,885)            |
| Miscellaneous   | 468,199               | 468,199                | 513,500              | 45,301                 |
| Total Revenues  | <u>189,435,437</u>    | <u>189,752,655</u>     | <u>189,479,899</u>   | <u>(272,756)</u>       |
| Expenditures/Encumbrances:  |                       |                        |                      |                        |
| Current -   |                       |                        |                      |                        |
| General Government  | 12,526,155            | 12,526,155             | 11,964,925           | 561,230                |
| County Planning and Zoning  | 30,150,188            | 30,150,188             | 28,350,285           | 1,799,903              |
| Park Operation and Maintenance  | 100,139,746           | 99,367,349             | 94,256,805           | 5,110,544              |
| Recreation Programs   | 33,184,765            | 33,474,380             | 30,874,120           | 2,600,260              |
| Total Expenditures/Encumbrances   | <u>176,000,854</u>    | <u>175,518,072</u>     | <u>165,446,135</u>   | <u>10,071,937</u>      |
| Excess of Revenues over (under)<br>Expenditures/Encumbrances  | <u>13,434,583</u>     | <u>14,234,583</u>      | <u>24,033,764</u>    | <u>9,799,181</u>       |
| Other Financing Sources (Uses):   |                       |                        |                      |                        |
| Operating Transfers In  | 525,000               | 525,000                | 577,079              | 52,079                 |
| Operating Transfers Out   | <u>(23,898,979)</u>   | <u>(24,858,979)</u>    | <u>(24,346,435)</u>  | <u>512,544</u>         |
| Total Other Financing Sources (Uses)  | <u>(23,373,979)</u>   | <u>(24,333,979)</u>    | <u>(23,769,356)</u>  | <u>564,623</u>         |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures/Encumbrances<br>and Other Financing Uses - Budget Basis | <u>\$ (9,939,396)</u> | <u>\$ (10,099,396)</u> | 264,408              | <u>\$ 10,363,804</u>   |
| Fund Balances - Budget Basis, July 1  |                       |                        | <u>40,108,867</u>    |                        |
| Fund Balances - Budget Basis, June 30   |                       |                        | <u>\$ 40,373,275</u> |                        |

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, 2002

|  | Business-type Activities - Enterprise Funds |                 |               | Governmental  |
|--|---|-----------------|---------------|---------------|
|  | Recreational and Cultural Activities        |                 |               | Activities-   |
|  | Montgomery                                  | Prince George's |               | Internal      |
|  | County                                      | County          | Totals        | Service       |
|  |   |                 |               | Funds         |
| <b>ASSETS</b>                                      |   |                 |               |               |
| Current Assets:                                    |   |                 |               |               |
| Equity in Pooled Cash and Investments              | \$ 3,312,016                                | \$ 1,709,476    | \$ 5,021,492  | \$ 35,148,672 |
| Restricted Cash, Cash Equivalents and Investments: |   |                 |               |               |
| Revenue Bond Covenant Accounts                     | 583,266                                     | -               | 583,266       | -             |
| Accounts Receivable                                | 372   | 2,327           | 2,699         | 500           |
| Due from County Government                         | -   | -               | -             | 164,464       |
| Deposits and Other                                 | -   | -               | -             | 57,116        |
| Inventories  | 842,706                                     | 546,079         | 1,388,785     | -             |
| Total Current Assets                               | 4,738,360                                   | 2,257,882       | 6,996,242     | 35,370,752    |
| Noncurrent Assets:                                 |   |                 |               |               |
| Capital Assets:                                    |   |                 |               |               |
| Land   | 11,584,468                                  | 7,779,131       | 19,363,599    | 748,497       |
| Buildings  | 20,544,126                                  | 52,751,073      | 73,295,199    | 2,752,334     |
| Improvements Other Than Buildings                  | 4,762,480                                   | 12,304,643      | 17,067,123    | -             |
| Machinery and Equipment                            | 4,559,388                                   | 4,129,137       | 8,688,525     | 16,238,805    |
| Construction in Progress                           | 1,773,131                                   | -               | 1,773,131     | -             |
|  | 43,223,593                                  | 76,963,984      | 120,187,577   | 19,739,636    |
| Less - Accumulated Depreciation                    | (8,624,158)                                 | (13,759,042)    | (22,383,200)  | (11,810,715)  |
| Total Capital Assets, Net of Depreciation          | 34,599,435                                  | 63,204,942      | 97,804,377    | 7,928,921     |
| Total Noncurrent Assets                            | 34,599,435                                  | 63,204,942      | 97,804,377    | 7,928,921     |
| Total Assets                                       | 39,337,795                                  | 65,462,824      | 104,800,619   | 43,299,673    |
| <b>LIABILITIES</b>                                 |   |                 |               |               |
| Current Liabilities:                               |   |                 |               |               |
| Accounts Payable                                   | 388,098                                     | 288,538         | 676,636       | 178,903       |
| Claims Payable                                     | -   | -               | -             | 2,120,532     |
| Accrued Salaries and Benefits                      | 136,261                                     | 202,536         | 338,797       | 187,442       |
| Compensated Absences                               | 200,096                                     | 158,223         | 358,319       | 7,607,953     |
| Interest Payable                                   | 126,400                                     | -               | 126,400       | 18,674        |
| Revenue Collected in Advance                       | 435,705                                     | 154,766         | 590,471       | -             |
| Current Portion of Revenue Bonds Payable           | 285,000                                     | -               | 285,000       | -             |
| Current Portion of Revenue Notes Payable           | 674,444                                     | -               | 674,444       | -             |
| Current Portion of Notes Payable                   | 58,477                                      | -               | 58,477        | 1,358,905     |
| Total Current Liabilities                          | 2,304,481                                   | 804,063         | 3,108,544     | 11,472,409    |
| Noncurrent Liabilities:                            |   |                 |               |               |
| Claims Payable                                     | -   | -               | -             | 5,571,702     |
| Revenue Bonds Payable                              | 3,099,370                                   | -               | 3,099,370     | -             |
| Revenue Notes Payable                              | 7,431,668                                   | -               | 7,431,668     | -             |
| Notes Payable                                      | 158,807                                     | -               | 158,807       | 3,982,783     |
| Compensated Absences                               | 238,617                                     | 311,547         | 550,164       | 4,723,294     |
| Payable to Advance Land Acquisition Trust Fund     | -   | 3,829,363       | 3,829,363     | -             |
| Total Noncurrent Liabilities                       | 10,928,462                                  | 4,140,910       | 15,069,372    | 14,277,779    |
| Total Liabilities                                  | 13,232,943                                  | 4,944,973       | 18,177,916    | 25,750,188    |
| <b>NET ASSETS</b>                                  |   |                 |               |               |
| Invested in Capital Assets, Net of Related Debt    | 22,891,669                                  | 59,375,579      | 82,267,248    | 2,587,233     |
| Restricted for Debt Service                        | 583,266                                     | -               | 583,266       | -             |
| Unrestricted                                       | 2,629,917                                   | 1,142,272       | 3,772,189     | 14,962,252    |
| Total Net Assets                                   | \$ 26,104,852                               | \$ 60,517,851   | \$ 86,622,703 | \$ 17,549,485 |

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, 2002

|   | Business-type Activities - Enterprise Funds |                 |               | Governmental  |
|---|---|-----------------|---------------|---------------|
|   | Recreational and Cultural Activities        |                 |               | Activities-   |
|   | Montgomery                                  | Prince George's | Totals        | Internal      |
|   | County                                      | County          |               | Service       |
|   |   |                 |               | Funds         |
| Operating Revenues:                       |   |                 |               |               |
| Sales                                     | \$ 1,632,353                                | \$ 1,485,366    | \$ 3,117,719  | \$ -          |
| Charges for Services                      | 10,017,145                                  | 4,426,115       | 14,443,260    | 35,829,404    |
| Claim Recoveries                          | -   | -               | -             | 236,257       |
| Rentals and Concessions                   | 2,588,223                                   | 2,271,056       | 4,859,279     | -             |
| Total Operating Revenues                  | 14,237,721                                  | 8,182,537       | 22,420,258    | 36,065,661    |
| Operating Expenses:                       |   |                 |               |               |
| Cost of Goods Sold                        | 991,372                                     | 1,075,355       | 2,066,727     | -             |
| Personal Services                         | 5,669,364                                   | 6,893,854       | 12,563,218    | 11,311,476    |
| Supplies and Materials                    | 1,817,310                                   | 1,214,659       | 3,031,969     | 143,880       |
| Montgomery County Self Insurance Program  | -   | -               | -             | 2,761,082     |
| Claims Incurred                           | -   | -               | -             | 8,619,690     |
| Insurance                                 | -   | -               | -             | 9,284,270     |
| Communications                            | 116,996                                     | 245,438         | 362,434       | -             |
| Utilities                                 | 645,292                                     | -               | 645,292       | -             |
| Maintenance                               | 353,140                                     | 692,876         | 1,046,016     | -             |
| Contractual Services                      | 1,263,108                                   | 586,236         | 1,849,344     | -             |
| Other Services and Charges                | 321,034                                     | 671,813         | 992,847       | 1,072,256     |
| Administrative Services                   | 1,190,389                                   | -               | 1,190,389     | -             |
| Depreciation                              | 1,471,882                                   | 2,238,205       | 3,710,087     | 1,599,296     |
| Total Operating Expenses                  | 13,839,887                                  | 13,618,436      | 27,458,323    | 34,791,950    |
| Operating Income (Loss)                   | 397,834                                     | (5,435,899)     | (5,038,065)   | 1,273,711     |
| Nonoperating Revenues (Expenses):         |   |                 |               |               |
| Investment Earnings                       | 231,041                                     | 30,771          | 261,812       | 807,321       |
| Interest Expense, net of Amortization     | (730,809)                                   | -               | (730,809)     | (447,737)     |
| Loss on Sale of Asset                     | (13,938)                                    | -               | (13,938)      | -             |
| Total Nonoperating Revenue (Expense)      | (513,706)                                   | 30,771          | (482,935)     | 359,584       |
| Income before Contributions and Transfers | (115,872)                                   | (5,405,128)     | (5,521,000)   | 1,633,295     |
| Transfers of General Government Land      | 3,793,139                                   | -               | 3,793,139     | -             |
| Transfers In - Park Account               | 86,000                                      | 3,854,107       | 3,940,107     | 800,000       |
| Transfer In - Recreation Account          | -   | 388,566         | 388,566       | -             |
| Change in Net Assets                      | 3,763,267                                   | (1,162,455)     | 2,600,812     | 2,433,295     |
| Total Net Assets - Beginning              | 22,341,585                                  | 61,680,306      | 84,021,891    | 15,116,190    |
| Total Net Assets - Ending                 | \$ 26,104,852                               | \$ 60,517,851   | \$ 86,622,703 | \$ 17,549,485 |

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, 2002**

|   | Business-type Activities- Enterprise Funds |                           |                     | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|--|---------------------------|---------------------|--|
|   | Recreational and Cultural Activities       |                           |                     |  |
|   | Montgomery<br>County                       | Prince George's<br>County | Totals              |  |
| Cash Flows from Operating Activities:                                   |  |                           |                     |  |
| Receipts from Customers and Users                                       | \$ 14,168,936                              | \$ 8,230,688              | \$ 22,399,624       | \$ 35,983,461  |
| Payments to Suppliers   | (4,431,749)                                | (4,239,990)               | (8,671,739)         | (22,299,180)   |
| Payments to Employees   | (5,733,422)                                | (6,841,755)               | (12,575,177)        | (10,845,558)   |
| Payments for Interfund Services Used                                    | (860,200)                                  | (233,800)                 | (1,094,000)         | (292,200)  |
| Payments for Administrative Charges                                     | (1,190,389)                                | -                         | (1,190,389)         | -  |
| Net Cash Provided (Used) by Operating Activities                        | <u>1,953,176</u>                           | <u>(3,084,857)</u>        | <u>(1,131,681)</u>  | <u>2,546,523</u>   |
| Cash Flows from Noncapital Financing Activities:                        |  |                           |                     |  |
| Operating Transfers In from Other Funds                                 | <u>86,000</u>                              | <u>4,242,673</u>          | <u>4,328,673</u>    | <u>800,000</u>   |
| Net Cash Provided (Used) by Noncapital<br>Financing Activities          | <u>86,000</u>                              | <u>4,242,673</u>          | <u>4,328,673</u>    | <u>800,000</u>   |
| Cash Flows from Capital and Related Financing Activities:               |  |                           |                     |  |
| Acquisition and Construction of Capital Assets                          | (2,459,831)                                | (350,177)                 | (2,810,008)         | (1,287,486)  |
| Principal Paid on Notes Payable   | (715,235)                                  | -                         | (715,235)           | (3,012,099)  |
| Principal Paid on Revenue Bonds   | (270,000)                                  | -                         | (270,000)           | -  |
| Interest Paid   | (698,746)                                  | -                         | (698,746)           | (447,737)  |
| Proceeds from Financing - Notes Payable                                 | -  | -                         | -                   | 1,765,000  |
| Net Cash Provided (Used) by Capital and Related<br>Financing Activities | <u>(4,143,812)</u>                         | <u>(350,177)</u>          | <u>(4,493,989)</u>  | <u>(2,982,322)</u>                                       |
| Cash Flows from Investing Activities:                                   |  |                           |                     |  |
| Interest on Restricted Investments                                      | 191,501                                    | -                         | 191,501             | -  |
| Interest on Investments   | 39,540                                     | 30,771                    | 70,311              | 807,321  |
| Net Cash Provided (Used) by Investing Activities                        | <u>231,041</u>                             | <u>30,771</u>             | <u>261,812</u>      | <u>807,321</u>   |
| Net Increase (Decrease) in Cash and Cash Equivalents                    | (1,873,595)                                | 838,410                   | (1,035,185)         | 1,171,522  |
| Cash, Cash Equivalents and Restricted Cash, July 1                      | <u>5,768,877</u>                           | <u>871,066</u>            | <u>6,639,943</u>    | <u>33,977,150</u>  |
| Cash, Cash Equivalents and Restricted Cash, June 30                     | \$ <u>3,895,282</u>                        | \$ <u>1,709,476</u>       | \$ <u>5,604,758</u> | \$ <u>35,148,672</u>                                     |
| Displayed as:   |  |                           |                     |  |
| Equity in Pooled Cash and Investments                                   | \$ 3,312,016                               | \$ 1,709,476              | \$ 5,021,492        | \$ 35,148,672  |
| Restricted for Revenue Bond Covenants                                   | 583,266                                    | -                         | 583,266             | -  |
|   | \$ <u>3,895,282</u>                        | \$ <u>1,709,476</u>       | \$ <u>5,604,758</u> | \$ <u>35,148,672</u>                                     |

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



**Exhibit 9**  
**continued**

|  | Business-type Activities- Enterprise Funds |                           |                | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|--|---------------------------|----------------|--|
|  | Recreational and Cultural Activities       |                           |                |  |
|  | Montgomery<br>County                       | Prince George's<br>County | Totals         |  |
| Reconciliation of Operating Income/(Loss) to Net Cash<br>Provided (Used) by Operating Activities:                        |  |                           |                |  |
| Operating Income (Loss)  | \$ 397,834                                 | \$ (5,435,899)            | \$ (5,038,065) | \$ 1,273,711   |
| Adjustments to Reconcile Operating Income (Loss) to<br>Net Cash Provided (Used) by Operating Activities:                 |  |                           |                |  |
| Depreciation   | 1,471,882                                  | 2,238,205                 | 3,710,087      | 1,599,296  |
| Changes in Assets and Liabilities:   |  |                           |                |  |
| (Increase) Decrease in Accounts Receivable   | 1,335                                      | 3,501                     | 4,836          | 10,090   |
| (Increase) Decrease in Due from County Government  | -  | -                         | -              | (81,607)   |
| (Increase) Decrease in Inventories, at Cost  | (55,085)                                   | 32,587                    | (22,498)       | -  |
| (Increase) Decrease in Deposits and Other  | -  | -                         | -              | (10,683)   |
| Increase (Decrease) in Accounts Payable  | 184,752                                    | (20,000)                  | 164,752        | (1,418,376)  |
| Increase (Decrease) in Claims Payable  | -  | -                         | -              | 689,499  |
| Increase (Decrease) in Accrued Salaries and Benefits   | 14,641                                     | 10,549                    | 25,190         | 11,781   |
| Increase (Decrease) in Compensated Absences  | 17,734                                     | 41,550                    | 59,284         | 454,138  |
| Increase (Decrease) in Interest Payable  | (9,797)                                    | -                         | (9,797)        | 18,674   |
| Increase (Decrease) in Revenue Collected in Advance  | (70,120)                                   | 44,650                    | (25,470)       | -  |
| Total Adjustments  | 1,555,342                                  | 2,351,042                 | 3,906,384      | 1,272,812  |
| Net Cash Provided (Used) by Operating Activities   | \$ 1,953,176                               | \$ (3,084,857)            | \$ (1,131,681) | \$ 2,546,523   |
| Noncash investing, capital and financing activities:   |  |                           |                |  |
| Land with a historical cost of \$3,793,139 was transferred from the General Government to the Montgomery Enterprise Fund |  |                           |                |  |



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

**Exhibit 10**

**Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2002**

|   | <u>Pension<br/>Trust<br/>Funds</u> | <u>Private<br/>Purpose<br/>Trust Funds</u> | <u>Agency<br/>Funds</u> |
|---|------------------------------------|--|-------------------------|
| <b>ASSETS</b>   |                                    |  |                         |
| Equity in Pooled Cash and Investments                                       | \$ -                               | \$ 13,272,373                              | \$ 3,467,965            |
| Cash and Marketable Securities  | 445,784,182                        | -  | -                       |
| Collateral for Securities Lending Transactions                              | 41,987,092                         | -  | -                       |
| Accounts Receivable   | 73,828                             | 2,000                                      | -                       |
| Deposits and Other  | 116,988                            | -  | -                       |
| Receivable From Enterprise Fund   | -                                  | 3,829,363                                  | -                       |
| Land Held for Transfer  | -                                  | 37,219,404                                 | -                       |
| Other   | -                                  | 459,681                                    | -                       |
| Total Assets  | <u>487,962,090</u>                 | <u>54,782,821</u>                          | <u>3,467,965</u>        |
| <b>LIABILITIES</b>  |                                    |  |                         |
| Accounts Payable  | 763,119                            | 31,906                                     | 2,915,071               |
| Obligation for Collateral Received<br>under Securities Lending transactions | 41,987,092                         | -  | -                       |
| Deposits and Deferred Revenue   | -                                  | -  | 552,894                 |
| Total Liabilities   | <u>42,750,211</u>                  | <u>31,906</u>                              | <u>3,467,965</u>        |
| <b>NET ASSETS</b>   |                                    |  |                         |
| Assets Held in Trust for:   |                                    |  |                         |
| Land Held for Transfer  | -                                  | 41,048,767                                 | -                       |
| Pension Benefits  | 436,367,523                        | -  | -                       |
| Other Postemployment Benefits   | 8,844,356                          | -  | -                       |
| Other Purposes  | -                                  | 13,702,148                                 | -                       |
| Total Net Assets  | <u>\$ 445,211,879</u>              | <u>\$ 54,750,915</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 Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2002**

|  | <u>Pension<br/>Trust<br/>Funds</u> | <u>Private<br/>Purpose<br/>Trust Funds</u> |
|--|------------------------------------|--|
| <b>ADDITIONS:</b>  |                                    |  |
| Contributions:   |                                    |  |
| Employer   | \$ 479,669                         | \$ -                                       |
| Plan Members   | 3,397,208                          | -  |
| Private Donations  | <u>-</u>                           | <u>71,699</u>                              |
| Total Contributions                                      | <u>3,876,877</u>                   | <u>71,699</u>                              |
| Receipts from Commission Debt Service Funds              | -                                  | 286,585                                    |
| Investment Earnings:                                     |                                    |  |
| Interest   | 12,389,432                         | 554,838                                    |
| Dividends  | 2,032,523                          | -  |
| Gain on Sale of Land                                     | -                                  | 87,612                                     |
| Net increase (decrease) in the Fair Value of Investments | <u>(35,411,975)</u>                | <u>-</u>                                   |
| Total Investment Earnings                                | <u>(20,990,020)</u>                | <u>642,450</u>                             |
| Less Investment Expense                                  |                                    |  |
| Investment Advisory and Management Fees                  | <u>(1,847,083)</u>                 | <u>-</u>                                   |
| Net Income from Investing Activities                     | <u>(22,837,103)</u>                | <u>642,450</u>                             |
| Securities Lending Activity                              |                                    |  |
| Securities Lending Income                                | 1,270,832                          | -  |
| Securities Lending Fees                                  | <u>(1,122,156)</u>                 | <u>-</u>                                   |
| Net Income from Securities Lending Activity              | <u>148,676</u>                     | <u>-</u>                                   |
| Total Net Investment Income (Loss)                       | <u>(22,688,427)</u>                | <u>642,450</u>                             |
| Total Additions  | <u>(18,811,550)</u>                | <u>1,000,734</u>                           |
| <b>DEDUCTIONS</b>  |                                    |  |
| Benefits   | 12,660,520                         | -  |
| Refunds of Contributions                                 | 312,521                            | -  |
| Administrative Expenses                                  | 986,096                            | -  |
| Land Transfers   | -                                  | 37,725                                     |
| Other  | <u>-</u>                           | <u>78,297</u>                              |
| Total Deductions   | <u>13,959,137</u>                  | <u>116,022</u>                             |
| Change in Net Assets                                     | <u>(32,770,687)</u>                | <u>884,712</u>                             |
| Net Assets - Beginning                                   | <u>477,982,566</u>                 | <u>53,866,203</u>                          |
| Net Assets - Ending                                      | \$ <u>445,211,879</u>              | \$ <u>54,750,915</u>                       |

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, 2002

### (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") 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

The Employees' Retirement System (ERS), administered by the 12 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.

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

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, internal service, and private-purpose trust funds are set forth on a County basis in Note 6.



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

Effective July 1, 2001, the Commission has implemented Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*, GASB Statement No. 38, *Certain Financial Statement Note Disclosures*, and GASB Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

GASB Statement No. 34 established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. The new requirements include:

**Management's Discussion and Analysis** – GASB Statement No. 34 requires that financial statements be accompanied by a narrative introduction and analytical overview of the government'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 government'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. While the previous reporting model emphasized fund types (the total of all funds of a particular type), in the new reporting model, 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), and the component units. 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 (a) are presented on a consolidated basis by column and (b) are reflected, on a full accrual, economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations. 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. .

**Statement of Net Assets** – The Statement of Net Assets is designed to display the financial position of the primary government (government and business-type activities). Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Assets and report depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net assets of the Commission have been broken down into 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

**Statement of Activities** – The new 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 individual functions 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 are 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) operating 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 fund 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 column, reconciliations are presented which briefly explain the adjustments necessary to reconcile the fund financial statements to the governmental column of the government-wide financial statements.

The Commission's fiduciary funds and the Employees' Retirement System, which is 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 government, these funds are not incorporated into the government-wide statements.

**Budgetary Comparison Schedules** – Demonstrating compliance with the adopted budget is an important component of a government'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, and GASB Statement No. 34 allows budget presentations to be presented in the form adopted, 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.

**Accounting Changes Resulting from GASB No. 34** The definition of fiduciary funds has been redefined and narrowed in scope by GASB Statement No. 34. As a result, funds with fund balances of \$8,016,869 as of July 1, 2001, which were previously classified as expendable trust funds are now classified as special revenue funds.

Governmental activities' Capital Assets, reported in the Statement of Net Assets, now include depreciation, which was not previously required. The accumulated depreciation as of July 1, 2001 was \$136,464,289.



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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are 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.

Government 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. Expenditures generally are recorded when a liability is incurred, as under accrual 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 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. In 2002, the General Fund began absorbing utility and administrative charges of the Prince George's County Enterprise 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 six 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 Executive Office Building Fund, Prince George's County Employee Benefits Fund, and Prince George's County Risk



Management Fund. Internal Service Funds are used to account for the Commission's group insurance and risk management programs; the executive office building on Kenilworth Avenue in Prince George's County; the recording of annual and sick leave earned, taken and accrued by employees; the administrative leave used by employees who are bargaining unit members; and financing of capital equipment purchases. Within the Employee Benefit Funds, the Commission has fully funded the short-term portion of the annual and compensatory leave liability required to be recorded in the governmental financial statements, and has funded 57.1% of the long-term portion.

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 the operating system.

The Other Postemployment Benefits Fund is used to account for the accumulation of 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, and the fund is not funded based on actuarial information.

**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.

**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. 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 to apply GASB pronouncements as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with or contradict GASB pronouncements.

In the process of aggregating data for the Statement of Net Assets and the Statement of Activities, 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, and the Executive Office Building. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Assets. The Commission eliminates internal fund expenses by allocating the expenses to other funds. Expenses for capital equipment are allocated based on revenues, for risk management based on revenues, and for employee benefits based on salaries expense. 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's cash and investments of all funds are combined 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 uncollectibles. The property tax receivable allowance is based on an aging of receivables, with increased percentages applied to outstanding property taxes at June 30. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Effective July 1, 2000, semiannual tax payment plans are automatic for homeowners living in their properties unless they request to remain on an annual payment plan. Under the new 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.

**Restricted Assets** – Certain proceeds of the Commission's bonds, as well as certain resources set aside for enterprise fund revenue bond repayment, are classified as restricted assets on the balance sheet because they are maintained in investment accounts and their use is limited by applicable bond covenants.

**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 assets 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               | 20 - 40      |
| Building Improvements   | 20           |
| Infrastructure          | 15 - 60      |
| Vehicles                | 5            |
| Equipment and Machinery | 10           |



**Advances to Other Funds** - Long-term interfund advances at June 30, 2002, consist of \$3,829,363 of land acquired by the Prince George's County Advance Land Acquisition Private Purpose Trust Fund that is being used for park purposes in the Prince George's County Enterprise Fund. The advances are recorded as noncurrent receivables/payables in the respective Funds.

**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.

Each pay cycle, an estimated amount for compensated absences expenditures is recorded for the General Fund employees and is recognized as expenditures in the General Fund and revenue in the Employee Benefits Internal Service Fund. The estimate is equal to the amount of annual and sick leave expected to be taken during the year, plus an amount to fund the long-term leave liability. As General Fund employees take annual and sick leave, this usage is charged to the Employee Benefits Internal Service Fund. When annual and sick leave are used or taken by employees charged to proprietary funds, the expense is charged directly to the employees' cost center in the proprietary funds. Compensated absences for leave liabilities 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 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.

**Landfill Closure and Postclosure Costs** - The Bonifant Road Rubble Landfill stopped receiving solid waste and is closed. The landfill is scheduled to be capped by July 1, 2003. The estimated cost to close the landfill is \$1,622,000 and is recorded as a liability in the Montgomery County Capital Projects Fund. The total current cost of landfill closure and postclosure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The postclosure care cost, estimated to be \$115,000 over the 5 year postclosure care period, is reported as a long-term obligation in the government-wide financial statements. The Montgomery County Park Account in the General Fund will pay the annual operating expense of \$23,000 to monitor and maintain the Landfill.

**Fund Equity** - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**Reserves** - Fund balances in the governmental funds are reserved for encumbrances and debt service to indicate the amounts are not available for other expenditures.



**Designated Fund Balances for Individual Funds and Accounts** - The Commission has designated \$21,971,400 of fund balances in the General Fund at June 30, 2002, to fund fiscal year 2003 operations and contingencies, as follows.

|                        | Montgomery<br>County | Prince George's<br>County | Total                |
|------------------------|----------------------|---------------------------|----------------------|
| Administration Account | \$ 1,777,700         | \$ 1,110,900              | \$ 2,888,600         |
| Park Account           | 3,681,900            | 12,317,400                | 15,999,300           |
| Recreation Account     | N/A                  | 3,083,500                 | 3,083,500            |
|                        | <u>\$ 5,459,600</u>  | <u>\$ 16,511,800</u>      | <u>\$ 21,971,400</u> |

There were no deficits in net assets as of June 30, 2002.

## (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 a 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   | \$ 229,409,047        |
| Buildings  | 140,150,600           |
| Improvements Other than Buildings  | 7,158,942             |
| Infrastructure   | 119,454,791           |
| Machinery and Equipment  | 37,132,773            |
| Accumulated Depreciation on Buildings,<br>Improvements and Machinery and Equipment | (134,816,179)         |
| Construction in Progress   | 17,443,351            |
| Total  | <u>\$ 415,933,325</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) include:

|   |                       |
|---|-----------------------|
| Bonds and Notes Payable                   |                       |
| Due Within One Year                       | \$ 30,735,000         |
| Due in More than One Year                 | 124,885,000           |
| Estimated Liability for Postclosure Costs | 115,000               |
| Accrued Interest Payable                  | 3,079,718             |
| Totals                                    | <u>\$ 158,814,718</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 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 Account level for the Montgomery County Park Account, 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 the respective 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 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 2002 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.

A reconciliation from the Budget Basis to the GAAP Basis for the Year Ended June 30, 2002 is as follows. The account information shown below is reported in Note 6.

|  | Montgomery County         |                 | Prince George's County    |                 |                       | Total           |
|--|---------------------------|-----------------|---------------------------|-----------------|-----------------------|-----------------|
|  | Administration<br>Account | Park<br>Account | Administration<br>Account | Park<br>Account | Recreation<br>Account | General<br>Fund |
| Adjustment to Expenditures   |                           |                 |                           |                 |                       |                 |
| To Increase -  |                           |                 |                           |                 |                       |                 |
| Encumbrances -   |                           |                 |                           |                 |                       |                 |
| June 30, 2001  | \$ 1,509,181              | \$ 704,840      | \$ 2,681,386              | \$ 3,640,596    | \$ 1,610,571          | \$ 10,146,574   |
| To Decrease -  |                           |                 |                           |                 |                       |                 |
| Encumbrances -   |                           |                 |                           |                 |                       |                 |
| June 30, 2002  | (1,322,048)               | (960,100)       | (2,383,788)               | (2,963,424)     | (1,090,910)           | (8,720,270)     |
| Total Adjustment   | 187,133                   | (255,260)       | 297,598                   | 677,172         | 519,661               | 1,426,304       |
| Excess of Revenues and Other<br>Sources over (under)<br>Expenditures and Other Uses: |                           |                 |                           |                 |                       |                 |
| GAAP Basis   | 161,170                   | 1,363,388       | 710,256                   | (3,388,489)     | (8,221)               | (1,161,896)     |
| Budget Basis   | \$ 348,303                | \$ 1,108,128    | \$ 1,007,854              | \$ (2,711,317)  | \$ 511,440            | \$ 264,408      |



#### **(4) - DETAILED NOTES ON ALL FUNDS**

##### **(A) Cash and Investments**

The Commission's deposits and investments as of June 30, 2002, totaled \$633,663,411. The Commission's pool of deposits and investments is available to all funds, except for the Pension Trust Funds.

**Cash in Banks** - At year-end, the carrying amount of deposits was an overdraft of \$277,830 and the bank balance was \$2,506,339. In addition, the Commission held cash at various locations totaling \$256,507, and the Employees' Retirement System Pension Trust Fund had cash of \$62,276. Of the bank balance, \$400,000 was covered by Federal depository insurance and the remainder was collateralized by \$3,121,114 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

The Commission requires collateral for the pooled cash and investments of ten or more days duration 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, 2002. Collateral shall be maintained in excess of FDIC insurance coverage for all Commission bank cash accounts, certificates of deposits and time deposits.

**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, certificates of deposits and municipal bonds and notes.

Statutes require that investments comply with the guidelines relative to investment grade and/or ratings and Securities and Exchange Commission registrations where applicable. Also, 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 must meet statutory requirements and is held in the Commission's name by a third-party custodian.

There were no unusual variations in the mix or volume of the investment portfolio during the fiscal year. The Commission was in compliance with all applicable investment statutes throughout the fiscal year.

The cash included in the following restricted cash and investments are fully collateralized as discussed above:

**Cash and Investments Restricted for Debt Service** - At year-end, the Commission had \$583,266 restricted to pay debt service for Little Bennett Golf Course Revenue Bonds.

**Cash and Investments Restricted for Construction** - At year-end, the Commission had \$19,694,920 of unspent bond proceeds restricted to pay construction costs for various projects.

**Pension Trust Funds Investments** - Statutes do not restrict the investment activity of these two funds.

**Securities Lending Transactions for Defined Benefit Pension Plan** - The Maryland-National Capital Park and Planning Commission Employees' Retirement System Board of Trustees policies authorize the lending of investment securities. These lending transactions are managed by The Northern Trust Company. There were no violations of legal or contractual provisions, or borrower or lending agent default losses known to the securities lending agent as of June 30, 2002. Due to the nature of the program's collateralization of securities loaned at a minimum of 102% of the market value plus accrued interest,



management of the System believes that there is no credit risk, since the lender owes the borrower more than the borrower owes the lender.

Securities are loaned against collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned against collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. securities are loaned against collateral valued at 105% of the fair 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 Fiduciary Fund Statement of Net Assets. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans is 84 days.

Cash collateral is invested in a short-term investment pool, which has an average weighted maturity of 30 days. Cash collateral may also be invested in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either borrower or lender. There are no dividends or coupon payments owing on the securities lent.

The trustee bank, The Northern Trust Company, is responsible for 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 fair value of securities on loan as of June 30, 2002 was \$44,434,155, which was collateralized by \$41,987,092 of cash collateral and non-cash collateral of \$3,586,576. The securities lending gross earnings for the year ended June 30, 2002 were \$1,270,832, while the borrower's rebate totaled \$1,032,371 and bank fees and commissions were \$89,785, which resulted in a net addition from securities lending activity of \$148,676.

**Categories of Investments** - Investments are categorized to give an indication of the level of risk assumed by the Commission at year-end. Category 1 includes investments for which the securities are insured, registered, or held by the Commission or its agent in the Commission's name. Category 2 includes uninsured and unregistered investment securities held by the counterparty's trust department or agent in the Commission's name. Category 3 includes uninsured and unregistered investment securities held by the counterparty or its trust department or agent but not in the Commission's name. The Commission, including the Pension Trust Fund, did not hold Category 2 or 3 investments at year-end. The Commission does not have the authority to enter into reverse repurchase agreements and did not do so during the year ended June 30, 2002. Certain investments as listed in the following table are not subject to categorization.



The Commission's investments at June 30, 2002 were as follows:

|   | Category 1     | Reported Amount/<br>Fair Value |
|---|----------------|--------------------------------|
| <b>Investments Subject to Categorization</b>                |                |                                |
| <b>Commission Investments:</b>                              |                |                                |
| Federal Farm Credit Bank Notes                              | \$ 35,098,034  | \$ 35,098,034                  |
| United States Treasury Notes                                | 2,033,659      | 2,033,659                      |
| United States Treasury Bills                                | 1,955,498      | 1,955,498                      |
| Bankers' Acceptances  | 3,996,033      | 3,996,033                      |
| Federal National Mortgage Association Notes                 | 22,878,069     | 22,878,069                     |
| Federal Home Loan Bank Notes                                | 22,025,714     | 22,025,714                     |
| Federal Home Loan Mortgage Association Notes                | 15,876,981     | 15,876,981                     |
| Repurchase Agreements                                       | 38,548,836     | 38,548,836                     |
| Money Market Accounts                                       | 3,662,452      | 3,662,452                      |
| Total Commission Investments                                | 146,075,276    | 146,075,276                    |
| <b>Fiduciary Fund Investments:</b>                          |                |                                |
| Commercial Paper  | 1,377,894      | 1,377,894                      |
| U.S. Government Securities                                  | 71,399,274     | 71,399,274                     |
| Corporate Bonds   | 106,512,783    | 106,512,783                    |
| Common Stocks   | 164,093,885    | 164,093,885                    |
| Total Fiduciary Funds Investments                           | 343,383,836    | 343,383,836                    |
| Total Investments Subject<br>To Categorization              | 489,459,112    | 489,459,112                    |
| <b>Investments Not Subject to Categorization</b>            |                |                                |
| <b>Employees' Retirement System Pension Trust Fund:</b>     |                |                                |
| Stock Mutual Fund   |                | 16,210,312                     |
| Commingled Stock Trust                                      |                | 45,027,302                     |
| Securities Lending Short Term<br>Collateral Investment Pool |                | 41,987,092                     |
| <b>Investments Held by Broker Dealers</b>                   |                |                                |
| <b>Under Securities Loans with Cash</b>                     |                |                                |
| <b>Collateral:</b>  |                |                                |
| U.S. Government Obligations                                 |                | 24,623,998                     |
| Corporate Bonds   |                | 9,958,640                      |
| Common Stock  |                | 6,356,002                      |
| Total Employees' Retirement System                          |                | 144,163,346                    |
| Commission Total  | \$ 489,459,112 | \$ 633,622,458                 |

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

|  |                |
|--|----------------|
| <u>Statement of Net Assets</u>                                       |                |
| Equity in Pooled Cash and Investments                                | \$ 108,873,613 |
| <b>Restricted Cash, Cash Equivalents and Investments</b>             |                |
| Revenue Bond Covenant Accounts                                       | 583,266        |
| Unspent Bonds Proceeds   | 19,694,920     |
| <u>Statement of Fiduciary Net Assets</u>                             |                |
| Equity in Pooled Cash and Investments - Private Purpose Trust Funds  | 13,272,373     |
| Equity in Pooled Cash and Investments - Agency Funds                 | 3,467,965      |
| Cash and Marketable Securities - Pension Trust Funds                 | 445,784,182    |
| Collateral for Securities Lending Transactions - Pension Trust Funds | 41,987,092     |
| Total  | \$ 633,663,411 |
| <b>They are composed of:</b>   |                |
| Cash in Banks  | \$ (277,830)   |
| Cash of Employees retirement System Pension Trust Fund               | 62,276         |
| Cash in Other Locations  | 256,507        |
| Investments  | 633,622,458    |
| Total  | \$ 633,663,411 |



## (B) Capital Assets

A summary of governmental activities capital assets at June 30, 2002 is as follows:

|   | July 1, 2001   | Increases     | Decreases      | Transfers      | June 30, 2002  |
|---|----------------|---------------|----------------|----------------|----------------|
| Capital assets not being depreciated:       |                |               |                |                |                |
| Land  | \$ 222,253,510 | \$ 14,872,244 | \$ (3,175,070) | \$ (3,793,140) | \$ 230,157,544 |
| Construction in progress                    | 12,843,107     | 17,418,563    | -              | (12,818,319)   | 17,443,351     |
| Total capital assets not being depreciated  | 235,096,617    | 32,290,807    | (3,175,070)    | (16,611,459)   | 247,600,895    |
| Capital assets being depreciated:           |                |               |                |                |                |
| Buildings and improvements                  | 141,398,339    | 122,934       | -              | 8,566,929      | 150,088,202    |
| Infrastructure                              | 116,825,622    | -             | -              | 2,629,169      | 119,454,791    |
| Machinery and equipment                     | 49,140,454     | 3,403,512     | (820,936)      | 1,622,221      | 53,345,251     |
| Total capital assets being depreciated      | 307,364,415    | 3,526,446     | (820,936)      | 12,818,319     | 322,888,244    |
| Less accumulated depreciation for:          |                |               |                |                |                |
| Buildings and improvements                  | (71,585,177)   | (4,277,184)   | -              | -              | (75,862,361)   |
| Infrastructure                              | (33,678,452)   | (2,151,835)   | -              | -              | (35,830,287)   |
| Machinery and equipment                     | (31,200,660)   | (4,554,521)   | 820,936        | -              | (34,934,245)   |
| Total accumulated depreciation              | (136,464,289)  | (10,983,540)  | 820,936        | -              | (146,626,893)  |
| Total capital assets being depreciated, net | 170,900,126    | (7,457,094)   | -              | 12,818,319     | 176,261,351    |
| Governmental activities capital assets, net | \$ 405,996,743 | \$ 24,833,713 | \$ (3,175,070) | \$ (3,793,140) | \$ 423,862,246 |

Infrastructure assets relating to athletic fields constructed prior to July 1, 2001 have not been included above. GASB Statement No. 34 allows the Commission until June 30, 2006 to record these assets. Athletic fields completed after July 1, 2001 are included.

Summaries of business-type activities capital assets at June 30, 2002, made up of two major enterprise funds, is as follows:

| Montgomery County Enterprise Fund           | July 1, 2001  | Increases    | Decreases   | Transfers    | June 30, 2002 |
|---|---------------|--------------|-------------|--------------|---------------|
| Capital assets not being depreciated:       |               |              |             |              |               |
| Land  | \$ 7,791,328  | \$ -         | \$ -        | \$ 3,793,140 | \$ 11,584,468 |
| Construction in progress                    | 2,386,560     | 429,789      | -           | (1,043,218)  | 1,773,131     |
| Total capital assets not being depreciated  | 10,177,888    | 429,789      | -           | 2,749,922    | 13,357,599    |
| Capital assets being depreciated            |               |              |             |              |               |
| Buildings and improvements                  | 22,529,754    | 1,733,634    | -           | 1,043,218    | 25,306,606    |
| Machinery and equipment                     | 4,352,621     | 310,349      | (103,582)   | -            | 4,559,388     |
| Total capital assets being depreciated      | 26,882,375    | 2,043,983    | (103,582)   | 1,043,218    | 29,865,994    |
| Less accumulated depreciation for:          |               |              |             |              |               |
| Buildings                                   | (4,816,178)   | (1,090,006)  | -           | -            | (5,906,184)   |
| Machinery and equipment                     | (2,411,801)   | (381,876)    | 75,703      | -            | (2,717,974)   |
| Total accumulated depreciation              | (7,227,979)   | (1,471,882)  | 75,703      | -            | (8,624,158)   |
| Total capital assets being depreciated, net | 19,654,396    | 572,101      | (27,879)    | 1,043,218    | 21,241,836    |
| Capital assets, net                         | \$ 29,832,284 | \$ 1,001,890 | \$ (27,879) | \$ 3,793,140 | \$ 34,599,435 |



| Prince George's County Enterprise Fund      | July 1, 2001  | Increases      | Decreases | Transfers | June 30, 2002 |
|---|---------------|----------------|-----------|-----------|---------------|
| Capital assets not being depreciated:       |               |                |           |           |               |
| Land  | \$ 7,779,131  | \$ -           | \$ -      | \$ -      | \$ 7,779,131  |
| Capital assets being depreciated:           |               |                |           |           |               |
| Buildings and improvements                  | 64,976,747    | 78,969         | -         | -         | 65,055,716    |
| Machinery and equipment                     | 3,890,353     | 271,208        | (32,424)  | -         | 4,129,137     |
| Total capital assets being depreciated      | 68,867,100    | 350,177        | (32,424)  | -         | 69,184,853    |
| Less accumulated depreciation for:          |               |                |           |           |               |
| Buildings and improvements                  | (9,581,692)   | (1,936,669)    | -         | -         | (11,518,361)  |
| Machinery and equipment                     | (1,971,569)   | (301,536)      | 32,424    | -         | (2,240,681)   |
| Total accumulated depreciation              | (11,553,261)  | (2,238,205)    | 32,424    | -         | (13,759,042)  |
| Total capital assets being depreciated, net | 57,313,839    | (1,888,028)    | -         | -         | 55,425,811    |
| Capital assets, net                         | \$ 65,092,970 | \$ (1,888,028) | \$ -      | \$ -      | \$ 63,204,942 |

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

|  | Montgomery<br>County | Prince<br>George's<br>County | Total         |
|--|----------------------|------------------------------|---------------|
| Governmental activities:                               |                      |                              |               |
| General Government                                     | \$ 668,731           | \$ 70,586                    | \$ 739,317    |
| County Planning and Zoning                             | 598,294              | 293,689                      | 891,983       |
| Park Operations and Maintenance                        | 3,322,230            | 4,332,051                    | 7,654,281     |
| Recreation Programs                                    | -                    | 1,697,959                    | 1,697,959     |
| Total depreciation expense - governmental activities   | \$ 4,589,255         | \$ 6,394,285                 | \$ 10,983,540 |
| Total depreciation expense - business-type activities: |                      |                              |               |
| Recreational and Cultural Facilities                   | \$ 1,471,882         | \$ 2,238,205                 | \$ 3,710,087  |

The Commission does not have a material amount of collections and historical properties. Therefore, they are not capitalized.

**Construction Commitments** - The Commission is committed to \$13,974,301 for construction contracts for work to be performed in subsequent years.



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

The Commission had no individual interfund receivable and payable balances at June 30, 2002. The Commission had the following interfund transfers during fiscal year 2002:

| Interfund Transfers:                    | General              | Montgomery<br>County<br>Capital<br>Projects | Prince George's<br>County<br>Capital<br>Projects | Non-major<br>Governmental<br>Funds | Proprietary<br>Funds | Total                |
|---|----------------------|---|--|------------------------------------|----------------------|----------------------|
| <b>Transfers In</b>                     |                      |   |  |                                    |                      |                      |
| General Fund - Administration Account   | \$ -                 | \$ -  | \$ -   | \$ 49,627                          | \$ -                 | \$ 49,627            |
| General Fund - Park Account             | -                    | 594,000                                     | 2,218,449  | 16,405,313                         | 3,940,107            | 23,157,869           |
| General Fund - Recreation Account       | -                    | -   | -  | -                                  | 388,566              | 388,566              |
| Special Revenue Fund                    | 142,301              | -   | 425,934  | -                                  | -                    | 568,235              |
| Capital Projects - Interest             | 484,405              | -   | -  | -                                  | -                    | 484,405              |
| General Fund - Park Account             | -                    | -   | -  | -                                  | 800,000              | 800,000              |
| <b>Total Transfers In</b>               | <b>\$ 626,706</b>    | <b>\$ 594,000</b>                           | <b>\$ 2,644,383</b>                              | <b>\$ 16,454,940</b>               | <b>\$ 5,128,673</b>  | <b>\$ 25,448,702</b> |
| <b>Transfers Out</b>                    |                      |   |  |                                    |                      |                      |
| General Fund - Administration Account   | \$ -                 | \$ -  | \$ -   | \$ 50,506                          | \$ -                 | \$ 50,506            |
| General Fund - Park Account             | -                    | 89,836                                      | 394,569  | -                                  | -                    | 484,405              |
| General Fund - Recreation               | -                    | -   | -  | 91,795                             | -                    | 91,795               |
| Internal Service Fund - Risk Management | 800,000              | -   | -  | -                                  | -                    | 800,000              |
| Debt Service Fund                       | 16,268,268           | -   | -  | -                                  | -                    | 16,268,268           |
| Capital Projects                        | 2,812,449            | -   | -  | 425,934                            | -                    | 3,238,383            |
| Special Revenue Fund                    | 186,672              | -   | -  | -                                  | -                    | 186,672              |
| Enterprise                              | 4,328,673            | -   | -  | -                                  | -                    | 4,328,673            |
| <b>Total Transfers Out</b>              | <b>\$ 24,396,062</b> | <b>\$ 89,836</b>                            | <b>\$ 394,569</b>                                | <b>\$ 568,235</b>                  | <b>\$ -</b>          | <b>\$ 25,448,702</b> |

A majority of the transfers (\$16,268,268) was to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds.

Proprietary fund transfers are made up of the following:

| Interfund Transfers:              | Montgomery<br>County<br>Enterprise<br>Fund | Prince George's<br>County<br>Enterprise<br>Fund | Internal<br>Service<br>Funds | Total<br>Proprietary<br>Funds |
|-----------------------------------|--|---|------------------------------|-------------------------------|
| <b>Transfers In</b>               |  |   |                              |                               |
| General Fund - Park Account -     | \$ 86,000                                  | \$ 3,854,107                                    | \$ -                         | \$ 3,940,107                  |
| General Fund - Recreation Account | -  | 388,566   | -                            | 388,566                       |
| General Fund - Park Account       | -  | -   | 800,000                      | 800,000                       |
| <b>Total Transfers In</b>         | <b>\$ 86,000</b>                           | <b>\$ 4,242,673</b>                             | <b>\$ 800,000</b>            | <b>\$ 5,128,673</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 and capitalized in the Prince George's County Enterprise Fund. In addition, during fiscal year 2002, \$3,793,140 of land was transferred to the Montgomery County Enterprise Fund and is reflected as a transfer.

In addition to the above transfers, tax revenues of \$286,585 not needed to pay current debt service were transferred from the Advanced Land Acquisition Debt Service Funds to the Advanced Land Acquisition Private Purpose Trust Fund.

### (D) Operating Leases

The Commission is committed under several operating leases for office space expiring at various dates through 2012. Each agreement provides for termination in the event of nonappropriation of funds.



Future minimum commitments under operating leases at June 30, 2002 are as follows (\$000's).

| Year Ending<br>June 30       | Operating Leases |                      |                              |
|------------------------------|------------------|----------------------|------------------------------|
|                              | Total            | Montgomery<br>County | Prince<br>George's<br>County |
| 2003                         | \$ 1,315         | \$ 210               | \$ 1,105                     |
| 2004                         | 1,294            | 215                  | 1,079                        |
| 2005                         | 486              | 159                  | 327                          |
| 2006                         | 295              | 59                   | 236                          |
| 2007                         | 239              | -                    | 239                          |
| 2008 to 2012                 | 693              | -                    | 693                          |
| Total minimum lease payments | <u>\$ 4,322</u>  | <u>\$ 643</u>        | <u>\$ 3,679</u>              |

In fiscal year 2002 expenditures in the General Fund included \$912,406 (Montgomery - \$87,371, Prince George's - \$825,035) relating to the rental of office space.

#### (E) Long-Term Obligations

**Notes Payable** - Notes payable are not reported in the governmental funds. Payments required to maturity on notes payable at June 30, 2002 are as follows (\$000's).

| Year Ending<br>June 30 | Montgomery County |                 |               | Prince George's County |               |
|------------------------|-------------------|-----------------|---------------|------------------------|---------------|
|                        | Total             | Principal       | Interest      | Principal              | Interest      |
| 2003                   | \$ 1,644          | \$ 1,327        | \$ 137        | \$ 90                  | \$ 90         |
| 2004                   | 1,539             | 1,231           | 80            | 145                    | 83            |
| 2005                   | 1,072             | 814             | 38            | 145                    | 75            |
| 2006                   | 648               | 422             | 4             | 155                    | 67            |
| 2007                   | 224               | -               | -             | 165                    | 59            |
| 2008-2012              | 1,104             | -               | -             | 955                    | 149           |
| 2013                   | 110               | -               | -             | 110                    | -             |
| Total payments         | <u>\$ 6,341</u>   | <u>\$ 3,794</u> | <u>\$ 259</u> | <u>\$ 1,765</u>        | <u>\$ 523</u> |

**General Obligation Bonds** - The Commission is authorized to issue general obligation bonds for the acquisition of park land and the development of parks, 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 assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of 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 2002, the actual debt service expenditures per \$100 of assessed valuation for Park Bonds approximated 0.5 cents in Montgomery County and 3.5 cents in 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<br>Year | Governmental Activities    |                           |                           |                           |                          |                          |
|----------------|----------------------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|
|                | Total<br>Park<br>Principal | Total<br>Park<br>Interest | Total<br>Park<br>Payments | Total<br>ALA<br>Principal | Total<br>ALA<br>Interest | TOTAL<br>ALA<br>Payments |
| 2003           | \$ 2,205                   | \$ 1,392                  | \$ 3,597                  | \$ 425                    | \$ 234                   | \$ 659                   |
| 2004           | 2,290                      | 1,269                     | 3,559                     | 420                       | 212                      | 632                      |
| 2005           | 1,800                      | 1,160                     | 2,960                     | 415                       | 191                      | 606                      |
| 2006           | 1,890                      | 1,068                     | 2,958                     | 450                       | 169                      | 619                      |
| 2007           | 1,940                      | 973                       | 2,913                     | 445                       | 145                      | 590                      |
| 2008 - 2012    | 9,725                      | 3,401                     | 13,126                    | 1,895                     | 383                      | 2,278                    |
| 2013 - 2017    | 6,270                      | 1,295                     | 7,565                     | 450                       | 45                       | 495                      |
| 2018 - 2022    | 2,580                      | 211                       | 2,791                     | -                         | -                        | -                        |
| Totals         | \$ 28,700                  | \$ 10,769                 | \$ 39,469                 | \$ 4,500                  | \$ 1,379                 | \$ 5,879                 |

Prince George's County General Obligation Bonds

| Fiscal<br>Year | Governmental Activities    |                           |                           |                           |                          |                          | Total Commission<br>General<br>Obligation<br>Bonds |
|----------------|----------------------------|---------------------------|---------------------------|---------------------------|--------------------------|--------------------------|--|
|                | Total<br>Park<br>Principal | Total<br>Park<br>Interest | Total<br>Park<br>Payments | Total<br>ALA<br>Principal | Total<br>ALA<br>Interest | Total<br>ALA<br>Payments |  |
| 2003           | \$ 27,775                  | \$ 5,171                  | \$ 32,946                 | \$ 330                    | \$ 133                   | \$ 463                   | \$ 37,665  |
| 2004           | 7,155                      | 4,629                     | 11,784                    | 325                       | 116                      | 441                      | 16,416   |
| 2005           | 7,215                      | 4,255                     | 11,470                    | 320                       | 100                      | 420                      | 15,456   |
| 2006           | 7,180                      | 3,864                     | 11,044                    | 320                       | 84                       | 404                      | 15,025   |
| 2007           | 7,325                      | 3,473                     | 10,798                    | 315                       | 68                       | 383                      | 14,684   |
| 2008 - 2012    | 35,015                     | 11,878                    | 46,893                    | 1,190                     | 120                      | 1,310                    | 63,607   |
| 2013 - 2017    | 22,715                     | 4,234                     | 26,949                    | -                         | -                        | -                        | 35,009   |
| 2018 - 2022    | 5,240                      | 643                       | 5,883                     | -                         | -                        | -                        | 8,674  |
| Totals         | \$ 119,620                 | \$ 38,147                 | \$ 157,767                | \$ 2,800                  | \$ 621                   | \$ 3,421                 | \$ 206,536   |



**Outstanding General Obligation Bonds** - General obligation bonds outstanding at June 30, 2002, consist of the following individual issues (000's):

| <u>Series</u>  | <u>Effective<br/>Interest Rate<br/>at Date of Sale</u> | <u>Dated</u> | <u>Final<br/>Maturity<br/>Date</u> | <u>FY2003<br/>Serial<br/>Payment</u> | <u>Original<br/>Issue</u> | <u>Outstanding<br/>at<br/>June 30, 2002</u> |
|--|--|--------------|------------------------------------|--------------------------------------|---------------------------|---|
| <b>Montgomery County</b>                                 |  |              |                                    |                                      |                           |   |
| <b>Park Acquisition and<br/>Development Bonds</b>        |  |              |                                    |                                      |                           |   |
| 1990 Advance Refunding                                   | 6.7983 %   | 06/01/90     | 07/01/03                           | \$ 565                               | \$ 6,675                  | \$ 1,120                                    |
| Series K-2   | 5.9212   | 05/01/92     | 07/01/12                           | 250                                  | 6,000                     | 3,750                                       |
| Series N-2   | 4.7561   | 12/01/93     | 07/01/14                           | 275                                  | 5,500                     | 3,575                                       |
| Series Q-2   | 6.3609   | 11/15/94     | 11/01/04                           | 200                                  | 5,000                     | 600   |
| Series R-2 Advance Refunding                             | 4.8972   | 12/01/95     | 07/01/14                           | 535                                  | 8,700                     | 7,755                                       |
| Series U-2   | 4.5346   | 08/01/98     | 08/01/18                           | 210                                  | 7,000                     | 6,370                                       |
| Series Y-2   | 5.0232   | 11/01/00     | 11/01/20                           | 170                                  | 5,700                     | 5,530                                       |
|  |  |              |                                    | <u>2,205</u>                         | <u>44,575</u>             | <u>28,700</u>                               |
| <b>Advance Land Acquisition</b>                          |  |              |                                    |                                      |                           |   |
| Bonds of 1994  | 6.3609   | 11/15/94     | 11/01/14                           | 90                                   | 2,200                     | 1,670                                       |
| Bonds of 1995 Advance<br>Refunding                       | 4.7707   | 12/01/95     | 07/01/10                           | 335                                  | 3,345                     | 2,830                                       |
|  |  |              |                                    | <u>425</u>                           | <u>5,545</u>              | <u>4,500</u>                                |
| Total Montgomery County General<br>Obligation Bonds      |  |              |                                    | <u>\$ 2,630</u>                      | <u>\$ 50,120</u>          | <u>\$ 33,200</u>                            |
| <b>Prince George's County</b>                            |  |              |                                    |                                      |                           |   |
| <b>Park Acquisition and<br/>Development Bonds</b>        |  |              |                                    |                                      |                           |   |
| 1990 Advance Refunding                                   | 6.8867 %   | 06/01/90     | 07/01/06                           | \$ 900                               | \$ 12,390                 | \$ 4,350                                    |
| Series L-2   | 5.9922   | 05/01/92     | 07/01/02                           | 840                                  | 23,000                    | 840   |
| Series M-2   | 5.1483   | 05/01/93     | 07/01/13                           | 700                                  | 15,250                    | 10,150                                      |
| Series P-2   | 4.8382   | 12/01/93     | 07/01/14                           | 700                                  | 14,500                    | 9,100                                       |
| Series S-2 Advance<br>Refunding                          | 4.9787   | 12/01/95     | 07/01/12                           | 1,335                                | 30,025                    | 21,980                                      |
| Series T-2   | 5.3913   | 01/15/97     | 01/15/17                           | 1,300                                | 33,000                    | 28,000                                      |
| Series W-2   | 6.4000   | 06/25/98     | 07/01/12                           | 440                                  | 7,325                     | 6,060                                       |
| Series X-2 Refunding                                     | 5.0000   | 12/03/98     | 08/01/02                           | 21,000                               | 21,000                    | 21,000                                      |
| Series Z-2   | 4.5481   | 07/15/01     | 05/01/21                           | 560                                  | 18,700                    | 18,140                                      |
|  |  |              |                                    | <u>27,775</u>                        | <u>175,190</u>            | <u>119,620</u>                              |
| <b>Advance Land Acquisition</b>                          |  |              |                                    |                                      |                           |   |
| Bonds of 1995 Advance<br>Refunding                       | 4.8991   | 12/01/95     | 07/01/10                           | 330                                  | 3,300                     | 2,800                                       |
| Total Prince George's County<br>General Obligation Bonds |  |              |                                    | <u>\$ 28,105</u>                     | <u>\$ 178,490</u>         | <u>\$ 122,420</u>                           |

**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 \$11,491,000 at June 30, 2002, are accounted for in the Montgomery County Enterprise Funds. Debt service expenditures for the



revenue bonds and notes totaled \$1,621,000 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, 2002, and the related debt service requirements for Montgomery County are as follows (000's):

| Business-type Activities<br>Revenue Bonds and Notes |                    |                   |                   |
|---|--------------------|-------------------|-------------------|
| Fiscal<br>Year                                      | Total<br>Principal | Total<br>Interest | Total<br>Payments |
| 2003  | \$ 960             | \$ 640            | \$ 1,600          |
| 2004  | 985                | 587               | 1,572             |
| 2005  | 1,019              | 532               | 1,551             |
| 2006  | 1,054              | 475               | 1,529             |
| 2007  | 2,799              | 416               | 3,215             |
| 2008 - 2012   | 4,327              | 547               | 4,874             |
| 2013 - 2017   | 667                | 34                | 701               |
| Total   | <u>\$ 11,811</u>   | <u>\$ 3,231</u>   | <u>\$ 15,042</u>  |

Restricted investments related to the Commission's Montgomery County revenue notes and bonds are a restricted Debt Service Reserve Fund of \$583,266 for Little Bennett Golf Course.

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 \$320,630 deferred amount on the Little Bennett Golf Facilities Refunding Bond, and revenue notes payable at June 30, 2002, consist of the following individual issues (000's):

| Series   | Effective<br>Interest Rate<br>at Date of Sale | Dated    | Final<br>Maturity<br>Date | FY2003<br>Serial<br>Payment | Original<br>Issue | Outstanding<br>at<br>June 30, 2002 |
|--|---|----------|---------------------------|-----------------------------|-------------------|------------------------------------|
| <u>Montgomery County</u>                               |   |          |                           |                             |                   |                                    |
| <u>Revenue Bonds and Notes</u>                         |   |          |                           |                             |                   |                                    |
| Little Bennett Golf Course<br>(net of deferred amount) | 5.6350 %                                      | 11/20/97 | 10/01/07                  | \$ 285                      | \$ 4,291          | \$ 3,384                           |
| Wheaton Ice Rink                                       | 6.0600%                                       | 09/18/97 | 05/01/07                  | 230                         | 3,600             | 2,995                              |
| Cabin John Ice Rink                                    | 5.1600%                                       | 04/24/99 | 11/01/13                  | 444                         | 6,000             | 5,112                              |
|  |   |          |                           | <u>\$ 959</u>               | <u>\$ 13,891</u>  | <u>\$ 11,491</u>                   |

**New Debt Issue** - On July 26, 2001, the Commission sold \$18,700,000 Prince George's County Park Acquisition and Development Bonds, Series Z-2, which mature over the period through May 1, 2021 at a true interest cost of 4.55%.

On April 19, 2002, the Commission issued a Note Payable of \$1,765,000 to refinance an existing note payable for the Executive Office Building, recorded in a Prince George's County Internal Service Fund. Semiannual payments are due until July 1, 2012 at an interest rate of 5.29%.

**Subsequent Debt Issue** - On July 25, 2002, the Commission sold \$21,200,000 Prince George's County Park Acquisition and Development Bonds, Series AA-2, which have maturities through May 1, 2022. The bonds are variable rate auction notes, currently in a 35-day mode. The initial rate on the notes was 1.40%.



**Changes in Long-Term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2002, were as follows:

|   | Beginning<br>Balance  | Additions            | Reductions           | Ending<br>Balance     | Amount Due<br>in One Year |
|---|-----------------------|----------------------|----------------------|-----------------------|---------------------------|
| <u>Montgomery County</u>  |                       |                      |                      |                       |                           |
| General Obligation Park Bonds Payable                             | \$ 30,920,000         | \$ --                | \$ 2,220,000         | \$ 28,700,000         | \$ 2,205,000              |
| General Obligation ALA Bonds Payable                              | 4,925,000             | --                   | 425,000              | 4,500,000             | 425,000                   |
| Revenue Bonds and Notes Payable                                   | 12,740,556            | --                   | 929,444              | 11,811,112            | 959,444                   |
| Unamortized Discount on Revenue Bonds<br>and Notes                | (352,693)             | --                   | (32,063)             | (320,630)             | --                        |
| Notes Payable - Governmental                                      | 4,792,146             | --                   | 1,215,458            | 3,576,688             | 1,268,905                 |
| Notes Payable - Enterprise  | 273,075               | --                   | 55,791               | 217,284               | 58,477                    |
| Estimated Liability for Landfill Closure and<br>Postclosure Costs | 2,289,000             | --                   | 552,000              | 1,737,000             | 1,622,000                 |
| Accrued Compensated Absences:                                     |                       | --                   |                      |                       |                           |
| Governmental  | 5,539,568             | 3,559,983            | 3,366,664            | 5,732,887             | 3,652,290                 |
| Enterprise Fund   | 420,979               | 241,260              | 223,526              | 438,713               | 200,096                   |
| Long-term Liabilities   | <u>61,547,631</u>     | <u>3,801,243</u>     | <u>8,955,820</u>     | <u>56,393,054</u>     | <u>10,391,212</u>         |
| <u>Prince George's County</u>                                     |                       |                      |                      |                       |                           |
| General Obligation Park Bonds Payable                             | 107,280,000           | 18,700,000           | 6,360,000            | 119,620,000           | 27,775,000                |
| General Obligation ALA Bonds Payable                              | 3,135,000             | --                   | 335,000              | 2,800,000             | 330,000                   |
| Notes Payable - Governmental                                      | 1,796,641             | 1,765,000            | 1,796,641            | 1,765,000             | 90,000                    |
| Advances from Other Funds   | 3,829,363             | --                   |                      | 3,829,363             | --                        |
| Accrued Compensated Absences:                                     |                       |                      |                      |                       |                           |
| Governmental  | 6,337,541             | 4,126,659            | 3,865,840            | 6,598,360             | 3,955,663                 |
| Enterprise Fund   | 428,220               | 196,065              | 154,515              | 469,770               | 158,223                   |
| Long-term Liabilities   | <u>122,806,765</u>    | <u>24,787,724</u>    | <u>12,511,996</u>    | <u>135,082,493</u>    | <u>32,308,886</u>         |
| Total Long Term Liabilities                                       | <u>\$ 184,354,396</u> | <u>\$ 28,588,967</u> | <u>\$ 21,467,816</u> | <u>\$ 191,475,547</u> | <u>\$ 42,700,098</u>      |

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

|   |                       |
|---|-----------------------|
| Payable to Advance Land Acquisition Trust Fund        | \$ 3,829,363          |
| Compensated Absences                                  |                       |
| Due within One Year                                   | 7,966,272             |
| Due in more than One Year                             | 5,273,458             |
| Bonds and Notes Payable:                              |                       |
| Due within One Year                                   | 33,111,826            |
| Due in more than One Year                             | 139,557,628           |
| Estimated Liability for Closure and Postclosure Costs | 1,737,000             |
| Total Long-Term Liabilities                           | <u>\$ 191,475,547</u> |



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

**(F) Prior Period Defeasance of Debt**

In fiscal years 1996 and 1998, 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 refunding bonds and their amortization dates are detailed as follows:

| <u>Series</u> | <u>Redemption<br/>Date</u> | <u>Montgomery<br/>County</u> | <u>Prince George's<br/>County</u> |
|---------------|----------------------------|------------------------------|-----------------------------------|
| Series L-2    | July 1, 2002               | \$                           | \$ 13,610,000                     |
| Series P-2    | July 1, 2002               |                              | 25,000                            |
|               | July 1, 2003               |                              | 300,000                           |
| Series Q-2    | November 1, 2005           | 3,250,000                    |                                   |
| Series S-2    | July 1, 2002               |                              | 315,000                           |
|               | July 1, 2003               |                              | 570,000                           |
|               | July 1, 2004               |                              | 560,000                           |
|               | July 1, 2005               |                              | 3,745,000                         |

In fiscal year 1998, the Commission defeased the Little Bennett Golf Facilities Revenue Bonds, Series 1991 (Montgomery County) in its entirety. The irrevocable trust will redeem bonds of \$3,515,000 on October 1, 2002.

Trust account assets and liabilities for the defeased bonds are not included in the Commission's basic financial statements.

**(5) - OTHER INFORMATION**

**(A) Self Insurance**

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 is a participant in the Montgomery County Self-Insurance Program (the "Program") for the purpose of economic pooling of risks and resources. The Program provides the Commission with self-insurance administration for workers' compensation (Maryland state mandatory limits), comprehensive general liability, automobile liability, police professional liability, public officials liability, property and fire damage, boiler and machinery damage, data processing system breakdown and excess liability (up to \$10,000,000 combined single limit). The Commission does not participate in risk sharing with the other participants and is required to reimburse the full amount of any claims paid by the Program. The Commission also carries honesty bond coverage for its public officials and employees. The Commission did not pay any claims settlements in excess of insurance coverages for fiscal years 2001, and 2002, nor were any insurance coverages reduced in fiscal year 2002.



The Commission's employees have various options in their selection of health insurance benefits. The Commission offers an administrative services only (ASO) plan for the prescription drug program and a point of service (POS) medical plan. All other group health insurance plans, which include three health maintenance organizations (HMO's), a dental plan, and a vision plan, are fully insured. The Commission expended \$16,798,198 for all group health benefits in fiscal year 2002. 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 2002 totaled \$1,732,352. 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 evaluation. 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:

|                                   |              | Risk<br>Management |
|-----------------------------------|--------------|--------------------|
|                                   | Medical      |                    |
| Unpaid Claims, June 30, 2000      | \$ 1,589,706 | \$ 7,302,621       |
| Incurred Claims, Fiscal year 2001 | 6,112,339    | 1,010,753          |
| Claims Paid, Fiscal Year 2001     | (6,877,119)  | (2,135,565)        |
| Unpaid Claims, June 30, 2001      | 824,926      | 6,177,809          |
| Incurred Claims, Fiscal year 2002 | 7,462,799    | 2,042,867          |
| Claims Paid, Fiscal Year 2002     | (7,285,315)  | (1,732,352)        |
| Unpaid Claims, June 30, 2002      | \$ 1,002,410 | \$ 6,488,324       |

The medical column excludes expenses that are fully insured.

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

The Commission was involved in the following related party transactions during fiscal year 2002:

**Payments and Obligations to Prince George's County** - The Commission paid or is obligated to pay Prince George's County for the following: \$695,000 Zoning Enforcement Unit, \$421,000 property tax collection fees, \$738,847 annual rental charges for office space in the County Administration Building, \$500,000 planning and zoning functions, \$208,535 Cooperative Extension Service, \$200,000 Community College pool operation and maintenance, \$340,500 Geographic Information System, and \$339,252 of other mandates. In addition, the County has directed payments of \$693,526 to other parties for legislative mandates.

**Prince George's County Revenue Authority** - The Commission contributed land to the Prince George's County Revenue Authority which cost \$3,174,700. This is included on the Statement of Activities as a loss on disposition of land.

**Employees' Retirement System** - The Maryland-National Capital Park and Planning Commission Employees' Retirement System paid the Commission \$73,500 in fiscal year 2002 for annual rental of space in the Executive Office Building, and \$31,200 for computer services.

The System did not hold securities (loans, notes, bonds or other instruments) of the Commission or related parties (Montgomery and Prince George's Counties) at June 30, 2002, or at any time during the year.



### **(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 includes 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 and D members contribute 7% of their base pay.

**Basis of Accounting for Defined Benefit Pension Plan** - The System's financial statements have been prepared on the accrual basis of accounting. Employee and employer contributions 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 employee services are performed.

There are no outstanding long-term contract contributions to the plan as of the reporting date.

**Method Used to Value Investments for Defined Benefit Pension Plan** - Marketable securities are carried at fair value based on quotes from the active market.

#### **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-third of the cumulative gains or losses not yet recognized. This year's asset value is based on the July 1, 2001 actuarial value.



The Entry Age Normal Cost method is used, with amortization of the unfounded actuarial liabilities over a closed 14 year amortization period.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2001. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 8% a year compounded annually, (b) projected salary increases of 4.5% a year, (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. All economic assumptions include an annual inflation rate of 4.5%.

The net assets in excess of the total actuarial accrued liability are \$107,863,287 as of July 1, 2001. The net assets available for benefits at June 30, 2002, totaled \$436,367,523.

The Commission's contributions to the System, made in accordance with actuarially determined requirements presented as a percentage of annual covered payroll for the year ending June 30, 2002 was 0.5%

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years 2000, 2001, and 2002 are presented below:

|                               | <u>2000</u> | <u>2001</u> | <u>2002</u> |
|-------------------------------|-------------|-------------|-------------|
| Annual Pension Cost (APC)     | \$ 2,547    | \$ 1,102    | \$ 480      |
| Percentage of APC Contributed | 100%        | 100%        | 100%        |
| Net Pension Obligation (NPO)  | 0           | 0           | 0           |

The Commission contributes 100% of the adjusted annual required contribution and has no NPO at year-end.

**Investment Concentration** – The System has invested in one commingled trust with Putnam Institutional Management which has more than 100 international securities. This investment, along with a value index commingled trust with the Northern Trust Company, which has more than 100 domestic securities and a small cap value mutual fund with Artisan Partners, which has more than 80 domestic securities, exceeded five percent of net plan assets of the System at June 30, 2002.

**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.

#### **(E) Other Postemployment Benefits**

In addition to the pension benefits provided by the System, the Commission itself provides postretirement health care benefits, 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 and appointed officials who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement. Currently, 503 retirees meet those eligibility requirements. Continuance of medical, dental, and vision benefits requires a minimum of three years' participation in a Commission-sponsored plan or ability to prove similar coverage in another plan immediately prior to retirement. The Commission contributes 85 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees.



Expenditures for postretirement health care benefits are recognized on the accrual basis as retirees' insurance costs are incurred. The Commission expensed \$3,189,210 for the year ended June 30, 2002 for the retirees' benefits.

On July 1, 1999, the Commission transferred \$7,056,000 to a newly established 115 Trust account for the purpose of pre-funding a portion of retiree insurance costs in the future. The Commission executed a Discretionary Investment Management Agreement with Legg Mason Mutual Solutions as the 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 obligations. The Commission is not required to make additional contributions unless obligated to do so by resolution, and the Trust account is not funded based on actuarial information. In June 2001, the Commission transferred \$1,489,910 to the internal trust fund. In September 2001, the Commission approved transferring this amount to the custodial trustee. The 115 Trust is reported by the Commission as a pension trust fund, the Employees' Postemployment Benefits Fund. This fund is expected to be used to fund retiree post employment benefits in fiscal year 2003.

**(F) Social Security**

Commission employees, other than Park Police, participate in the Federal Social Security System for which the Commission contributed \$7,570,529 for the year ended June 30, 2002.

**(G) Maryland State Retirement System (MSRS)**

Pension costs for certain employees/retirees who elected to remain in the MSRS was \$88,338 for the year ended June 30, 2002. A total of 39 employees/retirees and beneficiaries are covered in the MSRS (vs. 2,722 in the System described above). This amount includes the current service costs plus an amount sufficient to amortize the prior service cost over a 40-year period ending June 30, 2020.

**(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, 2002**

|   | General Fund Accounts |                     |                      | Capital Projects    | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------------|----------------------|---------------------|--------------------------|--------------------------|
|   | Administration        | Park                | Total                |                     |                          |                          |
| <b>ASSETS</b>   |                       |                     |                      |                     |                          |                          |
| Equity in Pooled Cash and Investments                     | \$ 3,281,192          | \$ 5,431,427        | \$ 8,712,619         | \$ 211,141          | \$ 1,067,271             | \$ 9,991,031             |
| Receivables - Taxes (net of allowance for uncollectibles) | 683,000               | 501,906             | 1,184,906            | -                   | -                        | 1,184,906                |
| Receivables - Other                                       | 28,275                | 37,316              | 65,591               | 20,000              | 420                      | 86,011                   |
| Due from County Government                                | 778,963               | 1,301,901           | 2,080,864            | 2,286,906           | 92,423                   | 4,460,193                |
| Due from Other Governments                                | 15,123                | 57,470              | 72,593               | 4,008,224           | -                        | 4,080,817                |
| Restricted Cash - Unspent Bond Proceeds                   | -                     | -                   | -                    | 1,496,374           | -                        | 1,496,374                |
| Other   | 2,198                 | -                   | 2,198                | -                   | -                        | 2,198                    |
| Total Assets  | <u>\$ 4,788,751</u>   | <u>\$ 7,330,020</u> | <u>\$ 12,118,771</u> | <u>\$ 8,022,645</u> | <u>\$ 1,160,114</u>      | <u>\$ 21,301,530</u>     |
| <b>LIABILITIES AND FUND BALANCES</b>                      |                       |                     |                      |                     |                          |                          |
| <b>Liabilities:</b>                                       |                       |                     |                      |                     |                          |                          |
| Accounts Payable  | \$ 447,849            | \$ 851,980          | \$ 1,299,829         | \$ 1,058,238        | \$ 53,105                | \$ 2,411,172             |
| Accrued Liabilities                                       | 311,820               | 845,210             | 1,157,030            | -                   | -                        | 1,157,030                |
| Retainage Payable   | -                     | -                   | -                    | 926,796             | -                        | 926,796                  |
| Estimated Liability for Closure Costs                     | -                     | -                   | -                    | 1,622,000           | -                        | 1,622,000                |
| Due to County Government                                  | -                     | -                   | -                    | -                   | 3,260                    | 3,260                    |
| Deposits and Deferred Revenue                             | 691,448               | 549,060             | 1,240,508            | 404,259             | 288,340                  | 1,933,107                |
| Total Liabilities   | <u>1,451,117</u>      | <u>2,246,250</u>    | <u>3,697,367</u>     | <u>4,011,293</u>    | <u>344,705</u>           | <u>8,053,365</u>         |
| <b>Fund Balances:</b>                                     |                       |                     |                      |                     |                          |                          |
| Reserved for Encumbrances                                 | 1,322,048             | 960,100             | 2,282,148            | 6,953,293           | -                        | 9,235,441                |
| Reserved for Debt Service                                 | -                     | -                   | -                    | -                   | 28,143                   | 28,143                   |
| Unreserved, Designated for Subsequent Years               | 1,777,700             | 3,681,900           | 5,459,600            | -                   | -                        | 5,459,600                |
| Unreserved, Undesignated, Reported in:                    |                       |                     |                      |                     |                          |                          |
| General Fund  | 237,886               | 441,770             | 679,656              | -                   | -                        | 679,656                  |
| Special Revenue Fund                                      | -                     | -                   | -                    | -                   | 787,266                  | 787,266                  |
| Capital Projects  | -                     | -                   | -                    | (2,941,941)         | -                        | (2,941,941)              |
| Total Fund Balances                                       | <u>3,337,634</u>      | <u>5,083,770</u>    | <u>8,421,404</u>     | <u>4,011,352</u>    | <u>815,409</u>           | <u>13,248,165</u>        |
| Total Liabilities and Fund Balances                       | <u>\$ 4,788,751</u>   | <u>\$ 7,330,020</u> | <u>\$ 12,118,771</u> | <u>\$ 8,022,645</u> | <u>\$ 1,160,114</u>      | <u>\$ 21,301,530</u>     |



**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2002**

|   | General Fund Accounts |                     |                     | Capital             | Other              | Total                |
|---|-----------------------|---------------------|---------------------|---------------------|--------------------|----------------------|
|   | Administration        | Park                | Total               | Projects            | Governmental       | Governmental         |
|   |                       |                     |                     |                     | Funds              | Funds                |
| <b>REVENUES</b>   |                       |                     |                     |                     |                    |                      |
| Property Taxes  | \$ 18,205,639         | \$ 50,142,482       | \$ 68,348,121       | \$ -                | \$ 864,724         | \$ 69,212,845        |
| Intergovernmental:  |                       |                     |                     |                     |                    |                      |
| Federal   | 36,619                | -                   | 36,619              | -                   | -                  | 36,619               |
| State   | -                     | 43,347              | 43,347              | 4,266,794           | -                  | 4,310,141            |
| County  | 421,574               | 31,538              | 453,112             | 7,376,477           | 460,517            | 8,290,106            |
| Local   | -                     | -                   | -                   | 3,457               | -                  | 3,457                |
| Charges for Services                                      | 934,636               | 371,907             | 1,306,543           | -                   | 160,367            | 1,466,910            |
| Rentals and Concessions                                   | 447                   | 1,240,125           | 1,240,572           | -                   | -                  | 1,240,572            |
| Interest  | 115,450               | 128,131             | 243,581             | 89,836              | 16,693             | 350,110              |
| Miscellaneous   | 2,449                 | 170,006             | 172,455             | 25,000              | 82,342             | 279,797              |
| Total Revenues  | <u>19,716,814</u>     | <u>52,127,536</u>   | <u>71,844,350</u>   | <u>11,761,564</u>   | <u>1,584,643</u>   | <u>85,190,557</u>    |
| <b>EXPENDITURES</b>                                       |                       |                     |                     |                     |                    |                      |
| Current:  |                       |                     |                     |                     |                    |                      |
| General Government  | 5,670,023             | -                   | 5,670,023           | -                   | -                  | 5,670,023            |
| Planning and Zoning                                       | 13,881,613            | -                   | 13,881,613          | -                   | 533,024            | 14,414,637           |
| Park Operations and Maintenance                           | -                     | 45,902,881          | 45,902,881          | -                   | 562,671            | 46,465,552           |
| Debt Service:   |                       |                     |                     |                     |                    |                      |
| Principal   | -                     | -                   | -                   | -                   | 2,645,000          | 2,645,000            |
| Interest  | -                     | -                   | -                   | -                   | 1,769,734          | 1,769,734            |
| Bond Issuance Costs                                       | -                     | -                   | -                   | -                   | 10,181             | 10,181               |
| Capital Outlay:   |                       |                     |                     |                     |                    |                      |
| Park Acquisition  | -                     | -                   | -                   | 1,521,673           | -                  | 1,521,673            |
| Park Development  | -                     | -                   | -                   | 11,633,683          | -                  | 11,633,683           |
| Total Expenditures  | <u>19,551,636</u>     | <u>45,902,881</u>   | <u>65,454,517</u>   | <u>13,155,356</u>   | <u>5,520,610</u>   | <u>84,130,483</u>    |
| Excess (Deficiency) of Revenues over (under) Expenditures | <u>165,178</u>        | <u>6,224,655</u>    | <u>6,389,833</u>    | <u>(1,393,792)</u>  | <u>(3,935,967)</u> | <u>1,060,074</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |                     |                     |                     |                    |                      |
| Transfers In  | 45,619                | 89,836              | 135,455             | 594,000             | 3,920,730          | 4,650,185            |
| Transfer Out  | (49,627)              | (4,951,103)         | (5,000,730)         | (89,836)            | (218,226)          | (5,308,792)          |
| Total Other Financing Sources (Uses)                      | <u>(4,008)</u>        | <u>(4,861,267)</u>  | <u>(4,865,275)</u>  | <u>504,164</u>      | <u>3,702,504</u>   | <u>(658,607)</u>     |
| Net Change in Fund Balances                               | 161,170               | 1,363,388           | 1,524,558           | (889,628)           | (233,463)          | 401,467              |
| Fund Balances - Beginning                                 | 3,176,464             | 3,720,382           | 6,896,846           | 4,900,980           | 1,048,872          | 12,846,698           |
| Fund Balances - Ending                                    | <u>\$ 3,337,634</u>   | <u>\$ 5,083,770</u> | <u>\$ 8,421,404</u> | <u>\$ 4,011,352</u> | <u>\$ 815,409</u>  | <u>\$ 13,248,165</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, 2002**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| Revenues:  |                     |                     |                     |   |
| Property Taxes                                     | \$ 18,086,600       | \$ 18,086,600       | \$ 18,205,639       | \$ 119,039  |
| Intergovernmental -                                |                     |                     |                     |   |
| Federal  | -                   | 35,997              | 36,619              | 622   |
| State  | 100,000             | -                   | -                   | -   |
| County   | 310,570             | 374,573             | 421,574             | 47,001  |
| Charges for Services                               | 929,680             | 929,680             | 935,083             | 5,403   |
| Interest   | 240,000             | 240,000             | 115,450             | (124,550)   |
| Miscellaneous                                      | -                   | -                   | 2,449               | 2,449   |
| Total Revenues                                     | <u>19,666,850</u>   | <u>19,666,850</u>   | <u>19,716,814</u>   | <u>49,964</u>   |
| Expenditures/Encumbrances:                         |                     |                     |                     |   |
| Commissioners' Office                              | 1,003,315           | 1,003,315           | 935,931             | 67,384  |
| Central Administrative Services -                  |                     |                     |                     |   |
| Department of Human Resources and Management       | 1,645,065           | 1,645,065           | 1,568,569           | 76,496  |
| Department of Finance                              | 2,066,750           | 2,066,750           | 1,960,646           | 106,104   |
| Legal Department                                   | 683,700             | 683,700             | 649,261             | 34,439  |
| Support Services                                   | 470,000             | 470,000             | 452,089             | 17,911  |
| Merit System Board                                 | 40,500              | 40,500              | 28,576              | 11,924  |
| Total Central Administrative Services              | <u>4,906,015</u>    | <u>4,906,015</u>    | <u>4,659,141</u>    | <u>246,874</u>  |
| Planning Department -                              |                     |                     |                     |   |
| Park and Planning Director's Office                | 250,450             | 250,450             | 267,339             | (16,889)  |
| Management Services                                | 1,016,250           | 1,016,250           | 822,797             | 193,453   |
| Strategic Planning                                 | 355,650             | 398,045             | 379,242             | 18,803  |
| Community-Based Planning                           | 3,350,590           | 3,308,195           | 3,127,605           | 180,590   |
| County-wide Planning                               | 3,187,030           | 3,187,030           | 2,976,524           | 210,506   |
| Development Review                                 | 1,712,750           | 1,712,750           | 1,600,873           | 111,877   |
| Research and Technology                            | 3,162,900           | 3,162,900           | 3,200,611           | (37,711)  |
| Support Services                                   | 1,208,590           | 1,208,590           | 992,684             | 215,906   |
| Grants   | 410,570             | 410,570             | 458,193             | (47,623)  |
| Total Planning Department                          | <u>14,654,780</u>   | <u>14,654,780</u>   | <u>13,825,868</u>   | <u>828,912</u>  |
| Non-Departmental                                   | -                   | -                   | (56,437)            | 56,437  |
| Total Expenditures/Encumbrances                    | <u>20,564,110</u>   | <u>20,564,110</u>   | <u>19,364,503</u>   | <u>1,199,607</u>  |
| Excess of Revenues over (under)                    |                     |                     |                     |   |
| Expenditures/Encumbrances                          | <u>(897,260)</u>    | <u>(897,260)</u>    | <u>352,311</u>      | <u>1,249,571</u>  |
| Other Financing Sources (Uses):                    |                     |                     |                     |   |
| Operating Transfers In (Out) -                     |                     |                     |                     |   |
| Special Revenue Fund                               | -                   | -                   | (4,008)             | (4,008)   |
| Total Other Financing Sources (Uses)               | <u>-</u>            | <u>-</u>            | <u>(4,008)</u>      | <u>(4,008)</u>  |
| Excess of Revenues and Other Financing Sources     |                     |                     |                     |   |
| over (under) Expenditures and Other Financing Uses | <u>\$ (897,260)</u> | <u>\$ (897,260)</u> | <u>348,303</u>      | <u>\$ 1,245,563</u>                                       |
| Fund Balance - Budget Basis, July 1                |                     |                     | 1,667,283           |   |
| Fund Balance - Budget Basis, June 30               |                     |                     | <u>\$ 2,015,586</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, 2002**

|  | Budgeted Amounts      |                       | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|---------------------|---|
|  | Original              | Final                 |                     |   |
| Revenues:  |                       |                       |                     |   |
| Property Taxes                                     | \$ 49,828,600         | \$ 49,828,600         | \$ 50,142,482       | \$ 313,882  |
| Intergovernmental -                                |                       |                       |                     |   |
| State  | 425,000               | 425,000               | 43,347              | (381,653)   |
| County   | -                     | -                     | 31,538              | 31,538  |
| Charges for Services                               | 339,010               | 339,010               | 371,907             | 32,897  |
| Rentals and Concessions                            | 1,180,250             | 1,180,250             | 1,240,125           | 59,875  |
| Interest   | 350,000               | 350,000               | 128,131             | (221,869)   |
| Miscellaneous                                      | 111,700               | 111,700               | 170,006             | 58,306  |
| Total Revenues                                     | <u>52,234,560</u>     | <u>52,234,560</u>     | <u>52,127,536</u>   | <u>(107,024)</u>  |
| Expenditures/Encumbrances:                         |                       |                       |                     |   |
| Director of Montgomery Parks                       | 2,813,760             | 2,813,760             | 2,833,499           | (19,739)  |
| County-wide Planning                               | 1,313,100             | 1,313,100             | 1,275,546           | 37,554  |
| Research and Technology                            | 1,076,420             | 1,076,420             | 1,022,585           | 53,835  |
| Park Development                                   | 1,850,910             | 1,850,910             | 1,672,301           | 178,609   |
| Park Police  | 9,316,510             | 8,916,510             | 8,449,931           | 466,579   |
| Natural Resources                                  | 3,975,920             | 3,975,920             | 3,779,089           | 196,831   |
| Central Maintenance                                | 7,883,510             | 7,883,510             | 7,139,422           | 744,088   |
| Northern Region                                    | 6,404,200             | 6,404,200             | 6,085,705           | 318,495   |
| Southern Region                                    | 8,484,710             | 8,484,710             | 8,064,644           | 420,066   |
| Support Services                                   | 4,866,090             | 4,866,090             | 5,187,940           | (321,850)   |
| Grants   | 425,000               | 425,000               | 43,347              | 381,653   |
| Property Management                                | 818,800               | 818,800               | 671,878             | 146,922   |
| Non-Departmental                                   | -                     | -                     | (67,746)            | 67,746  |
| Total Expenditures/Encumbrances                    | <u>49,228,930</u>     | <u>48,828,930</u>     | <u>46,158,141</u>   | <u>2,670,789</u>  |
| Excess of Revenues over (under)                    |                       |                       |                     |   |
| Expenditures/Encumbrances                          | <u>3,005,630</u>      | <u>3,405,630</u>      | <u>5,969,395</u>    | <u>2,563,765</u>  |
| Other Financing Sources (Uses):                    |                       |                       |                     |   |
| Operating Transfers In (Out) -                     |                       |                       |                     |   |
| Capital Projects Funds - Interest                  | 75,000                | 75,000                | 89,836              | 14,836  |
| Debt Service Fund                                  | (3,734,240)           | (3,734,240)           | (3,741,103)         | (6,863)   |
| Capital Projects Funds - Development               | (434,000)             | (594,000)             | (594,000)           | -   |
| Special Revenue Fund                               | -                     | -                     | (130,000)           | (130,000)   |
| Internal Service Fund - Risk Management            | -                     | (400,000)             | (400,000)           | -   |
| Enterprise Fund                                    | (86,000)              | (86,000)              | (86,000)            | -   |
| Total Other Financing Sources (Uses)               | <u>(4,179,240)</u>    | <u>(4,739,240)</u>    | <u>(4,861,267)</u>  | <u>(122,027)</u>  |
| Excess of Revenues and Other Financing Sources     |                       |                       |                     |   |
| over (under) Expenditures and Other Financing Uses | <u>\$ (1,173,610)</u> | <u>\$ (1,333,610)</u> | <u>1,108,128</u>    | <u>\$ 2,441,738</u>                                       |
| Fund Balance - Budget Basis, July 1                |                       |                       | <u>3,015,542</u>    |   |
| Fund Balance - Budget Basis, June 30               |                       |                       | <u>\$ 4,123,670</u> |   |



**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2002**

|   | General Fund Accounts |               |               |               | Capital Projects | Other Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------|---------------|---------------|------------------|--------------------------|--------------------------|
|   | Administration        | Park          | Recreation    | Total         |                  |                          |                          |
| <b>ASSETS</b>   |                       |               |               |               |                  |                          |                          |
| Equity in Pooled Cash and Investments                     | \$ 7,452,168          | \$ 24,549,689 | \$ 12,472,538 | \$ 44,474,395 | \$ 7,832,984     | \$ 6,405,039             | \$ 58,712,418            |
| Receivables - Taxes (net of allowance for uncollectibles) | 561,000               | 804,661       | 670,000       | 2,035,661     | -                | -                        | 2,035,661                |
| Receivables - Other                                       | 42,384                | 143,010       | 15,464        | 200,858       | 284,683          | 40,316                   | 525,857                  |
| Due from County Government                                | 154,414               | 121,958       | 52,336        | 328,708       | -                | 1,329                    | 330,037                  |
| Due from Other Governments                                | -                     | 21,370        | 4,305         | 25,675        | 2,337,963        | -                        | 2,363,638                |
| Restricted Cash - Unspent Bond Proceeds                   | -                     | -             | -             | -             | 18,198,546       | -                        | 18,198,546               |
| Total Assets  | \$ 8,209,966          | \$ 25,640,688 | \$ 13,214,643 | \$ 47,065,297 | \$ 28,654,176    | \$ 6,446,684             | \$ 82,166,157            |
| <b>LIABILITIES AND FUND BALANCES</b>                      |                       |               |               |               |                  |                          |                          |
| <b>Liabilities:</b>                                       |                       |               |               |               |                  |                          |                          |
| Accounts Payable  | \$ 486,349            | \$ 796,389    | \$ 519,161    | \$ 1,801,899  | \$ 216,657       | \$ 132,429               | \$ 2,150,985             |
| Accrued Liabilities                                       | 305,868               | 750,187       | 1,188,203     | 2,244,258     | -                | 68,796                   | 2,313,054                |
| Retainage Payable   | -                     | -             | -             | -             | 1,047,286        | -                        | 1,047,286                |
| Deposits and Deferred Revenue                             | 594,945               | 955,148       | 796,906       | 2,346,999     | -                | 56,867                   | 2,403,866                |
| Total Liabilities   | 1,387,162             | 2,501,724     | 2,504,270     | 6,393,156     | 1,263,943        | 258,092                  | 7,915,191                |
| <b>Fund Balances:</b>                                     |                       |               |               |               |                  |                          |                          |
| Reserved for Encumbrances                                 | 2,383,788             | 2,963,424     | 1,090,910     | 6,438,122     | 7,021,008        | 428,231                  | 13,887,361               |
| Reserved for Debt Service                                 | -                     | -             | -             | -             | -                | 1,329                    | 1,329                    |
| Unreserved, Designated for Subsequent Years               | 1,110,900             | 12,317,400    | 3,083,500     | 16,511,800    | -                | -                        | 16,511,800               |
| Unreserved, Undesignated, Reported in:                    |                       |               |               |               |                  |                          |                          |
| General Fund  | 3,328,116             | 7,858,140     | 6,535,963     | 17,722,219    | -                | -                        | 17,722,219               |
| Special Revenue Fund                                      | -                     | -             | -             | -             | -                | 5,759,032                | 5,759,032                |
| Capital Projects  | -                     | -             | -             | -             | 20,369,225       | -                        | 20,369,225               |
| Total Fund Balances                                       | 6,822,804             | 23,138,964    | 10,710,373    | 40,672,141    | 27,390,233       | 6,188,592                | 74,250,966               |
| Total Liabilities and Fund Balances                       | \$ 8,209,966          | \$ 25,640,688 | \$ 13,214,643 | \$ 47,065,297 | \$ 28,654,176    | \$ 6,446,684             | \$ 82,166,157            |



**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2002**

|   | General Fund Accounts |                      |                      |                      | Capital              | Other               | Total                |
|---|-----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|----------------------|
|   | Administration        | Park                 | Recreation           | Total                | Projects             | Governmental        | Governmental         |
|   |                       |                      |                      |                      |                      | Funds               | Funds                |
| <b>REVENUES</b>   |                       |                      |                      |                      |                      |                     |                      |
| Property Taxes  | \$ 21,024,516         | \$ 61,141,939        | \$ 25,159,821        | \$ 107,326,276       | \$ -                 | \$ 603,942          | \$ 107,930,218       |
| Intergovernmental:  |                       |                      |                      |                      |                      |                     |                      |
| Federal   | 15,754                | 25,395               | 950                  | 42,099               | 156,980              | -                   | 199,079              |
| State   | 6,353                 | 9,208                | 338,665              | 354,226              | 5,066,104            | -                   | 5,420,330            |
| County  | 287,177               | -                    | -                    | 287,177              | -                    | -                   | 287,177              |
| Local   | -                     | -                    | -                    | -                    | 14,121               | -                   | 14,121               |
| Charges for Services                                      | 402,647               | 355,527              | 5,353,648            | 6,111,822            | 14,964               | 640,162             | 6,766,948            |
| Rentals and Concessions                                   | 191                   | 1,664,901            | 352,273              | 2,017,365            | -                    | 4,116,763           | 6,134,128            |
| Interest  | 220,843               | 624,583              | 310,108              | 1,155,534            | 610,138              | 150,039             | 1,915,711            |
| Sale of Land  | -                     | -                    | -                    | -                    | 4,905                | -                   | 4,905                |
| Contributions   | -                     | -                    | -                    | -                    | -                    | 1,800               | 1,800                |
| Miscellaneous   | 821                   | 173,363              | 166,866              | 341,050              | 366,799              | 426,484             | 1,134,333            |
| Total Revenues  | <u>21,958,302</u>     | <u>63,994,916</u>    | <u>31,682,331</u>    | <u>117,635,549</u>   | <u>6,234,011</u>     | <u>5,939,190</u>    | <u>129,808,750</u>   |
| <b>EXPENDITURES</b>                                       |                       |                      |                      |                      |                      |                     |                      |
| Current:  |                       |                      |                      |                      |                      |                     |                      |
| General Government  | 6,418,906             | -                    | -                    | 6,418,906            | -                    | -                   | 6,418,906            |
| Planning and Zoning                                       | 14,829,399            | -                    | -                    | 14,829,399           | -                    | 463,237             | 15,292,636           |
| Park Operations and Maintenance                           | -                     | 48,775,836           | -                    | 48,775,836           | -                    | 308,756             | 49,084,592           |
| Recreation  | -                     | -                    | 31,393,781           | 31,393,781           | -                    | 4,848,256           | 36,242,037           |
| Debt Service:   |                       |                      |                      |                      |                      |                     |                      |
| Principal   | -                     | -                    | -                    | -                    | -                    | 6,695,000           | 6,695,000            |
| Interest  | -                     | -                    | -                    | -                    | -                    | 6,306,713           | 6,306,713            |
| Bond Issuance Costs                                       | -                     | -                    | -                    | -                    | 44,820               | 15,980              | 60,800               |
| Capital Outlay:   |                       |                      |                      |                      |                      |                     |                      |
| Park Acquisition  | -                     | -                    | -                    | -                    | 4,352,919            | -                   | 4,352,919            |
| Park Development  | -                     | -                    | -                    | -                    | 8,107,047            | -                   | 8,107,047            |
| Total Expenditures  | <u>21,248,305</u>     | <u>48,775,836</u>    | <u>31,393,781</u>    | <u>101,417,922</u>   | <u>12,504,786</u>    | <u>18,637,942</u>   | <u>132,560,650</u>   |
| Excess (deficiency) of Revenues over (under) Expenditures | <u>709,997</u>        | <u>15,219,080</u>    | <u>288,550</u>       | <u>16,217,627</u>    | <u>(6,270,775)</u>   | <u>(12,698,752)</u> | <u>(2,751,900)</u>   |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |                      |                      |                      |                      |                     |                      |
| Proceeds from General Obligation Bonds                    | -                     | -                    | -                    | -                    | 18,744,820           | -                   | 18,744,820           |
| Transfers In  | 259                   | 399,197              | 91,795               | 491,251              | 2,644,383            | 12,534,210          | 15,669,844           |
| Transfer Out  | -                     | (19,006,766)         | (388,566)            | (19,395,332)         | (394,569)            | (636,594)           | (20,426,495)         |
| Total Other Financing Sources (Uses)                      | <u>259</u>            | <u>(18,607,569)</u>  | <u>(296,771)</u>     | <u>(18,904,081)</u>  | <u>20,994,634</u>    | <u>11,897,616</u>   | <u>13,988,169</u>    |
| Net Change in Fund Balances                               | 710,256               | (3,388,489)          | (8,221)              | (2,686,454)          | 14,723,859           | (801,136)           | 11,236,269           |
| Fund Balances - Beginning                                 | 6,112,548             | 26,527,453           | 10,718,594           | 43,358,595           | 12,666,374           | 6,989,728           | 63,014,697           |
| Fund Balances - Ending                                    | <u>\$ 6,822,804</u>   | <u>\$ 23,138,964</u> | <u>\$ 10,710,373</u> | <u>\$ 40,672,141</u> | <u>\$ 27,390,233</u> | <u>\$ 6,188,592</u> | <u>\$ 74,250,966</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, 2002**

|  | Budgeted Amounts    |                     | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|---------------------|---------------------|---|
|  | Original            | Final               |                     |   |
| Revenues:  |                     |                     |                     |   |
| Property Taxes   | \$ 20,502,820       | \$ 20,502,820       | \$ 21,024,516       | \$ 521,696  |
| Intergovernmental -  |                     |                     |                     |   |
| Federal  | -                   | 15,754              | 15,754              | -   |
| State  | -                   | 6,353               | 6,353               | -   |
| County   | 375,000             | 352,893             | 287,177             | (65,716)  |
| Charges for Services   | 308,000             | 308,000             | 402,843             | 94,843  |
| Interest   | 490,000             | 490,000             | 220,843             | (269,157)   |
| Miscellaneous  | -                   | -                   | 816                 | 816   |
| Total Revenues   | <u>21,675,820</u>   | <u>21,675,820</u>   | <u>21,958,302</u>   | <u>282,482</u>  |
| Expenditures/Encumbrances:   |                     |                     |                     |   |
| Commissioners' Office  | 1,710,810           | 1,710,810           | 1,710,712           | 98  |
| Central Administrative Services -  |                     |                     |                     |   |
| Department of Human Resources and Management   | 1,645,065           | 1,645,065           | 1,568,569           | 76,496  |
| Department of Finance  | 2,066,750           | 2,066,750           | 1,960,646           | 106,104   |
| Legal Department   | 683,700             | 683,700             | 649,261             | 34,439  |
| Support Services   | 470,000             | 470,000             | 452,089             | 17,911  |
| Merit System Board   | 40,500              | 40,500              | 28,576              | 11,924  |
| Total Central Administrative Services  | <u>4,906,015</u>    | <u>4,906,015</u>    | <u>4,659,141</u>    | <u>246,874</u>  |
| Planning Department  | 15,495,408          | 15,495,408          | 14,603,121          | 892,287   |
| Non-Departmental   | -                   | -                   | (22,267)            | 22,267  |
| Total Expenditures/Encumbrances  | <u>22,112,233</u>   | <u>22,112,233</u>   | <u>20,950,707</u>   | <u>1,161,526</u>  |
| Excess of Revenues over (under)<br>Expenditures/Encumbrances   | <u>(436,413)</u>    | <u>(436,413)</u>    | <u>1,007,595</u>    | <u>1,444,008</u>  |
| Other Financing Sources (Uses):  |                     |                     |                     |   |
| Operating Transfers In (Out) -   |                     |                     |                     |   |
| Special Revenue Fund (Public Contributions)  | -                   | -                   | 259                 | 259   |
| Total Other Financing Sources (Uses)   | <u>-</u>            | <u>-</u>            | <u>259</u>          | <u>259</u>  |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures and Other Financing Uses | <u>\$ (436,413)</u> | <u>\$ (436,413)</u> | <u>1,007,854</u>    | <u>\$ 1,444,267</u>                                       |
| Fund Balance - Budget Basis, July 1  |                     |                     | <u>3,431,162</u>    |   |
| Fund Balance - Budget Basis, June 30   |                     |                     | <u>\$ 4,439,016</u> |   |

**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, 2002**

|  | Budgeted Amounts      |                       |                      | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|----------------------|---|
|  | Original              | Final                 | Actual               |   |
| Revenues:  |                       |                       |                      |   |
| Property Taxes   | \$ 59,795,151         | \$ 59,795,151         | \$ 61,141,939        | \$ 1,346,788  |
| Intergovernmental -  |                       |                       |                      |   |
| Federal  | 7,000                 | 25,395                | 25,395               | -   |
| State  | -                     | 9,208                 | 9,208                | -   |
| Charges for Services   | 462,450               | 462,450               | 355,527              | (106,923)   |
| Rentals and Concessions  | 1,327,150             | 1,327,150             | 1,664,901            | 337,751   |
| Interest   | 1,800,000             | 1,800,000             | 624,583              | (1,175,417)   |
| Miscellaneous  | 166,899               | 166,899               | 173,363              | 6,464   |
| Total Revenues   | <u>63,558,650</u>     | <u>63,586,253</u>     | <u>63,994,916</u>    | <u>408,663</u>  |
| Expenditures/Encumbrances:   |                       |                       |                      |   |
| Director's Office  | 2,767,661             | 2,767,661             | 2,553,214            | 214,447   |
| Park Police  | 9,901,191             | 9,128,794             | 8,710,667            | 418,127   |
| Support Services   | 8,251,600             | 8,854,070             | 8,098,588            | 755,482   |
| Park Planning and Development  | 3,157,274             | 3,155,354             | 2,801,225            | 354,129   |
| Facility Operations -  |                       |                       |                      |   |
| Associate Director   | 359,412               | 356,712               | 295,848              | 60,864  |
| Maintenance and Development  | 12,548,539            | 12,534,439            | 13,156,669           | (622,230)   |
| Natural and Historical Resources   | 1,677,453             | 1,675,453             | 1,465,212            | 210,241   |
| Arts and Cultural Heritage   | 1,135,666             | 1,185,416             | 1,030,809            | 154,607   |
| Park Permits   | 177,289               | 177,289               | 150,100              | 27,189  |
| Total Facility Operations  | <u>15,898,359</u>     | <u>15,929,309</u>     | <u>16,098,638</u>    | <u>(169,329)</u>  |
| Area Operations -  |                       |                       |                      |   |
| Northern Area  | 4,059,923             | 3,988,923             | 3,866,898            | 122,025   |
| Central Area   | 3,450,740             | 3,362,740             | 3,002,824            | 359,916   |
| Southern Area  | 2,916,312             | 2,843,812             | 2,812,437            | 31,375  |
| Child Care/Special Projects  | 37,750                | 37,750                | 40,067               | (2,317)   |
| Total Area Operations  | <u>10,464,725</u>     | <u>10,233,225</u>     | <u>9,722,226</u>     | <u>510,999</u>  |
| Non-Departmental   | 470,006               | 470,006               | 114,106              | 355,900   |
| Total Expenditures/Encumbrances  | <u>50,910,816</u>     | <u>50,538,419</u>     | <u>48,098,664</u>    | <u>2,439,755</u>  |
| Excess of Revenues over (under)<br>Expenditures/Encumbrances   | <u>12,647,834</u>     | <u>13,047,834</u>     | <u>15,896,252</u>    | <u>2,848,418</u>  |
| Other Financing Sources (Uses):  |                       |                       |                      |   |
| Operating Transfers In (Out) -   |                       |                       |                      |   |
| Capital Projects Funds - Interest  | 450,000               | 450,000               | 394,569              | (55,431)  |
| Special Revenue Fund   | -                     | -                     | 4,628                | 4,628   |
| Debt Service - Park Fund   | (12,799,500)          | (12,799,500)          | (12,527,165)         | 272,335   |
| Special Revenue Fund   | -                     | -                     | (7,045)              | (7,045)   |
| Internal Service Fund - Risk Management  | -                     | (400,000)             | (400,000)            | -   |
| Enterprise Fund  | (3,854,107)           | (3,854,107)           | (3,854,107)          | -   |
| Capital Projects Funds - Interest  | (1,107,566)           | (1,107,566)           | (624,583)            | 482,983   |
| Capital Projects Funds - Development   | (1,495,000)           | (1,495,000)           | (1,593,866)          | (98,866)  |
| Total Other Financing Sources (Uses)   | <u>(18,806,173)</u>   | <u>(19,206,173)</u>   | <u>(18,607,569)</u>  | <u>598,604</u>  |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures and Other Financing Uses | <u>\$ (6,158,339)</u> | <u>\$ (6,158,339)</u> | <u>(2,711,317)</u>   | <u>\$ 3,447,022</u>                                     |
| Fund Balance - Budget Basis, July 1  |                       |                       | <u>22,886,857</u>    |   |
| Fund Balance - Budget Basis, June 30   |                       |                       | <u>\$ 20,175,540</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, 2002**

|  | Budgeted Amounts      |                       | Actual              | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|---------------------|---|
|  | Original              | Final                 |                     |   |
| Revenues:  |                       |                       |                     |   |
| Property Taxes   | \$ 24,534,029         | \$ 24,534,029         | \$ 25,159,821       | \$ 625,792  |
| Intergovernmental -  |                       |                       |                     |   |
| Federal  | -                     | -                     | 950                 | 950   |
| State  | -                     | 339,615               | 338,665             | (950)   |
| County   | 50,000                | -                     | -                   | -   |
| Charges for Services   | 6,516,415             | 6,516,415             | 5,353,648           | (1,162,767)   |
| Rentals and Concessions  | 359,513               | 359,513               | 352,273             | (7,240)   |
| Interest   | 650,000               | 650,000               | 310,108             | (339,892)   |
| Miscellaneous  | 189,600               | 189,600               | 166,866             | (22,734)  |
| Total Revenues   | <u>32,299,557</u>     | <u>32,589,172</u>     | <u>31,682,331</u>   | <u>(906,841)</u>  |
| Expenditures/Encumbrances:   |                       |                       |                     |   |
| Director's Office  | 252,848               | 252,848               | 248,217             | 4,631   |
| Support Services   | 3,665,672             | 3,717,990             | 2,955,125           | 762,865   |
| Total Director's Office  | <u>3,918,520</u>      | <u>3,970,838</u>      | <u>3,203,342</u>    | <u>767,496</u>  |
| Facility Operations:   |                       |                       |                     |   |
| Sports/Athletic/Outreach Program   | 4,102,661             | 3,733,860             | 3,473,259           | 260,601   |
| Natural and Historical Resources   | 2,965,554             | 2,957,704             | 2,806,936           | 150,768   |
| Arts and Cultural Heritage   | 2,818,824             | 2,815,724             | 2,668,073           | 147,651   |
| Grants   | 50,000                | 339,615               | 339,615             | -   |
| Total Facility Operations  | <u>9,937,039</u>      | <u>9,846,903</u>      | <u>9,287,883</u>    | <u>559,020</u>  |
| Area Operations:   |                       |                       |                     |   |
| Deputy Director  | 273,388               | 273,088               | 193,795             | 79,293  |
| Northern Area  | 5,523,047             | 5,514,047             | 5,561,275           | (47,228)  |
| Central Area   | 4,865,717             | 4,863,001             | 4,756,823           | 106,178   |
| Southern Area  | 4,941,284             | 4,936,284             | 4,243,210           | 693,074   |
| Child Care and Special Projects  | 1,854,970             | 3,637,180             | 3,362,670           | 274,510   |
| Special Populations  | 1,437,761             | -                     | -                   | -   |
| Total Area Operations  | <u>18,896,167</u>     | <u>19,223,600</u>     | <u>18,117,773</u>   | <u>1,105,827</u>  |
| Non-Departmental   | 433,039               | 433,039               | 265,122             | 167,917   |
| Total Operating Expenditures/Encumbrances  | <u>33,184,765</u>     | <u>33,474,380</u>     | <u>30,874,120</u>   | <u>2,600,260</u>  |
| Excess of Revenues over (under)<br>Expenditures/Encumbrances   | <u>(885,208)</u>      | <u>(885,208)</u>      | <u>808,211</u>      | <u>1,693,419</u>  |
| Other Financing Sources (Uses):  |                       |                       |                     |   |
| Operating Transfers In (Out) -   |                       |                       |                     |   |
| Special Revenue Fund   | -                     | -                     | 91,795              | 91,795  |
| Enterprise   | (388,566)             | (388,566)             | (388,566)           | -   |
| Total Other Financing Sources (Uses)   | <u>(388,566)</u>      | <u>(388,566)</u>      | <u>(296,771)</u>    | <u>91,795</u>   |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures and Other Financing Uses | <u>\$ (1,273,774)</u> | <u>\$ (1,273,774)</u> | <u>511,440</u>      | <u>\$ 1,785,214</u>                                     |
| Fund Balance - Budget Basis, July 1  |                       |                       | <u>9,108,023</u>    |   |
| Fund Balance - Budget Basis, June 30   |                       |                       | <u>\$ 9,619,463</u> |   |

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

**Schedule of Funding Progress for Defined Benefit Pension 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 six years is summarized as follows:

|  | July 1<br>1996 | July 1<br>1997 | July 1<br>1998 | July 1<br>1999 | July 1<br>2000 | July 1<br>2001 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| Actuarial Valuation of Plan Assets   | \$ 264,787     | \$ 311,854     | \$ 363,632     | \$ 407,073     | \$ 446,125     | \$ 468,728     |
| Actuarial Accrued Liability  | 251,229        | 285,536        | 307,360        | 328,072        | 348,512        | 360,865        |
| Funded Ratio   | 105.4%         | 109.2%         | 118.3%         | 124.1%         | 128.0%         | 129.9%         |
| Actuarial Value of Assets in Excess of<br>(Unfunded) Actuarial Accrued Liability                                       | 13,558         | 26,318         | 56,272         | 79,001         | 97,613         | 107,863        |
| Annual Covered Payroll   | 72,668         | 71,102         | 75,368         | 78,849         | 82,540         | 88,338         |
| Actuarial Value of Assets in Excess of<br>(Unfunded) Actuarial Accrued Liability<br>as a Percentage of Covered Payroll | 18.7%          | 37.0%          | 74.7%          | 100.2%         | 118.3%         | 122.1%         |

**Schedule of Commission Contributions to the Defined Benefit Pension Plan** - Information related to the Commission's funding of the System for the last six years follows:

| TREND INFORMATION (000's)     |          |          |          |          |          |        |
|-------------------------------|----------|----------|----------|----------|----------|--------|
|                               | 1997     | 1998     | 1999     | 2000     | 2001     | 2002   |
| Annual Pension Cost (APC)     | \$ 7,189 | \$ 5,337 | \$ 2,972 | \$ 2,547 | \$ 1,102 | \$ 480 |
| Percentage of APC Contributed | 100%     | 100%     | 100%     | 100%     | 100%     | 100%   |
| Net Pension Obligation (NPO)  | 0        | 0        | 0        | 0        | 0        | 0      |





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## ♦ PART IIB ♦

### FINANCIAL SECTION

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#### Combining Statements and Schedules

##### Nonmajor Governmental Funds

These funds have smaller total dollar activity than those shown separately in the Basic Financial Statements.



Youthful dancers wait to take their turns at Rollingcrest–Chillum Community Center

#### **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 and 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**

**Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2002**

|                                       | MONTGOMERY COUNTY     |            |                       |                   |                                       |              | PRINCE GEORGE'S COUNTY |                      |                       |                   |                                       |              |                                   |
|---------------------------------------|-----------------------|------------|-----------------------|-------------------|---------------------------------------|--------------|------------------------|----------------------|-----------------------|-------------------|---------------------------------------|--------------|-----------------------------------|
|                                       | Special Revenue Funds |            |                       | Park Debt Service | Advance Land Acquisition Debt Service | Total        | Special Revenue Funds  |                      |                       | Park Debt Service | Advance Land Acquisition Debt Service | Total        | Total Nonmajor Governmental Funds |
|                                       | Planning              | Parks      | Total Special Revenue |                   |                                       |              | Planning               | Parks and Recreation | Total Special Revenue |                   |                                       |              |                                   |
| ASSETS                                |                       |            |                       |                   |                                       |              |                        |                      |                       |                   |                                       |              |                                   |
| Equity in Pooled Cash and Investments | \$ 812,218            | \$ 255,053 | \$ 1,067,271          | \$ -              | \$ -                                  | \$ 1,067,271 | \$ 79,360              | \$ 6,275,374         | \$ 6,354,734          | \$ -              | \$ -                                  | \$ 6,354,734 | \$ 7,422,005                      |
| Cash and Marketable Securities        | -                     | -          | -                     | -                 | -                                     | -            | -                      | 50,305               | 50,305                | -                 | -                                     | 50,305       | 50,305                            |
| Accounts Receivable                   | -                     | 420        | 420                   | -                 | -                                     | 420          | -                      | 40,316               | 40,316                | -                 | -                                     | 40,316       | 40,736                            |
| Due from County Government            | -                     | 64,280     | 64,280                | -                 | 28,143                                | 92,423       | -                      | -                    | -                     | -                 | 1,329                                 | 1,329        | 93,752                            |
| Total Assets                          | \$ 812,218            | \$ 319,753 | \$ 1,131,971          | \$ -              | \$ 28,143                             | \$ 1,160,114 | \$ 79,360              | \$ 6,365,995         | \$ 6,445,355          | \$ -              | \$ 1,329                              | \$ 6,446,684 | \$ 7,606,798                      |
| LIABILITIES                           |                       |            |                       |                   |                                       |              |                        |                      |                       |                   |                                       |              |                                   |
| Accounts Payable                      | \$ 53,105             | \$ -       | \$ 53,105             | \$ -              | \$ -                                  | \$ 53,105    | \$ -                   | \$ 132,429           | \$ 132,429            | \$ -              | \$ -                                  | \$ 132,429   | \$ 185,534                        |
| Accrued Liabilities                   | -                     | -          | -                     | -                 | -                                     | -            | -                      | 68,796               | 68,796                | -                 | -                                     | 68,796       | 68,796                            |
| Due to County Government              | 3,260                 | -          | 3,260                 | -                 | -                                     | 3,260        | -                      | -                    | -                     | -                 | -                                     | -            | 3,260                             |
| Deposits and Deferred Revenue         | 288,340               | -          | 288,340               | -                 | -                                     | 288,340      | -                      | 56,867               | 56,867                | -                 | -                                     | 56,867       | 345,207                           |
| Total Liabilities                     | 344,705               | -          | 344,705               | -                 | -                                     | 344,705      | -                      | 258,092              | 258,092               | -                 | -                                     | 258,092      | 602,797                           |
| FUND BALANCES                         |                       |            |                       |                   |                                       |              |                        |                      |                       |                   |                                       |              |                                   |
| Reserved for Encumbrances             | -                     | -          | -                     | -                 | -                                     | -            | 2,850                  | 425,381              | 428,231               | -                 | -                                     | 428,231      | 428,231                           |
| Reserved for Debt Service             | -                     | -          | -                     | -                 | 28,143                                | 28,143       | -                      | -                    | -                     | -                 | 1,329                                 | 1,329        | 29,472                            |
| Unreserved, Undesignated              | 467,513               | 319,753    | 787,266               | -                 | -                                     | 787,266      | 76,510                 | 5,682,522            | 5,759,032             | -                 | -                                     | 5,759,032    | 6,546,298                         |
| Total Fund Balances                   | 467,513               | 319,753    | 787,266               | -                 | 28,143                                | 815,409      | 79,360                 | 6,107,903            | 6,187,263             | -                 | 1,329                                 | 6,188,592    | 7,004,001                         |
| Total Liabilities and Fund Balances   | \$ 812,218            | \$ 319,753 | \$ 1,131,971          | \$ -              | \$ 28,143                             | \$ 1,160,114 | \$ 79,360              | \$ 6,365,995         | \$ 6,445,355          | \$ -              | \$ 1,329                              | \$ 6,446,684 | \$ 7,606,798                      |

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

**Schedule 2**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
June 30, 2002**

|   | MONTGOMERY COUNTY     |            |                         |   |            |             | PRINCE GEORGE'S COUNTY |                            |                         |   |            |              |  |
|---|-----------------------|------------|-------------------------|---|------------|-------------|------------------------|----------------------------|-------------------------|---|------------|--------------|--|
|   | Special Revenue Funds |            | Park<br>Debt<br>Service | Advance<br>Land<br>Acquisition<br>Debt<br>Service | Total      |             | Special Revenue Funds  |                            | Park<br>Debt<br>Service | Advance<br>Land<br>Acquisition<br>Debt<br>Service | Total      |              | Total<br>Nonmajor<br>Governmental<br>Funds |
|   | Planning              | Parks      |                         |   |            |             | Planning               | Parks<br>and<br>Recreation |                         |   |            |              |  |
| <b>REVENUES:</b>  |                       |            |                         |   |            |             |                        |                            |                         |   |            |              |  |
| Property Taxes  | \$ -                  | \$ -       | \$ -                    | \$ -  | \$ 864,724 | \$ 864,724  | \$ -                   | \$ -                       | \$ -                    | \$ -  | \$ 603,942 | \$ 603,942   | \$ 1,468,666                               |
| Intergovernmental - County                                | -                     | 460,517    | 460,517                 | -   | 460,517    | 460,517     | -                      | -                          | -                       | -   | -          | -            | 460,517                                    |
| Charges for Services                                      | 83,191                | 77,176     | 160,367                 | -   | 160,367    | 160,367     | -                      | 640,162                    | 640,162                 | -   | 640,162    | 640,162      | 800,529                                    |
| Recreation Activities                                     | -                     | -          | -                       | -   | -          | -           | -                      | 4,116,763                  | 4,116,763               | -   | 4,116,763  | 4,116,763    | 4,116,763                                  |
| Interest  | 13,582                | 3,111      | 16,693                  | -   | 16,693     | 16,693      | 11,177                 | 138,862                    | 150,039                 | -   | 150,039    | 150,039      | 166,732                                    |
| Contributions   | -                     | -          | -                       | -   | -          | -           | -                      | 1,800                      | 1,800                   | -   | 1,800      | 1,800        | 1,800                                      |
| Miscellaneous   | 22,750                | 59,592     | 82,342                  | -   | 82,342     | 82,342      | -                      | 426,484                    | 426,484                 | -   | 426,484    | 426,484      | 508,826                                    |
| Total Revenues  | 119,523               | 600,396    | 719,919                 | -   | 864,724    | 1,584,643   | 11,177                 | 5,324,071                  | 5,335,248               | -   | 603,942    | 5,939,190    | 7,523,833                                  |
| <b>EXPENDITURES:</b>                                      |                       |            |                         |   |            |             |                        |                            |                         |   |            |              |  |
| Principal Retirements                                     | -                     | -          | -                       | 2,220,000   | 425,000    | 2,645,000   | -                      | -                          | -                       | 6,360,000   | 335,000    | 6,695,000    | 9,340,000                                  |
| Interest  | -                     | -          | -                       | 1,514,242   | 255,492    | 1,769,734   | -                      | -                          | -                       | 6,157,606   | 149,107    | 6,306,713    | 8,076,447                                  |
| Bond Issuance Costs                                       | -                     | -          | -                       | 6,861   | 3,320      | 10,181      | -                      | -                          | -                       | 9,559   | 6,421      | 15,980       | 26,161                                     |
| Miscellaneous   | 533,024               | 562,671    | 1,095,695               | -   | 1,095,695  | 1,095,695   | 457,243                | 5,163,006                  | 5,620,249               | -   | 5,620,249  | 5,620,249    | 6,715,944                                  |
| Total Expenditures  | 533,024               | 562,671    | 1,095,695               | 3,741,103   | 683,812    | 5,520,610   | 457,243                | 5,163,006                  | 5,620,249               | 12,527,165  | 490,528    | 18,637,942   | 24,158,552                                 |
| Excess (deficiency) of revenues over (under) expenditures | (413,501)             | 37,725     | (375,776)               | (3,741,103)                                       | 180,912    | (3,935,967) | (446,066)              | 161,065                    | (285,001)               | (12,527,165)                                      | 113,414    | (12,698,752) | (16,634,719)                               |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |            |                         |   |            |             |                        |                            |                         |   |            |              |  |
| Transfers In  | 49,627                | 130,000    | 179,627                 | 3,741,103   | -          | 3,920,730   | -                      | 7,045                      | 7,045                   | 12,527,165  | -          | 12,534,210   | 16,454,940                                 |
| Transfers Out   | (45,619)              | -          | (45,619)                | -   | (172,607)  | (218,226)   | -                      | (522,616)                  | (522,616)               | -   | (113,978)  | (636,594)    | (854,820)                                  |
| Total Other Financing Sources (Uses)                      | 4,008                 | 130,000    | 134,008                 | 3,741,103   | (172,607)  | 3,702,504   | -                      | (515,571)                  | (515,571)               | 12,527,165  | (113,978)  | 11,897,616   | 15,600,120                                 |
| Net change in fund balances                               | (409,493)             | 167,725    | (241,768)               | -   | 8,305      | (233,463)   | (446,066)              | (354,506)                  | (800,572)               | -   | (564)      | (801,136)    | (1,034,599)                                |
| Fund Balances - beginning                                 | 877,006               | 152,028    | 1,029,034               | -   | 19,838     | 1,048,872   | 525,426                | 6,462,409                  | 6,987,835               | -   | 1,893      | 6,989,728    | 8,038,600                                  |
| Fund Balances - ending                                    | \$ 467,513            | \$ 319,753 | \$ 787,266              | \$ -  | \$ 28,143  | \$ 815,409  | \$ 79,360              | \$ 6,107,903               | \$ 6,187,263            | \$ -  | \$ 1,329   | \$ 6,188,592 | \$ 7,004,001                               |







Cabin John Ice Rink features three "sheets of ice" for figure skating, hockey, lessons and private parties

## **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 3

Schedule of Net Assets  
Enterprise Funds  
June 30, 2002 and 2001

|   | Recreational and Cultural Facilities |                  |                        |                  |                  |                  |
|---|--------------------------------------|------------------|------------------------|------------------|------------------|------------------|
|   | Montgomery County                    |                  | Prince George's County |                  | Totals           |                  |
|   | June 30,<br>2002                     | June 30,<br>2001 | June 30,<br>2002       | June 30,<br>2001 | June 30,<br>2002 | June 30,<br>2001 |
| <b>ASSETS</b>   |                                      |                  |                        |                  |                  |                  |
| Current Assets:                                       |                                      |                  |                        |                  |                  |                  |
| Equity in Pooled Cash and Investments                 | \$ 3,312,016                         | \$ 4,801,984     | \$ 1,709,476           | \$ 871,066       | \$ 5,021,492     | \$ 5,673,050     |
| Restricted Cash, Cash Equivalents and Investments:    |                                      |                  |                        |                  |                  |                  |
| Revenue Bond Covenant Accounts                        | 583,266                              | 570,254          | -                      | -                | 583,266          | 570,254          |
| Unspent Revenue Bond and Equipment Financing Proceeds | -                                    | 396,639          | -                      | -                | -                | 396,639          |
| Accounts Receivable                                   | 372                                  | 1,707            | 2,327                  | 5,828            | 2,699            | 7,535            |
| Inventories   | 842,706                              | 787,621          | 546,079                | 578,666          | 1,388,785        | 1,366,287        |
| Total Current Assets                                  | 4,738,360                            | 6,558,205        | 2,257,882              | 1,455,560        | 6,996,242        | 8,013,765        |
| Capital Assets:                                       |                                      |                  |                        |                  |                  |                  |
| Land  | 11,584,468                           | 7,791,328        | 7,779,131              | 7,779,131        | 19,363,599       | 15,570,459       |
| Buildings   | 20,544,126                           | 19,667,106       | 52,751,073             | 52,751,073       | 73,295,199       | 72,418,179       |
| Improvements Other Than Buildings                     | 4,762,480                            | 2,862,648        | 12,304,643             | 12,225,674       | 17,067,123       | 15,088,322       |
| Machinery and Equipment                               | 4,559,388                            | 4,352,621        | 4,129,137              | 3,890,353        | 8,688,525        | 8,242,974        |
| Construction in Progress                              | 1,773,131                            | 2,386,560        | -                      | -                | 1,773,131        | 2,386,560        |
|   | 43,223,593                           | 37,060,263       | 76,963,984             | 76,646,231       | 120,187,577      | 113,706,494      |
| Less - Accumulated Depreciation                       | (8,624,158)                          | (7,227,979)      | (13,759,042)           | (11,553,261)     | (22,383,200)     | (18,781,240)     |
| Total Capital Assets (net of depreciation)            | 34,599,435                           | 29,832,284       | 63,204,942             | 65,092,970       | 97,804,377       | 94,925,254       |
| Total Assets  | 39,337,795                           | 36,390,489       | 65,462,824             | 66,548,530       | 104,800,619      | 102,939,019      |
| <b>LIABILITIES</b>                                    |                                      |                  |                        |                  |                  |                  |
| Current Liabilities:                                  |                                      |                  |                        |                  |                  |                  |
| Accounts Payable                                      | 388,098                              | 203,345          | 288,538                | 308,538          | 676,636          | 511,883          |
| Accrued Salaries and Benefits                         | 136,261                              | 121,620          | 202,536                | 191,987          | 338,797          | 313,607          |
| Compensated Absences                                  | 200,096                              | 157,236          | 158,223                | 119,614          | 358,319          | 276,850          |
| Interest Payable                                      | 126,400                              | 136,197          | -                      | -                | 126,400          | 136,197          |
| Revenue Collected in Advance                          | 435,705                              | 505,825          | 154,766                | 110,116          | 590,471          | 615,941          |
| Current Portion of Revenue Bonds Payable              | 285,000                              | 270,000          | -                      | -                | 285,000          | 270,000          |
| Current Portion of Revenue Notes Payable              | 674,444                              | 659,444          | -                      | -                | 674,444          | 659,444          |
| Current Portion of Notes Payable                      | 58,477                               | 55,791           | -                      | -                | 58,477           | 55,791           |
| Total Current Liabilities                             | 2,304,481                            | 2,109,458        | 804,063                | 730,255          | 3,108,544        | 2,839,713        |
| Noncurrent Liabilities:                               |                                      |                  |                        |                  |                  |                  |
| Revenue Bonds Payable                                 | 3,099,370                            | 3,352,307        | -                      | -                | 3,099,370        | 3,352,307        |
| Revenue Notes Payable                                 | 7,431,668                            | 8,106,112        | -                      | -                | 7,431,668        | 8,106,112        |
| Notes Payable   | 158,807                              | 217,284          | -                      | -                | 158,807          | 217,284          |
| Compensated Absences                                  | 238,617                              | 263,743          | 311,547                | 308,606          | 550,164          | 572,349          |
| Payable to Advance Land Acquisition Trust Fund        | -                                    | -                | 3,829,363              | 3,829,363        | 3,829,363        | 3,829,363        |
| Total Noncurrent Liabilities                          | 10,928,462                           | 11,939,446       | 4,140,910              | 4,137,969        | 15,069,372       | 16,077,415       |
| Total Liabilities                                     | 13,232,943                           | 14,048,904       | 4,944,973              | 4,868,224        | 18,177,916       | 18,917,128       |
| <b>NET ASSETS</b>                                     |                                      |                  |                        |                  |                  |                  |
| Invested in Capital Assets, Net of Related Debt       | 22,891,669                           | 17,567,985       | 59,375,579             | 61,263,607       | 82,267,248       | 78,831,592       |
| Restricted for Debt Service                           | 583,266                              | 570,254          | -                      | -                | 583,266          | 570,254          |
| Unrestricted  | 2,629,917                            | 4,203,346        | 1,142,272              | 416,699          | 3,772,189        | 4,620,045        |
| Total Net Assets                                      | \$ 26,104,852                        | \$ 22,341,585    | \$ 60,517,851          | \$ 61,680,306    | \$ 86,622,703    | \$ 84,021,891    |

## THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

**Schedule of Revenues, Expenses, and Changes in Fund Net Assets**  
**Enterprise Funds**  
**For the Years Ended June 30, 2002 and 2001**

|   | Recreational and Cultural Facilities |                      |                        |                      |                      |                      |
|---|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
|   | Montgomery County                    |                      | Prince George's County |                      | Totals               |                      |
|   | Year Ended June 30,                  |                      | Year Ended June 30,    |                      | Year Ended June 30,  |                      |
|   | 2002                                 | 2001                 | 2002                   | 2001                 | 2002                 | 2001                 |
| Operating Revenues:                       |                                      |                      |                        |                      |                      |                      |
| Sales                                     | \$ 1,632,353                         | \$ 1,424,206         | \$ 1,485,366           | \$ 1,564,157         | \$ 3,117,719         | \$ 2,988,363         |
| Charges for Services                      | 10,017,145                           | 9,079,375            | 4,426,115              | 3,412,306            | 14,443,260           | 12,491,681           |
| Rentals and Concessions                   | 2,588,223                            | 2,251,798            | 2,271,056              | 2,065,742            | 4,859,279            | 4,317,540            |
| Total Operating Revenues                  | <u>14,237,721</u>                    | <u>12,755,379</u>    | <u>8,182,537</u>       | <u>7,042,205</u>     | <u>22,420,258</u>    | <u>19,797,584</u>    |
| Operating Expenses:                       |                                      |                      |                        |                      |                      |                      |
| Cost of Goods Sold                        | 991,372                              | 880,729              | 1,075,355              | 932,945              | 2,066,727            | 1,813,674            |
| Personal Services                         | 5,669,364                            | 5,164,127            | 6,893,854              | 5,891,591            | 12,563,218           | 11,055,718           |
| Supplies and Materials                    | 1,817,310                            | 1,898,704            | 1,214,659              | 1,695,997            | 3,031,969            | 3,594,701            |
| Communications                            | 116,996                              | 98,659               | 245,438                | 422,108              | 362,434              | 520,767              |
| Utilities                                 | 645,292                              | 533,673              | -                      | 707,245              | 645,292              | 1,240,918            |
| Maintenance                               | 353,140                              | 345,480              | 692,876                | 903,888              | 1,046,016            | 1,249,368            |
| Contractual Services                      | 1,263,108                            | 1,177,956            | 586,236                | 663,942              | 1,849,344            | 1,841,898            |
| Other Services and Charges                | 321,034                              | 246,043              | 671,813                | 966,179              | 992,847              | 1,212,222            |
| Administrative Services                   | 1,190,389                            | 1,182,370            | -                      | 530,634              | 1,190,389            | 1,713,004            |
| Depreciation                              | 1,471,882                            | 1,297,431            | 2,238,205              | 2,106,647            | 3,710,087            | 3,404,078            |
| Total Operating Expenses                  | <u>13,839,887</u>                    | <u>12,825,172</u>    | <u>13,618,436</u>      | <u>14,821,176</u>    | <u>27,458,323</u>    | <u>27,646,348</u>    |
| Operating Income (Loss)                   | <u>397,834</u>                       | <u>(69,793)</u>      | <u>(5,435,899)</u>     | <u>(7,778,971)</u>   | <u>(5,038,065)</u>   | <u>(7,848,764)</u>   |
| Nonoperating Revenues (Expenses):         |                                      |                      |                        |                      |                      |                      |
| Investment Earnings                       | 231,041                              | 545,782              | 30,771                 | 116,025              | 261,812              | 661,807              |
| Interest Expense, net of Amortization     | (730,809)                            | (775,156)            | -                      | -                    | (730,809)            | (775,156)            |
| Loss on Sale of Asset                     | (13,938)                             | -                    | -                      | -                    | (13,938)             | -                    |
| Total Nonoperating Revenue (Expense)      | <u>(513,706)</u>                     | <u>(229,374)</u>     | <u>30,771</u>          | <u>116,025</u>       | <u>(482,935)</u>     | <u>(113,349)</u>     |
| Income before Contributions and Transfers | <u>(115,872)</u>                     | <u>(299,167)</u>     | <u>(5,405,128)</u>     | <u>(7,662,946)</u>   | <u>(5,521,000)</u>   | <u>(7,962,113)</u>   |
| Transfers of General Government Land      | 3,793,139                            | -                    | -                      | 3,148,291            | 3,793,139            | 3,148,291            |
| Transfers In - Park Account               | 86,000                               | 86,000               | 3,854,107              | 4,928,063            | 3,940,107            | 5,014,063            |
| Transfer In - Recreation Account          | -                                    | -                    | 388,566                | 388,566              | 388,566              | 388,566              |
| Change in Net Assets                      | <u>3,763,267</u>                     | <u>(213,167)</u>     | <u>(1,162,455)</u>     | <u>801,974</u>       | <u>2,600,812</u>     | <u>588,807</u>       |
| Total Net Assets - Beginning              | <u>22,341,585</u>                    | <u>22,554,752</u>    | <u>61,680,306</u>      | <u>60,878,332</u>    | <u>84,021,891</u>    | <u>83,433,084</u>    |
| Total Net Assets - Ending                 | <u>\$ 26,104,852</u>                 | <u>\$ 22,341,585</u> | <u>\$ 60,517,851</u>   | <u>\$ 61,680,306</u> | <u>\$ 86,622,703</u> | <u>\$ 84,021,891</u> |



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

**Schedule 5**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2002 and 2001**

|   | Recreational and Cultural Facilities |               |                        |                |                     |                |
|---|--------------------------------------|---------------|------------------------|----------------|---------------------|----------------|
|   | Montgomery County                    |               | Prince George's County |                | Totals              |                |
|   | Year Ended June 30,                  |               | Year Ended June 30,    |                | Year Ended June 30, |                |
|   | 2002                                 | 2001          | 2002                   | 2001           | 2002                | 2001           |
| Cash Flows from Operating Activities:   |                                      |               |                        |                |                     |                |
| Receipts from Customers and Users   | \$ 14,168,936                        | \$ 12,980,833 | \$ 8,230,688           | \$ 7,129,732   | \$ 22,399,624       | \$ 20,110,565  |
| Payments to Suppliers   | (4,431,749)                          | (4,384,266)   | (4,239,990)            | (7,284,334)    | (8,671,739)         | (11,668,600)   |
| Payments to Employees   | (5,733,422)                          | (5,096,239)   | (6,841,755)            | (5,792,345)    | (12,575,177)        | (10,888,584)   |
| Payments for Interfund Services Used  | (860,200)                            | (885,900)     | (233,800)              | (5,000)        | (1,094,000)         | (890,900)      |
| Payments for Administrative Charges   | (1,190,389)                          | (1,182,370)   | -                      | (530,634)      | (1,190,389)         | (1,713,004)    |
| Net Cash Provided (Used) by Operating Activities  | 1,953,176                            | 1,432,058     | (3,084,857)            | (6,482,581)    | (1,131,681)         | (5,050,523)    |
| Cash Flows from Noncapital Financing Activities:  |                                      |               |                        |                |                     |                |
| Operating Transfers In from Other Funds   | 86,000                               | 86,000        | 4,242,673              | 5,316,629      | 4,328,673           | 5,402,629      |
| Net Cash Provided (Used) by Noncapital Financing Activities   | 86,000                               | 86,000        | 4,242,673              | 5,316,629      | 4,328,673           | 5,402,629      |
| Cash Flows from Capital and Related Financing Activities:   |                                      |               |                        |                |                     |                |
| Acquisition and Construction of Capital Assets  | (2,459,831)                          | (2,392,027)   | (350,177)              | (1,279,702)    | (2,810,008)         | (3,671,729)    |
| Principal Paid on Notes Payable   | (715,235)                            | (671,370)     | -                      | -              | (715,235)           | (671,370)      |
| Principal Paid on Revenue Bonds   | (270,000)                            | (255,000)     | -                      | -              | (270,000)           | (255,000)      |
| Interest Paid   | (698,746)                            | (743,093)     | -                      | -              | (698,746)           | (743,093)      |
| Proceeds from Financing - Notes Payable   | -                                    | 300,000       | -                      | -              | -                   | 300,000        |
| Net Cash Provided (Used) by Capital and Related Financing Activities                                  | (4,143,812)                          | (3,761,490)   | (350,177)              | (1,279,702)    | (4,493,989)         | (5,041,192)    |
| Cash Flows from Investing Activities:   |                                      |               |                        |                |                     |                |
| Interest on Restricted Investments  | 191,501                              | 417,847       | -                      | -              | 191,501             | 417,847        |
| Interest on Investments   | 39,540                               | 127,935       | 30,771                 | 116,025        | 70,311              | 243,960        |
| Net Cash Provided (Used) by Investing Activities  | 231,041                              | 545,782       | 30,771                 | 116,025        | 261,812             | 661,807        |
| Net Increase (Decrease) in Cash and Cash Equivalents  | (1,873,595)                          | (1,697,650)   | 838,410                | (2,329,629)    | (1,035,185)         | (4,027,279)    |
| Cash, Cash Equivalents and Restricted Cash, July 1  | 5,768,877                            | 7,466,527     | 871,066                | 3,200,695      | 6,639,943           | 10,667,222     |
| Cash, Cash Equivalents and Restricted Cash, June 30   | \$ 3,895,282                         | \$ 5,768,877  | \$ 1,709,476           | \$ 871,066     | \$ 5,604,758        | \$ 6,639,943   |
| Displayed as:   |                                      |               |                        |                |                     |                |
| Equity in Pooled Cash and Investments   | \$ 3,312,016                         | \$ 4,801,984  | \$ 1,709,476           | \$ 871,066     | \$ 5,021,492        | \$ 5,673,050   |
| Restricted for Revenue Bond Covenants   | 583,266                              | 570,254       | -                      | -              | 583,266             | 570,254        |
| Restricted Revenue and Equipment Financing Proceeds   | -                                    | 396,639       | -                      | -              | -                   | 396,639        |
|   | \$ 3,895,282                         | \$ 5,768,877  | \$ 1,709,476           | \$ 871,066     | \$ 5,604,758        | \$ 6,639,943   |
| Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:        |                                      |               |                        |                |                     |                |
| Operating Income (Loss)   | \$ 397,834                           | \$ (69,793)   | \$ (5,435,899)         | \$ (7,778,971) | (5,038,065)         | (7,848,764)    |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                                      |               |                        |                |                     |                |
| Depreciation  | 1,471,882                            | 1,297,431     | 2,238,205              | 2,106,647      | 3,710,087           | 3,404,078      |
| Changes in Assets and Liabilities:  |                                      |               |                        |                |                     |                |
| (Increase) Decrease in Accounts Receivable  | 1,335                                | 26,569        | 3,501                  | 114,631        | 4,836               | 141,200        |
| (Increase) Decrease in Prepaid Expenses   | -                                    | -             | -                      | 12,245         | -                   | 12,245         |
| (Increase) Decrease in Inventories, at Cost   | (55,085)                             | (46,776)      | 32,587                 | 22,257         | (22,498)            | (24,519)       |
| Increase (Decrease) in Accounts Payable   | 184,752                              | (32,712)      | (20,000)               | (1,031,532)    | 164,752             | (1,064,244)    |
| Increase (Decrease) in Accrued Salaries and Benefits  | 14,641                               | 3,522         | 10,549                 | 90,319         | 25,190              | 93,841         |
| Increase (Decrease) in Compensated Absences   | 17,734                               | 64,366        | 41,550                 | 8,927          | 59,284              | 73,293         |
| Increase (Decrease) in Interest Payable   | (9,797)                              | (9,434)       | -                      | -              | (9,797)             | (9,434)        |
| Increase (Decrease) in Revenue Collected in Advance   | (70,120)                             | 198,885       | 44,650                 | (27,104)       | (25,470)            | 171,781        |
| Total Adjustments   | 1,555,342                            | 1,501,851     | 2,351,042              | 1,296,390      | 3,906,384           | 2,798,241      |
| Net Cash Provided (Used) by Operating Activities  | \$ 1,953,176                         | \$ 1,432,058  | \$ (3,084,857)         | \$ (6,482,581) | \$ (1,131,681)      | \$ (5,050,523) |

Noncash investing, capital and financing activities:

In fiscal year 2002, land with a historical cost of \$3,793,139 was transferred from the General Government to the Montgomery Enterprise Fund





Patuxent River Park's living history museum houses the valuable Duvall Tool collection

## 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 Office Building Fund

The Prince George's County Executive Office Building Fund is used to account for the cost of operating the Executive Office Building 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. The Fund is also used to charge various programs and projects in the governmental funds for annual leave earned and estimates for sick leave that will be taken in order to better measure their costs. The Fund includes the total compensated absences liability and the assets available to pre-fund compensated absences.

### Risk Management Funds

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

Internal Service Funds  
Combining Statement of Net Assets  
June 30, 2002

|  | MONTGOMERY COUNTY    |                      |                    |                  |                  | PRINCE GEORGE'S COUNTY          |                      |                    |                  |                  | TOTALS           |                  |
|--|----------------------|----------------------|--------------------|------------------|------------------|---------------------------------|----------------------|--------------------|------------------|------------------|------------------|------------------|
|  | Capital<br>Equipment | Employee<br>Benefits | Risk<br>Management | TOTALS           |                  | Executive<br>Office<br>Building | Employee<br>Benefits | Risk<br>Management | TOTALS           |                  | June 30,<br>2002 | June 30,<br>2001 |
|  |                      |                      |                    | June 30,<br>2002 | June 30,<br>2001 |                                 |                      |                    | June 30,<br>2002 | June 30,<br>2001 | June 30,<br>2002 | June 30,<br>2001 |
| <b>ASSETS</b>  |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| <b>Current Assets:</b>                                 |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Equity in Pooled Cash and Investments                  | \$ 1,937,584         | \$ 8,757,462         | \$ 5,296,898       | \$ 15,991,944    | \$ 15,750,374    | \$ 423,889                      | \$ 8,812,595         | \$ 9,920,244       | \$ 19,156,728    | \$ 18,226,776    | \$ 35,148,672    | \$ 33,977,150    |
| Accounts Receivable                                    | -                    | -                    | 250                | 250              | 5,295            | -                               | -                    | 250                | 250              | 5,295            | 500              | 10,590           |
| Due from County Government                             | -                    | -                    | 82,232             | 82,232           | 41,429           | -                               | -                    | 82,232             | 82,232           | 41,428           | 164,464          | 82,857           |
| Deposits and Other                                     | -                    | 4,468                | 24,090             | 28,558           | 23,216           | -                               | 4,468                | 24,090             | 28,558           | 23,217           | 57,116           | 46,433           |
| Total Current Assets                                   | 1,937,584            | 8,761,930            | 5,403,470          | 16,102,984       | 15,820,314       | 423,889                         | 8,817,063            | 10,026,816         | 19,267,768       | 18,296,716       | 35,370,752       | 34,117,030       |
| <b>Noncurrent Assets:</b>                              |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| <b>Capital Assets:</b>                                 |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Land   | -                    | -                    | -                  | -                | -                | 748,497                         | -                    | -                  | 748,497          | 748,497          | 748,497          | 748,497          |
| Buildings and Improvements                             | 102,469              | -                    | -                  | 102,469          | 102,469          | 2,649,865                       | -                    | -                  | 2,649,865        | 2,649,865        | 2,752,334        | 2,752,334        |
| Machinery and Equipment                                | 16,073,653           | -                    | 69,413             | 16,143,066       | 15,186,462       | 26,326                          | -                    | 69,413             | 95,739           | 70,382           | 16,238,805       | 15,256,844       |
| Less-Accumulated Depreciation                          | (10,824,398)         | -                    | (36,327)           | (10,860,725)     | (9,679,856)      | (913,663)                       | -                    | (36,327)           | (949,990)        | (837,088)        | (11,810,715)     | (10,516,944)     |
| Total Capital Assets (net of accumulated depreciation) | 5,351,724            | -                    | 33,086             | 5,384,810        | 5,609,075        | 2,511,025                       | -                    | 33,086             | 2,544,111        | 2,631,656        | 7,928,921        | 8,240,731        |
| Total Assets   | 7,289,308            | 8,761,930            | 5,436,556          | 21,487,794       | 21,429,389       | 2,934,914                       | 8,817,063            | 10,059,902         | 21,811,879       | 20,928,372       | 43,299,673       | 42,357,761       |
| <b>LIABILITIES</b>                                     |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| <b>Current Liabilities:</b>                            |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Accounts Payable                                       | 130,821              | -                    | 4,073              | 134,894          | 819,857          | 38,773                          | -                    | 5,236              | 44,009           | 777,422          | 178,903          | 1,597,279        |
| Current Portion of Claims Payable                      | -                    | 148,516              | 615,900            | 764,416          | 2,353,426        | -                               | 148,516              | 1,207,600          | 1,356,116        | 4,649,309        | 2,120,532        | 7,002,735        |
| Accrued Salaries and Benefits                          | -                    | 77,065               | 5,490              | 82,555           | 84,790           | 1,404                           | 97,992               | 5,491              | 104,887          | 90,871           | 187,442          | 175,661          |
| Current Portion of Notes Payable                       | 1,268,905            | -                    | -                  | 1,268,905        | 1,215,458        | 90,000                          | -                    | -                  | 90,000           | 103,360          | 1,358,905        | 1,318,818        |
| Current Portion of Compensated Absences                | -                    | 3,642,000            | 10,290             | 3,652,290        | 3,220,568        | 5,873                           | 3,939,500            | 10,290             | 3,955,663        | 3,678,541        | 7,607,953        | 6,899,109        |
| Interest Payable                                       | -                    | -                    | -                  | -                | -                | 18,674                          | -                    | -                  | 18,674           | -                | 18,674           | -                |
| Total Current Liabilities                              | 1,399,726            | 3,867,581            | 635,753            | 5,903,060        | 7,694,099        | 154,724                         | 4,186,008            | 1,228,617          | 5,569,349        | 9,299,503        | 11,472,409       | 16,993,602       |
| <b>Noncurrent Liabilities:</b>                         |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Claims Payable - Net of Current Portion                | -                    | 352,689              | 1,847,939          | 2,200,628        | -                | -                               | 352,689              | 3,018,385          | 3,371,074        | -                | 5,571,702        | -                |
| Notes Payable - Net of Current Portion                 | 2,307,783            | -                    | -                  | 2,307,783        | 3,576,688        | 1,675,000                       | -                    | -                  | 1,675,000        | 1,693,281        | 3,982,783        | 5,269,969        |
| Compensated Absences - Net of Current Portion          | -                    | 2,057,500            | 23,097             | 2,080,597        | 2,319,000        | 3,600                           | 2,616,000            | 23,097             | 2,642,697        | 2,659,000        | 4,723,294        | 4,978,000        |
| Total Noncurrent Liabilities                           | 2,307,783            | 2,410,189            | 1,871,036          | 6,589,008        | 5,895,688        | 1,678,600                       | 2,968,689            | 3,041,482          | 7,688,771        | 4,352,281        | 14,277,779       | 10,247,969       |
| Total Liabilities                                      | 3,707,509            | 6,277,770            | 2,506,789          | 12,492,068       | 13,589,787       | 1,833,324                       | 7,154,697            | 4,270,099          | 13,258,120       | 13,651,784       | 25,750,188       | 27,241,571       |
| <b>NET ASSETS</b>                                      |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Invested in Capital Assets, Net of Related Debt        | 1,775,036            | -                    | 33,086             | 1,808,122        | 816,929          | 746,025                         | -                    | 33,086             | 779,111          | 835,015          | 2,587,233        | 1,651,944        |
| Unrestricted   | 1,806,763            | 2,484,160            | 2,896,681          | 7,187,604        | 7,022,673        | 355,565                         | 1,662,366            | 5,756,717          | 7,774,648        | 6,441,573        | 14,962,252       | 13,464,246       |
| Total Net Assets                                       | \$ 3,581,799         | \$ 2,484,160         | \$ 2,929,767       | \$ 8,995,726     | \$ 7,839,602     | \$ 1,101,590                    | \$ 1,662,366         | \$ 5,789,803       | \$ 8,553,759     | \$ 7,276,588     | \$ 17,549,485    | \$ 15,116,190    |

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 7

Internal Service Funds  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended June 30, 2002

|  | MONTGOMERY COUNTY    |                      |                    |                  |                  | PRINCE GEORGE'S COUNTY          |                      |                    |                  |                  | TOTALS           |                  |
|--|----------------------|----------------------|--------------------|------------------|------------------|---------------------------------|----------------------|--------------------|------------------|------------------|------------------|------------------|
|  | Capital<br>Equipment | Employee<br>Benefits | Risk<br>Management | TOTALS           |                  | Executive<br>Office<br>Building | Employee<br>Benefits | Risk<br>Management | TOTALS           |                  | June 30,<br>2002 | June 30,<br>2001 |
|  |                      |                      |                    | June 30,<br>2002 | June 30,<br>2001 |                                 |                      |                    | June 30,<br>2002 | June 30,<br>2001 | June 30,<br>2002 | June 30,<br>2001 |
| Operating Revenues:                              |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Charges for Services                             | \$ 3,234,103         | \$ 13,601,943        | \$ 900,000         | \$ 17,736,046    | \$ 15,690,132    | \$ 823,500                      | \$ 14,569,858        | \$ 2,700,000       | \$ 18,093,358    | \$ 17,418,981    | \$ 35,829,404    | \$ 33,109,113    |
| Claim Recoveries                                 | -                    | -                    | 107,247            | 107,247          | 66,490           | -                               | -                    | 129,010            | 129,010          | 138,319          | 236,257          | 204,809          |
| Total Operating Revenues                         | 3,234,103            | 13,601,943           | 1,007,247          | 17,843,293       | 15,756,622       | 823,500                         | 14,569,858           | 2,829,010          | 18,222,368       | 17,557,300       | 36,065,661       | 33,313,922       |
| Operating Expenses:                              |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Personal Services                                | -                    | 4,866,299            | 256,021            | 5,122,320        | 5,010,891        | 93,567                          | 5,839,554            | 256,035            | 6,189,156        | 5,788,467        | 11,311,476       | 10,799,358       |
| Supplies and Materials                           | 44,096               | -                    | 19,572             | 63,668           | 348,996          | 60,641                          | -                    | 19,571             | 80,212           | 29,684           | 143,880          | 378,680          |
| Contractual Services -<br>Montgomery County Self | -                    | -                    | 1,501,590          | 1,501,590        | 672,435          | -                               | -                    | 1,259,492          | 1,259,492        | 958,904          | 2,761,082        | 1,631,339        |
| Insurance Program, Net                           | -                    | -                    | -                  | -                | -                | -                               | -                    | -                  | -                | -                | -                | -                |
| Claims Incurred                                  | -                    | 4,039,095            | -                  | 4,039,095        | 3,435,456        | -                               | 4,039,095            | 541,500            | 4,580,595        | 3,490,457        | 8,619,690        | 6,925,913        |
| Insurance  | -                    | 4,544,488            | 42,713             | 4,587,201        | 4,830,511        | -                               | 4,544,487            | 152,582            | 4,697,069        | 4,893,941        | 9,284,270        | 9,724,452        |
| Other Services and Charges                       | 108,111              | 27,996               | 259,756            | 395,863          | 355,387          | 387,686                         | 27,996               | 260,711            | 676,393          | 538,664          | 1,072,256        | 894,051          |
| Depreciation                                     | 1,481,242            | -                    | 5,152              | 1,486,394        | 1,521,018        | 107,750                         | -                    | 5,152              | 112,902          | 112,902          | 1,599,296        | 1,633,920        |
| Total Operating Expenses                         | 1,633,449            | 13,477,878           | 2,084,804          | 17,196,131       | 16,174,694       | 649,644                         | 14,451,132           | 2,495,043          | 17,595,819       | 15,813,019       | 34,791,950       | 31,987,713       |
| Operating Income (Loss)                          | 1,600,654            | 124,065              | (1,077,557)        | 647,162          | (418,072)        | 173,856                         | 118,726              | 333,967            | 626,549          | 1,744,281        | 1,273,711        | 1,326,209        |
| Nonoperating Revenues (Expenses):                |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Interest Income                                  | 18,361               | 192,377              | 121,416            | 332,154          | 812,952          | 6,414                           | 212,889              | 255,864            | 475,167          | 1,101,240        | 807,321          | 1,914,192        |
| Interest Expense                                 | (223,192)            | -                    | -                  | (223,192)        | (147,364)        | (224,545)                       | -                    | -                  | (224,545)        | (139,250)        | (447,737)        | (286,614)        |
| Total Nonoperating Revenues (Expenses)           | (204,831)            | 192,377              | 121,416            | 108,962          | 665,588          | (218,131)                       | 212,889              | 255,864            | 250,622          | 961,990          | 359,584          | 1,627,578        |
| Income (Loss) Before Contributions and Transfers | 1,395,823            | 316,442              | (956,141)          | 756,124          | 247,516          | (44,275)                        | 331,615              | 589,831            | 877,171          | 2,706,271        | 1,633,295        | 2,953,787        |
| Operating Transfers In (Out):                    |                      |                      |                    |                  |                  |                                 |                      |                    |                  |                  |                  |                  |
| Park Fund  | -                    | -                    | 400,000            | 400,000          | -                | -                               | -                    | 400,000            | 400,000          | -                | 800,000          | -                |
| Interfund Transfers In(Out)                      | -                    | -                    | -                  | -                | 7,002            | -                               | -                    | -                  | -                | (7,002)          | -                | -                |
| Net Operating Transfers                          | -                    | -                    | 400,000            | 400,000          | 7,002            | -                               | -                    | 400,000            | 400,000          | (7,002)          | 800,000          | -                |
| Change in Net Assets                             | 1,395,823            | 316,442              | (556,141)          | 1,156,124        | 254,518          | (44,275)                        | 331,615              | 989,831            | 1,277,171        | 2,699,269        | 2,433,295        | 2,953,787        |
| Total Net Assets, July 1                         | 2,185,976            | 2,167,718            | 3,485,908          | 7,839,602        | 7,585,084        | 1,145,865                       | 1,330,751            | 4,799,972          | 7,276,588        | 4,577,319        | 15,116,190       | 12,162,403       |
| Total Net Assets, June 30                        | \$ 3,581,799         | \$ 2,484,160         | \$ 2,929,767       | \$ 8,995,726     | \$ 7,839,602     | \$ 1,101,590                    | \$ 1,662,366         | \$ 5,789,803       | \$ 8,553,759     | \$ 7,276,588     | \$ 17,549,485    | \$ 15,116,190    |



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

**Schedule 8**

**Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2002**

|   | MONTGOMERY COUNTY    |                      |                     |                      | PRINCE GEORGE'S COUNTY          |                      |                     |                      |                      |
|---|----------------------|----------------------|---------------------|----------------------|---------------------------------|----------------------|---------------------|----------------------|----------------------|
|   | Capital<br>Equipment | Employee<br>Benefits | Risk<br>Management  | TOTAL                | Executive<br>Office<br>Building | Employee<br>Benefits | Risk<br>Management  | TOTAL                | TOTAL                |
| Cash Flows from Operating Activities:   |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| Receipts from Customers and Users   | \$ 3,234,103         | \$ 13,608,268        | \$ 959,822          | \$ 17,802,193        | \$ 823,500                      | \$ 14,576,184        | \$ 2,781,584        | \$ 18,181,268        | \$ 35,983,461        |
| Payments to Suppliers   | (50,438)             | (9,249,586)          | (1,202,738)         | (10,502,762)         | (401,691)                       | (9,249,585)          | (2,145,142)         | (11,796,418)         | (22,299,180)         |
| Payments to Employees   | -                    | (4,690,952)          | (240,284)           | (4,931,236)          | (94,630)                        | (5,579,394)          | (240,298)           | (5,914,322)          | (10,845,558)         |
| Payments for Interfund Services Used  | (24,900)             | (34,700)             | (98,400)            | (158,000)            | (1,100)                         | (34,700)             | (98,400)            | (134,200)            | (292,200)            |
| Net Cash Provided by Operating Activities   | <u>3,158,765</u>     | <u>(366,970)</u>     | <u>(581,600)</u>    | <u>2,210,195</u>     | <u>326,079</u>                  | <u>(287,495)</u>     | <u>297,744</u>      | <u>336,328</u>       | <u>2,546,523</u>     |
| Cash Flows from Noncapital Financing Activities:  |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| Operating Transfers In From Other Funds   | -                    | -                    | 400,000             | 400,000              | -                               | -                    | 400,000             | 400,000              | 800,000              |
| Net Cash Provided (Used) by Noncapital Financing Activities   | <u>-</u>             | <u>-</u>             | <u>400,000</u>      | <u>400,000</u>       | <u>-</u>                        | <u>-</u>             | <u>400,000</u>      | <u>400,000</u>       | <u>800,000</u>       |
| Cash Flows from Capital and Related Financing Activities:   |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| Acquisition of Capital Assets   | (1,236,772)          | -                    | (25,357)            | (1,262,129)          | -                               | -                    | (25,357)            | (25,357)             | (1,287,486)          |
| Principal Paid on Notes Payable   | (1,215,458)          | -                    | -                   | (1,215,458)          | (1,796,641)                     | -                    | -                   | (1,796,641)          | (3,012,099)          |
| Interest Paid on Notes Payable  | (223,192)            | -                    | -                   | (223,192)            | (224,545)                       | -                    | -                   | (224,545)            | (447,737)            |
| Proceeds from Financing - Notes Payable - Net   | -                    | -                    | -                   | -                    | 1,765,000                       | -                    | -                   | 1,765,000            | 1,765,000            |
| Net Cash Provided (Used) by Capital and Related Financing Activities                                  | <u>(2,675,422)</u>   | <u>-</u>             | <u>(25,357)</u>     | <u>(2,700,779)</u>   | <u>(256,186)</u>                | <u>-</u>             | <u>(25,357)</u>     | <u>(281,543)</u>     | <u>(2,982,322)</u>   |
| Cash Flows from Investing Activities:   |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| Interest on Investments   | 18,361               | 192,377              | 121,416             | 332,154              | 6,414                           | 212,889              | 255,864             | 475,167              | 807,321              |
| Net Cash Provided (Used) by Investing Activities  | <u>18,361</u>        | <u>192,377</u>       | <u>121,416</u>      | <u>332,154</u>       | <u>6,414</u>                    | <u>212,889</u>       | <u>255,864</u>      | <u>475,167</u>       | <u>807,321</u>       |
| Net Increase (Decrease) in Cash and Cash Equivalents  | 501,704              | (174,593)            | (85,541)            | 241,570              | 76,307                          | (74,606)             | 928,251             | 929,952              | 1,171,522            |
| Cash and Cash Equivalents, July 1   | <u>1,435,880</u>     | <u>8,932,055</u>     | <u>5,382,439</u>    | <u>15,750,374</u>    | <u>347,582</u>                  | <u>8,887,201</u>     | <u>8,991,993</u>    | <u>18,226,776</u>    | <u>33,977,150</u>    |
| Cash and Cash Equivalents, June 30  | <u>\$ 1,937,584</u>  | <u>\$ 8,757,462</u>  | <u>\$ 5,296,898</u> | <u>\$ 15,991,944</u> | <u>\$ 423,889</u>               | <u>\$ 8,812,595</u>  | <u>\$ 9,920,244</u> | <u>\$ 19,156,728</u> | <u>\$ 35,148,672</u> |
| Operating Income (Loss)   | \$ 1,600,654         | \$ 124,065           | \$ (1,077,557)      | \$ 647,162           | \$ 173,856                      | \$ 118,726           | \$ 333,967          | \$ 626,549           | \$ 1,273,711         |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| Depreciation  | 1,481,242            | -                    | 5,152               | 1,486,394            | 107,750                         | -                    | 5,152               | 112,902              | 1,599,296            |
| Changes in Assets and Liabilities:  |                      |                      |                     |                      |                                 |                      |                     |                      |                      |
| (Increase) Decrease in Accounts Receivable  | -                    | -                    | 5,045               | 5,045                | -                               | -                    | 5,045               | 5,045                | 10,090               |
| (Increase) Decrease in Due from County Government   | -                    | -                    | (40,803)            | (40,803)             | -                               | -                    | (40,804)            | (40,804)             | (81,607)             |
| (Increase) Decrease in Deposits and Other   | -                    | 6,325                | (11,667)            | (5,342)              | -                               | 6,326                | (11,667)            | (5,341)              | (10,683)             |
| Increase (Decrease) in Accounts Payable   | 76,869               | (761,449)            | (383)               | (684,963)            | 26,862                          | (761,449)            | 1,174               | (733,413)            | (1,418,376)          |
| Increase (Decrease) in Claims Payable   | -                    | 88,742               | 522,876             | 611,618              | -                               | 88,742               | (10,861)            | 77,881               | 689,499              |
| Increase (Decrease) in Accrued Salaries and Benefits  | -                    | (5,153)              | 2,918               | (2,235)              | (563)                           | 11,660               | 2,919               | 14,016               | 11,781               |
| Increase (Decrease) in Compensated Absences   | -                    | 180,500              | 12,819              | 193,319              | (500)                           | 248,500              | 12,819              | 260,819              | 454,138              |
| Increase (Decrease) in Interest Payable   | -                    | -                    | -                   | -                    | 18,674                          | -                    | -                   | 18,674               | 18,674               |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ 3,158,765</u>  | <u>\$ (366,970)</u>  | <u>\$ (581,600)</u> | <u>\$ 2,210,195</u>  | <u>\$ 326,079</u>               | <u>\$ (287,495)</u>  | <u>\$ 297,744</u>   | <u>\$ 336,328</u>    | <u>\$ 2,546,523</u>  |





The restored Riversdale Mansion House Museum offers a glimpse into early 1800's plantation life

## **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 the 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 resources set aside to pay the Commission's portion of medical costs for 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 9

Combining Statement of Fiduciary Net Assets  
Fiduciary funds  
June 30, 2002

|  | PENSION TRUST FUNDS        |  |                           | PRIVATE PURPOSE TRUST FUNDS |                        |                                   | AGENCY FUNDS     |            |                    |                       |
|--|----------------------------|--|---------------------------|-----------------------------|------------------------|-----------------------------------|------------------|------------|--------------------|-----------------------|
|  | Employees' Retirement Fund | Employees' Post Employment Benefits Fund | Total Pension Trust Funds | Montgomery County           | Prince George's County | Total Private Purpose Trust Funds | State Retirement | Montgomery | Total Agency Funds | Total Fiduciary Funds |
| <b>ASSETS</b>  |                            |  |                           |                             |                        |                                   |                  |            |                    |                       |
| Equity in Pooled Cash and Investments                                    | \$ -                       | \$ -                                     | \$ -                      | \$ 4,502,224                | \$ 8,770,149           | \$ 13,272,373                     | \$ 2,915,071     | \$ 552,894 | \$ 3,467,965       | \$ 16,740,338         |
| Cash and Marketable Securities   | 436,939,826                | 8,844,356                                | 445,784,182               | -                           | -                      | -                                 | -                | -          | -                  | 445,784,182           |
| Collateral for Securities Lending Transactions                           | 41,987,092                 | -  | 41,987,092                | -                           | -                      | -                                 | -                | -          | -                  | 41,987,092            |
| Accounts Receivable  | 73,828                     | -  | 73,828                    | -                           | 2,000                  | 2,000                             | -                | -          | -                  | 75,828                |
| Deposits and Other   | 116,988                    | -  | 116,988                   | -                           | -                      | -                                 | -                | -          | -                  | 116,988               |
| Receivable From Enterprise Fund  | -                          | -  | -                         | -                           | 3,829,363              | 3,829,363                         | -                | -          | -                  | 3,829,363             |
| Land Held for Transfer   | -                          | -  | -                         | 25,306,160                  | 11,913,244             | 37,219,404                        | -                | -          | -                  | 37,219,404            |
| Other  | -                          | -  | -                         | -                           | 459,681                | 459,681                           | -                | -          | -                  | 459,681               |
| Total Assets   | 479,117,734                | 8,844,356                                | 487,962,090               | 29,808,384                  | 24,974,437             | 54,782,821                        | 2,915,071        | 552,894    | 3,467,965          | 546,212,876           |
| <b>LIABILITIES</b>   |                            |  |                           |                             |                        |                                   |                  |            |                    |                       |
| Accounts Payable   | 763,119                    | -  | 763,119                   | -                           | 31,906                 | 31,906                            | 2,915,071        | -          | 2,915,071          | 3,710,096             |
| Obligation for Collateral Received under Securities Lending transactions | 41,987,092                 | -  | 41,987,092                | -                           | -                      | -                                 | -                | -          | -                  | 41,987,092            |
| Deposits and Deferred Revenue  | -                          | -  | -                         | -                           | -                      | -                                 | -                | 552,894    | 552,894            | 552,894               |
| Total Liabilities  | 42,750,211                 | -  | 42,750,211                | -                           | 31,906                 | 31,906                            | 2,915,071        | 552,894    | 3,467,965          | 46,250,082            |
| <b>NET ASSETS</b>  |                            |  |                           |                             |                        |                                   |                  |            |                    |                       |
| Assets Held in Trust for:  |                            |  |                           |                             |                        |                                   |                  |            |                    |                       |
| Land Held for Transfer   | -                          | -  | -                         | 25,306,160                  | 15,742,607             | 41,048,767                        | -                | -          | -                  | 41,048,767            |
| Pension Benefits   | 436,367,523                | -  | 436,367,523               | -                           | -                      | -                                 | -                | -          | -                  | 436,367,523           |
| Other Postemployment Benefits  | -                          | 8,844,356                                | 8,844,356                 | -                           | -                      | -                                 | -                | -          | -                  | 8,844,356             |
| Other Purposes   | -                          | -  | -                         | 4,502,224                   | 9,199,924              | 13,702,148                        | -                | -          | -                  | 13,702,148            |
| Total Net Assets   | \$ 436,367,523             | \$ 8,844,356                             | \$ 445,211,879            | \$ 29,808,384               | \$ 24,942,531          | \$ 54,750,915                     | \$ -             | \$ -       | \$ -               | \$ 499,962,794        |

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

Schedule 10

**Combining Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2002**

|  | PENSION TRUST FUNDS        |  |                       | PRIVATE PURPOSE TRUST FUNDS |                        |                      |
|--|----------------------------|--|-----------------------|-----------------------------|------------------------|----------------------|
|  | Employees' Retirement Fund | Employees' Post Employment Benefits Fund | Totals                | Montgomery County           | Prince George's County | Totals               |
| <b>ADDITIONS:</b>  |                            |  |                       |                             |                        |                      |
| Contributions:   |                            |  |                       |                             |                        |                      |
| Employer   | \$ 479,669                 | \$ -                                     | \$ 479,669            | \$ -                        | \$ -                   | \$ -                 |
| Plan Members   | 3,397,208                  | -  | 3,397,208             | -                           | -                      | -                    |
| Private Donations  | -                          | -  | -                     | 23,884                      | 47,815                 | 71,699               |
| Total Contributions                                      | <u>3,876,877</u>           | <u>-</u>                                 | <u>3,876,877</u>      | <u>23,884</u>               | <u>47,815</u>          | <u>71,699</u>        |
| Receipts from Commission Debt Service Funds              | -                          | -  | -                     | 172,607                     | 113,978                | 286,585              |
| Investment Earnings:                                     |                            |  |                       |                             |                        |                      |
| Interest   | 12,387,643                 | 1,789                                    | 12,389,432            | 78,225                      | 476,613                | 554,838              |
| Dividends  | 1,819,320                  | 213,203                                  | 2,032,523             | -                           | -                      | -                    |
| Gain on Sale of Land                                     | -                          | -  | -                     | 87,612                      | -                      | 87,612               |
| Net increase (decrease) in the Fair Value of Investments | <u>(34,838,676)</u>        | <u>(573,299)</u>                         | <u>(35,411,975)</u>   | <u>-</u>                    | <u>-</u>               | <u>-</u>             |
| Total Investment Earnings                                | <u>(20,631,713)</u>        | <u>(358,307)</u>                         | <u>(20,990,020)</u>   | <u>165,837</u>              | <u>476,613</u>         | <u>642,450</u>       |
| Less Investment Expense                                  |                            |  |                       |                             |                        |                      |
| Investment Advisory and Management Fees                  | <u>(1,847,083)</u>         | <u>-</u>                                 | <u>(1,847,083)</u>    | <u>-</u>                    | <u>-</u>               | <u>-</u>             |
| Net Income from Investing Activities                     | <u>(22,478,796)</u>        | <u>(358,307)</u>                         | <u>(22,837,103)</u>   | <u>165,837</u>              | <u>476,613</u>         | <u>642,450</u>       |
| Securities Lending Activity                              |                            |  |                       |                             |                        |                      |
| Securities Lending Income                                | 1,270,832                  | -  | 1,270,832             | -                           | -                      | -                    |
| Securities Lending Fees                                  | <u>(1,122,156)</u>         | <u>-</u>                                 | <u>(1,122,156)</u>    | <u>-</u>                    | <u>-</u>               | <u>-</u>             |
| Net Income from Securities Lending Activity              | <u>148,676</u>             | <u>-</u>                                 | <u>148,676</u>        | <u>-</u>                    | <u>-</u>               | <u>-</u>             |
| Total Net Investment Income (Loss)                       | <u>(22,330,120)</u>        | <u>(358,307)</u>                         | <u>(22,688,427)</u>   | <u>165,837</u>              | <u>476,613</u>         | <u>642,450</u>       |
| Total Additions  | <u>(18,453,243)</u>        | <u>(358,307)</u>                         | <u>(18,811,550)</u>   | <u>362,328</u>              | <u>638,406</u>         | <u>1,000,734</u>     |
| <b>DEDUCTIONS</b>  |                            |  |                       |                             |                        |                      |
| Benefits   | 12,660,520                 | -  | 12,660,520            | -                           | -                      | -                    |
| Refunds of Contributions                                 | 312,521                    | -  | 312,521               | -                           | -                      | -                    |
| Administrative expenses                                  | 986,096                    | -  | 986,096               | -                           | -                      | -                    |
| Land Transfers   | -                          | -  | -                     | 37,725                      | -                      | 37,725               |
| Other  | -                          | -  | -                     | 6,599                       | 71,698                 | 78,297               |
| Total Deductions   | <u>13,959,137</u>          | <u>-</u>                                 | <u>13,959,137</u>     | <u>44,324</u>               | <u>71,698</u>          | <u>116,022</u>       |
| Change in Net Assets                                     | <u>(32,412,380)</u>        | <u>(358,307)</u>                         | <u>(32,770,687)</u>   | <u>318,004</u>              | <u>566,708</u>         | <u>884,712</u>       |
| Net Assets - Beginning                                   | 468,779,903                | 9,202,663                                | 477,982,566           | 29,490,380                  | 24,375,823             | 53,866,203           |
| Net Assets - Ending                                      | <u>\$ 436,367,523</u>      | <u>\$ 8,844,356</u>                      | <u>\$ 445,211,879</u> | <u>\$ 29,808,384</u>        | <u>\$ 24,942,531</u>   | <u>\$ 54,750,915</u> |





♦ PART III ♦  
STATISTICAL SECTION

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Kids of all ages just love the new splash playground at South Germantown Recreational Park



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

General Governmental Expenditures by Function  
Last Ten Fiscal Years

## MONTGOMERY COUNTY

| Fiscal Year | General Government | Planning And Zoning | Park Operations | Recreation   | Acquisition And Development | Debt Service | Total         |
|-------------|--------------------|---------------------|-----------------|--------------|-----------------------------|--------------|---------------|
| 1993        | \$ 4,351,130       | \$ 11,166,541       | \$ 32,488,999   | \$ 6,395,826 | \$ 9,000,480                | \$ 4,916,273 | \$ 68,319,249 |
| 1994        | 4,753,717          | 11,379,693          | 32,231,027      | 6,669,068    | 7,668,748                   | 4,077,257    | 66,779,510    |
| 1995        | 4,663,950          | 12,029,701          | 35,561,927      | 7,947,953    | 7,381,419                   | 3,905,317    | 71,490,267    |
| 1996        | 4,493,900          | 11,726,301          | 37,112,446      | 8,707,367    | 6,040,622                   | 4,329,544    | 72,410,180    |
| 1997        | 4,949,621          | 13,067,495          | 38,060,834      | 9,347,189    | 12,319,049                  | 4,180,980    | 81,925,168    |
| 1998        | 4,985,152          | 12,503,437          | 39,019,404      | 10,913,409   | 9,261,163                   | 3,595,621    | 80,278,186    |
| 1999        | 4,984,274          | 13,109,778          | 42,033,957      | 9,360,590    | 7,639,025                   | 3,618,820    | 80,746,444    |
| 2000        | 5,068,159          | 13,000,742          | 41,604,208      | 11,829,696   | 15,863,948                  | 3,933,623    | 91,300,376    |
| 2001        | 5,552,110          | 14,069,191          | 46,797,675      | 12,825,172   | 21,436,376                  | 4,039,110    | 104,719,634   |
| 2002        | 5,670,023          | 14,414,637          | 46,465,552      | 13,839,887   | 13,155,356                  | 4,424,915    | 97,970,370    |

## PRINCE GEORGE'S COUNTY

| Fiscal Year | General Government | Planning And Zoning | Park Operations | Recreation    | Acquisition And Development | Debt Service | Total         |
|-------------|--------------------|---------------------|-----------------|---------------|-----------------------------|--------------|---------------|
| 1993        | \$ 4,730,838       | \$ 10,863,393       | \$ 34,576,857   | \$ 28,372,252 | \$ 9,249,302                | \$ 8,944,217 | \$ 96,736,859 |
| 1994        | 5,316,425          | 12,047,360          | 35,388,157      | 30,814,415    | 19,643,068                  | 9,856,836    | 113,066,261   |
| 1995        | 4,973,592          | 13,245,607          | 38,742,712      | 35,215,012    | 21,344,005                  | 9,861,953    | 123,382,881   |
| 1996        | 5,217,449          | 12,881,808          | 38,032,695      | 35,196,607    | 12,590,746                  | 10,133,399   | 114,052,704   |
| 1997        | 5,611,371          | 13,928,468          | 41,269,238      | 34,819,087    | 14,151,322                  | 9,027,160    | 118,806,646   |
| 1998        | 5,609,422          | 14,024,336          | 41,782,331      | 36,293,297    | 17,643,444                  | 11,852,306   | 127,205,136   |
| 1999        | 5,946,352          | 14,243,529          | 45,907,274      | 37,825,764    | 36,728,321                  | 11,554,197   | 152,205,437   |
| 2000        | 5,719,483          | 13,770,821          | 45,069,874      | 42,522,884    | 17,622,626                  | 11,985,924   | 136,691,612   |
| 2001        | 6,199,217          | 14,791,655          | 48,282,211      | 45,205,092    | 15,986,523                  | 11,662,299   | 142,126,997   |
| 2002        | 6,418,906          | 15,292,636          | 49,084,592      | 49,860,473    | 12,459,966                  | 13,062,513   | 146,179,086   |

Note: Includes General, Special Revenue, Capital Projects, Debt Service and Enterprise Funds. Debt Service in Prince George's County includes Park Acquisition and Development Bonds, Series F-2, recorded in the Property Management Internal Service Fund (retired in fiscal year 1993). Enterprise Funds which are primarily recreational facilities and activities are included in Recreation.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-2

## General Revenues by Source Last Ten Fiscal Years

### MONTGOMERY COUNTY

| Fiscal Year | Property Taxes | Inter-Governmental | Charges for Services | Interest Earnings | Other        | Total         | General Obligation Bonds Sold |
|-------------|----------------|--------------------|----------------------|-------------------|--------------|---------------|-------------------------------|
| 1993        | \$ 51,323,456  | \$ 2,335,696       | \$ 6,092,012         | \$ 952,190        | \$ 3,560,859 | \$ 64,264,213 | \$ -                          |
| 1994        | 52,734,344     | 3,199,677          | 6,182,389            | 971,811           | 3,461,964    | 66,550,185    | 5,500,000 (1)                 |
| 1995        | 55,233,140     | 6,974,552          | 7,358,834            | 1,528,618         | 3,945,300    | 75,040,444    | 5,000,000                     |
| 1996        | 53,880,270     | 5,424,794          | 7,614,645            | 1,527,593         | 3,969,092    | 72,416,394    | 8,700,000 (2)                 |
| 1997        | 57,612,812     | 6,654,626          | 7,827,378            | 1,231,641         | 4,227,264    | 77,553,721    | -                             |
| 1998        | 60,270,773     | 6,797,726          | 9,120,287            | 1,586,354         | 4,361,403    | 82,136,543    | -                             |
| 1999        | 60,270,408     | 5,921,195          | 9,134,201            | 1,670,534         | 4,410,413    | 81,406,751    | 7,000,000                     |
| 2000        | 62,448,568     | 12,324,577         | 9,446,610            | 1,747,465         | 4,432,045    | 90,399,265    | -                             |
| 2001        | 64,611,473     | 17,714,828         | 10,357,245           | 1,374,924         | 5,164,768    | 99,223,238    | 5,700,000                     |
| 2002        | 69,212,845     | 12,640,323         | 11,327,470           | 581,151           | 5,897,530    | 99,659,319    | -                             |

### PRINCE GEORGE'S COUNTY

| Fiscal Year | Property Taxes | Inter-Governmental | Charges for Services | Interest Earnings | Other        | Total          | General Obligation Bonds Sold |
|-------------|----------------|--------------------|----------------------|-------------------|--------------|----------------|-------------------------------|
| 1993        | \$ 85,998,641  | \$ 4,032,880       | \$ 6,468,725         | \$ 1,896,368      | \$ 5,678,686 | \$ 104,075,300 | \$ 15,250,000                 |
| 1994        | 91,143,535     | 4,331,934          | 6,622,486            | 2,376,165         | 4,426,002    | 108,900,122    | 14,500,000 (1)                |
| 1995        | 92,571,349     | 7,308,602          | 6,988,014            | 3,733,213         | 6,323,419    | 116,924,597    | -                             |
| 1996        | 94,857,674     | 1,933,128          | 6,731,893            | 3,653,354         | 5,189,727    | 112,365,776    | 30,025,000 (2)                |
| 1997        | 96,816,650     | 5,360,060          | 7,106,102            | 4,217,988         | 10,581,819   | 124,082,619    | 33,000,000                    |
| 1998        | 98,538,298     | 2,125,267          | 7,402,645            | 5,875,336         | 5,231,154    | 119,172,700    | 28,325,000 (2)                |
| 1999        | 101,308,740    | 10,368,201         | 7,496,543            | 5,208,609         | 7,158,655    | 131,540,748    | 21,000,000 (2)                |
| 2000        | 103,640,212    | 8,130,897          | 7,414,320            | 4,891,099         | 6,559,164    | 130,635,692    | -                             |
| 2001        | 104,417,411    | 4,808,601          | 8,753,412            | 4,004,692         | 6,165,111    | 128,149,227    | -                             |
| 2002        | 107,930,218    | 5,920,707          | 11,193,063           | 1,946,482         | 11,031,588   | 138,022,058    | 18,700,000                    |

Note: Includes General, Special Revenue, Capital Projects, Debt Service and Enterprise Funds.

(1) Issued to retire Bond Anticipation Notes

(2) Refunding Bonds

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



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

## Property Tax Levies and Collections Last Ten Fiscal Years

### MONTGOMERY COUNTY

| <u>Fiscal Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Prior Years Taxes Penalties and Interest Collections</u> | <u>Total Collections</u> | <u>Percent of Total Collections to Tax Levy</u> |
|--------------------|-----------------------|--------------------------------|----------------------------------|---|--------------------------|---|
| 1993               | \$ 52,005,555         | \$ 51,202,659                  | 98 %                             | \$ 120,797  | \$ 51,323,456            | 99 %  |
| 1994               | 52,767,491            | 51,997,064                     | 99                               | 737,280   | 52,734,344               | 100   |
| 1995               | 55,410,789            | 55,247,895                     | 100                              | (14,755)  | 55,233,140               | 100   |
| 1996               | 54,476,197            | 54,062,888                     | 99                               | (182,618)   | 53,880,270               | 99  |
| 1997               | 58,632,597            | 57,916,789                     | 99                               | (303,977)   | 57,612,812               | 98  |
| 1998               | 59,150,686            | 58,603,216                     | 99                               | 1,667,557   | 60,270,773               | 102   |
| 1999               | 60,547,511            | 59,484,336                     | 98                               | 786,072   | 60,270,408               | 100   |
| 2000               | 61,998,281            | 60,973,987                     | 98                               | 1,474,581   | 62,448,568               | 101   |
| 2001               | 65,210,972            | 64,015,359                     | 98                               | 596,114   | 64,611,473               | 99  |
| 2002               | 69,302,154            | 68,605,694                     | 99                               | 607,152   | 69,212,846               | 100   |

### PRINCE GEORGE'S COUNTY

| <u>Fiscal Year</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percent of Levy Collected</u> | <u>Prior Years Taxes Penalties and Interest Collections</u> | <u>Total Collections</u> | <u>Percent of Total Collections to Tax Levy</u> |
|--------------------|-----------------------|--------------------------------|----------------------------------|---|--------------------------|---|
| 1993               | \$ 86,738,199         | \$ 85,207,056                  | 98 %                             | \$ 791,585  | \$ 85,998,641            | 99 %  |
| 1994               | 90,765,239            | 89,580,087                     | 99                               | 1,563,448   | 91,143,535               | 100   |
| 1995               | 92,551,211            | 91,879,635                     | 99                               | 691,714   | 92,571,349               | 100   |
| 1996               | 94,707,563            | 93,970,990                     | 99                               | 886,684   | 94,857,674               | 100   |
| 1997               | 97,533,798            | 96,689,551                     | 99                               | 127,099   | 96,816,650               | 99  |
| 1998               | 98,618,464            | 97,670,607                     | 99                               | 867,691   | 98,538,298               | 100   |
| 1999               | 101,339,962           | 100,037,283                    | 99                               | 1,271,457   | 101,308,740              | 100   |
| 2000               | 103,461,526           | 102,213,005                    | 99                               | 1,427,207   | 103,640,212              | 100   |
| 2001               | 105,035,614           | 103,544,928                    | 99                               | 872,483   | 104,417,411              | 99  |
| 2002               | 107,977,263           | 106,777,906                    | 99                               | 1,152,312   | 107,930,218              | 100   |

Source: Total Tax Levy - Montgomery County and Prince George's County Governments.

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-4

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

(Dollars in Thousands)

## MONTGOMERY COUNTY

| Fiscal Year | Real Property  |                        | Total (1)      |                        | Ratio of Total Assessed Value To Total Estimated Actual Value |
|-------------|----------------|------------------------|----------------|------------------------|---|
|             | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |   |
| 1993        | \$ 24,530,411  | \$ 64,826,668          | \$ 27,837,198  | \$ 68,133,455          | 40.86 %   |
| 1994        | 25,462,671     | 66,171,182             | 28,823,025     | 69,531,537             | 41.45   |
| 1995        | 25,796,030     | 67,107,259             | 29,172,981     | 70,484,210             | 41.39   |
| 1996        | 26,057,529     | 66,677,402             | 29,575,004     | 70,194,878             | 42.13   |
| 1997        | 26,603,652     | 68,284,529             | 30,392,876     | 72,073,752             | 42.17   |
| 1998        | 27,274,641     | 69,295,328             | 30,929,092     | 72,949,779             | 42.40   |
| 1999        | 27,906,080     | 71,480,738             | 31,664,627     | 75,239,284             | 42.09   |
| 2000        | 28,674,554     | 74,907,403             | 32,553,857     | 78,786,706             | 41.32   |
| 2001        | 29,649,013     | 79,021,889             | 33,726,861     | 83,099,737             | 40.59   |
| 2002        | (2) 77,574,948 | 84,229,042             | 81,786,292     | 88,440,386             | 92.48   |

## PRINCE GEORGE'S COUNTY

| Fiscal Year | Real Property  |                        | Total (1)      |                        | Ratio of Total Assessed Value To Total Estimated Actual Value |
|-------------|----------------|------------------------|----------------|------------------------|---|
|             | Assessed Value | Estimated Actual Value | Assessed Value | Estimated Actual Value |   |
| 1993        | \$ 12,864,122  | \$ 34,105,757          | \$ 15,177,630  | \$ 36,419,265          | 41.67 %   |
| 1994        | 13,501,439     | 34,929,206             | 15,829,304     | 37,257,071             | 42.49   |
| 1995        | 13,961,904     | 35,575,591             | 16,381,236     | 37,994,922             | 43.11   |
| 1996        | 14,188,944     | 35,404,010             | 16,678,956     | 37,894,021             | 44.01   |
| 1997        | 14,319,088     | 35,827,507             | 16,991,422     | 38,499,841             | 44.13   |
| 1998        | 14,393,723     | 36,104,232             | 17,159,141     | 38,869,650             | 44.15   |
| 1999        | 14,630,433     | 36,423,659             | 17,525,979     | 39,319,204             | 44.57   |
| 2000        | 14,869,426     | 37,244,023             | 17,891,768     | 40,266,365             | 44.43   |
| 2001        | 15,173,826     | 38,267,541             | 18,182,904     | 41,276,619             | 44.05   |
| 2002        | (2) 39,091,456 | 39,326,338             | 42,190,779     | 42,425,661             | 99.45   |

Note: (1) Total includes real property, business personal property, public utility operating property and domestic shares.

(2) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation was assessment at 40% of actual value.

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



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-5

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

## M-NCPPC TAXES

### MONTGOMERY COUNTY

| Fiscal Year | Administration | Park Operations | Park Maintenance | Advance Land Acquisition | Total         | County-wide Property Taxes Within County | Total        |
|-------------|----------------|-----------------|------------------|--------------------------|---------------|--|--------------|
| 1993        | \$ 0.0630      | \$ 0.1290       | \$ 0.0200        | \$ 0.0030                | \$ 0.2150     | \$ 2.2100                                | \$ 2.4250    |
| 1994        | 0.0620         | 0.1260          | 0.0200           | 0.0030                   | 0.2110        | 2.2260                                   | 2.4370       |
| 1995        | 0.0650         | 0.1300          | 0.0200           | 0.0030                   | 0.2180        | 2.2550                                   | 2.4730       |
| 1996        | 0.0610         | 0.1260          | 0.0200           | 0.0040                   | 0.2110        | 2.2850                                   | 2.4960       |
| 1997        | 0.0630         | 0.1340          | 0.0200           | 0.0040                   | 0.2210        | 2.2780                                   | 2.4990       |
| 1998        | 0.0610         | 0.1330          | 0.0200           | 0.0040                   | 0.2180        | 2.2630                                   | 2.4810       |
| 1999        | 0.0610         | 0.1330          | 0.0200           | 0.0040                   | 0.2180        | 2.2350                                   | 2.4530       |
| 2000        | 0.0620         | 0.1340          | 0.0200           | 0.0030                   | 0.2190        | 2.1750                                   | 2.3940       |
| 2001        | 0.0600         | 0.1400          | 0.0200           | 0.0030                   | 0.2230        | 2.1670                                   | 2.3900       |
| 2002 (1)    | 0.024/0.059    | 0.0578/0.1444   | 0.0082/0.0206    | 0.0010/0.0020            | 0.0910/0.2260 | 1.001/1.977                              | 1.0912/2.203 |

### PRINCE GEORGE'S COUNTY

| Fiscal Year | Administration | Park Operations | Recreation    | Advance Land Acquisition | Total         | County-wide Property Taxes Within County | Total         |
|-------------|----------------|-----------------|---------------|--------------------------|---------------|--|---------------|
| 1993        | \$ 0.1103      | \$ 0.3406       | \$ 0.1529     | \$ 0.0062                | \$ 0.6100     | \$ 2.7750                                | \$ 3.3850     |
| 1994        | 0.1103         | 0.3587          | 0.1348        | 0.0062                   | 0.6100        | 2.7520                                   | 3.3620        |
| 1995        | 0.1103         | 0.3587          | 0.1348        | 0.0062                   | 0.6100        | 2.7580                                   | 3.3680        |
| 1996        | 0.1103         | 0.3587          | 0.1348        | 0.0062                   | 0.6100        | 2.7630                                   | 3.3730        |
| 1997        | 0.1103         | 0.3534          | 0.1401        | 0.0062                   | 0.6100        | 2.7360                                   | 3.3460        |
| 1998        | 0.1103         | 0.3534          | 0.1401        | 0.0062                   | 0.6100        | 2.7410                                   | 3.3510        |
| 1999        | 0.1103         | 0.3534          | 0.1401        | 0.0062                   | 0.6100        | 2.7360                                   | 3.3460        |
| 2000        | 0.1123         | 0.3534          | 0.1381        | 0.0062                   | 0.6100        | 2.7340                                   | 3.3440        |
| 2001        | 0.1153         | 0.3534          | 0.1381        | 0.0032                   | 0.6100        | 2.7330                                   | 3.3430        |
| 2002 (1)    | 0.0466/0.1165  | 0.1420/0.3550   | 0.0541/0.1353 | 0.0013/0.0032            | 0.2440/0.6100 | 1.090/2.7277                             | 1.3346/3.3377 |

Note: Rates are per \$100 of assessed valuation.

(1) Rates shown are for Real/Personal.

Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation was assessment at 40% of actual value.

Tax rates were adjusted so that change was revenue neutral.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-6

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 | Assessed<br>Value (1) | Net<br>Bonded<br>Debt (2) | Ratio of Net<br>Bonded Debt to<br>Assessed Value | Net Bonded<br>Debt Per<br>Capita |
|----------|------------|-----------------------|---------------------------|--|----------------------------------|
| 1993     | 793,600    | \$ 24,105,934         | \$ 26,070                 | 0.11 %   | \$ 32.85                         |
| 1994     | 804,000    | 24,918,829            | 24,220                    | 0.10   | 30.12                            |
| 1995     | 813,100    | 25,365,173            | 27,730                    | 0.11   | 34.10                            |
| 1996     | 822,800    | 25,640,317            | 26,970                    | 0.11   | 32.78                            |
| 1997     | 829,400    | 26,459,376            | 25,185                    | 0.10   | 30.37                            |
| 1998     | 842,900    | 27,052,214            | 23,585                    | 0.09   | 27.98                            |
| 1999     | 854,100    | 27,701,359            | 28,985                    | 0.10   | 33.94                            |
| 2000     | 869,500    | 28,408,647            | 27,125                    | 0.10   | 31.20                            |
| 2001     | 881,000    | 29,324,926            | 30,920                    | 0.11   | 35.10                            |
| 2002 (3) | 892,000    | 71,060,080            | 28,700                    | 0.04   | 32.17                            |

## PRINCE GEORGE'S COUNTY

| Year     | Population | Assessed<br>Value (1) | Net<br>Bonded<br>Debt (2) | Ratio of Net<br>Bonded Debt to<br>Assessed Value | Net Bonded<br>Debt Per<br>Capita |
|----------|------------|-----------------------|---------------------------|--|----------------------------------|
| 1993     | 741,180    | \$ 13,869,994         | \$ 89,320                 | 0.64 %   | \$ 120.51                        |
| 1994     | 744,066    | 14,250,000            | 84,700                    | 0.59   | 113.83                           |
| 1995     | 752,009    | 14,606,000            | 80,530                    | 0.55   | 107.09                           |
| 1996     | 758,510    | 14,978,000            | 78,460                    | 0.52   | 103.44                           |
| 1997     | 765,520    | 15,385,000            | 107,095                   | 0.70   | 139.90                           |
| 1998     | 770,786    | 15,839,475            | 122,815                   | 0.78   | 159.34                           |
| 1999     | 777,811    | 16,274,756            | 117,980                   | 0.72   | 151.68                           |
| 2000     | 787,112    | 16,634,701            | 112,635                   | 0.68   | 143.10                           |
| 2001     | 801,515    | 16,873,735            | 107,280                   | 0.64   | 133.85                           |
| 2002 (3) | 816,791    | 36,198,688            | 119,620                   | 0.33   | 146.45                           |

Notes: (1) Metropolitan District only - 000's omitted.

Fiscal Year 2002 is the first year that all real property in the State of Maryland is assessed at 100 percent of actual value instead of the previous 40 percent assessment method.

(2) Above figures for net bonded debt exclude indebtedness related to Advance Land Acquisition, which is intended to be a revolving fund - 000's omitted.

(3) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100 percent of actual value. Previously the valuation was assessment at 40% of actual value.

Source: Assessed Value and Population - Montgomery County and Prince George's County Governments.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

Computation of Legal Debt Margin  
Park Acquisition and Development Bonds  
As of June 30, 2002

Park Acquisition and Development Bonds  
Guaranteed by Montgomery County

|   | <u>Real Property</u> | <u>Personal Property</u> | <u>Total</u>      |
|---|----------------------|--------------------------|-------------------|
| Assessed Valuation - Metropolitan District for<br>fiscal year ending June 30, 2002 .....                              | \$ 67,628,590,879    | \$ 3,431,488,780         | \$ 71,060,079,659 |
| Tax rate (cents) per each \$100 of assessed valuation.....  | 3.6                  | 9.0                      |                   |
| Annual Revenue from mandatory park tax levied<br>for each \$100 of assessed valuation .....                           | 24,346,293           | 3,088,340                | 27,434,633        |
| Legal Debt Margin -   |                      |                          |                   |
| Revenue available from mandatory park tax<br>over next thirty years .....   | \$ 730,388,790       | \$ 92,650,200            | 823,038,990       |
| Debt service over next thirty years on \$28,7000,000 bonds<br>and notes issued and outstanding at June 30, 2002 ..... |                      |                          | 39,469,000        |
| Amount of tax available for debt service on future bonds .....  |                      | \$                       | 783,569,990       |

Park Acquisition and Development Bonds  
Guaranteed by Prince George's County

|   |                   |                  |                   |
|---|-------------------|------------------|-------------------|
| Assessed Valuation - Metropolitan District for<br>fiscal year ending June 30, 2002 .....                              | \$ 36,198,688,000 | \$ 2,869,889,000 | \$ 39,068,577,000 |
| Tax rate (cents) per each \$100 of assessed valuation.....  | 4.0               | 10.0             |                   |
| Annual Revenue from mandatory park tax levied<br>for each \$100 of assessed valuation .....                           | 14,479,475        | 2,869,889        | 17,349,364        |
| Legal Debt Margin -   |                   |                  |                   |
| Revenue available from mandatory park tax<br>over next thirty years .....   | \$ 434,384,250    | \$ 86,096,670    | 520,480,920       |
| Debt service over next thirty years on \$119,620,000 bonds<br>and notes issued and outstanding at June 30, 2002 ..... |                   |                  | 157,767,000       |
| Amount of tax available for debt service on future bonds .....  |                   | \$               | 362,713,920       |

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-8

## Computation of Direct and Overlapping Debt

June 30, 2002

|  | Montgomery<br>County | Prince George's<br>County | Total Debt<br>Outstanding |
|--|----------------------|---------------------------|---------------------------|
| Direct Debt Outstanding  | \$ 48,484,454        | \$ 124,185,000            | \$ 172,669,454            |
| Overlapping Debt   |                      |                           |                           |
| Montgomery County Debt   | 1,455,797,005 (1)    | -                         | 1,455,797,005             |
| Prince George's County Debt  | -                    | 708,496,182 (1)           | 708,496,182               |
| Washington Suburban Sanitary<br>Commission Debt                    | 1,037,317,366        | 542,351,531               | 1,579,668,897             |
| Montgomery County Revenue<br>Authority Debt                        | 43,846,538           | -                         | 43,846,538                |
| Prince George's County Industrial Authority<br>Lease Revenue Bonds | -                    | 44,485,825                | 44,485,825                |
| Montgomery County Housing<br>Opportunities Commission              | 671,334,508          | -                         | 671,334,508               |
| Prince George's County State<br>of Maryland Participation Loans    | -                    | 1,624,121                 | 1,624,121                 |
| Total Overlapping Debt   | 3,208,295,417        | 1,296,957,659             | 4,505,253,076             |
| Total Direct and Overlapping Debt                                  | 3,256,779,871        | 1,421,142,659             | 4,677,922,530             |
| Less Self-Supporting Debt  |                      |                           |                           |
| M-NCPPC - Revenue Bonds  | 3,384,370            | -                         | 3,384,370                 |
| M-NCPPC - Revenue Notes  | 8,106,112            | -                         | 8,106,112                 |
| M-NCPPC - Notes Payable  | 3,793,972            | 1,765,000                 | 5,558,972                 |
| Montgomery County Debt   | 86,835,000           | -                         | 86,835,000                |
| Prince George's County Debt  | -                    | 197,133,572               | 197,133,572               |
| Washington Suburban Sanitary<br>Commission Debt                    | 1,037,317,366        | 542,351,531               | 1,579,668,897             |
| Montgomery County Revenue<br>Authority Debt                        | 43,846,538           | -                         | 43,846,538                |
| Prince George's County Industrial Authority<br>Lease Revenue Bonds | -                    | 6,580,000                 | 6,580,000                 |
| Montgomery County Housing<br>Opportunities Commission              | 671,334,508          | -                         | 671,334,508               |
| Prince George's County State<br>of Maryland Participation Loans    | -                    | -                         | -                         |
| Total Self-Supporting Debt   | 1,854,617,866        | 747,830,103               | 2,602,447,969             |
| Net Direct and Overlapping Debt                                    | \$ 1,402,162,005     | \$ 673,312,556            | \$ 2,075,474,561          |

Note: (1) Overlapping debt does not include the debt of towns, cities and villages aggregating \$33,833,250 in Montgomery County. Total is not available in Prince George's County.

Source: Montgomery County and Prince George's County Governments and Washington Suburban Sanitary Commission.



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

## Demographic Statistics Last Ten Fiscal Years

### MONTGOMERY COUNTY

| Year | Population | Per Capita<br>Income | Labor<br>Force | Unemployment<br>Rate | Registered<br>Pupils |
|------|------------|----------------------|----------------|----------------------|----------------------|
| 1993 | 793,600    | \$ 35,959            | 450,597        | 3.5 %                | 110,037              |
| 1994 | 804,000    | 37,304               | 462,202        | 2.9                  | 113,429              |
| 1995 | 813,100    | 38,552               | 463,112        | 2.9                  | 117,082              |
| 1996 | 822,800    | 39,705               | 474,872        | 2.6                  | 120,291              |
| 1997 | 829,400    | 40,342               | 466,500        | 2.6                  | 122,505              |
| 1998 | 842,900    | 43,303               | 467,741        | 2.3 (3)              | 125,035              |
| 1999 | 854,100    | 45,137               | 476,812        | 1.8 (3)              | 127,852              |
| 2000 | 869,500    | 47,722               | 483,340        | 1.9 (3)              | 130,689              |
| 2001 | 881,000    | 49,970               | 489,166        | 2.3 (3)              | 134,180              |
| 2002 | 892,000    | 51,090               | 508,300        | 2.6 (3)              | 136,832              |

### PRINCE GEORGE'S COUNTY

| Year | Population (1) | Per Capita<br>Income (2) | Labor<br>Force | Unemployment<br>Rate | Registered<br>Pupils |
|------|----------------|--------------------------|----------------|----------------------|----------------------|
| 1993 | 741,180        | \$ 21,373                | 436,591        | 6.0 %                | 111,132              |
| 1994 | 744,066        | 21,772                   | 449,047        | 4.9                  | 111,823              |
| 1995 | 752,009        | 22,645                   | 451,897        | 5.5                  | 116,383              |
| 1996 | 758,510        | 25,554                   | 459,235        | 5.1                  | 119,951              |
| 1997 | 765,520        | 26,409                   | 454,875        | 5.6                  | 122,831              |
| 1998 | 770,786        | 27,518                   | 443,686        | 4.8 (3)              | 125,637              |
| 1999 | 777,811        | 28,368                   | 447,650        | 3.8 (3)              | 129,793              |
| 2000 | 787,112        | 30,168                   | 455,258        | 4.5 (3)              | 128,501              |
| 2001 | 801,515        | n.a.                     | 468,521        | 4.4 (3)              | 130,713              |
| 2002 | 816,791        | n.a.                     | 458,718        | 4.1 (3)              | n.a.                 |

#### Notes:

(1) Population estimates are from the U. S. Census-Bureau, State and County QuickFacts.

(2) U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economics Measurement Division.  
The calendar per capita income figures are based on the month of December for each fiscal year. Data for  
Fiscal Years 2001 and 2002 are not currently available.

(3) Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratio of Annual Debt Service Expenditures for  
General Obligation Bonded Debt to Total General Expenditures  
Last Ten Fiscal Years

## MONTGOMERY COUNTY

| Fiscal Year | Principal    | Interest     | Total Debt Service | Total General Expenditures (1) | Ratio of Debt Service to General Expenditures |
|-------------|--------------|--------------|--------------------|--------------------------------|---|
| 1993        | \$ 3,180,000 | \$ 1,696,935 | \$ 4,876,935       | \$ 68,319,249                  | 7.14 %  |
| 1994        | 2,330,000    | 1,636,139    | 3,966,139          | 66,779,510                     | 5.94  |
| 1995        | 1,970,000    | 1,926,774    | 3,896,774          | 71,490,267                     | 5.45  |
| 1996        | 2,260,000    | 1,930,963    | 4,190,963          | 72,410,180                     | 5.79  |
| 1997        | 2,370,000    | 1,787,569    | 4,157,569          | 81,925,168                     | 5.07  |
| 1998        | 1,905,000    | 1,676,695    | 3,581,695          | 80,278,186                     | 4.46  |
| 1999        | 1,905,000    | 1,704,211    | 3,609,211          | 80,746,444                     | 4.47  |
| 2000        | 2,165,000    | 1,758,089    | 3,923,089          | 91,300,376                     | 4.30  |
| 2001        | 2,235,000    | 1,744,583    | 3,979,583          | 104,719,634                    | 3.80  |
| 2002        | 2,645,000    | 1,769,734    | 4,414,734          | 97,970,370                     | 4.51  |

## PRINCE GEORGE'S COUNTY

| Fiscal Year | Principal    | Interest     | Total Debt Service | Total General Expenditures (1) | Ratio of Debt Service to General Expenditures |
|-------------|--------------|--------------|--------------------|--------------------------------|---|
| 1993        | \$ 4,845,000 | \$ 4,009,834 | \$ 8,854,834 (2)   | \$ 96,736,859                  | 9.15 %  |
| 1994        | 5,065,000    | 4,596,086    | 9,661,086          | 113,066,261                    | 8.54  |
| 1995        | 4,615,000    | 5,206,174    | 9,821,174          | 123,382,881                    | 7.96  |
| 1996        | 5,040,000    | 4,892,298    | 9,932,298          | 114,052,704                    | 8.71  |
| 1997        | 4,685,000    | 4,303,838    | 8,988,838          | 118,806,646                    | 7.57  |
| 1998        | 5,480,000    | 6,294,373    | 11,774,373         | 127,205,136                    | 9.26  |
| 1999        | 5,070,000    | 6,281,752    | 11,351,752         | 152,205,437                    | 7.46  |
| 2000        | 5,580,000    | 6,383,221    | 11,963,221         | 136,691,612                    | 8.75  |
| 2001        | 5,590,000    | 6,050,074    | 11,640,074         | 142,126,997                    | 8.19  |
| 2002        | 6,695,000    | 6,306,713    | 13,001,713         | 146,179,086                    | 8.89  |

- Note: (1) Total general expenditures includes General, Special Revenue, Capital Projects, Debt Service and Enterprise Funds.  
(2) Debt Service in Prince George's County includes Park Acquisition and Development Bonds, Series F-2, recorded in the Property Management Internal Service Fund through fiscal year 1993.

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



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

Property Value, Construction, and Bank Deposits  
Last Ten Fiscal Years  
(Dollars in Millions)

## MONTGOMERY COUNTY

| Fiscal Year | Total Number of Building Permits | Residential Construction Value (1) | Commercial Construction Value (1) | Bank Deposits | Total Estimated Real Property Value |
|-------------|----------------------------------|------------------------------------|-----------------------------------|---------------|-------------------------------------|
| 1993        | 12,043                           | \$ 479                             | \$ 246                            | \$ 7,839      | \$ 64,827                           |
| 1994        | 11,769                           | 468                                | 100                               | 7,866         | 66,171                              |
| 1995        | 13,500                           | 583                                | 70                                | 7,710         | 67,107                              |
| 1996        | 12,677                           | 765                                | 116                               | 7,994         | 66,677                              |
| 1997        | 13,837                           | 726                                | 183                               | 7,973         | 68,285                              |
| 1998        | 14,162                           | 743                                | 331                               | 8,376         | 69,295                              |
| 1999        | 15,130                           | 787                                | 287                               | 8,967         | 71,481                              |
| 2000        | 20,205                           | 843                                | 234                               | 9,351         | 74,907                              |
| 2001        | 14,599                           | 879                                | 276                               | 10,646        | 79,022                              |
| 2002        | 15,696                           | 896                                | 521                               | n.a           | 84,229                              |

## PRINCE GEORGE'S COUNTY

| Fiscal Year | Residential Building Permits Issued | Residential Construction Value (2) | Commercial Construction Value (2) | Bank Deposits | Total Estimated Real Property Value |
|-------------|-------------------------------------|------------------------------------|-----------------------------------|---------------|-------------------------------------|
| 1993        | 5,249                               | \$ 328                             | \$ 124                            | \$ 3,957      | \$ 34,106                           |
| 1994        | 3,864                               | 291                                | 102                               | 4,016         | 34,929                              |
| 1995        | 3,604                               | 299                                | 98                                | 3,941         | 35,576                              |
| 1996        | 3,205                               | 276                                | 417                               | 3,929         | 35,404                              |
| 1997        | 2,815                               | 257                                | 168                               | 3,854         | 35,828                              |
| 1998        | 3,430                               | 318                                | 190                               | 3,873         | 36,104                              |
| 1999        | 2,582                               | 291                                | 286                               | 4,260         | 36,424                              |
| 2000        | 2,219                               | 250                                | 156                               | 4,250         | 37,244                              |
| 2001        | 1,584                               | 166                                | 424                               | 4,442         | 38,268                              |
| 2002        | n.a                                 | n.a.                               | n.a.                              | n.a           | 39,326                              |

- Notes:
- (1) Estimated market value of new construction added to the real property tax base.
  - (2) Estimated value of new construction on building permits.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-12

Principal Taxpayers

June 30, 2002

## MONTGOMERY COUNTY

| <u>Taxpayer</u>                 | <u>Total<br/>Assessment</u> | <u>Percentage<br/>of Total<br/>Assessed<br/>Valuation</u> | <u>Real<br/>Property</u> | <u>Other<br/>Property</u> |
|---------------------------------|-----------------------------|---|--------------------------|---------------------------|
| Potomac Electric Power Company  | \$ 851,052,270              | 1.04 %  | \$ 8,911,000             | \$ 842,141,270            |
| Verizon/Bell Atlantic           | 674,847,570                 | 0.83  | 27,034,990               | 647,812,580               |
| Montgomery Mall                 | 232,522,680                 | 0.28  | 232,217,400              | 305,280                   |
| Washington Gas Light Company    | 185,723,370                 | 0.23  | -                        | 185,723,370               |
| Bryant F. Foulger, Trustee      | 146,146,266                 | 0.18  | 146,146,266              | -                         |
| Camalier, Anne D et al, Trustee | 130,482,114                 | 0.16  | 130,482,114              | -                         |
| Lake Forest Associates          | 127,095,532                 | 0.16  | 127,095,532              | -                         |
| Albert & R. Abramson, et. al.   | 126,909,383                 | 0.16  | 126,909,383              | -                         |
| Marbeth Partnership             | 123,962,492                 | 0.15  | 123,962,492              | -                         |
| Democracy Associates            | 123,961,566                 | 0.15  | 123,961,566              | -                         |
| Total                           | <u>\$ 2,722,703,243</u>     | <u>3.33 %</u>   | <u>\$ 1,046,720,743</u>  | <u>\$ 1,675,982,500</u>   |
| Total Assessable Base           | <u>\$ 81,776,292,140</u>    | <u>100.00 %</u>   |                          |                           |

## PRINCE GEORGE'S COUNTY

| <u>Taxpayer</u>                     | <u>Total<br/>Assessment</u> | <u>Percentage<br/>of Total<br/>Assessed<br/>Valuation</u> | <u>Real<br/>Property</u> | <u>Other<br/>Property</u> |
|-------------------------------------|-----------------------------|---|--------------------------|---------------------------|
| Potomac Electric Power Company      | \$ 495,957,350              | 1.18 %  | \$ 3,216,170             | \$ 492,741,180            |
| Verizon Maryland                    | 474,751,290                 | 1.13  | 474,751,290              | -                         |
| Mirant Chalf Point LLC              | 473,756,590                 | 1.12  | 144,292,700              | 329,463,890               |
| WFI (FEDEX)                         | 207,937,332                 | 0.49  | 207,937,332              | -                         |
| Washington Gas Light Company        | 163,813,496                 | 0.39  | 2,914,026                | 160,899,470               |
| Safeway Stores                      | 110,514,510                 | 0.26  | 89,252,790               | 21,261,720                |
| Baltimore Gas & Electric Company    | 99,407,950                  | 0.24  | 3,300                    | 99,404,650                |
| Summerfield Housing LTD Partnership | 92,635,832                  | 0.22  | 92,635,832               | -                         |
| Greenbelt Homes, Incorporated       | 83,526,562                  | 0.20  | 83,526,562               | -                         |
| Digex Incorp                        | 79,621,920                  | 0.19  | -                        | 79,621,920                |
| Total                               | <u>\$ 2,281,922,832</u>     | <u>5.41 %</u>   | <u>\$ 1,098,530,002</u>  | <u>\$ 1,183,392,830</u>   |
| Total Assessable Base               | <u>\$ 42,190,778,637</u>    | <u>100.00 %</u>   |                          |                           |

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



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

TABLE T-13

SCHEDULE OF INSURANCE IN FORCE  
AS OF JUNE 30, 2002

| TYPE OF COVERAGE AND NAME OF COMPANY   | POLICY/BOND<br>NUMBER   | POLICY/BOND<br>FROM | PERIOD<br>TO | COVERAGE   | ANNUAL<br>PREMIUM |
|--|-------------------------|---------------------|--------------|--|-------------------|
| Self Insured in Conjunction with<br>Montgomery County Self Insurance Fund:   |                         |                     |              |  |                   |
| o Workers' Compensation and Employer's<br>Liability  |                         |                     |              | Maryland State and \$100,000<br>Employer's Liability; Special<br>Police Capital Centre; \$50,000<br>accident, \$500,000 disease  |                   |
| o Comprehensive General and Auto Liability   |                         |                     |              | \$10,000,000 combined single limit<br>of Bodily Injury and Property<br>Damage  |                   |
| o Public Official Liability  |                         |                     |              |  |                   |
| o Police Professional Liability  |                         |                     |              |  |                   |
| o Automobile Physical Damage   |                         |                     |              | Comprehensive and Collision \$1,000<br>deductible each loss  |                   |
| o Excess Liability   |                         | 10/15/01            | 10/15/02     | \$10,000,000 combined single limit   | \$ 50,683         |
| TIG Specialty Insurance  |                         |                     |              | \$2,000,000 deductible each loss   |                   |
| Insured in Conjunction with Montgomery<br>County Self Insurance Fund:  |                         |                     |              |  |                   |
| o Exhibition Floater   | TJCMB225T952693         | 07/01/02            | 07/01/03     | \$250,000 all risk on display \$20,000,<br>(blanket aggregate); \$10,000 any<br>one item, \$250 deductible; \$25,000<br>any one conveyance   | \$ 850            |
| Travelers Indemnity Co.  |                         |                     |              | Actual cash value, broad form<br>coverage per scheduled listing<br>with \$5,000 S.I.R. per occurrence  |                   |
| o All Risk Real and Personal Property  |                         | 07/01/02            | 07/01/03     | \$400,000,000 loss limit<br>\$250,000 S.I.R. per occurrence<br>Includes Data, Programs and Software,<br>Flood and Earthquake. The B&M has a<br>\$50,000 deductible.<br>Actual cash value, broad form<br>coverage per scheduled listing.                                | \$ 67,200         |
| Boiler and Machinery<br>FM Global  |                         |                     |              |  |                   |
| Insurance purchased directly by the Commission:  |                         |                     |              |  |                   |
| o Airport Liability including Products,<br>Hangar Keeper's and Nonowned Aircraft<br>Associated Aviation Underwriters | ALI 606626              | 01/18/02            | 01/18/03     | \$10,000,000 per occurrence;<br>\$10,000,000 per completed operations<br>\$1,000,000 each aircraft;<br>\$5,000,000 each loss; \$2,500<br>deductible each occurrence  | \$ 67,773         |
| o Airport - fully operational  | ALI 606626              | 03/08/02            | 01/18/03     | Additional premium to open after<br>extended closing from Sept, 2001   | \$ 18,527         |
| o Business Nonowned Aircraft Liability and<br>Physical Damage<br>Associated Aviation Underwriters                    | BNO 606627              | 01/18/02            | 01/18/03     | \$2,000,000 per occurrence; in<br>motion deductible - \$500<br>Not in motion deductible - \$100<br>Includes terrorist coverage.  | \$ 7,537          |
| o Public Employees Blanket Bond<br>Old Republic Surety Fidelity Bond   | EPE113933               | 07/01/02            | 07/01/03     | \$100,000  | \$ 3,710          |
| o Public Official Bond<br>(Secretary-Treasurer)<br>Fidelity and Deposit Company                                      | 0596 14 77              | 07/01/02            | 07/01/03     | \$100,000  | \$ 1,800          |
| o Public Official Bond (Executive<br>Director)<br>Fidelity and Deposit Company                                       | 3066 59 36              | 08/14/00            | 08/14/01     | \$50,000   | \$ 175            |
| o Depositors Forgery Bond<br>Fidelity and Deposit Company  | CCP 0001730 02          | 07/01/01            | 07/01/02     | \$50,000   | \$ 442            |
| o CSLP Baysox Club, LLC<br>(Bowie Stadium)<br>Gulf Insurance Group   | CLP0461880<br>BA5737062 | 04/01/02            | 04/01/03     | \$500,000 Building Contents<br>\$6,500,000 Building<br>\$2,000,000 General Liability<br>\$1,000,000 Automobile Liability<br>Auto Physical Damage: \$500 Collision deductible<br>\$100 Comprehensive deductible<br>\$100,000 Garage Keepers Liability: \$250 deductible | \$ 24,381         |
| o College Park Aviation Museum<br>CGU Commercial Lines Policy  | CPR651437               | 11/05/01            | 11/05/02     | \$300,000 Berliner Helicopter<br>\$310,000 1917 Curtis Jenny Plane   | \$ 5,351          |
| o Live Animal Inland Marine Floater Policy   | QPR757841               | 02/24/02            | 02/24/03     | Horses - limit \$5,000 per animal<br>Colliers - limit \$3,300 per animal   | \$ 4,998          |
| Miscellaneous Bonds purchased directly by the Commission   |                         |                     |              |  |                   |
| o License and Permit Bond<br>Peerless Insurance Company  | 18896677                | 03/31/02            | 03/31/03     | \$5,000 Driveway Entrance 6724 Needwood Rd., Rockville   | \$ 100            |
| o Acceleration & Deceleration Bond<br>Peerless Insurance Company   | 18896679                | 04/08/02            | 04/08/03     | \$12,500 6724 Needwood Road  | \$ 125            |
| o Driveway Permit Bond   | ELI1138391              | 02/26/02            | 02/26/03     | \$3,500 6710 Needwood Road   | \$ 100            |
|  |                         |                     |              |  | \$ 253,752        |

Source: The Maryland-National Capital Park and Planning Commission, Department of Human Resources and Management

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-14

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2002

Recreational Facilities

MONTGOMERY COUNTY

|  | Conference<br>Centers | Golf<br>Courses | Ice<br>Rinks | Indoor<br>Tennis | Park<br>Facilities | Totals        |
|--|-----------------------|-----------------|--------------|------------------|--------------------|---------------|
| Operating Revenues                             | \$ 367,369            | \$ 7,315,201    | \$ 3,712,141 | \$ 1,125,101     | \$ 1,717,909       | \$ 14,237,721 |
| Operating Expenses Before Depreciation         | 424,673               | 6,423,164       | 3,500,407    | 743,550          | 1,276,211          | 12,368,005    |
| Operating Income (Loss)<br>Before Depreciation | (57,304)              | 892,037         | 211,734      | 381,551          | 441,698            | 1,869,716     |
| Depreciation                                   | 35,790                | 595,375         | 693,550      | 57,648           | 89,519             | 1,471,882     |
| Operating Income (Loss)                        | (93,094)              | 296,662         | (481,816)    | 323,903          | 352,179            | 397,834       |
| Nonoperating Revenues (Expenses)               | -                     | (217,301)       | (444,115)    | 85,077           | 62,633             | (513,706)     |
| Transfer of General Government Land            | -                     | 911,890         | 2,881,249    | -                | -                  | 3,793,139     |
| Operating Transfers In (Out)                   | 76,000                | -               | 10,000       | -                | -                  | 86,000        |
| Net Income (Loss)                              | \$ (17,094)           | \$ 991,251      | \$ 1,965,318 | \$ 408,980       | \$ 414,812         | \$ 3,763,267  |

PRINCE GEORGE'S COUNTY

|  | Airport     | Equestrian<br>Center/<br>Multipurpose<br>Arena | Golf<br>Courses | Ice<br>Rinks | Regional<br>Parks | Trap and<br>Skeet<br>Center | Sports and<br>Learning<br>Complex | Bladensburg<br>Marina | Totals         |
|--|-------------|--|-----------------|--------------|-------------------|-----------------------------|-----------------------------------|-----------------------|----------------|
| Operating Revenues                             | \$ 175,262  | \$ 1,222,098                                   | \$ 2,524,730    | \$ 240,546   | \$ 229,649        | \$ 1,261,871                | \$ 2,507,755                      | \$ 20,626             | \$ 8,182,537   |
| Operating Expenses Before Depreciation         | 284,812     | 2,474,164                                      | 2,500,716       | 403,285      | 175,158           | 1,278,003                   | 4,037,455                         | 226,638               | 11,380,231     |
| Operating Income (Loss)<br>Before Depreciation | (109,550)   | (1,252,066)                                    | 24,014          | (162,739)    | 54,491            | (16,132)                    | (1,529,700)                       | (206,012)             | (3,197,694)    |
| Depreciation                                   | 120,124     | 592,668  | 119,059         | 86,049       | 88,210            | 9,471                       | 1,171,132                         | 51,492                | 2,238,205      |
| Operating Income (Loss)                        | (229,674)   | (1,844,734)                                    | (95,045)        | (248,788)    | (33,719)          | (25,603)                    | (2,700,832)                       | (257,504)             | (5,435,899)    |
| Nonoperating Revenues (Expenses)               | -           | -  | -               | -            | 3,738             | -                           | 14,336                            | 12,697                | 30,771         |
| Operating Transfers In (Out)                   | 179,950     | 1,449,390                                      | -               | 8,639        | 24,221            | 63,435                      | 2,196,778                         | 320,260               | 4,242,673      |
| Net Income (Loss)                              | \$ (49,724) | \$ (395,344)                                   | \$ (95,045)     | \$ (240,149) | \$ (5,760)        | \$ 37,832                   | \$ (489,718)                      | \$ 75,453             | \$ (1,162,455) |

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





2001 M Street, N.W.  
Washington, D.C. 20036

**Report on Compliance and on Internal Control Over Financial Reporting  
Based on an Audit of Financial Statements Performed in Accordance  
With Government Auditing Standards**

To The Maryland-National Capital Park and Planning Commission:

We have audited the financial statements of The Maryland-National Capital Park and Planning Commission (the Commission) as of and for the year ended June 30, 2002, and have issued our report thereon dated October 11, 2002. The Commission adopted Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis for State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures*, and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, effective July 1, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether the Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control over financial reporting. Our consideration of internal control over financial reporting would not necessarily disclose all matters in internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.





This report is intended solely for the information and use of the Commissioners, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

October 11, 2002



## ACKNOWLEDGMENTS

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

Alfred F. Warfield  
Barbara A. Walsh  
Vivian A. Calkins-McGettigan

and

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Virgilio P. Vehemente  
Mary L. Williford

**Cover:**

Commission graphic designer and highly acclaimed fine artist Sam Dixon of Silver Spring, Maryland, won the logo design contest by creating the 75<sup>th</sup> anniversary logo featured on the cover. **"75 Years, Turning Visions Into Reality"** captures the spirit of The Maryland-National Capital Park and Planning Commission, a dynamic organization with a proud tradition of innovative planning for the future as it celebrates its wide-ranging achievements.

**Page 9:**

Playgrounds and tot lots in Commission parks provide safe physical activity for children and their parents . . . Watkins Regional Park softball fields are popular sites for local and regional tournaments . . . Park Police special mounted units provide safety, security, and crowd control at large events . . . Research and Technology Center staff explains the Geographic Information System's creative mapping capabilities . . . "Wings of Fancy" live butterfly exhibit at Brookside Gardens delights young and old alike . . . Every day, thousands of bicyclists, joggers, hikers and walkers enjoy the scenic Capital Crescent Trail in Bethesda . . . Adult learners acquire computer skills in classes at Langley Park Senior Center.

**Photo Credits:**

Steve Abramowitz (Prince George's County): pages 1, 9, 86, 94 and 98.  
Francine Bethea (Montgomery County): pages 9, 20, 90 and 102.





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THE MARYLAND-NATIONAL CAPITAL  
PARK AND PLANNING COMMISSION



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