

# The Maryland-National Capital Park and Planning Commission



Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2008

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT  
of  
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
For the Fiscal Year Ended June 30, 2008**

**Commissioners**

Royce Hanson, Chairman of the Commission  
Samuel J. Parker, Jr., Vice-Chairman of the Commission  
Joe Alfandre  
Sarah A. Cavitt  
Jesse Clark  
Jean B. Cryor  
Amy Presley  
John M. Robinson  
John H. Squire  
Sylvester J. Vaughns

**Officers**

Oscar Rodriguez, Executive Director  
Patricia Colihan Barney, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

**Department Directors**

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Mary Bradford, Montgomery County Director of Parks  
  
Fern V. Piret, Prince George's County Director of Planning  
Ronnie Gathers, Prince George's County Director of Parks and Recreation  
  
Oscar Rodriguez, Department of Human Resources and Management  
Patricia Colihan Barney, Department of Finance  
Adrian R. Gardner, Legal Department

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

Patricia Colihan Barney, Secretary-Treasurer

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Joe Bistany, Information Technology

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# ♦ PART I ♦

## INTRODUCTORY SECTION

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Prince George's County's popular Teen Cotillion Program includes learning experiences, team building, and community service.



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 31, 2008

## Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2008 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the provisions of Article 28, Sections 2-113 and 7-107, of the Annotated Code of Maryland. Responsibility for the completeness and reliability of all the information presented, including all disclosures, rests with the Commission. We assert that to the best of our knowledge and belief, the data, as presented, is accurate in all material respects and is reported in a manner designed to present fairly the financial position and changes in financial position of the governmental activities, business-type activities and various funds of the Commission in accordance with accounting principles generally accepted in the United States of America (GAAP). All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

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

State statutes require an annual audit by independent certified public accountants. The Commission selected the accounting firm of Clifton Gunderson 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, 2008 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, 2008 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

This year the Commission is not required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996, as revised and U.S. Office of Management and Budget Circular A-133, **Audits of States, Local Governments, and Non-Profit Organizations**. This audit is not required as the dollar threshold requiring such audit was not met.. 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.

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

## The Commission

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

conducts the recreation program for Prince George's County.

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

The Commission maintains an internal auditing division that reports to the 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, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both counties continue to experience solid growth, and collections, including interest and penalties as a percent of the levy, are consistently at or above 99%. The Commission prepares quarterly financial projections to help guide current year expenditures based upon anticipated revenue sources. In addition, the Commission maintains a comprehensive fund balance policy to provide a cushion against unforeseen expenditures or revenue shortfalls in each fund. At June 30, 2008 the Commission's General Fund budget basis ending fund balance was \$129.1 million.

Along with the Commission's internal financial management policies, spending affordability guidelines continue to be provided by Montgomery County Government for the Commission's Montgomery County operations, and by a Spending Affordability Committee for the Commission's Prince George's County operations. More detailed information on the financial outlook is provided in the Management's Discussion and Analysis section of this Report.

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

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

The Commission has an established fund balance policy of designating 3% to 5% of budgeted expenditures for contingencies. In Montgomery County a designation of 3% of budgeted FY2009 expenditures was made, while in Prince George's County this percentage was 5.7%. In both Counties there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant undesignated fund balances in Prince George's County (\$54.9 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

### **Major Initiatives**

The Commission enjoyed an excellent program year in fiscal year 2008. 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 Commission's investment policy, all of which are also allowed by the Annotated Code of Maryland.

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 \$14,601,590 during fiscal year 2008. The average rate of return on the Commission's cash and investments during fiscal year 2008 was 4.49%.

### **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 \$250,000), 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 a 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 as they come due. 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, 2007 in funding 97.5% 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, 673 retired employees received these benefits. In fiscal year 2008, the Commission implemented a requirement to report expenses on an accrual basis in the financial statements, using actuarially computed amounts in connection with an employer's obligation to pay these benefits. The Commission set up a trust fund to begin accumulating funds for payment of future post employment benefits. The fund has net assets of \$2,816,989 at June 30, 2008. The Commission has elected to phase in to full funding of these requirements over an eight-year period.

### **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, 2007. 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 2008. 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 Alfred Warfield, Accounting Manager, and the entire Accounting Division staff. I would also like to thank and compliment the Commissioners for their interest and support in planning and conducting the financial operations of the Commission in a responsible and progressive manner.

Respectfully submitted,

A handwritten signature in black ink, reading "Patricia Colihan Barney". The signature is written in a cursive style with a large, stylized "P" and "B".

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, 2007

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.



*Charles S. Cox*

President

*Jeffrey R. Emer*

Executive Director

## **Commission Background and Organization**

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

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

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

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

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

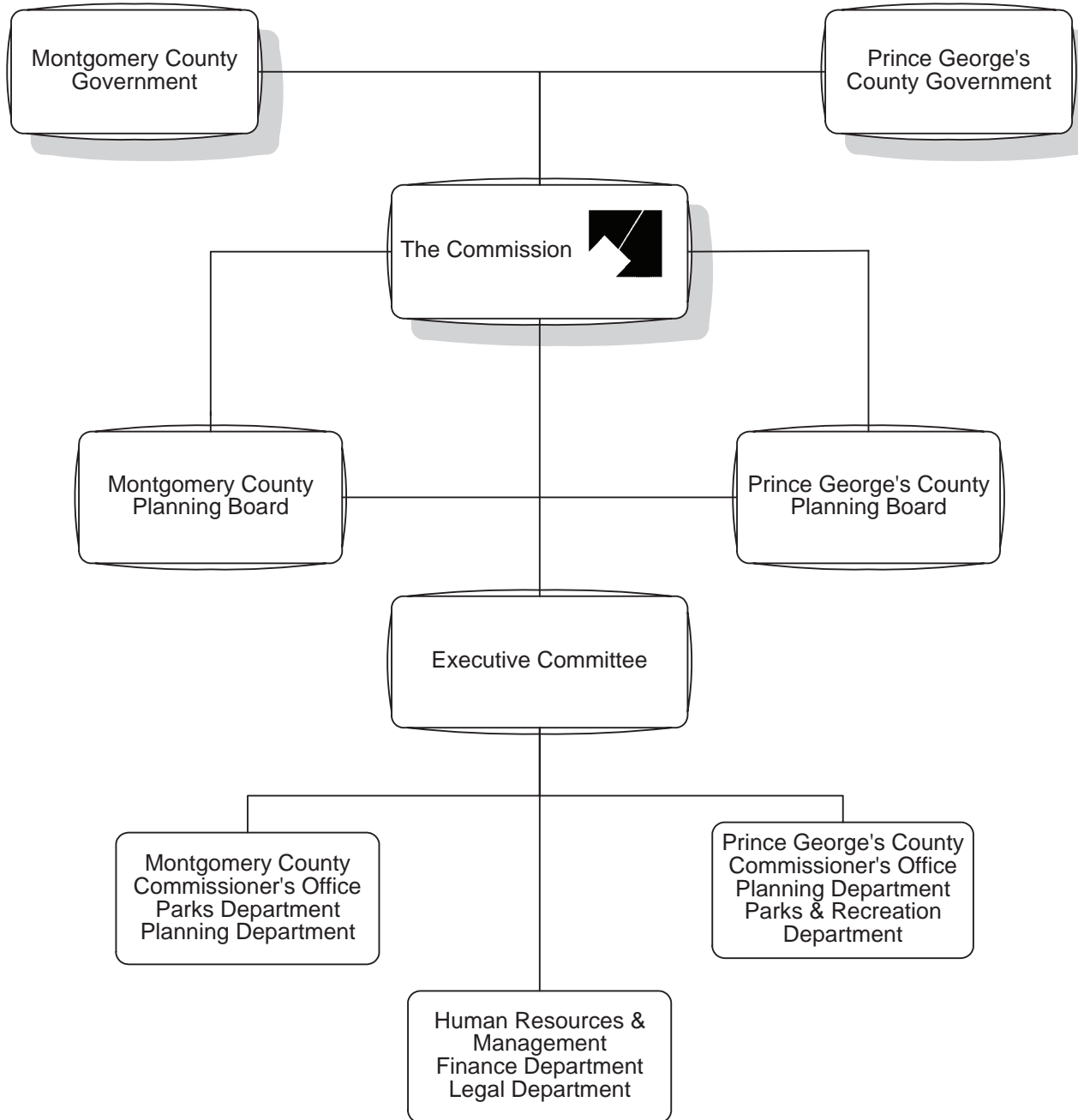
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 61,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 1,885 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 5,502 seasonal workers, primarily for its numerous park and recreation programs.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

## ORGANIZATION CHART





## **FY 2008 Program Highlights**

During fiscal year 2008 (FY08), the Maryland-National Capital Park and Planning Commission continued to strive to fulfill its mission to manage physical growth and plan communities; protect and steward natural, cultural and historic resources; and provide leisure and recreational services for the citizens of Montgomery and Prince George's Counties. Due to attrition and retirements, the Commission experienced a changeover in upper management staff during the fiscal year, welcoming a new Executive Director, Prince George's County Parks and Recreation and Montgomery County Planning Directors, and several Deputy Directors. Commission staff continued an ongoing tradition of excellence, meriting national, statewide and regional recognition including awards from the American Planning Association for outstanding planning projects, and recognition for excellence in marketing and community outreach activities and publications by the Maryland Recreation and Parks Association.

In carrying out its mission, the Commission also continued to work hand-in-hand with its many community partners to identify and provide programs, services and facilities to respond to ever-changing customer needs and to enhance the quality of life for present and future generations. As an extension of its commitment to and responsibility for environmental stewardship, the Commission intensified its focus and leadership in "going green" by embracing and promoting programs and policies to build healthy, sustainable, and environmentally-friendly communities. Examples included: working to reduce waste and energy use at facilities and through improved fleet management practices; designing and constructing new buildings to comply with Green Building performance measures; providing assistance and guidance to the development community on green building projects and encouraging Leadership in Energy and Environmental Design (LEED) accreditation and training of staff; and providing education and outreach to the general public on the environmental and financial benefits of going green.

The proposed SilverPlace project will consolidate Commission staff in Montgomery County into one LEED Gold certified headquarters building and is designed to be an exemplary mixed-use development incorporating Smart Growth principles, green building initiatives and signature open space.

## **Montgomery County Department of Parks**

**New Parks and Renovations:** Acquisitions reached record-breaking levels, with the Department spending \$23.7 million for 290 acres of parkland in FY08. Acquisitions included land for Cross Creek Local Park, Capitol View Open Space, Hillmead Local Park, and South Germantown Recreational Park. Staff completed the design and construction of repairs to Lake Needwood Dam, following storm damage in 2006. Construction has been completed for Phases 1 and 2 of the Matthew Henson Hiker-Biker trail which provides two miles of new trail. Construction has been completed for a new park in Clarksburg, Arora Hills Local Park, which was designed by staff and constructed by a developer. Staff is working on the fit-out of a community center at Wisconsin Place, which is part of a mixed-use development in Friendship Heights. Construction will be completed in 2008 and turned over to the Montgomery County Department of Recreation to operate.

**Public-Private Partnerships, Grants and Donations:** The M-NCPPC Montgomery County Department of Park's New Adopted Policy for Public/Private Partnerships (PPP) was approved by the Commission in September 2007. In February 2008, the M-NCPPC Public/Private Partnership Website was created. Requests for Proposals (RFP's) were released to develop properties at South Germantown and Laytonia Recreational Parks. The Public/Private Partnership Committee approved a partnership arrangement with The Bethesda Little League (BLL), the first little league in Montgomery County. The Grants and Donations program secured approximately \$1.8 million in grants in FY08, most notably additional federal funding for the development of the Rock Creek Trail Hiker-Biker Bridge. The Donations Program received funds from individuals, associations, corporations and partners for commemorative gifts and greening projects including: \$20,170 for non-native invasive plant removal from the Coalition for the Capital Crescent Trail and \$100,000 from the Montgomery County Tennis and Education Foundation for the Pauline Betz Addie Tennis Center at Cabin John Regional Park.

**SilverPlace:** The SilverPlace project will: (1) consolidate staff into one building located on the property which is now the site of the Montgomery Regional Office (MRO) and a parking lot; (2) provide workforce housing; (3) be an exemplary mixed-use development incorporating Smart Growth principles, green building initiatives, compatibility with the surrounding neighborhood, and signature open space; and (4) leverage the value of the site to reduce the cost of the new headquarters building. In addition to a LEED Gold certified headquarters building, the project will include high-quality open space, and LEED certified housing. Thirty percent of the housing will be available to households meeting “affordable housing” criteria. Last spring, Commission staff successfully engaged the various stakeholders in a design workshop called a “charrette” to reach consensus on the plan for developing the MRO site. Following the charrette, details were added to the plan and the Planning Board approved the plan as the basis for further funding and regulatory activities.

**Inter-County Connector:** The Maryland State Highway Administration is in the process of building the Inter-County Connector (ICC), which is a major multi-modal highway linking Prince George’s and Montgomery counties. The State has reimbursed the Advanced Land Acquisition Fund approximately \$30 million in FY07 for the land held for the project. As a condition of the development, the State is required to build or fund approximately 45 ICC community mitigation and environmental stewardship projects on parkland. These projects will include a new park at Northwest Branch Recreational Park and renovation of the historic Woodlawn Barn.

**Stewardship:** An important component of park stewardship includes the aquatic resources management program. Although this program has been in operation for more than 15 years, significant progress has been made in the past year. Twenty-four sites were monitored for biological health and aquatic habitat status based on biologic communities (benthic macro invertebrates and fish) and physical habitat features. Several stream restoration and stormwater management projects were completed:

- Stabilization of stream banks in Seneca Creek;
- Replacement of a failed culvert in Hoyles Mill Conservation Park;
- Stream restoration at Sligo Creek Golf Course;
- Drainage and flood mitigation on Beach Drive; and,
- Emergency repair to a tributary in Northwest Branch.

The stream team continues to work on a number of ongoing projects throughout the county, including ford replacements, stabilization of tributaries, stormwater management improvements, and stream restorations.

**Increased Outreach and Customer Service:** English and Spanish language materials promoting the Department’s activities, facilities and programs were distributed throughout the county. Website upgrades continued to be made to make the Department’s site easier to use. Park Permit Office policies were reviewed and updated to reflect current use and demand. Program evaluations and customer satisfaction surveys were collected and analyzed, with reports and recommendations distributed to managers and senior leaders for review and action. A dedicated park information line, answered by a Spanish-speaking customer service specialist, was established to more quickly assist Spanish-speaking callers. Community meetings continued throughout the year, assessing the interests and needs of the residents of the county, and interactive online surveys were introduced to collect citizen input. The Department continued to host a wide variety of special events and to support sponsored programs utilizing park property. The ranger program continued to show great success. More than 31,000 service requests were received and managed in FY08 through the SmartParks system; preventive maintenance of equipment, playground and other inspections, court and grounds maintenance, landscaping, and tree removal requests were at the top of the list.

**Volunteerism:** The Department migrated to a new web-based volunteer management program. The new program allows volunteers to fill out applications and apply for opportunities and events in Montgomery Parks online at [www.ParksVolunteers.org](http://www.ParksVolunteers.org). More importantly, the new program makes it easier for in-house volunteer coordinators to manage their volunteer programs for recruiting and recording their volunteers’ hours and efforts. The program also allows volunteers to manage their schedules and add their own hours, reducing the burden on the Department’s larger program coordinators, such as Brookside Gardens. The Volunteer Services Office helped manage volunteer projects that contributed almost 9,000 hours of service in FY08, including service hours from Arbor Day, Harvest Festival, Potomac River Day, Earth Day, Community Service Day, National Public Lands Day, Park and Stream Cleanups, and Eagle Scout Projects.

## Montgomery County Planning Department

The Montgomery County Planning Department continued its pursuit of excellence by focusing its talents on master planning, regulatory planning and other initiatives in FY08. Spurred by the hiring of its first permanent planning director in two years, the Department has launched a major initiative to make design excellence a hallmark of development in Montgomery County. Staff members are incorporating good design principles throughout their work, from master plans to development review. Among the Department's achievements during the fiscal year are:

**Better Plans:** The Department completed a detailed study of the master plan process to identify ways to improve content, enhance understanding and clarity, and strengthen implementation. The new process is intended to be quicker and more responsive to rapidly emerging planning issues and economic trends. Among the report's recommendations are creating small area master plans, which will focus on a limited geography and provide an opportunity for more detailed analysis.

**Envisioning Twinbrook:** Department staff and the Planning Board put the final touches on a sector plan for Twinbrook and delivered it to the County Council for review. The Twinbrook plan calls for a distinct community that builds on the area's proximity to Metro's Red Line and recommends a mix of new jobs, homes, retail, and technology-oriented businesses.

**Revitalizing the I-270 Technology Corridor:** As part of an ongoing effort to update master and sector plans along the I-270 corridor, staff continued to work on a number of new visions for Germantown, White Flint and Gaithersburg West. The three plans, all well underway, will recommend ways to attract advanced technology and biotech jobs, provide a range of housing, improve transportation, and examine opportunities for mixed-use development.

**Enhancing Communities:** A major focus in the Department is maintaining and enhancing existing communities and neighborhoods in Montgomery County. Staff members are working on new sector plans for the Takoma/Langley Crossroads, Wheaton Central Business District and Vicinity, and Kensington – among the county's oldest communities with varied housing stock and ethnically diverse populations.

**Growth Policy:** Following the passage of the 2007 Growth Policy, planning staff recommended – and the Planning Board adopted – amendments to the Local Area Transportation Review (LATR), as well as Policy Area Mobility Review (PAMR) guidelines.

**Healthy & Sustainable Communities:** Also as a follow-up to the Growth Policy, staff began a comprehensive effort to develop environmental goals and indicators that will help policy makers measure progress toward achieving environmental goals. Defining those goals – conditions of community health and well-being, such as clean air and water – and ways to measure them were the subjects of much discussion at a public workshop held at the Universities at Shady Grove. Project leaders also solicited public opinion through an interactive website launched to gather feedback.

**Green Infrastructure:** Planning staff made strides on a plan to preserve a network of waterways, wetlands, woodlands, wildlife habitats and other natural areas of countywide significance. Called the Green Infrastructure Plan, the proposed interconnected network of waterways, wetlands, woodlands, wildlife habitats and other natural areas will better support native species, maintain natural ecological processes, sustain air and water resources and contribute to human health and quality of life. The plan will provide a guide for regulators like the Planning Board as they seek to balance growth with natural resource protection.

**Keeping Montgomery County Moving:** As the County's source of transportation forecasting and analysis, the Department continued to adopt the best approaches to knowledge-based decision making. Staff completed the annual Congestion Monitoring Report and conducted planning for the Purple Line, Corridor Cities Transitway, and a number of interchange and other transportation projects. Transportation staff, along with colleagues from the county's Department of Parks, supported work on the Intercounty Connector, as the project entered the design

phase. Working with the Planning Board, staff is close to completing a final draft of the ICC Limited Functional Master Plan: Bikeways and Interchanges.

**Preserving Agriculture:** Planning staff worked closely with the Board to continue to refine protections of the Agricultural Reserve. Strategies include: mapping property data; reviewing child lot policies; refining policies on sand mounds and amending the county Water and Sewer Plan; monitoring TDR easements and transfers; drafting zoning text amendments to augment TDR receiving areas; and examining ways to create a market to implement a proposed Building Lot Termination program.

**Housing Montgomery:** Staff has launched an effort to develop recommendations to revise the Housing Element of the General Plan. Starting with a GIS-based inventory of housing and related data, such as home size, year built, assessment, rents, etc., staff held a series of public work sessions hosted by the Board on various aspects of housing. The process will culminate with the Board reviewing proposed revisions to the housing-related goals in the General Plan for County Council review.

**Transparent Processes:** To increase public access to the Planning Board, the Department launched live webcasting of Board meetings. Now, anyone with a computer can view the Board in real time – or visit later to focus on particular actions. Staff continued to refine the MontgomeryPlanning.org website to better highlight Board actions and Department initiatives. Among the new web features are blogs and other direct-feedback methods designed to encourage two-way communication. Staff also produced several new episodes of “Montgomery Plans,” a cable show that highlights significant current initiatives.

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

**Meeting Customer Needs Through Innovative Service:** The Department provided comprehensive, park and recreation programs, facilities and services to meet changing community needs, and to preserve, enhance, and protect open spaces. An increased focus was placed on “green” technologies, as employed through new building practices, programs, and fleet management. The customer base grew by 12%, and the Customer Service Help Desk was expanded as the main portal for resident inquiries and requests for service. More customers used the Department’s weekly e-mail newsletter and web site to keep up to date on events and activities, and a new community relations initiative was begun. The Partners ’n Parks program continued established relationships with IKEA, REI, AARP and the University of Maryland, and grants were received from state and national organizations.

**Enhancing the Park System:** Efficient management of the 26,565-acre park system was supported by Geographic Information System (GIS) re-inventory and mapping. Project Management software was used to track all design and construction projects and the Historic Agricultural Resources Preservation Program was implemented. Construction was completed at the Bladensburg Waterfront Park, Brentwood Arts Center, North Brentwood Community Center Annex, and Cedar Heights Community Center, and improvements made to Enterprise Golf Course, Montpelier Cultural Arts Center, Prince George’s Sports & Learning Complex, Prince George’s Stadium, Watkins Regional Park, and 15 park sites. New development included Saddlebrook East Community Park, playgrounds at 18 park sites, and the new Vansville Community Center. Program Open Space provided \$6.2 million in funding for park acquisition and \$6.1 million for development.

**Planning and Providing Recreational Opportunities for All:** Over 21,000 youth enrolled in summer camps, playgrounds and teen centers, with community partners providing funding for 150 children who otherwise would not have been able to participate. More than 200 sports teams played in tournaments, and sports leagues attracted more than 30,000 participants. The 26th-annual Washington Area Metropolitan Youth Super Bowl was held at the Prince George’s Sports & Learning Complex, with 12 teams competing and over 3,000 spectators, and Arena Football at The Show Place Arena continued to draw fans at home games of the *Chesapeake Tide*. The Black History Month celebration marked its 22<sup>nd</sup> anniversary, and free summer concerts at numerous parks and facilities delighted thousands. Thousands more enjoyed events such as Festival Hispano, the Harlem Renaissance Festival, Kinderfest, the Jug Bay 10K run/walk, and the Festival of Lights at Watkins Regional Park.

**Serving the County's Youth:** With the Youth Action Plan as a guide, the Department offered diverse programming, and positive experiences and opportunities (including free ID cards), for youth ages 12-18. The Teen Leadership Council forged ahead, and [www.pgxtremeteens.com](http://www.pgxtremeteens.com) was an important on-line resource. Teens performed art forms such as hip hop poetry and salsa dancing at the award winning Café Groove. The Positive Pathways Program served pre-teens, and the Talk Up, Not Down residency camp served at-risk youth. The Science, Service, Medicine, and Mentoring partnership with Bethesda Naval Hospital's Uniformed Services University targeted underserved populations and exposed teens to careers in science and medicine. Service to Latino youth continued, and the second successful Quinceanera was held. The Prince George's Employees' Child Care Center and the child care facility at Glenridge Elementary School were accredited by the Maryland State Department of Education. Lunches were served to needy children at 77 summer program sites, and pre-school, before- and after- care, and Kids' Day Out programs continued to be offered at facilities countywide.

**Supporting Arts and Cultural Heritage:** The Shakespeare in the Parks program celebrated its 21st year with the National Players production of The Tempest, and the Department's outstanding arts facilities hosted critically acclaimed, sold-out performances of musicians and stage presentations. Visual arts exhibits and displays attracted thousands to art galleries. Historic rental properties hosted a variety of events, and saw a 33% increase in usage. The site [www.culturecapital.com](http://www.culturecapital.com) a newly established on-line regional calendar promoting arts and culture activities to residents and tourists was utilized by the Department. The Maryland State Arts Council awarded the Department funds to support performing arts programs in Prince George's County.

**Preserving and Protecting Natural and Historical Resources:** To help meet increasing needs for youth to experience the outdoors and grow an appreciation for the environment, the Department inaugurated residential overnight Wilderness Adventure camps. Innovative, popular educational programs continued at museums, nature centers, waterfront parks and natural areas. Special events, conservation and reforestation projects, river and stream valley clean-ups, and a continued partnership with Prince George's County's Livable Communities Initiative led to environmental community improvements. Partnerships also continued with the Patuxent River Keepers, Anacostia Watershed Society, Riverdale Historical Society, Prince George's Historical Society, Patuxent 4-H Foundation, Friends of Dorsey Chapel and the Surratt Society to promote, protect and restore the rich natural and historical heritage of the County. Montpelier Mansion was awarded a national grant designed to provide needed collection care resources, and the Luther Goldman Birding Trail at Lake Artemesia was opened.

**Keeping Parks Secure:** Park Police officers continued to ensure the safety of patrons at all parks and facilities using sophisticated technologies such as Mobile Data Terminals and new T-3 mobile units for patrolling parks, trails, events and activities. The canine program begun in 2006 continued to help combat crime, with canine teams conducting building, article and narcotics detection searches. Officers continued to participate in regional area task forces with allied agencies to combat drug abuse and trafficking and to address gang problems. They also assisted with mentoring programs, the Drug Awareness Resistance Education (D.A.R.E.) program, the NFL Punt Pass and Kick Competition, the COPS Camp for Kids, and other community events and safety initiatives, including the Click It or Ticket and Donate a Phone to victims of domestic violence programs. The Park Police Community Volunteer Academy served the park system, and the President's Council on Service and Civic Participation awarded the *Gold Unit Presidential Service Award* for Park Police Volunteer Association activities.

**Maintaining Parks and Facilities:** Maintenance and development staff completed construction and repairs at park facilities, including Abraham Hall, Allentown Pool and Montpelier Arts Center, and athletic field renovations at Auth Village, College Park, Kentland and Fairland. Staff also assisted with volunteer service days at Beltsville and Lake Artemesia, and completed 23 major building renovations and repairs. Fleet Management completed more than 6,500 work orders and upgraded Commission fuel sites to comply with environmental regulations. The Department continued to partner with the County by maintaining four major routes during snowstorms. In cooperation with the Metropolitan Washington Air Quality Committee and the Council of Governments, the Department made operational changes to improve air quality, including equipment and refueling restrictions on declared Code Purple and Code Red days, conversion of gasoline cans to reduce harmful emissions, and the increased purchase of hybrid vehicles to conserve natural resources.

## Prince George's County Planning Department

**Communicating with the Public:** To better serve its customers, the Department completed a best practices inventory of public participation practices and techniques, and developed short and long-term strategies for public participation programs for planning areas within the county. Also, in an effort to bring the public into transparent discussions of development and growth at the earliest stages of the Master Plan and Development Review processes, staff enhanced ongoing master plans and sector plans in the pre-planning process with intensive community outreach activities such as stakeholder interviews, public festivals, workshops, and surveys. The Department also held a public forum entitled "Development Review and You" which focused on looking at all aspects of the Development review process and developing strategies for making improvements.

**Planning for Quality Communities:** Work continued on Master Plans, Sectional Map Amendments (SMAs), Zoning Map Amendments (ZMAs), specialized planning studies, and Planning Assistance to Municipalities and Communities (PAMC) projects. Community planning projects included: approving the Capitol Heights Metro Station Transit District Development Plan; adopting the Branch Avenue Corridor Sector Plan and SMA; completing the Medical Mall Planning Study, which received an award from the American Planning Association; and completing the Defense Base Closure and Realignment Commission (BRAC) Evaluation Study. Staff also completed the Preliminary Subregion I Master Plan and SMA (remanded by the District Council for additional technical work), and the Preliminary Landover Gateway Sector Plan and SMA (continued for additional technical work). Staff initiated the Takoma/Langley Crossroads Sector Plan, Glenn Dale-Seabrook-Lanham Sector Plan and SMA, and the Port Towns Sector Plan and SMA. Pre-planning began for the Bowie State University MARC Station Sector Plan and SMA, and continued for the Subregion 4 Master Plan/SMA. Staff continued work on the following: the functional plan for Historic Sites and Districts; the Biotechnology Research and Development Center Study; the Growth Policy Update; the County Housing Affordability Study; Subregion 5 Master Plan and SMA; Subregion 6 Master Plan and SMA; New Carrollton Metro Station Transit District Development Plan; Marlboro Pike Sector Plan and SMA; New Mixed-Use Zoning Tools Project; Central Kenilworth Avenue Revitalization Study; Upper Marlboro Revitalization Action Plan; and Westphalia Public Facilities Implementation Study. Professional services contracts were executed for the Subregion 4 Master Plan/SMA and the Central US 1 Corridor Sector Plan/SMA, and pre-planning began for the Water Resources Master Plan and the Biennial Plan Update.

**Providing for Public Facilities and Services:** The Department published the adopted and approved Public Safety Facilities Master Plan. Staff provided public facility technical support for the Subregions 1, 5 and 6 Master Plans, and the Landover Gateway and Takoma/Langley Cross Roads Sector Plans. Staff also assisted the School Construction Management Team, coordinated the Planning Department's analysis for the Water and Sewer Plan Amendment cycles, and provided information on alternative financing strategies for Westphalia.

**Developing Efficient Transportation Systems:** Studies for the Purple Line and the US 301 Waldorf Area continued. Public workshops on the Countywide Master Plan of Transportation (MPOT) were held. The Preliminary Draft MPOT was started. Support was provided to the County's Bicycle and Trail Advisory Group, the Transit Services and Operations Plan, the Base Realignment and Closure (BRAC) impact study, and the Transportation Planning Board Technical Committee. In addition, staff processed 34 traffic impact studies for development activities.

**Preserving and Protecting the Environment and Historic Properties:** The Department continued to implement the Countywide Green Infrastructure Plan through the review of land development applications, and the updating of various master and sector plans. Staff prepared updated legislation and a technical manual for the Woodland Conservation Ordinance. Development review activities focused on the use of natural resource inventories to illustrate the value of resources for preservation or restoration. Pre-planning activities began for the Water Resources Functional Master Plan. Archeological review of subdivision applications continued. Work continued on five consultant projects: the Postbellum Archeological Resources Guide; the Historic Properties Database Update; the African American Historic Inventory Development; Environmental Standards for Historic Properties projects; and the Historic Resources Inventory Update. Staff provided reports and recommendations

to the County's Historic Preservation Commission on development cases, on Historic Area Work Permits, and on Preservation Tax Credit applications.

**Information Technology Advancements:** A major upgrade to PGAtlas ([www.pgatlas.com](http://www.pgatlas.com)), the Department's GIS web-mapping application, was implemented in FY08. The marriage of this mapping tool with DAMS (Development Activity Monitoring System), the Department's development activity database, provided internal staff, county agencies and the world at large, access to the status and location of development applications in Prince George's County. Search tools allow citizens and residents of the county to locate development proposals by application number, applicant, address and Council District, among others. Mapping options allow users to show one or all application types reviewed by the Planning Board and to filter those selections by status, such as all pending or all approved applications.

**Promoting Responsible Development:** Staff 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 over 19,000 permits, and provided expert professional advice to decision-makers. Also, several major development proposals were approved in major transportation corridors, including: Konterra Town Center, a conceptual site plan for 4,500 dwellings and 5.9 million square feet of retail, office and hotel uses in the greater Beltsville-Laurel area along the I-95 corridor; Marriott Hotels At Bowie, a detailed site plan for three hotels with a combined 362 rooms in the Bowie area along the MD 3 corridor; and Brandywine Crossing, a zoning change for 266,000 square feet of retail and office space in the Brandywine area along the southern US 301 corridor. In addition, *Process Guidelines for Development Review Applications* were established through the cooperative effort of citizens, municipal officials, developers, attorneys, engineers and planners to improve the transparency, certainty and effectiveness of the development review process.

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

**Organizational Management:** Under the leadership of the Executive Director, the Department of Human Resources and Management (DHRM), provides corporate management services to the Commission. DHRM serves several specific statutory functions: budget, personnel and labor relations, official records and archives/information management, as well as risk and liability mitigation. The Department utilizes a cross-functional approach to help the operating Departments enhance their service quality, increase productivity, and ensure compliance with State, Local, and Federal employment laws.

**Shared Services Recruitment Model:** In FY08, DHRM streamlined the recruitment process by introducing a "shared services" approach to this vital function. Under this approach, DHRM strives to enable the departments to assume as much of the responsibility for filling their vacancies as possible through a structured and closely monitored system. The new model is anticipated to save both time and money by reducing the "down" time that occurs when a valuable position is vacant during the hiring process. Unlike in the past when DHRM played a policing role and did not start the recruitment process until a number of internal controls were met, now recruitment activities can start prior to the actual departure of the incumbent employee. Vacancies or anticipated vacancies that do not require a change to position qualifications or job classification (approximately 59% of all hires) can be sourced and potentially filled within a few weeks. Overall recruitment has been further simplified by requiring less paperwork and utilizing user-friendly technology to disseminate applicant data to hiring managers. The automated "Job Bank" system will provide secure, real-time access to view applications as they are received, and uploaded for all continuously advertised, frequently vacant, or hard-to-fill positions. Applications from individual and uniquely advertised positions will also be placed in an electronic format, uploaded onto the intranet site, and secure on-line access provided to the hiring manager. In this more collaborative process, the recruiter will provide more consultative support and strategic recruitment for the departments. The purpose of the new Selection Services is to provide the departments with robust pools of applicants helping the departments expedite the selection process. The departments will continue to be responsible for interviewing, selection, and processing new employee hires. They will also be expected to act promptly to fill vacancies, comply with employment guidelines, and be accountable for assuring a diverse workforce. As part of the new Shared-Services Approach, performance information will be captured, constantly evaluated by recruitment staff for refinement to the process, and reported to the Commission on a regular basis. Performance measures that will be monitored include, the average days to fill, the quality of Job Bank applicants and new hires and the quality of the recruitment process.

The policy and procedures have also been revised to accommodate the changes. Revised Commission Practice 2-10, Recruitment and Selection, and associated Administrative Procedures 03-03 are posted on inSite under the Practices and Procedure Section. Training for supervisors, hiring managers and administrative staff was conducted in late June.

**Performance in Management:** Over the past year the Department has attempted to make the Commission more data driven. The primary elements of this effort includes metrics and goals for key objectives, monthly reporting of metrics and progress against goals and new action items based on the analysis of the metrics. This increased focus on performance management will lead to continued improvement in programs and processes throughout the Commission.

**Collaborative Cooperation:** The Centralized Information Technology unit provides coordination of Commission-wide (enterprise) systems, facilitates information/communication services through development and maintenance of a Commission web portal, and an employee intranet. The employee intranet (inSite.mncppc) provides an efficient and immediate way to disseminate and provide access to a variety of documents and resources. This team also assisted with the streamlining and automation of the job vacancy application process for recruitment. This unit also partnered with the Finance Department staff to implement KRONOS, a time and attendance program, to improve the functionality of the personnel/payroll system.

**Recognition of Excellence in Business and Results:** DHRM received the Workplace of Excellence award again this year. This prestigious award is given only to those employers with diverse and rich employee programs and policies supporting family and environmental issues. In FY08 the Commission received its highest score to date with a total of 26 outstanding ratings from the Government Finance Officer's Association (GFOA) for its Distinguished Budget Presentation Award.

## **Department of Finance**

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

**Corporate Financial Management:** In FY08, the Department coordinated the sale of \$17.3 million Prince George's County Park Acquisition and Development Refunding Bonds, to currently refund a like amount of Auction Rate Notes. This transaction eliminated the Commission's exposure to variable rate debt, where the market for such securities had collapsed. The refunding bonds were sold at a fixed rate of 3.2%. Financial and procurement related guidance was provided on numerous public/private partnership transactions including work on Brentwood Arts Center, North Brentwood Town Hall, SilverPlace, and the South Germantown Driving Range. The Department led the effort of implementation of the accounting requirements for Other Post Employment Benefits including guidance on budgetary impact.

**Safeguarding of Commission Assets.** To increase audit awareness and the safeguarding of Commission assets, the Audit Division again provided training to Prince George's County Parks and Recreation Management University and Montgomery County's Enterprise Operations on internal control activities and risk identification. Internal Audit developed a risk assessment survey that solicited input on both generic risks as well as perceived specific risks facing the surveyed departments. The responses to the survey were completed for the Montgomery County Parks Department and the Prince George's County Parks and Recreation Department. As a result of the survey, a risk based audit program was developed. To strengthen fiscal oversight, the Commission established an Audit Committee in accordance with GFOA best practices. In addition, a risk assessment was started in the Finance Department to identify and document the internal controls for the key processes. Lastly, Internal Audit developed a pilot scoring system in order to evaluate the control risks based upon the Commission's business processes and facilities. The ranking results are now used in prioritizing audits. The Investments and Treasury Operations Division preserved all operating capital and increased investment earnings despite the turmoil in the nation's credit markets. Operating efficiencies (timeliness and reduced paper consumption) were achieved through greater reliance on electronic communication.

**Automating/Streamlining Efforts:** The Department continued to implement new processes to streamline financial operations. Finance and field staff processed and approved 84% of all purchase orders and 59% of all vendor invoices electronically. Taking advantage of efficiencies gained through automation in the disbursements area, the Accounting Division reorganized in order to meet increased demands in the financial reporting function. The Department continued to provide training on significant financial systems, as well as guidance and support related to user systems including: KRONOS, an updated and expanded system to automate time and attendance, SMARTlink, and the golf course and Sportsplex point of sale systems in Prince George's County, and ParkPASS and the Brookside Gardens gift shop in Montgomery County. A new initiative to replace the existing Financial Management System was started, and it is anticipated that a new system will begin implementation next year.

**Outreach to Minority, Female and Disabled Vendors:** The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. The events reflect the increasing diversity of the two Counties and included events sponsored by the Hispanic Chamber of Commerce, Congressman Wynn, Council of Governments (Maxaccess), and Montgomery and Prince George's Counties. The Commission achieved an MFD utilization rate of 26.7% which equated to \$24.3 million of procurement with MFD firms.

**Information Systems Support:** The Department's IT Division continues to provide management and support primarily for the financial, human resources, and payroll systems which include separate Internet and ATM Wide-Area Network connections to ensure continued access to critical applications and resources. In addition, over 150 applications (desktop, server, network and security) used daily by the Commission were supported. During this year, major efforts included: finalizing a Finance Disaster Recovery Plan, expanding KRONOS timekeeping system; implementation of remote access and telework applications; upgrade of firewall and SPAM software; expanding the storage area network architecture, hardware and business continuity replication software; installation of wireless access points in the EOB building conference rooms which allows teleworkers the ability to gain access to the Commission network and secures visitors to internet access only. We are still in the process of upgrading from Faser to EnergyCap utility management software.

**Financial Reporting:** For the 35<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 FY07 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

## **Office of General Counsel**

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

**Protecting the Public Interest in Litigation:** The Office of General Counsel represents the Commission in a majority of disputes resolved in the state and federal court systems. Over the course of the past fiscal year, the staff attorneys either handled or supervised 35 court cases carried over from FY07; and managed 28 new cases. As of the FY08 year-end, our lawyers were managing 35 active cases.

**Enhancing the Stewardship of Public Funds Through More Effective Contracting:** The Legal Department's Transactions Practice Team (TPT) provides an efficient structure to coordinate and manage legal support in both counties by integrating the service delivery for both the Montgomery County Department of Parks and the Prince George's County Department of Parks and Recreation. To date, our coordination has helped create efficiencies by developing consistent policies and standard documents utilized now on a Commission-wide basis to transact the leasing of park houses, deeds of dedication for public use, and third-party concession agreements.

**Building our Quality of Life – One Transaction at a Time:** Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements and memoranda of understanding. Notable transactions handled recently include the Legal Department's role in serving as a key advisor on the selection of a private partner and negotiation of a memorandum of understanding to develop Silver Place – a mixed-use development project slated for construction on the Commission's existing 3.4-acre regional office site in Downtown Silver Spring. Silver Place is now constituted as a high profile public private partnership that is expected to deliver a new 170,000 square foot office facility for the Commission's Montgomery County operations.

**Providing a Valuable Resource to the Maryland General Assembly:** The Office of the General Counsel continued its role as the Commission's spear-head in the Maryland General Assembly. Working with appropriate staff assembled as the Commission's Legislative Management Team, the Legal Department either played a central role or monitored 88 local and statewide bills of potential interest to the Commission. For example, the Legal Department helped to craft complex legislation this year that enables funding for a new purchase of development rights program that is expected to preserve hundreds of acres of farmland in Prince George's County.

### **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 FY08, the Board continued to maintain its caseload on a current and timely basis.

### **Employees' Retirement System**

The Employees' Retirement System (ERS), administered by an 11-member Board of Trustees, in accordance with the Trust Agreement between the Board and the Commission, is a contributory defined benefit pension system with four plans, qualified under the Internal Revenue Code Section 401(a). The administrative operations are the responsibility of the ERS Staff and Board-appointed Administrator, who reports directly to the Chairman of the Board of Trustees.

The ERS obtained its latest determination letter on July 31, 2003, in which the Internal Revenue Service stated that the ERS is in compliance with the applicable requirements of the Internal Revenue Code and the related trust is tax exempt.

ERS Trust Fund assets closed the year with a fair market value in excess of \$578 million. The FY08 annualized rate of return on investments was -8.6%. The Board of Trustees actions for the year included terminating and replacing one international investment manager; terminating both an equity and fixed income manager; funding a new real estate manager; and continuous comprehensive communications to all members which included an Annual Report, an Annual Disclosure of Financial and Actuarial Status and conducting educational workshops for participants.

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# ♦ PART II A ♦

## FINANCIAL SECTION

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### Basic Financial Statements



The amphitheatre at Cabin John Regional Park hosts a variety of fun events, including plays and puppet shows.

## **Independent Auditor's Report**

The Maryland-National Capital  
Park and Planning Commission  
Riverdale, Maryland

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, 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, 2008, 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, 2008, and the respective changes in financial position and cash flows, where applicable, thereof, and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2008 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

*Clifton Gunderson LLP*

Baltimore, Maryland  
October 31, 2008



## 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, 2008.

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

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

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

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

### Financial Highlights

- The assets of the Commission exceeded its liabilities at June 30, 2008 by \$792.1 million (net assets). Of this amount, \$256.0 million may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$88.7 million during fiscal year 2008. This is largely a result of: \$40.0 million of capital grants and contributions; use of current revenues of \$31.7 million to purchase and construct capital assets and \$16.3 million to pay debt principal; growth in property tax revenues (\$24.8 million) in excess of anticipated, and savings in Governmental Activities expenses (\$7.2 million), offset by depreciation expense of \$19.6 million.
- In fiscal year 2008, the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. Because the Commission is phasing into full funding of the actuarially calculated contribution for these benefits, which contribution must be recorded as an expense, a liability of \$9.8 million has been recognized on the Commission's Statement of Net Assets, including \$.4 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2008, the Commission's governmental funds reported combined ending fund balances of \$252.1 million, an increase of \$51.7 million. Of this amount, \$46.6 million is reserved for contracts already issued (encumbrances) and \$69.6 million is designated for use in the fiscal year 2009 budget, for future facilities costs and as contingency reserves.

- The Commission's General Fund balance at June 30, 2008 was \$150.7 million, an increase of \$27.5 million during the year. The unreserved fund balance of \$129.1 million is approximately 42% of fiscal year 2008 expenditures and transfers out. Of this amount, \$59.5 million (19% of fiscal year 2008 expenditures and transfers out) is unreserved and undesignated.
- The Prince George's County Capital Projects Fund balance at June 30, 2008 was \$88.0 million, an increase of \$29.1 million. The unreserved fund balance of \$74.3 million has grown through a combination of unspent bond proceeds of \$14.7 million, and major pay-as-you-go funding, which was \$31.4 million in fiscal year 2008.
- The Montgomery County Capital Projects Fund balance at June 30, 2008 was \$5.6 million, a decrease of \$1.7 million. The unreserved fund balance deficit of \$4.9 million results from a combination of a delayed bond sale, and reserves for encumbrances for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The assets of the enterprise funds exceeded liabilities by \$82.2 million, a decrease of \$3.2 million. The Prince George's Enterprise Fund had a loss of \$2.3 million and the Montgomery Enterprise Fund had a loss of \$.9 million.
- The Commission's bonds and notes payable decreased by \$16.0 million as no new debt was issued (other than a current refunding), and principal payments were made as scheduled.

### Overview of the Financial Statements

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

### Organization and Flow of Financial Section Information

<p><b>Independent Auditors' Report</b></p> <p><i>Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.</i></p>	
<p><b>Management's Discussion and Analysis</b></p> <p><i>This supplementary information is required for state and local government financial statements, and is intended to provide a narrative introduction, overview, and analysis.</i></p>	
<p><b>Government-Wide Financial Statements</b></p> <p><i>Provides information on governmental and business-type activities of the Commission.</i></p> <p><b>Exhibits 1 and 2.</b></p>	<p><b>Fund Financial Statements</b></p> <p><i>Provides information on the financial position of specific funds of the Commission.</i></p> <p><b>Exhibits 3 to 11.</b></p>
<p><b>Notes to Financial Statements</b></p> <p><i>Provides a summary of significant accounting policies and related disclosures.</i></p> <p><b>Following Exhibit 11.</b></p>	

**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, 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 Capital Equipment, Executive Office Building, Employee Benefits, and Risk Management, and Commission-wide Initiatives. As these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each county's Recreational and Cultural Facilities, both of which are considered to be major funds of the Commission. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements, Schedules 7 - 9 in the Combining and Individual Statements Section of this report.

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

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

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

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

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

### **Government-wide Financial Analysis**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$792.1 million at the close of the most recent fiscal year.

A summary of the Commission's net assets follows:

Summary of Net Assets (millions) June 30, 2008 and 2007							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2007-2008
	2008	2007	2008	2007	2008	2007	
<u>Assets</u>							
Current and Other Assets	\$ 343.6	\$ 278.2	\$ 6.5	\$ 6.8	\$ 350.1	\$ 285.0	22.8%
Capital Assets	570.1	539.5	84.9	88.0	655.0	627.5	4.4%
Total Assets	913.7	817.7	91.4	94.8	1,005.1	912.5	10.1%
<u>Liabilities</u>							
Current Portion of Long-term							
Liabilities	29.4	28.5	1.4	1.4	30.8	29.9	3.0%
Long-term Liabilities	141.9	145.8	5.6	6.2	147.5	152.0	-3.0%
Other Liabilities	32.5	25.5	2.2	1.8	34.7	27.3	27.1%
Total Liabilities	203.8	199.8	9.2	9.4	213.0	209.2	1.8%
<u>Net Assets</u>							
Invested in Capital Assets,							
Net of Related Debt	456.8	416.1	79.4	81.5	536.2	497.6	7.8%
Unrestricted	253.1	201.8	2.8	3.9	255.9	205.7	24.4%
Total Net Assets	\$ 709.9	\$ 617.9	\$ 82.2	\$ 85.4	\$ 792.1	\$ 703.3	12.6%

Current and other assets increased by 22.8%, primarily an increase in cash and investments resulting from the positive operating results this year and the current revenues dedicated to construction and acquisition that are unspent. Changes in other liabilities were primarily a result of increases in accrued payroll amounts, which increased significantly due to a Commission-wide effort to fill vacant positions during fiscal year 2008. Changes in net assets are discussed later.

By far the largest portion of the Commission's net assets of \$536.1 million 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 are still outstanding. The Commission uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Commission's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of \$255.9 million of net assets is unrestricted and may be used to meet the Commission's ongoing obligations to citizens and creditors. Changes in this balance are discussed later.

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

A summary of changes in net assets follows:

Summary of Changes in Net Assets (in millions)  
For the Fiscal Years Ended June 30, 2008 and 2007

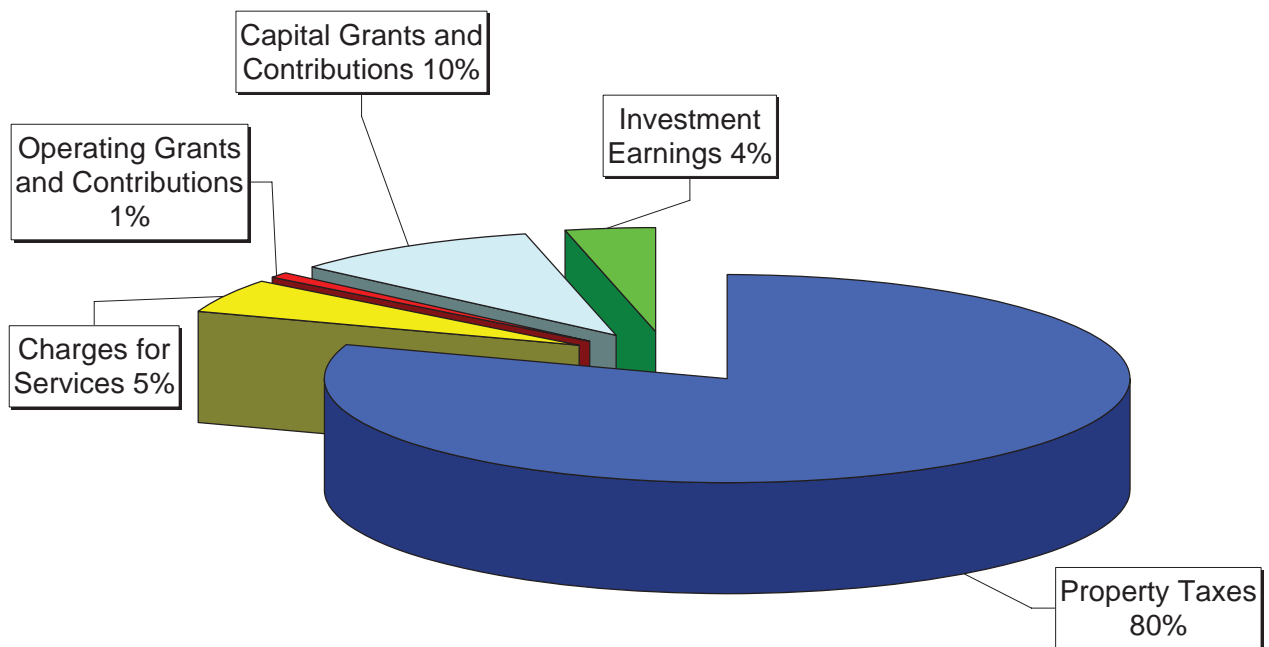
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2007-2008
	2008	2007	2008	2007	2008	2007	
Program Revenues:							
Charges for Services	\$ 21.0	\$ 23.3	\$ 18.0	\$ 19.3	\$ 39.0	\$ 42.6	-8.5%
Operating Grants and Contributions	3.0	2.3	0.1	0.1	3.1	2.4	29.2%
Capital Grants and Contributions	40.0	23.2	-	0.3	40.0	23.5	70.2%
General Revenues:							
Property Taxes	313.8	272.9	-	-	313.8	272.9	15.0%
Investment Earnings	13.6	13.4	0.3	0.3	13.9	13.7	1.5%
Total Revenues	391.4	335.1	18.4	20.0	409.8	355.1	15.4%
Expenses:							
General Government	17.4	15.1	-	-	17.4	15.1	15.2%
County Planning and Zoning	48.6	39.1	-	-	48.6	39.1	24.3%
Park Operations and Maintenance	165.8	146.0	-	-	165.8	146.0	13.6%
Recreation Programs	52.7	46.9	-	-	52.7	46.9	12.4%
Recreational and Cultural Facilities	-	-	30.3	28.5	30.3	28.5	6.3%
Interest on Long-term Debt	5.9	5.7	0.3	0.3	6.2	6.0	3.3%
Total Expenses	290.4	252.8	30.6	28.8	321.0	281.6	14.0%
Increase (Decrease) in Net Assets Before Transfers	101.0	82.3	(12.2)	(8.8)	88.8	73.5	20.8%
Transfers	(9.0)	(7.8)	9.0	7.8	-	-	
Increase (Decrease) in Net Assets	92.0	74.5	(3.2)	(1.0)	88.8	73.5	
Net Assets - beginning	617.9	543.4	85.4	86.4	703.3	629.8	
Net Assets - ending	<u>\$ 709.9</u>	<u>\$ 617.9</u>	<u>\$ 82.2</u>	<u>\$ 85.4</u>	<u>\$ 792.1</u>	<u>\$ 703.3</u>	

During the current fiscal year the Commission's net assets increased by \$88.8 million. This is largely a result of: \$40.0 million of capital grants and contributions; use of current revenues of \$31.7 million for the purchase and construction of capital assets and \$16.3 million to pay debt principal; growth in property tax revenues (\$24.8 million) in excess of anticipated, and savings in Governmental Activities expenses (\$7.2 million), offset by depreciation expense of \$19.6 million.

Investment earnings were higher despite interest rates falling during the year as larger balances were available for investment. Charges for services decreased as general economic conditions resulted in less development activity, thus reducing revenues from General Planning and Zoning Activities.

**Governmental activities.** Governmental activities increased the Commission's net assets by \$92.0 million, thereby accounting for 103% of the total growth in the net assets of the Commission. This increase is primarily attributable to capital grants receipts of \$40.0 million, added to an excess of ongoing revenues over ongoing expenses of \$61.0 million, which were offset by the transfers to business-type activities of \$9.0 million.

### Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 80% of Commission governmental revenues. Investment earnings increased due to larger investment balances.

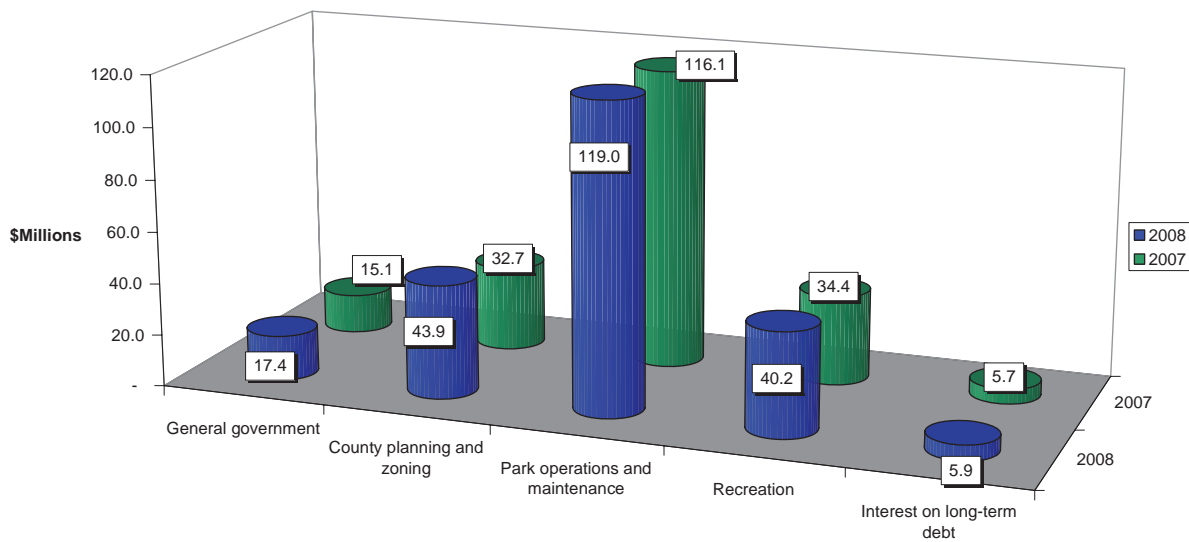
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 8.2% of governmental activities expenses.

County Planning and Zoning Programs costs increased 24.3% largely due to an increase in staff due to filling a significant number of vacancies. plus normal personnel cost increases. The net cost increased by 34.3% as charges for services were lower than in the prior year, as previously discussed. Park Operations and Maintenance costs rose significantly due to the increased personnel costs and the significant utility rate cost increases incurred; significant increase in intergovernmental construction contributions resulted in reducing the impact of these cost increases on net costs. Recreation Programs total costs and net costs increased 12.3% and 16.8%, respectively, due to the personnel costs associated with filling vacant positions, as well as some significant maintenance required at several community centers, while revenues remained at the same level.

### Net Cost of Governmental Activities (000's) For the Fiscal Years Ended June 30, 2008 and 2007

	2008		2007		Percentage Change 2007 - 2008	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 17,398	\$ 17,398	\$ 15,063	\$ 15,063	15.5%	15.5%
County Planning and Zoning	48,650	43,912	39,150	32,697	24.3%	34.3%
Park Operations and Maintenance	165,753	118,969	145,957	116,074	13.6%	2.5%
Recreation Programs	52,689	40,236	46,908	34,463	12.3%	16.8%
Interest on Long-term Debt	5,902	5,902	5,694	5,694	3.7%	3.7%
Total	<u>\$ 290,392</u>	<u>\$ 226,417</u>	<u>\$ 252,772</u>	<u>\$ 203,991</u>	<u>14.9%</u>	<u>11.0%</u>

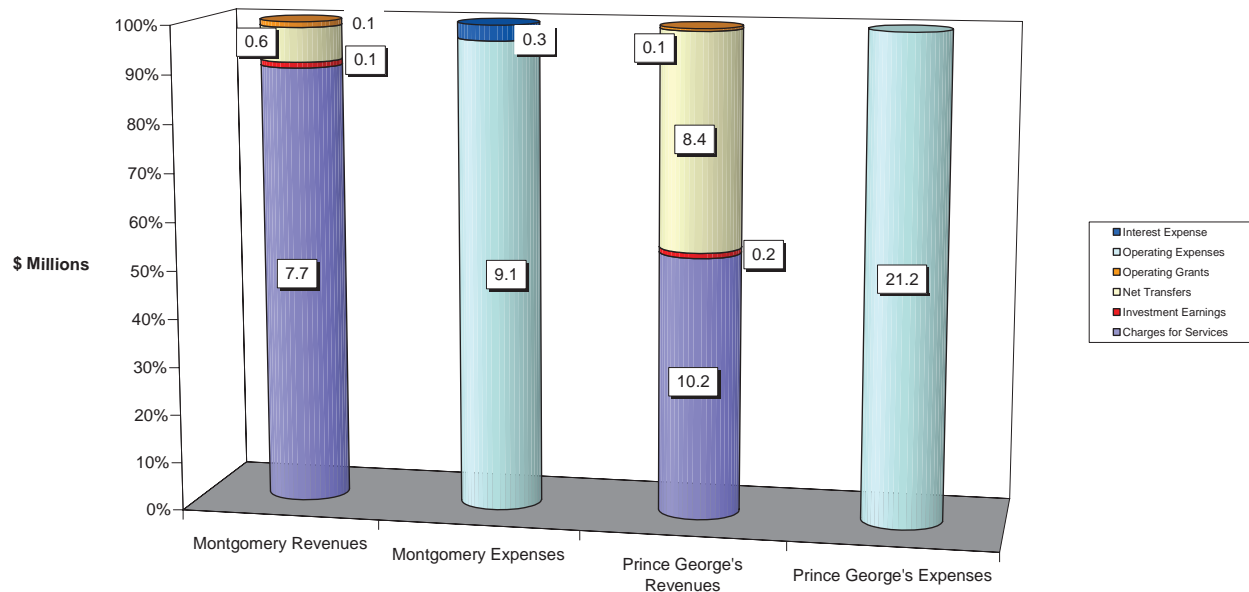
### Net Cost by Function - General Government



**Business-type Activities.** Business-type activities expenses in excess of revenues led to a decrease in the Commission's net assets by \$3.2 million.

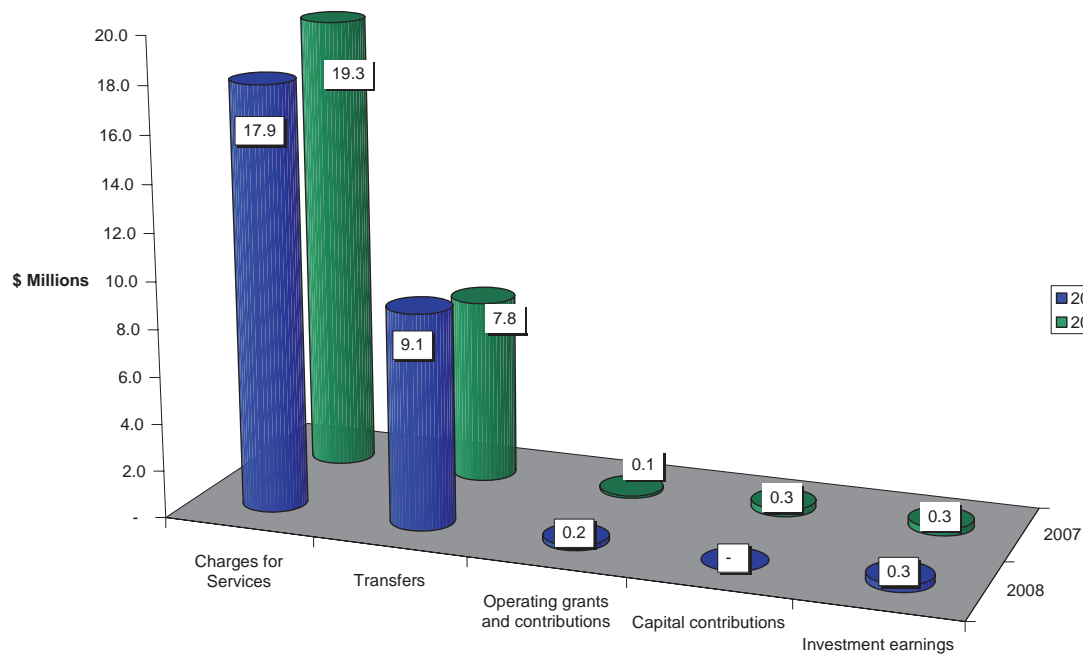
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$12.2 million.
- Governmental activities contributed \$9.0 million to support the enterprise activities. The support is primarily \$8.4 million of operating support for the Prince George's County business-type activities.

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



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

### Revenues by Source - Business-type Activities



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

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

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

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

As of the end of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$252.1 million, an increase of \$51.7 million in comparison with the prior year. Approximately 54% of this total amount, or \$135.9 million, constitutes unreserved and undesignated fund balance, which is available for spending in future years, with \$69.4 million of this balance in the capital project funds. The remaining fund balances are reserved to indicate that they are not available for new spending as \$46.6 million has been committed for contracts and purchase orders, and \$69.6 million is designated to fund fiscal year 2009 expenditures, to provide funding for future facilities and to 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 \$59.5 million, while total fund balance was \$150.7 million. 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 19% of the total general fund expenditures and transfers out, while total fund balance represents 49% of the same amount.

The fund balance of the Commission's General Fund increased by \$27.5 million during the current fiscal year. Key factors that generated this increase are as follows:

- Property taxes were \$24.8 million greater than anticipated, primarily due to increases in the assessable base.
- Interest revenues were \$2.2 million more than anticipated in the general fund, and \$1.8 million more than anticipated in the capital project funds (which are ultimately transferred to the general fund), as cash balances were higher than projected.
- A reduction of \$11.2 million was planned in the final budget for fiscal year 2008.
- A control of expenditures generated \$7.2 million savings to provide funding for future years' budgets.
- Reserves for encumbrances were \$2.6 million higher than in the prior year, representing additional fund balance increases.

The capital project funds for Montgomery and Prince George's counties have total fund balances of \$5.6 million and \$88.0 million, 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 were decreases of \$1.7 million in Montgomery County, and an increase of \$29.2 million in Prince George's County primarily due to the \$31.4 million in pay-as-you-go funding in Prince George's County, and construction grants realized of \$17.6 million in Montgomery County and \$18.8 million in Prince George's County, compared to expenditures of \$19.4 million in Montgomery County and \$21.4 million in Prince George's County.

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

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

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

Unrestricted net assets of the Montgomery County fund at the end of the year amounted to \$.9 million and those for the Prince George's County fund amounted to \$1.8 million. The total changes in net assets for the funds were decreases of \$.9 million and \$2.3 million, respectively.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2008 and 2007				
	Montgomery County		Prince George's County	
	FY2008	FY2007	FY2008	FY2007
Operating Revenues	\$ 7,847	\$ 9,294	\$ 10,231	\$ 10,139
Operating Expenses, Excluding Depreciation	7,746	7,925	18,932	16,872
Operating Income (Loss), Excluding Depreciation	101	1,369	(8,701)	(6,733)
Depreciation	1,363	1,383	2,266	2,336
Operating Income (Loss)	(1,262)	(14)	(10,967)	(9,069)
Nonoperating Revenue (Expense)	(218)	(235)	194	209
Contribution from General Government Assets	-	-	-	273
Transfers	619	405	8,445	7,349
Change in Net Assets	<u>\$ (861)</u>	<u>\$ 156</u>	<u>\$ (2,328)</u>	<u>\$ (1,238)</u>

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2008 and 2007						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2008	FY2007	Change	FY2008	FY2007	Change
Conference Centers	\$ 315	\$ 431	\$ (116)	\$ (257)	\$ (119)	\$ (138)
Golf Courses	358	337	21	133	233	(100)
Ice Rinks	3,612	4,309	(697)	35	276	(241)
Indoor Tennis	728	1,229	(501)	(180)	123	(303)
Park Facilities	2,834	2,988	(154)	370	856	(486)
Total	<u>\$ 7,847</u>	<u>\$ 9,294</u>	<u>\$ (1,447)</u>	<u>\$ 101</u>	<u>\$ 1,369</u>	<u>\$ (1,268)</u>

The Montgomery County Enterprise Fund revenues decreased by \$1,447,000, and operating income, excluding depreciation, decreased by \$1,268,000. Both indoor tennis facilities were closed for significant periods during the year for refurbishing, thus reducing revenues. At the same time, expenses were reduced during these periods, so the operating income losses were less significant. A significant portion of the revenue reduction in Ice Rinks related to a change in the relationship with instructors at those facilities, as instructors now collect the fees and the Commission revenue is a share of the fee. Previously the Commission collected full instruction fees and paid instructor fees. The warm weather over the past year also caused reductions in the use of the indoor facilities. Park facilities incurred significant repair costs and personnel costs in expanding its Camps and Programs function.

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

Prince George's County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2008 and 2007						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2008	FY2007	Change	FY2008	FY2007	Change
Airport	\$ 323	\$ 447	\$ (124)	\$ (90)	\$ 132	\$ (222)
Equestrian Center/Arena	1,729	1,806	(77)	(2,154)	(1,880)	(274)
Golf Courses	2,534	2,382	152	(924)	(716)	(208)
Ice Rinks	533	588	(55)	(741)	(576)	(165)
Tennis Bubbles	342	322	20	(157)	(5)	(152)
Trap and Skeet Center	1,331	1,219	112	(118)	(96)	(22)
Sports and Learning Complex	3,387	3,309	78	(3,878)	(3,335)	(543)
Bladensburg Marina	52	66	(14)	(639)	(257)	(382)
Total	<u>\$ 10,231</u>	<u>\$ 10,139</u>	<u>\$ 92</u>	<u>\$ (8,701)</u>	<u>\$ (6,733)</u>	<u>\$ (1,968)</u>

The Prince George's County Enterprise Fund revenues increased by \$92,000 and the operating loss, excluding depreciation, increased by \$1,968,000. The major changes occurred in the Equestrian Center, the Sports and Learning Complex, and the Bladensburg Marina. Revenues remained fairly stable at all three of these facilities. However, expenses increased overall, primarily due to increased compensation costs and energy costs, resulting in greater losses than in 2007. The marina had significant costs for dredging this year, resulting in a significant operating loss increase. By policy the fee structures at all facilities are designed for maximum participation with General Fund support.

### General Fund Budgetary Highlights

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

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

Montgomery County Budget to Actual Variances (000's) For the Year Ended June 30, 2008		
	Administration Account	Park Account
Favorable property tax collections	\$ 298.2	\$ 711.1
Unfavorable charges for services	(120.3)	(32.6)
Favorable (unfavorable) intergovernmental revenue	58.4	(277.2)
Favorable (unfavorable) investment revenue	(6.4)	60.6
Favorable (unfavorable) other revenue	(136.4)	49.7
Total favorable revenue variance	<u>93.5</u>	<u>511.6</u>
Expenditure savings	713.9	1,646.5
Favorable other financing sources (uses)	-	86.2
Total favorable budgetary variance	<u>\$ 807.4</u>	<u>\$ 2,244.3</u>

Property tax collections were about 1% above budget due to increased assessments. Investment revenue was favorable in the Park Account primarily due to higher cash balances than anticipated. Charges for services were unfavorable in both accounts, primarily due to the economic slowdown, especially with respect to development fees in the Administration Account. Favorable other revenue in the Park Account was primarily the result of fines and advertising revenues, while the Administration Account collected fewer fines and penalties than expected. Unfavorable intergovernmental revenues in the Park Account are offset by expenditure savings. The rest of the

expenditure savings were primarily the result of managing operations to generate a two percent savings, as requested by Montgomery County Government. This savings, intended to assist in funding the fiscal year 2010 budget, was generated by freezing positions and non-departmental savings from liquidation of prior year encumbrances of \$40,800 in the Administration Account and \$93,000 in the Park Account. The favorable other financing uses in the Park Account primarily results from a lower transfer to the Debt Service Fund, due to a lower interest rate on a bond sale late in fiscal 2007.

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

Montgomery County Budgetary Fund Balances June 30, 2008		
	Administration Account	Park Account
Prior year fund balance		
Designated for Contingencies	\$ 801.0	\$ 1,964.3
Undesignated	1,290.1	5,276.5
Planned growth in fund balance	-	1,419.5
Budget adjustment in mid-year	(749.0)	(202.0)
Favorable budget variance	807.4	2,244.3
Total ending fund balance, budget basis	<u>\$ 2,149.5</u>	<u>\$10,702.6</u>
Fund balance, budget basis		
Designated for Subsequent Years	\$ 239.4	\$ 4,790.6
Designated for Contingencies	823.9	2,386.0
Undesignated	1,086.2	3,526.0
Total Budgetary Fund Balance	<u>\$ 2,149.5</u>	<u>\$10,702.6</u>

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

Prince George's County Budget to Actual Variances (000's) For the Year Ended June 30, 2008			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 4,066.5	\$ 14,418.0	\$ 5,280.5
Unfavorable charges for services	(846.7)	(29.9)	(119.7)
Favorable intergovernmental revenue	0.8	10.0	-
Favorable investment revenue	401.9	946.0	814.0
Favorable (unfavorable) other revenue	17.5	(82.0)	3.3
Total favorable revenue variance	<u>3,640.0</u>	<u>15,262.1</u>	<u>5,978.1</u>
Expenditure savings	2,652.2	840.2	1,371.4
Favorable other financing sources	-	3,417.5	-
Total favorable budgetary variance	<u>\$ 6,292.2</u>	<u>\$ 19,519.8</u>	<u>\$ 7,349.5</u>

Property tax collections were above budget primarily because the assessable base growth was higher than anticipated in the budget. Charges for services were down significantly in the Administration Account as a result of the economic slowdown which impacted fees collected for subdivisions, zoning and urban design applications. Investment revenue was favorable in all accounts primarily due to higher than anticipated cash balances. Other revenues in the Park Account were less than anticipated primarily due to an accounting change with respect to insurance reimbursements. The expenditure savings were primarily the result of turnover of personnel in all the Accounts and non-departmental savings from liquidation of prior year encumbrances of \$34,200 in the Administration Account, \$105,000 in the Park Account and \$219,000 in the Recreation Account. Other financing sources were favorable due to interest on cash balances in the capital projects fund far exceeding expectations

(this income is transferred to the Park Account), and the savings from budgeted debt service generated by the auction rate bonds in the first half of the fiscal year, and the fixed rate bonds that refunded them at the end of the year.

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

Prince George's County Budgetary Fund Balances (000's)			
June 30, 2008			
	Administration Account	Park Account	Recreation Account
Prior year fund balance			
Designated for Contingencies	\$ 1,547.6	\$ 4,551.8	\$ 2,320.0
Designated for Future Facilities	\$ -	\$ 3,683.5	\$ -
Undesignated	10,818.8	36,322.9	21,555.5
Planned growth in fund balance	-	-	2,262.7
Favorable budget variance	6,292.2	19,519.8	7,349.5
Total ending fund balance, budget basis	<u>\$ 18,658.6</u>	<u>\$ 64,078.0</u>	<u>\$ 33,487.7</u>
Fund balance, budget basis			
Designated for Subsequent Years	\$ 14,336.6	\$ 18,929.1	\$ 6,056.0
Designated for Contingencies	2,829.9	5,643.2	3,679.7
Designated for Future Facilities	-	2,550.0	7,315.0
Undesignated	1,492.1	36,955.7	16,437.0
Total Budgetary Fund Balance	<u>\$ 18,658.6</u>	<u>\$ 64,078.0</u>	<u>\$ 33,487.7</u>

### Capital Asset and Debt Administration

**Capital assets.** The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounts to \$655.0 million (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 4.4% (a 5.6% increase for governmental activities and a 3.6% decrease for business-type activities). The most significant increases are from land acquisitions, construction of community centers, renovation of a dam in a regional park, and trail construction. The only significant capital asset changes in business-type activities consist of depreciation of existing assets.

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 2008, projects totaling \$4.1 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are Winding Creek Park Improvements, Olney Manor Skateboard Park, and Thomas Seabrook Neighborhood Park Improvements.

Expenditures on Montgomery County projects totaled \$19.4 million in fiscal year 2008, of which \$5.4 million was for acquisition and \$14.0 million was for development. Land acquisition included \$3.3 million for land for the Cross Creek Local Park and \$1.6 million for land for the Hillandale Local Park. The largest projects were construction of the Ovid Hazen Wells Recreation Park, with construction cost to date of \$3.0 million, of which \$.4 million was in fiscal year 2008, Lake Needwood Dam Renovation, with construction costs of \$3.0 million, of which \$2.0 million was in fiscal year 2008, Matthew Henson Trail, with construction cost to date of \$2.4 million, of which \$1.7 million was in fiscal year 2008. In addition, expenditures totaling \$4.9 million were spent on 25 projects for routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$21.4 million in fiscal year 2008, of which \$4.6 million was for acquisition and \$16.8 million was for development. Land acquisition included \$4.2 million for Cobblestone Ridge land, part of the Stream Valley Park acquisition initiative. Major park development expenditures include the Vansville Community Center with construction cost to date of \$2.9 million, all of which was in fiscal year 2008, Fort Washington Forrest Community Park School (community center) with construction cost to date of \$3.4 million, of which \$1.6 million was in fiscal year 2008, North Forrestville Community Park School (community center) with construction cost to date of \$2.8 million, of which \$1.6 million was in fiscal year 2008, and the Prince George's Sports and Learning Center improvements, with construction cost to date of \$1.6 million, of which \$1.2 million was in fiscal year 2008. In addition, expenditures totaling \$0.8 million were spent on 10 other community center projects.

### Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2008 and 2007							
	June 30, 2008			June 30, 2007			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 292,725	\$ 19,364	\$ 312,089	\$ 279,508	\$ 19,364	\$ 298,872	4.4%
Buildings and improvements	88,776	63,482	152,258	92,685	66,727	159,412	-4.5%
Infrastructure	117,492	-	117,492	120,580	-	120,580	-2.6%
Machinery and equipment	20,185	1,868	22,053	18,792	1,919	20,711	6.5%
Construction in progress	50,914	172	51,086	27,971	28	27,999	82.5%
Total	<u>\$ 570,092</u>	<u>\$ 84,886</u>	<u>\$ 654,978</u>	<u>\$ 539,536</u>	<u>\$ 88,038</u>	<u>\$ 627,574</u>	<u>4.4%</u>

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

**Long-term debt.** Debt Service Funds are used to account for the payments on the Commission's general obligation debt, which includes Park Acquisition and Development Bonds (Park Bonds) and Advance Land Acquisition Bonds (ALA Bonds). The outstanding issues totaling \$129.8 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$18.6 million (Montgomery - \$4.5 million; Prince George's - \$14.1 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$125.2 million (Montgomery County - \$29.5 million and Prince George's County - \$95.7 million) at June 30, 2008. Park Bonds debt service expenditures totaled \$17.5 million (Montgomery - \$3.8 million, Prince George's - \$13.7 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.29 cents per \$100 of assessed valuation for real property and .73 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.84 cents per \$100 of assessed valuation for real property and 4.58 cents per \$100 of assessed valuation for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for park operation and maintenance expenditures in the respective counties.

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

Commission General Obligation Bond Ratings June 30, 2008			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aa1	AAA	AA+

The Commission's Montgomery County revenue bonds and revenue notes payable totaled \$5.6 million at June 30, 2008. The bonds and notes have a reported value of \$5.5 million, after considering the \$0.1 million of

unamortized discount and 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 \$1.4 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2008, and the related debt service requirements are set forth in the Notes to the Financial Statements.

On April 10, 2008, the Commission issued \$17,300,000 of Prince George's County Park Acquisition and Development General Obligation Refunding Bonds, Series KK-2. The bonds provided the resources to retire on that date the outstanding principle of \$17,300,000 of Prince George's County Park Acquisition and Development General Obligation Project Bonds, Series AA-2, which were auction rate notes. Semiannual payments of interest and annual principal payments are due until May 1, 2018, at a net interest cost of 3.2004%.

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2008 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2008 and 2007							
	Governmental Activities		Business-type Activities		Total		Change
	2008	2007	2008	2007	2008	2007	
General obligation bonds	\$ 128,029	\$ 140,845	\$ -	\$ -	\$ 128,029	\$ 140,845	-9.1%
Revenue bonds and notes	-	-	5,502	6,555	5,502	6,555	-16.1%
Notes payable	4,960	7,065	-	27	4,960	7,092	-30.1%
Total	<u>\$ 132,989</u>	<u>\$ 147,910</u>	<u>\$ 5,502</u>	<u>\$ 6,582</u>	<u>\$ 138,491</u>	<u>\$ 154,492</u>	<u>-10.4%</u>

Montgomery County Outstanding Debt June 30, 2008 and 2007							
	Governmental Activities		Business-type Activities		Total		Change
	2008	2007	2008	2007	2008	2007	
General obligation bonds	\$ 32,770	\$ 35,814	\$ -	\$ -	\$ 32,770	\$ 35,814	-8.5%
Revenue bonds and notes	-	-	5,502	6,555	5,502	6,555	-16.1%
Notes payable	3,522	5,259	-	27	3,522	5,286	-33.4%
Total	<u>\$ 36,292</u>	<u>\$ 41,073</u>	<u>\$ 5,502</u>	<u>\$ 6,582</u>	<u>\$ 41,794</u>	<u>\$ 47,655</u>	<u>-12.3%</u>

Prince George's County Outstanding Debt June 30, 2008 and 2007							
	Governmental Activities		Business-type Activities		Total		Change
	2008	2007	2008	2007	2008	2007	
General obligation bonds	\$ 95,259	\$ 105,031	\$ -	\$ -	\$ 95,259	\$ 105,031	-9.3%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	1,438	1,806	-	-	1,438	1,806	-20.4%
Total	<u>\$ 96,697</u>	<u>\$ 106,837</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,697</u>	<u>\$ 106,837</u>	<u>-9.5%</u>

The Commission's total debt decreased by \$16.0 million (10.4%) during the current fiscal year, as no new debt was issued (other than a current refunding), and principal payments were made as scheduled.

State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,382.2 million of debt service for Montgomery County and \$776.3 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$38.0 million and \$119.8 million, respectively, over the 30 year period.

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

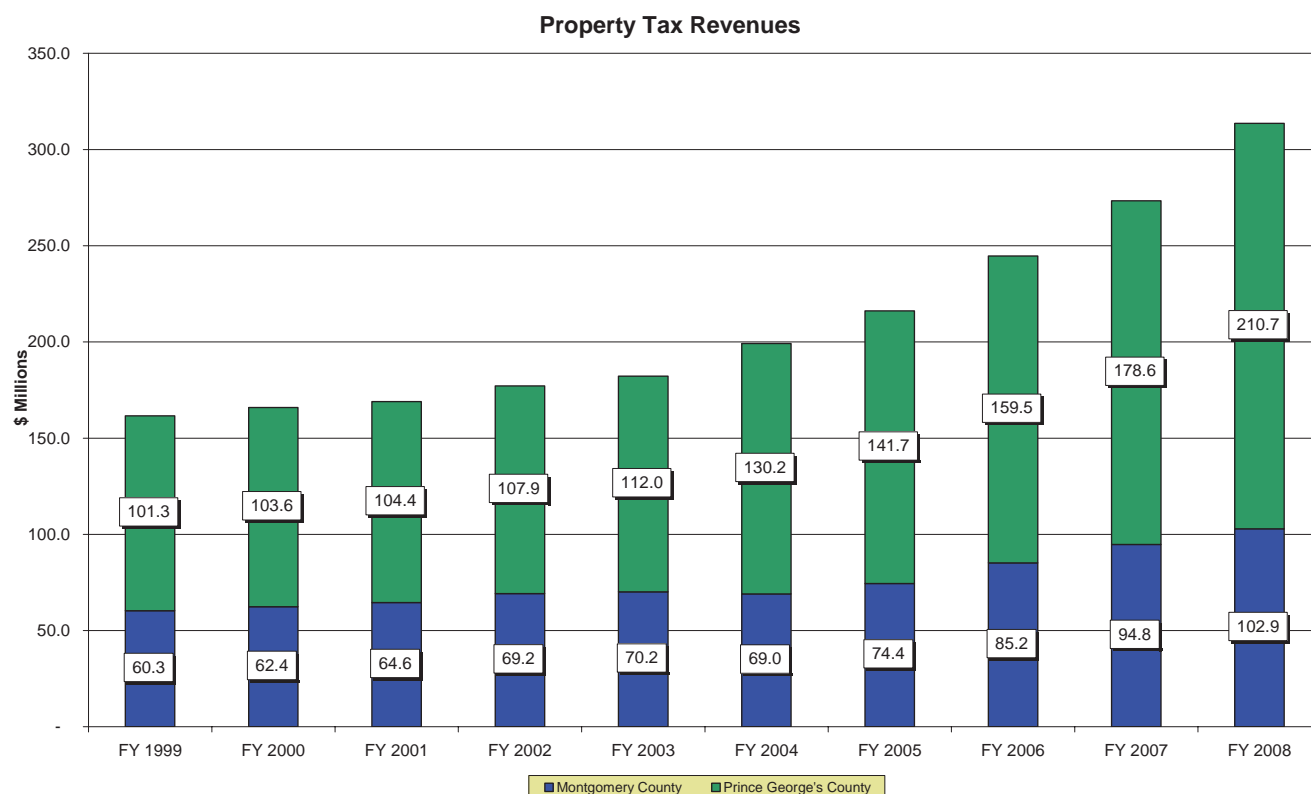
## Economic Factors and Next Year's Budgets and Rates

The Commission's strong financial position and stable future outlook are supported by the stability of its major revenue source property taxes, increases in the assessable base, healthy fund balances and prudent fiscal oversight.

The Commission's major funding source, property taxes, constituted approximately 80% of the Commission's Governmental Funds revenues in fiscal year 2008. The assessed value of all taxable property increased, resulting in significant growth in property tax revenues in fiscal year 2008 from \$273.4 million to \$313.6 million (14.7%).

Assessable base in both counties has experienced strong growth in the past few years. Due to the economic slow down, we expect the growth rate to become more moderate. One-third of the property is inspected and revalued by the State Department of Assessments and Taxation each year so that all real property is inspected and revalued once every three years. The three-year cycle results in a smoothing effect on property tax revenues in times of slowing growth, which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable.

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



At year-end, the Commission had a budget basis fund balance in the General Fund of \$129.1 million. Of this amount, \$44.3 million is designated to fund fiscal year 2009, \$15.4 million is designated for unforeseen circumstances, \$9.9 million is designated to fund the operating maintenance and debt service costs of future Prince George's County facilities and programs, and \$59.5 million is uncommitted as of June 30, 2008. Of the uncommitted portion, \$54.9 million is from Prince George's County operations and will be utilized in future years to maintain a stable tax rate in accordance with its long-term fiscal plan.

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

unchanged in fiscal year 2009 for the Administrative Account, but decreased slightly for the Park Account. The Commission's total Prince George's County real and personal property tax rates remained the same for fiscal year 2009.

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

### **Requests for Information**

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



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

**Exhibit 1**

**Statement of Net Assets  
June 30, 2008**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 311,986,306	\$ 4,514,734	\$ 316,501,040
Receivables - Taxes	3,430,705	-	3,430,705
Receivables - Other	73,792	91,478	165,270
Due from County Governments	2,887,668	720,000	3,607,668
Due from Other Governments	5,402,603	102,906	5,505,509
Inventories	-	1,014,450	1,014,450
Deposits and Other	160,719	-	160,719
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	19,664,784	-	19,664,784
Capital Assets:			
Land and Construction in Progress	343,638,541	19,535,763	363,174,304
Other Capital Assets, Net of Accumulated Depreciation	226,453,577	65,350,357	291,803,934
Total Assets	<u>913,698,695</u>	<u>91,329,688</u>	<u>1,005,028,383</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	24,765,104	1,164,606	25,929,710
Accrued Interest Payable	1,678,713	38,915	1,717,628
Due to Other Governments	443,105	-	443,105
Deposits and Unearned Revenue	5,603,281	1,020,413	6,623,694
Claims Payable:			
Due within One Year	4,720,202	-	4,720,202
Due in more than One Year	7,180,851	-	7,180,851
Compensated Absences:			
Due within One Year	9,433,853	272,625	9,706,478
Due in more than One Year	7,610,647	739,396	8,350,043
Bonds and Notes Payable:			
Due within One Year	15,254,562	1,107,223	16,361,785
Due in more than One Year	117,734,671	4,394,570	122,129,241
Net Other Post Employment Benefit Obligations			
Due in more than One Year	9,376,958	443,906	9,820,864
Total Liabilities	<u>203,801,947</u>	<u>9,181,654</u>	<u>212,983,601</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	456,767,669	79,384,327	536,151,996
Unrestricted	253,129,079	2,763,707	255,892,786
Total Net Assets	<u>\$ 709,896,748</u>	<u>\$ 82,148,034</u>	<u>\$ 792,044,782</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, 2008

Functions/Programs	Expenses	Program Revenues			Governmental Activities	Business-type Activities	Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions			
Governmental Activities:							
General Government	\$ 17,397,550	\$ -	\$ -	\$ -	\$ (17,397,550)	\$ -	\$ (17,397,550)
County Planning and Zoning	48,649,825	3,612,794	1,124,883	-	(43,912,148)	-	(43,912,148)
Park Operations and Maintenance	165,753,521	5,473,310	1,272,686	40,038,962	(118,968,563)	-	(118,968,563)
Recreation Programs	52,688,859	11,916,298	536,073	-	(40,236,488)	-	(40,236,488)
Interest on Long-term Debt	5,902,190	-	-	-	(5,902,190)	-	(5,902,190)
Total Governmental Activities	290,391,945	21,002,402	2,933,642	40,038,962	(226,416,939)	-	(226,416,939)
Business-type Activities:							
Recreational and Cultural Facilities	30,626,723	17,926,991	151,636	-	-	(12,548,096)	(12,548,096)
Total Business-type Activities	30,626,723	17,926,991	151,636	-	-	(12,548,096)	(12,548,096)
Total Government	\$ 321,018,668	\$ 38,929,393	\$ 3,085,278	\$ 40,038,962	(226,416,939)	(12,548,096)	(238,965,035)
General Revenues:							
Property Taxes					313,813,140	-	313,813,140
Unrestricted Investment Earnings					13,601,237	294,855	13,896,092
Transfers					(9,064,100)	9,064,100	-
Net General Revenues and Transfers					318,350,277	9,358,955	327,709,232
Change in Net Assets					91,933,338	(3,189,141)	88,744,197
Net Assets - Beginning					617,963,410	85,337,175	703,300,585
Net Assets - Ending					\$ 709,896,748	\$ 82,148,034	\$ 792,044,782

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, 2008**

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 169,704,217	\$ 2,335,105	\$ 75,575,332	\$ 8,308,995	\$ 255,923,649
Receivables - Taxes (net of allowance for uncollectibles)	3,419,098	-	-	11,607	3,430,705
Receivables - Other (net of allowance for uncollectibles)	44,385	-	-	13,737	58,122
Due from Other Funds	-	18,868	-	-	18,868
Due from County Governments	31,115	2,395,998	-	342,589	2,769,702
Due from Other Governments	210,854	1,933,040	3,234,709	24,000	5,402,603
Restricted Cash - Unspent Debt Proceeds	-	1,487,089	14,653,514	-	16,140,603
Other	44,015	-	-	-	44,015
<b>Total Assets</b>	<b>\$ 173,453,684</b>	<b>\$ 8,170,100</b>	<b>\$ 93,463,555</b>	<b>\$ 8,700,928</b>	<b>\$ 283,788,267</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 8,376,370	\$ 1,109,857	\$ 4,803,097	\$ 230,169	\$ 14,519,493
Accrued Liabilities	8,397,554	-	-	61,745	8,459,299
Retainage Payable	-	622,444	658,156	-	1,280,600
Due to County Governments	60	-	-	35	95
Deposits and Deferred Revenue	5,984,579	875,000	-	560,316	7,419,895
<b>Total Liabilities</b>	<b>22,758,563</b>	<b>2,607,301</b>	<b>5,461,253</b>	<b>852,265</b>	<b>31,679,382</b>
<b>Fund Balances:</b>					
Reserved for Encumbrances	21,618,725	10,486,991	13,670,878	844,270	46,620,864
Reserved for Debt Service	-	-	-	11,607	11,607
Unreserved, Designated for Contingencies	15,362,700	-	-	-	15,362,700
Unreserved, Designated for Subsequent Years	44,351,700	-	-	-	44,351,700
Unreserved, Designated for Future Facilities	9,865,000	-	-	-	9,865,000
Unreserved, Undesignated, Reported in:					
General Fund	59,496,996	-	-	-	59,496,996
Special Revenue Fund	-	-	-	6,992,786	6,992,786
Capital Projects Fund	-	(4,924,192)	74,331,424	-	69,407,232
<b>Total Fund Balances</b>	<b>150,695,121</b>	<b>5,562,799</b>	<b>88,002,302</b>	<b>7,848,663</b>	<b>252,108,885</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 173,453,684</b>	<b>\$ 8,170,100</b>	<b>\$ 93,463,555</b>	<b>\$ 8,700,928</b>	

Amounts reported for governmental activities in the statement of net assets

are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	560,984,707
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.	34,093,648
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.	1,916,614
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(139,207,106)
<b>Net Assets of Governmental Activities</b>	<b>\$ 709,896,748</b>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2008

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 311,058,505	\$ -	\$ -	\$ 2,569,916	\$ 313,628,421
Intergovernmental -					
Federal	69,382	-	232,261	-	301,643
State	409,928	6,790,237	18,599,815	-	25,799,980
County	1,133,935	10,781,560	-	497,959	12,413,454
Local	49,836	-	-	44,887	94,723
Charges for Services	8,916,919	-	-	2,540,663	11,457,582
Rentals and Concessions	4,344,493	-	-	4,632,716	8,977,209
Interest	7,236,190	133,635	3,167,504	458,812	10,996,141
Sale of Land	-	27,412	11,000	-	38,412
Contributions	-	90,769	352,000	727,715	1,170,484
Miscellaneous	441,319	-	7,209	91,671	540,199
Total Revenues	<u>333,660,507</u>	<u>17,823,613</u>	<u>22,369,789</u>	<u>11,564,339</u>	<u>385,418,248</u>
<b>EXPENDITURES</b>					
Current -					
General Government	16,809,827	-	-	-	16,809,827
Planning and Zoning	44,234,007	-	-	3,759,129	47,993,136
Park Operations and Maintenance	147,598,416	-	-	515,327	148,113,743
Recreation	44,448,572	-	-	5,912,992	50,361,564
Contributions	-	-	-	1,545,894	1,545,894
Debt Service -					
Principal	56,800	-	-	13,075,000	13,131,800
Interest	-	-	-	5,504,890	5,504,890
Other Debt Service Costs	-	-	-	87,937	87,937
Capital Outlay -					
Park Acquisition	-	5,450,472	4,584,893	-	10,035,365
Park Development	-	13,995,177	16,837,598	-	30,832,775
Total Expenditures	<u>253,147,622</u>	<u>19,445,649</u>	<u>21,422,491</u>	<u>30,401,169</u>	<u>324,416,931</u>
Excess (Deficiency) of Revenues over Expenditures	<u>80,512,885</u>	<u>(1,622,036)</u>	<u>947,298</u>	<u>(18,836,830)</u>	<u>61,001,317</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding Bonds Issued	-	-	-	17,300,000	17,300,000
Principal Retirement of Refunded Bonds	-	-	-	(17,300,000)	(17,300,000)
Transfers In	4,301,139	350,000	31,362,000	18,396,049	54,409,188
Transfers Out	(57,272,149)	(383,635)	(3,167,504)	(2,900,000)	(63,723,288)
Total Other Financing Sources (Uses)	<u>(52,971,010)</u>	<u>(33,635)</u>	<u>28,194,496</u>	<u>15,496,049</u>	<u>(9,314,100)</u>
Net Change in Fund Balances	27,541,875	(1,655,671)	29,141,794	(3,340,781)	51,687,217
Fund Balances - Beginning	<u>123,153,246</u>	<u>7,218,470</u>	<u>58,860,508</u>	<u>11,189,444</u>	<u>200,421,668</u>
Fund Balances - Ending	<u>\$ 150,695,121</u>	<u>\$ 5,562,799</u>	<u>\$ 88,002,302</u>	<u>\$ 7,848,663</u>	<u>\$ 252,108,885</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, 2008

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) \$ 51,687,217

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation in the current period.

Capitalized Expenditures	\$ 40,612,538	
Depreciation Expense	(14,109,475)	
Net adjustment		26,503,063

In the Statement of Activities, only the gain (loss) 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.

Sale of Land	(11,000)	
Donations	3,192,320	
Net adjustment		3,181,320

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.

184,719

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 Debt Incurred	(17,300,000)	
Repayments of Principal	13,131,800	
Payment to Refunding Bond Escrow Account	17,300,000	
Net adjustment		13,131,800

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

(9,328,459)

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.

(186,093)

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

Change in net assets of governmental activities (Exhibit 2)	\$ 6,759,771	
	<u>91,933,338</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, 2008**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 286,284,300	\$ 286,284,300	\$ 311,058,505	\$ 24,774,205
Intergovernmental	763,000	1,871,090	1,663,081	(208,009)
Charges for Services	10,092,500	10,092,500	8,916,919	(1,175,581)
Rentals and Concessions	4,318,200	4,318,200	4,344,493	26,293
Interest	5,020,000	5,020,000	7,236,190	2,216,190
Miscellaneous	588,200	589,200	441,319	(147,881)
Total Revenues	<u>307,066,200</u>	<u>308,175,290</u>	<u>333,660,507</u>	<u>25,485,217</u>
Expenditures/Encumbrances:				
General Government	17,900,300	17,902,800	17,343,248	559,552
County Planning and Zoning	47,436,800	47,661,105	44,854,611	2,806,494
Park Operation and Maintenance	149,672,800	150,430,739	147,944,066	2,486,673
Recreation Programs	46,604,800	46,931,146	45,559,710	1,371,436
Total Expenditures/Encumbrances	<u>261,614,700</u>	<u>262,925,790</u>	<u>255,701,635</u>	<u>7,224,155</u>
Excess of Revenues over Expenditures/Encumbrances	<u>45,451,500</u>	<u>45,249,500</u>	<u>77,958,872</u>	<u>32,709,372</u>
Other Financing Sources (Uses):				
Transfers In	1,500,000	1,500,000	4,301,139	2,801,139
Transfers Out	(57,225,700)	(57,974,700)	(57,272,149)	702,551
Total Other Financing Sources (Uses)	<u>(55,725,700)</u>	<u>(56,474,700)</u>	<u>(52,971,010)</u>	<u>3,503,690</u>
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	<u>\$ (10,274,200)</u>	<u>\$ (11,225,200)</u>	<u>24,987,862</u>	<u>\$ 36,213,062</u>
Fund Balances - Budget Basis, Beginning			<u>104,088,534</u>	
Fund Balances - Budget Basis, Ending			<u>\$ 129,076,396</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, 2008**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery	Prince George's	Totals	Internal
	County	County		Service
				Funds
<b>ASSETS</b>				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 1,581,618	\$ 2,933,116	\$ 4,514,734	\$ 56,062,657
Restricted Cash, Cash Equivalents and Investments:				
Unspent Equipment Financing Proceeds	-	-	-	3,524,181
Accounts Receivable	6,928	84,550	91,478	15,670
Due from County Government	180,000	-	180,000	117,966
Due from Other Government	102,906	-	102,906	-
Deposits and Other	-	-	-	116,704
Inventories	186,240	828,210	1,014,450	-
Total Current Assets	<u>2,057,692</u>	<u>3,845,876</u>	<u>5,903,568</u>	<u>59,837,178</u>
Noncurrent Assets:				
Due from County Government	540,000	-	540,000	-
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	26,994,492	72,270,589	99,265,081	2,649,865
Machinery and Equipment	1,625,438	4,783,290	6,408,728	25,146,860
Construction in Progress	172,164	-	172,164	1,056,761
	<u>40,376,562</u>	<u>84,833,010</u>	<u>125,209,572</u>	<u>29,601,983</u>
Less - Accumulated Depreciation	<u>(13,692,522)</u>	<u>(26,630,930)</u>	<u>(40,323,452)</u>	<u>(20,494,572)</u>
Total Capital Assets, Net of Depreciation	<u>26,684,040</u>	<u>58,202,080</u>	<u>84,886,120</u>	<u>9,107,411</u>
Total Noncurrent Assets	<u>27,224,040</u>	<u>58,202,080</u>	<u>85,426,120</u>	<u>9,107,411</u>
Total Assets	<u>29,281,732</u>	<u>62,047,956</u>	<u>91,329,688</u>	<u>68,944,589</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	336,271	604,589	940,860	327,753
Claims Payable	-	-	-	4,720,202
Accrued Salaries and Benefits	47,966	175,780	223,746	177,959
Compensated Absences	83,717	188,908	272,625	9,433,853
Interest Payable	38,915	-	38,915	56,106
Revenue Collected in Advance	905,214	115,199	1,020,413	100,000
Current Portion of Revenue Bonds Payable	662,779	-	662,779	-
Current Portion of Revenue Notes Payable	444,444	-	444,444	-
Current Portion of Notes Payable	-	-	-	1,548,713
Due to Other Funds	-	-	-	18,868
Due to Other Government	-	-	-	443,010
Total Current Liabilities	<u>2,519,306</u>	<u>1,084,476</u>	<u>3,603,782</u>	<u>16,826,464</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	7,180,851
Revenue Bonds Payable	2,394,566	-	2,394,566	-
Revenue Notes Payable	2,000,004	-	2,000,004	-
Notes Payable	-	-	-	3,184,480
Compensated Absences	174,150	565,246	739,396	7,610,647
Net Other Post Employment Benefit Obligations	92,317	351,589	443,906	48,499
Total Noncurrent Liabilities	<u>4,661,037</u>	<u>916,835</u>	<u>5,577,872</u>	<u>18,024,477</u>
Total Liabilities	<u>7,180,343</u>	<u>2,001,311</u>	<u>9,181,654</u>	<u>34,850,941</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	21,182,247	58,202,080	79,384,327	7,898,399
Unrestricted	919,142	1,844,565	2,763,707	26,195,249
Total Net Assets	<u>\$ 22,101,389</u>	<u>\$ 60,046,645</u>	<u>\$ 82,148,034</u>	<u>\$ 34,093,648</u>

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 8

## Statement of Revenues, Expenses, and Changes in Fund Net Assets Proprietary Funds For the Year Ended June 30, 2008

	Business-type Activities - Enterprise Funds			Governmental Activities-
	Recreational and Cultural Activities			Internal
	Montgomery County	Prince George's County	Totals	Service Funds
Operating Revenues:				
Intergovernmental	\$ 102,906	\$ 48,730	\$ 151,636	\$ -
Sales	631,448	2,553,637	3,185,085	-
Charges for Services	4,786,150	4,645,836	9,431,986	49,445,957
Claim Recoveries	-	-	-	767,426
Rentals and Concessions	2,326,898	2,983,022	5,309,920	-
Total Operating Revenues	7,847,402	10,231,225	18,078,627	50,213,383
Operating Expenses:				
Cost of Goods Sold	323,603	1,737,089	2,060,692	-
Personal Services	2,854,190	10,692,610	13,546,800	16,201,088
Supplies and Materials	503,608	1,636,301	2,139,909	140,005
Claims Incurred	-	-	-	19,511,926
Insurance	-	-	-	5,991,917
Communications	43,276	345,435	388,711	-
Utilities	1,171,194	1,780,917	2,952,111	-
Maintenance	517,290	1,059,898	1,577,188	-
Contractual Services	660,097	707,985	1,368,082	1,062,761
Other Services and Charges	352,783	649,789	1,002,572	1,279,458
Administrative Services	1,320,493	321,900	1,642,393	-
Depreciation	1,363,737	2,265,809	3,629,546	1,818,219
Total Operating Expenses	9,110,271	21,197,733	30,308,004	46,005,374
Operating (Loss)	(1,262,869)	(10,966,508)	(12,229,377)	4,208,009
Nonoperating Revenues (Expenses):				
Investment Earnings	101,154	193,701	294,855	2,605,096
Interest Expense, net of Amortization	(291,511)	-	(291,511)	(200,865)
Loss on Disposal of Asset	(27,208)	-	(27,208)	(102,469)
Total Nonoperating Revenue (Expense)	(217,565)	193,701	(23,864)	2,301,762
Income (Loss) before Transfers	(1,480,434)	(10,772,807)	(12,253,241)	6,509,771
Transfers In	619,000	8,445,100	9,064,100	250,000
Total Transfers	619,000	8,445,100	9,064,100	250,000
Change in Net Assets	(861,434)	(2,327,707)	(3,189,141)	6,759,771
Total Net Assets - Beginning	22,962,823	62,374,352	85,337,175	27,333,877
Total Net Assets - Ending	\$ 22,101,389	\$ 60,046,645	\$ 82,148,034	\$ 34,093,648

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, 2008**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 8,009,815	\$ 10,185,976	\$ 18,195,791	\$ 50,271,683
Payments to Suppliers	(2,889,872)	(7,840,812)	(10,730,684)	(26,284,110)
Payments to Employees	(2,920,126)	(10,357,519)	(13,277,645)	(14,779,139)
Payments for Interfund Services Used	(489,800)	-	(489,800)	(405,700)
Payments for Administrative Charges	(1,320,493)	(321,900)	(1,642,393)	-
Net Cash Provided (Used) by Operating Activities	<u>389,524</u>	<u>(8,334,255)</u>	<u>(7,944,731)</u>	<u>8,802,734</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	<u>619,000</u>	<u>8,445,100</u>	<u>9,064,100</u>	<u>250,000</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>619,000</u>	<u>8,445,100</u>	<u>9,064,100</u>	<u>250,000</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(341,601)	(162,985)	(504,586)	(2,792,860)
Principal Paid on Bonds and Notes Payable	(1,112,836)	-	(1,112,836)	(2,048,469)
Interest Paid	(259,448)	-	(259,448)	(200,865)
Payment Received on Long Term Note	<u>180,000</u>	<u>-</u>	<u>180,000</u>	<u>-</u>
Net Cash Used by Capital and Related Financing Activities	<u>(1,533,885)</u>	<u>(162,985)</u>	<u>(1,696,870)</u>	<u>(5,042,194)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>101,154</u>	<u>193,701</u>	<u>294,855</u>	<u>2,605,095</u>
Net Cash Provided by Investing Activities	<u>101,154</u>	<u>193,701</u>	<u>294,855</u>	<u>2,605,095</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(424,207)	141,561	(282,646)	6,615,635
Cash and Cash Equivalents, July 1	<u>2,005,825</u>	<u>2,791,555</u>	<u>4,797,380</u>	<u>52,971,203</u>
Cash and Cash Equivalents, June 30	\$ 1,581,618	\$ 2,933,116	\$ 4,514,734	\$ 59,586,838

**Exhibit 9**  
**continued**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Reconciliation of Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating (Loss)	\$ (1,262,869)	\$ (10,966,508)	\$ (12,229,377)	\$ 4,208,009
Adjustments to Reconcile Operating (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,363,737	2,265,809	3,629,546	1,818,219
Effect of Changes in Assets and Liabilities in:				
Accounts Receivable	43	(47,206)	(47,163)	(15,420)
Due from Other Government	(87,949)	146,596	58,647	125,887
Inventories, at Cost	1,270	(170,643)	(169,373)	-
Deposits and Other	-	-	-	(52,168)
Accounts Payable	207,927	247,245	455,172	58,269
Claims Payable	-	-	-	892,005
Accrued Salaries and Benefits	(119,503)	(98,101)	(217,604)	(264,659)
Compensated Absences	(48,179)	81,603	33,424	1,684,845
Interest Payable	(7,589)	-	(7,589)	(18,854)
Other Accrued Liabilities	-	-	-	100,000
Due to Other Funds	-	-	-	18,868
Due to County Government	-	-	-	199,234
Net Other Post Employment Obligations	92,317	351,589	443,906	48,499
Revenue Collected in Advance	250,319	(144,639)	105,680	-
Total Adjustments	1,652,393	2,632,253	4,284,646	4,594,725
Net Cash Provided (Used) by Operating Activities	\$ 389,524	\$ (8,334,255)	\$ (7,944,731)	\$ 8,802,734

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

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

**Exhibit 10**

**Statement of Net Assets  
Fiduciary Funds  
June 30, 2008**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 671,970	\$ 31,637,674	\$ 3,140,470
Cash	321,783	-	-
Fixed Income Securities	149,662,828	-	-
International Fixed Income Securities	40,253,069	-	-
Corporate Stock	262,160,522	-	-
International Corporate Stock	87,429,403	-	-
Real Estate Investments	32,299,756	-	-
Short Term Investments	4,186,788	-	-
Mutual Funds	2,603,897	-	-
Collateral for Securities Lending Transactions	33,983,356	-	-
Investments receivable	1,583,805	-	-
Accounts Receivable	1,287,616	1,750	-
Land Held for Other Governments	-	43,496,183	-
Other	17,224	-	-
Total Assets	<u>616,462,017</u>	<u>75,135,607</u>	<u>3,140,470</u>
<b>LIABILITIES</b>			
Accounts Payable	834,350	110	2,510,661
Claims Payable	663,551	-	-
Obligation for Collateral Received under Securities Lending Transactions	33,983,356	-	-
Deposits	-	-	629,809
Total Liabilities	<u>35,481,257</u>	<u>110</u>	<u>3,140,470</u>
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Land Held for Other Governments	-	43,496,183	-
Pension Benefits	578,163,771	-	-
Other Postemployment Benefits	2,816,989	-	-
Other Purposes	-	31,639,314	-
Total Net Assets	<u>\$ 580,980,760</u>	<u>\$ 75,135,497</u>	<u>\$ -</u>

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

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

**Exhibit 11**

**Statement of Changes in Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2008**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 18,543,889	\$ -
Plan Members	4,521,535	-
Plan Members for Current Benefits	904,938	-
Private Donations	-	44,917
Total Contributions	<u>23,970,362</u>	<u>44,917</u>
Receipts from Commission Debt Service Funds	-	1,545,894
Federal Grants - Medicare	298,681	-
Investment Earnings:		
Interest	7,614,482	1,521,153
Dividends	1,040,998	-
Net decrease in the Fair Value of Investments	<u>(62,197,052)</u>	<u>-</u>
Total Investment Earnings	<u>(53,541,572)</u>	<u>1,521,153</u>
Less Investment Advisory and Management Fees	<u>(1,990,062)</u>	<u>-</u>
Net Income from Investing Activities	<u>(55,531,634)</u>	<u>1,521,153</u>
Securities Lending Activity		
Securities Lending Income	2,167,456	-
Securities Lending Fees	<u>(1,962,564)</u>	<u>-</u>
Net Income from Securities Lending Activity	<u>204,892</u>	<u>-</u>
Total Net Investment Income	<u>(55,326,742)</u>	<u>1,521,153</u>
Total Additions	<u>(31,057,699)</u>	<u>3,111,964</u>
<b>DEDUCTIONS</b>		
Benefits	30,131,867	-
Refunds of Contributions	382,455	-
Administrative Expenses	1,250,164	-
Contribution to Commission Debt Service Funds	-	52,022
Other	-	44,316
Total Deductions	<u>31,764,486</u>	<u>96,338</u>
Change in Net Assets	<u>(62,822,185)</u>	<u>3,015,626</u>
Net Assets - Beginning	<u>643,802,945</u>	<u>72,119,871</u>
Net Assets - Ending	<u>\$ 580,980,760</u>	<u>\$ 75,135,497</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, 2008**

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

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

##### **Background**

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

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

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

##### **Financial Reporting Entity**

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

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

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

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

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

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

In fiscal year 2008, the Commission implemented GASB statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". Implementing this statement required reporting accrual basis information related to retiree benefits, which previously were reported on a pay-as-you-go basis. This accounting change is reflected in Government-wide Financial Statements and Proprietary Fund statements. Since this Accounting Standard allowed prospective implementation, there is no impact on previously issued financial statements.

The reporting requirements established by GASB include:

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

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

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

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

**Statement of Net Assets** – The Statement of Net Assets is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Assets and reports depreciation

expense – the cost of “using up” capital assets – in the Statement of Activities. The net assets of the Commission are presented in three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction. The Commission has no restricted assets as of June 30, 2008.

**Statement of Activities** – The Government-wide Statement of Activities reports expenses and revenues in a format that focuses on the cost of each of the Commission’s functions. The expense of each individual function is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants). The Government-wide Statement of Activities reflects both the gross and net cost per functional category (county planning and zoning, park operations and maintenance, recreation, etc.) that is otherwise being supported by general government revenues. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants, and contributions. The program revenues must be directly associated with the function (county planning and zoning, park operations and maintenance, recreation, etc.) or a business-type activity. Program revenues include 1) charges for county planning and zoning services; 2) charges for park operations and maintenance; 3) rentals and concessions; 4) recreational and cultural facilities and events and 5) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes and other items not properly included among program revenues are reported as general revenues. Direct expenses are considered those that are clearly identifiable with a specific function or segment. The Commission does not allocate indirect expenses. The operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

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

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

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

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

the basic financial statements. The Commission and many other governments revise their original budgets over the course of the year for a variety of reasons.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment has matured and is due.

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

**Montgomery County and Prince George's County Enterprise Funds** – These Enterprise Funds are used to account for recreational and cultural facilities' operations that are financed and operated in a manner similar to private business enterprises. A separate Enterprise Fund is

maintained for the enterprise operations of each county, each of which is considered a major fund.

Additionally, the Commission reports the following fund types:

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

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

The Commission reports the following fiduciary fund types:

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

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission. The Commission is not required to make additional contributions unless obligated to do so by resolution. In fiscal year 2008, the Commission began phasing in over an 8 year period actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions".

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

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

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

In the process of aggregating data for the Government-wide financial statements, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule the effect of interfund activity has been eliminated from the Government-wide financial statements. Internal Service Funds are used by management to charge to funds using the service the costs of capital equipment financing, risk management, employee benefits, Commission-wide initiatives, and the Executive Office Building. The assets and liabilities of the Internal Service Funds are included in the governmental activities column of the Statement of Net Assets. The Commission eliminates internal

service fund expenses by allocating the expenses to other functions. Expenses for capital equipment, risk management and Commission wide initiatives are allocated based on revenues, and for employee benefits based on salaries expense. The expenses of the Prince George's County Executive Office Building Fund are allocated to general government. The funds are so unique that a single allocation method was not appropriate.

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

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

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

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

**Property Taxes Receivable** – All property tax receivables are shown net of an allowance for uncollectible accounts of \$2,951,586 at June 30, 2008. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George's County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request to remain on an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George's County for taxes that are delinquent.

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

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

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

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

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

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

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

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.

**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 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 \$69,579,400 of fund balances in the General Fund at June 30, 2008, to fund fiscal year 2009 operations and future facilities costs and allow for contingencies, as follows:

	<u>Montgomery County</u>		<u>Prince George's County</u>			
	<u>Administration</u>	<u>Park</u>	<u>Administration</u>	<u>Park</u>	<u>Recreation</u>	<u>Total</u>
Contingencies	\$ 823,900	\$ 2,386,000	\$ 2,829,900	\$ 5,643,200	\$ 3,679,700	\$ 15,362,700
Fiscal year 2009	239,400	4,790,600	14,336,600	18,929,100	6,056,000	44,351,700
Future facilities	N/A	N/A	N/A	2,550,000	7,315,000	9,865,000
	<u>\$ 1,063,300</u>	<u>\$ 7,176,600</u>	<u>\$ 17,166,500</u>	<u>\$ 27,122,300</u>	<u>\$ 17,050,700</u>	<u>\$ 69,579,400</u>

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

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

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

Land	\$ 291,976,041
Buildings and improvements	194,803,782
Infrastructure	220,689,170
Machinery and Equipment	50,141,101
Accumulated Depreciation on Buildings, Improvements and Machinery and Equipment	(246,482,629)
Construction in Progress	49,857,242
Total	<u>\$ 560,984,707</u>

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

Bonds and Notes Payable:	
Due Within One Year	\$ 13,705,849
Due in More than One Year	114,550,191
Net Other Post Employment Benefit Obligations	9,328,459
Accrued Interest Payable	1,622,607
Totals	<u>\$ 139,207,106</u>

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

### (A) Budgetary Information

The following procedures are used in establishing the annual budget.

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

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

The legal level of budgetary control is the department or function for the Administration Accounts and the Montgomery County Park Account, and the Account level for Prince George's County Park Account, and Prince George's County Recreation Account. The Commission's expenditures may not exceed the total approved budget for each of the General Fund Accounts without prior approval by the respective County

Council, except where grant funds received with the knowledge and approval of Prince George's County constitute an automatic budget amendment, thereby increasing the appropriations. Management is authorized to allow a department or function within a General Fund Account to be overspent by up to 10% of the approved budget without Council approval, provided the account in total is not overspent.

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

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

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2008 were within the legal limitations pertinent to the Commission. Under the budgetary method, current year outstanding encumbrances are charged to the budgetary appropriations and are considered expenditures of the current period. Governmental GAAP considers outstanding encumbrances as reservations of fund balances that are charged to expenditures in the period in which the goods or services are used or received.

Reconciliation from the Budget Basis to the GAAP Basis for the year ended June 30, 2008 is as follows. The following account information is reported in Note 6.

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2007	\$ 2,365,587	\$ 2,278,054	\$ 7,761,697	\$ 3,763,728	\$ 2,895,646	\$ 19,064,712
To Decrease -						
Encumbrances -						
June 30, 2008	(2,658,141)	(1,781,261)	(8,594,768)	(4,577,771)	(4,006,784)	(21,618,725)
Total Adjustment	(292,554)	496,793	(833,071)	(814,043)	(1,111,138)	(2,554,013)
Net Change in Fund Balance:						
GAAP Basis	(427,942)	2,964,923	3,602,839	10,678,733	10,723,322	27,541,875
Budget Basis	\$ (720,496)	\$ 3,461,716	\$ 2,769,768	\$ 9,864,690	\$ 9,612,184	\$ 24,987,862

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

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

The Commission's deposits and investments as of June 30, 2008, totaled \$984,517,340. The Commission's unrestricted pool of deposits and investments (\$351,951,154) is available to all funds, except for the Pension Trust Funds.

##### **Commission Cash and Investments**

**Custodial Credit Risk - Deposits** - At year-end, the carrying amount of cash deposits was \$3,775,784 and the bank balance was \$5,928,645. In addition, the Commission held cash at various locations totaling \$241,460. Of the bank balance, \$200,000 was covered by Federal depository insurance and the remainder was collateralized by \$10,452,966 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

In addition, the Commission had Certificates of Deposit with a carrying value (including accrued interest) of \$86,189,511 at June 30, 2008. The certificates, with an average life of 125.42 days, were covered by collateral of \$109,723,248, which is greater than bank balances for all applicable banks.

The Commission requires collateral for the bank balances of deposits and investments to be held in the Commission's name by the trust department of a bank other than the pledging bank. The Commission's policy was complied with throughout the year ended June 30, 2008. Collateral shall be maintained in excess of FDIC insurance coverage for all Commission bank cash accounts, certificates of deposits and time deposits.

**Money Market Deposits** - At year end the carrying value (fair value) of deposits in investment grade money market accounts is \$3,708,796. All such deposits relate to cash and investments restricted for construction, or capital equipment acquisition.

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

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

**Cash and Investments Restricted for Unspent Debt Proceeds** - At year-end, the Commission had \$19,664,784 of unspent bonds and note proceeds restricted to pay construction costs for various projects, and for equipment purchases.

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

**Fixed Income Investments** - Fixed income investments included in the Commission's Pooled Investments at June 30, 2008 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Commercial Paper	\$ 37,207,274	122.68
Federal Farm Credit Bank Notes	10,848,307	125.67
U.S. Treasury Bills	3,343,643	10.14
Bankers Acceptances	30,396,270	42.31
Federal Home Loan Bank Notes	49,156,763	86.06
Federal Home Loan Mortgage Association Notes	35,713,133	51.55
Federal National Mortgage Association Notes	56,351,597	92.34
Municipal Securities	7,353,125	4.89
Repurchase Agreements	47,330,275	27.96
Total fair value	<u>\$ 277,700,387</u>	
Portfolio Weighted Average Maturity		71.87

**Interest Rate Risk** - The Commission manages its exposure to declines in fair value by limiting the maturity of its investment portfolio. The majority of investments shall be for a maximum maturity of one

year. A portion of the portfolio may be invested in U.S. Government and U. S. Agency securities with a maturity of up to two years.

**Credit Risk** – The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$184,615 (0.9%) of bond funds invested in a money market fund that is considered investment grade.

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

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

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

\* At time of purchase

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

The Commission is in compliance with this policy.

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

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

The amount of ERS's total cash and cash equivalents at June 30, 2008, was \$4,295,479. Cash deposits in the bank account totaled \$108,691 that was insured and collateralized. At June 30, 2008, ERS held \$4,186,788 of cash equivalents in its custodial investment accounts.

As of June 30, 2008, ERS's cash equivalents were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 169,719
Uninsured and held by custodial bank not in ERS's name	97,944
	<u>\$ 267,663</u>

**Investments** - The Board of Trustees ("Board") of ERS is authorized by the Trust Agreement dated July 26, 1972 to invest and reinvest the Trust Fund, as may be determined by investment counsel selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers.

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

Domestic Equities	50 %
International Equities	15
Core Fixed Income	20
High Yield Fixed Income	5
Treasury Inflated Protection Securities	5
Real Estate	5
Total	<u>100 %</u>

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

Each investment manager has a set of Guidelines, which contain investment objectives, and risk control provisions, which are appropriate for each manager's mission. Investment managers have discretion within the constraints of these Guidelines and are subject to regular review by the Board.

The Trust Fund has guidelines, which apply broadly to each asset class as follows:

#### **U.S. Equity**

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

#### **Non-U.S. Equity**

- Cash equivalent exposure is limited to 5%.
- 85% to 100% should be invested in "developed markets".
- 0% to 15% should be invested in "emerging markets".

#### **Fixed Income Guidelines**

- The Fixed Income Composite is limited to 20% of its value in cash equivalents at any time.
- A single issuer cannot exceed 5% of the market value of the fixed income composite at any time.
- Duration of the fixed income composite should remain within +/- 1.5 years relative to the asset class benchmarks. The duration of the fixed income composite at June 30, 2008 was 5.36 years with the Merrill Lynch BB/B and the Lehman Aggregate at 4.58 and 4.68 years, respectively.

- Securities with a weighted-average life greater than 30 years are prohibited.
- The fixed income composite is expected to maintain an aggregate weighting of at least a single A.

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

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

The Investment Policy allows the use of common derivative investments, but requires investment managers to follow certain controls, documentation and risk management procedures. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. The following use of derivatives is prohibited:

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

ERS's investments at June 30, 2008 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Common Stock	\$ 349,062,430
Preferred Stock	148,735
Convertible Equity	378,760
Government Bonds	2,908,958
Government Agencies	6,043,899
Provincial Bonds	177,422
Corporate Bonds	43,432,160
Corporate Convertible Bonds	707,306
Government Mortgage Backed Securities	44,405,718
Commercial Mortgage-Backed	4,061,380
Asset Backed Securities	5,983,565
Non-Government Backed CMOs	14,242,725
Index Linked Government Bonds	4,280,987
Fixed Income Mutual Funds	63,671,776
Real Estate	32,299,757
Short Term Bills and Notes	1,018,995
Cash & Cash Equivalent Derivative-Options	(176,039)
Short Term Investment Funds	2,840,127
Securities Lending Short Term Collateral Investment Pool	33,983,356
Cash	503,705
Total Investments	<u>\$ 609,975,722</u>

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

Of ERS's \$610.0 million in investments at June 30, 2008, \$34.0 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with ERS's securities lending agreement in place with the custodian.

The fair value of cash collateral securities as of June 30, 2008, is presented by type below:

<u>Collateral</u>	<u>Fair Value</u>
Global Government	\$ 161,357
U.S. Agencies	3,471,261
U.S. Corporate Fixed	11,168,154
U.S. Equities	14,268,333
U.S. Government Fixed	4,914,251
Total	<u>\$ 33,983,356</u>

As of June 30, 2008, ERS had the following fixed income investments and short term investments with the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity-Years</u>
Asset Backed Securities	\$ 5,983,565	24.389641
Commercial Mortgage-Backed	4,061,380	31.372515
Corporate Bonds	43,432,160	14.669319
Corporate Convertible Bonds	707,306	7.731863
Government Agencies	6,043,899	10.103023
Government Bonds	2,908,958	9.227851
Government Mortgage Backed Securities	44,405,718	27.943031
Index Linked Government Bonds	4,280,987	17.396865
Provincial Bonds	177,422	4.920000
Non - Government Backed CMOs	14,242,725	31.475297
Fixed Income Mutual Funds	63,671,776	N/A
Short Term Bills and Notes	1,018,995	0.463000
Short Term Investment Funds	2,840,127	N/A
Totals	<u>\$ 193,775,018</u>	
Portfolio Weighted Average Maturity		19.950637

**Collateralized Mortgage Obligations** - Collateralized mortgage obligations (CMOs) are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. ERS held \$14,242,725 in CMO's at June 30, 2008.

**Asset-backed Securities** – Asset-backed securities (ABS) are bond or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it

as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$5,983,565 in ABS at June 30, 2008.

**Credit Quality** – ERS Credit Quality Ratings Summary as rated by Standard & Poor's Rating Services as of June 30, 2008 is as follows:

**Credit Quality Distribution for Securities**  
**With Credit Exposure as a Percentage of Total Investments**

Agency	Government	7.675 %
Agency	AAA	1.431
Agency	A	0.157
Agency	BBB	0.184
Agency	BB	0.022
Agency	B	0.014
Agency	Not Rated	0.045
Asset Backed Securities	AAA	0.723
Asset Backed Securities	AA	0.068
Asset Backed Securities	A	0.013
Asset Backed Securities	BBB	0.064
Asset Backed Securities	BB	0.051
Asset Backed Securities	Not Rated	0.061
Commercial Mortgage Backed Securities	AAA	0.508
Commercial Mortgage Backed Securities	Not Rated	0.158
Non-Government Backed C.M.O.'s	AAA	2.013
Non-Government Backed C.M.O.'s	AA	.0005
Non-Government Backed C.M.O.'s	B	.0015
Non-Government Backed C.M.O.'s	Not Rated	0.303
Corporate Bonds	AAA	0.163
Corporate Bonds	AA	0.388
Corporate Bonds	A	0.905
Corporate Bonds	BBB	1.728
Corporate Bonds	BB	1.551
Corporate Bonds	B	1.366
Corporate Bonds	CCC	0.445
Corporate Bonds	Not Rated	0.691
Provincial Bonds	AAA	0.029
Government Mortgage Backed	AAA	0.090
Other Fixed Income	Not Rated	10.422
Short Term Investment Fund	Not Rated	0.466

**Foreign Currency Risk** – ERS's exposure to foreign currency risk at June 30, 2008, is as follows:

<u>Investment Type</u>	<u>Currency</u>	<u>Fair Value</u>
Government Bonds	Brazilian Real	\$ 1,120,112
Government Bonds	Columbian Peso	149,574
Government Bonds	South African Rand	108,365
Government Bonds	Mexican Peso	747,315
Government Agencies	South African Rand	111,670
Corporate Bonds	Indonesian Rupiah	476,810
Corporate Bonds	Malaysian Ringgit	315,838
Corporate Bonds	New Zealand Dollars	81,933
Corporate Bonds	Canadian Dollars	7,557
Corporate Bonds	Mexican Peso	169,036
Corporate Bonds	South Korean Won	439,750
Cash	Argentine Peso	3,298
Total		<u>\$ 3,731,258</u>

**Cash Received as Securities Lending Collateral**

The following table details the net income from securities lending for the period ending June 30, 2008:

Security lending income	\$ 2,167,456
Less security lending fees	1,962,564
Net securities lending income	<u>\$ 204,892</u>

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2008.

Securities are loaned against collateral that may include cash, U.S. government securities, and irrevocable letters of credit. U.S. government securities are loaned against collateral valued at 102% of the market value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the statement of plan net assets. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 96 days in 2008.

Cash open collateral is invested in a short-term investment pool, which had an average weighted maturity of 36 days in 2008. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2008:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>	<u>Noncash Collateral Value*</u>
Fixed income securities	\$ 19,232,155	\$ 19,715,024	\$ 254,770
Domestic equities	13,860,359	14,268,332	4,179
Total	<u>\$ 33,092,514</u>	<u>\$ 33,983,356</u>	<u>\$ 258,949</u>

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

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

The Trust had \$213,092 of deposits in investment grade money market accounts at June 30, 2008. The trust participates in the Commission's pooled cash for payment of benefits, and had an equity in pooled cash balance of \$671,970. Investments in mutual funds totaled \$2,603,897.

**Investments** - The Board of Trustees of the Trust ("Board") is authorized by the Trust Agreement dated July 1, 1999 and amended May 16, 2007 to invest and reinvest the Trust Fund. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers. The target allocations as established by the Board for the authorized investment classes during fiscal year 2008 are as follows:

<b><u>Asset Class</u></b>	<b><u>Minimum</u></b>	<b><u>Maximum</u></b>
<b>Equity Funds</b>		
Large Cap	35%	40%
Small Cap	10%	15%
International	5%	15%
<b>Fixed Income Funds</b>		
Short Term	0%	10%
Intermediate Term	25%	35%
<b>Cash and Equivalents</b>	2%	10%

The Trust's investments in mutual funds at June 30, 2008 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Large Cap Equity	\$ 1,001,427
Small Cap Equity	326,726
International Equity	327,571
Short Term Fixed Income	147,372
Intermediate term Fixed Income	800,801
Total Investments	<u>\$ 2,603,897</u>

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

Statement of Net Assets

Equity in Pooled Cash and Investments	\$ 316,501,040
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	19,664,784

Statement of Net Assets - Fiduciary Funds

Equity in Pooled Cash and Investments - Pension Trust Funds	671,970
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	31,637,674
Equity in Pooled Cash and Investments - Agency Funds	3,140,470
Cash and Marketable Securities - Pension Trust Funds	578,918,046
Collateral for Securities Lending Transactions - Pension Trust Funds	33,983,356
Total	<u>\$ 984,517,340</u>

They are composed of:

Cash in Banks of Commission	\$ 3,775,784
Cash of Employees' Retirement System Pension Trust Fund	108,691
Cash in Other Locations - Commission	241,460
Money Market Deposits of Commission	3,708,796
Money Market Deposits in Other Post Employment Benefits Fund	213,092
Certificates of Deposit of Commission	86,189,511
Fixed Income Securities In Commission's Investment Pool	277,700,387
Mutual funds in Other Post Employment Benefits Fund	2,603,897
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	349,589,925
Fixed Income Securities	193,775,018
Real Estate	32,299,757
Cash	503,705
Cash & Cash Equivalent Derivative-Options	(176,039)
Collateral for Securities Lending Transactions	33,983,356
Total	<u>\$ 984,517,340</u>

**(B) Capital Assets**

A summary of governmental activities capital assets at June 30, 2008 is as follows:

	July 1, 2007	Increases	Decreases	Transfers/ Contributions	June 30, 2008
Capital assets not being depreciated					
Land	\$ 279,507,853	\$ 13,232,385	\$ (15,700)	\$ -	\$ 292,724,538
Construction in progress	27,970,574	27,050,287	-	(4,106,858)	50,914,003
Total capital assets not being depreciated	<u>307,478,427</u>	<u>40,282,672</u>	<u>(15,700)</u>	<u>(4,106,858)</u>	<u>343,638,541</u>
Other capital assets, being depreciated					
Buildings and improvements	195,630,017	92,417	(102,469)	1,833,682	197,453,647
Infrastructure	218,339,219	76,775	-	2,273,176	220,689,170
Machinery and equipment	70,856,753	6,150,549	(1,719,341)	-	75,287,961
Total other capital assets	<u>484,825,989</u>	<u>6,319,741</u>	<u>(1,821,810)</u>	<u>4,106,858</u>	<u>493,430,778</u>
Less accumulated depreciation for:					
Buildings and improvements	(102,945,176)	(5,818,891)	87,015	-	(108,677,052)
Infrastructure	(97,758,736)	(5,438,245)	-	-	(103,196,981)
Machinery and equipment	(52,064,944)	(4,670,559)	1,632,335	-	(55,103,168)
Total accumulated depreciation	<u>(252,768,856)</u>	<u>(15,927,695)</u>	<u>1,719,350</u>	<u>-</u>	<u>(266,977,201)</u>
Total other capital asset, net	<u>232,057,133</u>	<u>(9,607,954)</u>	<u>(102,460)</u>	<u>4,106,858</u>	<u>226,453,577</u>
Governmental activities capital assets, net	<u>\$ 539,535,560</u>	<u>\$ 30,674,718</u>	<u>\$ (118,160)</u>	<u>\$ -</u>	<u>\$ 570,092,118</u>

Summaries of business-type activities capital assets at June 30, 2008, made up of two major enterprise funds, are as follows:

	July 1, 2007	Increases	Decreases	June 30, 2008
<b>Montgomery County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	28,525	143,639	-	172,164
Total capital assets not being depreciated	<u>11,612,993</u>	<u>143,639</u>	<u>-</u>	<u>11,756,632</u>
Capital assets being depreciated				
Buildings and improvements	28,156,765	134,710	(1,296,983)	26,994,492
Machinery and equipment	1,783,988	63,253	(221,803)	1,625,438
Total capital assets being depreciated	<u>29,940,753</u>	<u>197,963</u>	<u>(1,518,786)</u>	<u>28,619,930</u>
Less accumulated depreciation for:				
Buildings	(12,422,957)	(1,306,710)	1,269,775	(12,459,892)
Machinery and equipment	(1,397,406)	(57,027)	221,803	(1,232,630)
Total accumulated depreciation	<u>(13,820,363)</u>	<u>(1,363,737)</u>	<u>1,491,578</u>	<u>(13,692,522)</u>
Total capital assets being depreciated, net	<u>16,120,390</u>	<u>(1,165,774)</u>	<u>(27,208)</u>	<u>14,927,408</u>
Capital assets, net	<u>\$ 27,733,383</u>	<u>\$ (1,022,135)</u>	<u>\$ (27,208)</u>	<u>\$ 26,684,040</u>
<b>Prince George's County Enterprise Fund</b>				
Capital assets not being depreciated:				
Land	\$ 7,779,131	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:				
Buildings and improvements	72,270,589	-	-	72,270,589
Machinery and equipment	4,815,971	162,985	(195,666)	4,783,290
Total capital assets being depreciated	<u>77,086,560</u>	<u>162,985</u>	<u>(195,666)</u>	<u>77,053,879</u>
Less accumulated depreciation for:				
Buildings and improvements	(21,277,256)	(2,045,680)	-	(23,322,936)
Machinery and equipment	(3,283,531)	(220,129)	195,666	(3,307,994)
Total accumulated depreciation	<u>(24,560,787)</u>	<u>(2,265,809)</u>	<u>195,666</u>	<u>(26,630,930)</u>
Total capital assets being depreciated, net	<u>52,525,773</u>	<u>(2,102,824)</u>	<u>-</u>	<u>50,422,949</u>
Capital assets, net	<u>\$ 60,304,904</u>	<u>\$ (2,102,824)</u>	<u>\$ -</u>	<u>\$ 58,202,080</u>

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

Governmental activities:	
General Government	\$ 313,748
County Planning and Zoning	660,929
Park Operations and Maintenance	12,464,847
Recreation Programs	2,488,171
Total depreciation expense - governmental activities	<u>\$ 15,927,695</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,629,546</u>

**Construction Commitments** - The Commission is committed to \$24,157,869 for construction contracts for work to be performed in subsequent years.

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

The Commission had one interfund receivable and payable balance at June 30, 2008. The Montgomery County Capital Projects Fund has a receivable balance of \$18,868 from the Montgomery County Capital Equipment Internal Service Fund. The short term borrowing is to remove a cash shortfall in the Internal Service Fund.

The Commission had the following interfund transfers during fiscal year 2008:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
<b>Transfers In</b>						
General Fund - Administration Account	\$ -	\$ -	\$ -	\$ 799,000	\$ -	\$ 799,000
General Fund - Park Account	-	350,000	29,462,000	17,597,049	8,664,100	56,073,149
General Fund - Recreation Account	-	-	-	-	400,000	400,000
Special Revenue Fund	-	-	1,900,000	-	-	1,900,000
Debt Service Fund	1,000,000	-	-	-	-	1,000,000
Capital Projects	3,301,139	-	-	-	250,000	3,551,139
<b>Total Transfers In</b>	<b>\$ 4,301,139</b>	<b>\$ 350,000</b>	<b>\$ 31,362,000</b>	<b>\$ 18,396,049</b>	<b>\$ 9,314,100</b>	<b>\$ 63,723,288</b>
<b>Transfers Out</b>						
General Fund - Park Account	\$ -	\$ 133,635	\$ 3,167,504	\$ 1,000,000	\$ -	\$ 4,301,139
Debt Service Fund	17,597,049	-	-	-	-	17,597,049
Capital Projects	29,812,000	-	-	1,900,000	-	31,712,000
Special Revenue Fund	799,000	-	-	-	-	799,000
Enterprise Fund	9,064,100	-	-	-	-	9,064,100
Internal Service Fund	-	250,000	-	-	-	250,000
<b>Total Transfers Out</b>	<b>\$ 57,272,149</b>	<b>\$ 383,635</b>	<b>\$ 3,167,504</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>	<b>\$ 63,723,288</b>

A majority of the transfers was to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$17,597,049) and current funding for Capital Projects (\$31,712,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Montgomery County Enterprise Fund	Prince George's County Enterprise Fund	Internal Service Funds	Total Proprietary Funds
<b>Transfers In</b>				
General Fund - Park Account	\$ 619,000	\$ 8,045,100	\$ -	\$ 8,664,100
General Fund - Recreation Account	-	400,000	-	400,000
Montgomery County Capital Projects Fund	-	-	250,000	250,000
<b>Total Transfers In</b>	<b>\$ 619,000</b>	<b>\$ 8,445,100</b>	<b>\$ 250,000</b>	<b>\$ 9,314,100</b>

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

In addition to the above transfers, tax revenues of \$1,545,894 not needed to pay current debt service were contributed by the Advanced Land Acquisition Debt Service Funds to the Advanced Land Acquisition Accounts in the Private Purpose Trust Funds.

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

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

Future minimum commitments under operating leases at June 30, 2008 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2009	\$ 2,108	\$ 897	\$ 1,211
2010	1,512	843	669
2011	1,495	851	644
2012	998	630	368
Total minimum lease payments	<u>\$ 6,113</u>	<u>\$ 3,221</u>	<u>\$ 2,892</u>

In fiscal year 2008, expenditures in the General Fund included \$1,216,713 relating to the rental of office space and \$1,079,666 relating to rental and other charges for rented equipment.

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

**Notes Payable** - Notes payable are only reported in proprietary funds and at the Government-wide level. Payments required to maturity on notes payable at June 30, 2008 are as follows (\$000's):

Year Ending June 30	Total	Montgomery County		Prince George's County	
		Governmental		Governmental	
		Principal	Interest	Principal	Interest
2009	\$ 1,765	\$ 1,221	\$ 99	\$ 384	\$ 61
2010	1,772	1,270	57	401	44
2011	1,003	663	26	285	29
2012	646	368	5	258	15
2013	113	-	-	110	3
Total payments	<u>\$ 5,299</u>	<u>\$ 3,522</u>	<u>\$ 187</u>	<u>\$ 1,438</u>	<u>\$ 152</u>

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

Mandatory taxes of 3.6 cents per \$100 of real property assessed valuation (9 cents for personal property) in Montgomery County and at least 4 cents per \$100 of real property assessed valuation (10 cents for personal property) in Prince George's County are required by Article 28 of the Annotated Code of Maryland to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2008, debt service payments approximated 0.29 cents per \$100 of real property and 0.73 cents per \$100 of personal property for Montgomery County and 1.84 cents for real property and 4.58 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

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

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

Montgomery County General Obligation Bonds						
Fiscal Year	Governmental Activities					
	Total Park Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments
2009	\$ 2,580	\$ 1,168	\$ 3,748	\$ 535	\$ 141	\$ 676
2010	2,680	1,074	3,754	530	118	648
2011	2,695	974	3,669	535	95	630
2012	2,335	877	3,212	240	79	319
2013	2,310	781	3,091	240	71	311
2014 - 2018	9,075	2,652	11,727	825	234	1,059
2019 - 2023	6,170	934	7,104	600	110	710
2024 - 2027	1,620	134	1,754	240	10	250
Totals	<u>\$ 29,465</u>	<u>\$ 8,594</u>	<u>\$ 38,059</u>	<u>\$ 3,745</u>	<u>\$ 858</u>	<u>\$ 4,603</u>

Prince George's County General Obligation Bonds							
Fiscal Year	Governmental Activities						Total Commission General Obligation Bonds
	Total Park Principal	Total Park Interest	Total Park Payments	Total ALA Principal	Total ALA Interest	Total ALA Payments	
2009	\$ 10,234	\$ 3,678	\$ 13,912	\$ 300	\$ 37	\$ 337	\$ 18,673
2010	10,270	3,304	13,574	295	22	317	18,293
2011	10,166	2,955	13,121	290	8	298	17,718
2012	9,042	2,631	11,673	-	-	-	15,204
2013	9,290	2,313	11,603	-	-	-	15,005
2014 - 2018	32,708	7,041	39,749	-	-	-	52,535
2019 - 2023	11,005	1,925	12,930	-	-	-	20,744
2024 - 2027	3,020	264	3,284	-	-	-	5,288
Totals	<u>\$ 95,735</u>	<u>\$ 24,111</u>	<u>\$ 119,846</u>	<u>\$ 885</u>	<u>\$ 67</u>	<u>\$ 952</u>	<u>\$ 163,460</u>

**Outstanding General Obligation Bonds** - General obligation bonds outstanding at June 30, 2008, consist of the following individual issues (000's):

<u>Series</u>	<u>Effective Interest Rate at Date of Sale</u>	<u>Dated</u>	<u>Final Maturity Date</u>	<u>FY2009 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2008</u>
<u>Montgomery County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series U-2	4.5346 %	08/01/98	08/01/18	\$ 280	\$ 7,000	\$ 4,830
Series Y-2	5.0232	11/01/00	11/01/20	230	5,700	4,390
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	890	12,155	8,320
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	3,520
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	835	5,445	3,890
Series I I-2	3.9651	03/15/07	04/01/27	185	4,700	4,515
				<u>2,580</u>	<u>39,000</u>	<u>29,465</u>
<b>Advance Land Acquisition Bonds</b>						
Bonds of 1995 Advance Refunding	4.7707	12/01/95	07/01/10	305	3,345	895
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	150	1,550	1,090
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,760
				<u>535</u>	<u>6,895</u>	<u>3,745</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,115</u>	<u>\$ 45,895</u>	<u>\$ 33,210</u>
<u>Prince George's County</u>						
<b>Park Acquisition and Development Bonds</b>						
Series W-2	6.4000	06/25/98	07/01/12	\$ 615	\$ 7,325	\$ 2,610
Series Z-2	4.5481	07/15/01	05/01/21	750	18,700	14,400
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	1,640	21,110	10,950
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,855	37,525	32,785
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	2,410	13,685	9,145
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	8,545
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,609	17,300	17,300
				<u>10,234</u>	<u>124,545</u>	<u>95,735</u>
<b>Advance Land Acquisition Bonds</b>						
Bonds of 1995 Advance Refunding	4.8991	12/01/95	07/01/10	300	3,300	885
Total Prince George's County General Obligation Bonds				<u>\$ 10,534</u>	<u>\$ 127,845</u>	<u>\$ 96,620</u>

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

**Revenue Bonds and Revenue Notes Payable** - The Commission is authorized to issue revenue bonds and notes to finance the cost of revenue producing facilities and to refund outstanding bonds. The revenue bonds and notes are not general obligations of the Commission or county for which they are issued and are payable solely from revenues generated from revenue producing facilities. The Commission's revenue bonds and revenue notes payable, which totaled \$5,501,793 at June 30, 2008, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$1,353,000 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, 2008, and the related debt service requirements for Montgomery County are as follows (000's):

Business-type Activities Revenue Bonds and Notes			
Fiscal Year	Total Principal	Total Interest	Total Payments
2009	\$ 1,107	\$ 222	\$ 1,329
2010	1,130	177	1,307
2011	1,153	130	1,283
2012	1,176	83	1,259
2013	842	35	877
2014	222	6	228
Total	<u>\$ 5,630</u>	<u>\$ 653</u>	<u>\$ 6,283</u>

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

**Outstanding Revenue Bonds and Revenue Notes Payable** - Revenue bonds, net of a \$128,251 deferred amount on the Little Bennett Golf Facilities Refunding Bond, and revenue notes payable at June 30, 2008, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY2009 Serial Payment	Original Issue	Outstanding at June 30, 2008
<u>Montgomery County</u>						
Revenue Bonds and Notes						
Little Bennett Golf Course (net of deferred amount)	3.3705 %	12/09/03	11/01/12	\$ 348	\$ 3,154	\$ 1,862
Wheaton Ice Rink	3.3706	12/09/03	05/01/12	315	2,799	1,324
Cabin John Ice Rink	5.1600	04/24/99	11/01/13	444	6,000	2,444
				<u>\$ 1,107</u>	<u>\$ 11,953</u>	<u>\$ 5,630</u>

**New Debt Issue** - On April 10, 2008, the Commission issued \$17,300,000 of Prince George's County Park Acquisition and Development General Obligation Refunding Bonds, Series KK-2. The bonds provided the resources to retire on that date the outstanding principle of \$17,300,000 on Prince George's County Park Acquisition and Development General Obligation Project Bonds, Series AA-2, which were auction rate notes. Semiannual payments of interest and annual principal payments are due until May 1, 2018, at a net interest cost of 3.2004%.

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2008, were as follows:

<b>Governmental activities:</b>	Beginning			Ending	Amount Due
	Balance	Additions	Reductions	Balance	in One Year
<b>Montgomery County</b>					
General Obligation Park Bonds Payable	\$ 32,025,000	\$ -	\$ 2,560,000	\$ 29,465,000	\$ 2,580,000
General Obligation ALA Bonds Payable	4,290,000	-	545,000	3,745,000	535,000
Deferred charges, net of premiums, on General Obligation Bonds	(500,769)	-	(60,828)	(439,941)	-
Notes Payable - Governmental	4,975,496	-	1,680,674	3,294,822	1,164,457
Loan Payable to Montgomery County	284,000	-	56,800	227,200	56,800
Estimated Liability for Landfill Closure and Postclosure Costs	13,115	-	13,115	-	-
Accrued Compensated Absences	7,008,848	5,269,406	4,588,173	7,690,081	4,588,173
Net Other Post Employment Benefit Obligations	-	4,216,687	-	4,216,687	-
Long-term Liabilities	48,095,690	9,486,093	9,382,934	48,198,849	8,924,430
<b>Prince George's County</b>					
General Obligation Park Bonds Payable	105,400,000	17,300,000	26,965,000	95,735,000	10,234,049
General Obligation ALA Bonds Payable	1,190,000	-	305,000	885,000	300,000
Deferred charges, net of premiums, on General Obligation Bonds	(1,559,494)	-	(198,276)	(1,361,218)	-
Notes Payable - Governmental	1,806,164	-	367,794	1,438,370	384,256
Accrued Compensated Absences	8,350,807	5,849,292	4,845,680	9,354,419	4,845,680
Net Other Post Employment Benefit Obligations	-	5,160,271	-	5,160,271	-
Long-term Liabilities	115,187,477	28,309,563	32,285,198	111,211,842	15,763,985
Total Long-term Liabilities	\$ 163,283,167	\$ 37,795,656	\$ 41,668,132	\$ 159,410,691	\$ 24,688,415
<b>Business type activities:</b>	Beginning			Ending	Amount Due
	Balance	Additions	Reductions	Balance	in One Year
<b>Montgomery County</b>					
Revenue Bonds and Notes Payable	\$ 6,715,659	\$ -	\$ 1,085,615	\$ 5,630,044	\$ 1,107,223
Unamortized Discount on Revenue Bonds and Notes	(160,314)	-	(32,063)	(128,251)	-
Notes Payable - Enterprise	27,221	-	27,221	-	-
Accrued Compensated Absences	306,046	35,538	83,717	257,867	83,717
Net Other Post Employment Benefit Obligations	-	92,317	-	92,317	-
Long-term Liabilities	6,888,612	127,855	1,164,490	5,851,977	1,190,940
<b>Prince George's County</b>					
Accrued Compensated Absences	672,551	270,511	188,908	754,154	188,908
Net Other Post Employment Benefit Obligations	-	351,589	-	351,589	-
Long-term Liabilities	672,551	622,100	188,908	1,105,743	188,908
Total Long-term Liabilities	\$ 7,561,163	\$ 749,955	\$ 1,353,398	\$ 6,957,720	\$ 1,379,848

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 9,433,853	\$ 272,625	\$ 9,706,478
Due in more than One Year	7,610,647	739,396	8,350,043
Bonds and Notes Payable:			
Due within One Year	15,254,562	1,107,223	16,361,785
Due in more than One Year	117,734,671	4,394,570	122,129,241
Net Other Post employment Benefit Obligations			
Due in more than One Year	9,376,958	443,906	9,820,864
Total Long-term Liabilities	<u>\$ 159,410,691</u>	<u>\$ 6,957,720</u>	<u>\$ 166,368,411</u>

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

## (5) – OTHER INFORMATION

### (A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000 and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claims settlements in excess of \$250,000 for fiscal years 2006, 2007, and 2008. No insurance coverages were reduced in fiscal year 2008.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: a health maintenance organization (HMO), an exclusive provider organization (EPO), a point of service (POS), out-of-area POS (retirees only) and Medicare compliment plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee and retiree contributions) were \$23,062,560 for all group health benefits in fiscal year 2008. 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 2008 totaled \$3,103,190. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including

frequency and amount of payouts and other economic and social factors. Changes in the balances of claims liabilities during the past two years are as follows (the 2006 activity has been restated to remove claims related to retiree health claims, now included as part of the Employee Post retirement Benefits Pension trust Fund , See Note 1B):

		Medical	Risk Management
Unpaid Claims, June 30, 2006	\$	1,456,069	\$ 7,424,666
Incurred Claims, Fiscal Year 2007		11,050,898	4,627,219
Claims Paid, Fiscal Year 2007		(10,918,696)	(2,631,108)
Unpaid Claims, June 30, 2007		1,588,271	9,420,777
Incurred Claims, Fiscal Year 2008		15,416,063	3,441,882
Claims Paid, Fiscal Year 2008		(14,862,750)	(3,103,190)
Unpaid Claims, June 30, 2008	\$	2,141,584	\$ 9,759,469

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 2,141,584	\$ 2,578,618	\$ 4,720,202
Due in more than One Year	-	7,180,851	7,180,851
Total	\$ 2,141,584	\$ 9,759,469	\$ 11,901,053

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

The Commission was involved in the following related party transactions during fiscal year 2008:

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

Rental of office space in County Administration Building	\$ 782,800
Zoning enforcement unit	750,400
Planning and zoning functions	600,000
Geographic Information System	340,500
Community College pool operation and maintenance	200,000
Peoples Zoning Counsel	140,000
Department of Environmental Resources Water and Sewer Planning	136,800
Other project charges	111,600
Total	<u>\$ 3,062,100</u>

### **(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.

**Declines in Investment Values** - During 2008, financial markets as a whole have incurred significant declines in values. As of October 31, 2008 the investment portfolios of the Employees' Retirement Fund

and the Other Post Employment Benefits Fund have also incurred significant declines in the values reported in the accompanying financial statements. However, because the values of individual investments fluctuate with market conditions, the amount of investment losses that the Plan will recognize in its future financial statements, if any, cannot be determined.

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

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

### **Defined Benefit Pension Plan**

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

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

**Actuarial Methods for Defined Benefit Pension Plan** - The actuarial value of assets calculates gains or losses on the basis of the actuarially assumed interest rate and recognizes one-fifth of the cumulative gains or losses not yet recognized. This year’s asset value is based on the July 1, 2007 actuarial valuation.

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

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2007. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.5% a year compounded annually, (b) projected salary increases of 4% a year plus variable merit increases, (c) cost of living increases in benefits after retirement based on the Plan’s provision for annual increases of 100% of the first 3% of change in the CPI-Urban Index for major U.S. cities plus half of the change in excess of 3%, but no more than 5% in total. The assumed post-retirement cost of living adjustment is 3%.

The funded status of the plan as of the most recent actuarial date, July 1, 2007, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 600,285
Actuarial Accrued Liability	615,589
Funded Ratio	97.5%
Unfunded Actuarial Accrued Liability	15,304
Annual Covered Payroll	122,825
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	12.5%

The net assets available for benefits at June 30, 2008 totaled \$578,163,771.

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

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years 2006, 2007, and 2008 are presented below (\$000):

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Annual Pension Cost (APC)	\$8,337	\$ 9,825	\$ 10,561
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation (NPO)	-	-	-

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

### **Deferred Compensation Plans**

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

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

**Plan Description** - In addition to the pension benefits provided by the System, the Commission provides postretirement 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, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 673 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 85 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission.

**Funding Policy** - On July 1, 1999, the Commission established a 115 Trust account (the "Trust") for the purpose of pre-funding a portion of retiree insurance costs in the future. The Commission executed a Discretionary Investment Management Agreement with a Financial Advisor (Custodial Trustee) of the account. Per the Post-Retirement Insurance Benefits Program Trust Agreement I - Contributions, the

Commission may elect to contribute additional amounts as deemed necessary to meet its benefit costs. Until fiscal year 2008 the Commission was not required to make additional contributions unless obligated to do so by resolution, and the Trust account had not been funded based on actuarial information. The fund was used in certain prior fiscal years to pay the net cost of postretirement health care benefits, net of the retiree contributions. A minimal balance was retained in the fund to maintain the legal status of the trust.

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

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

Annual required contribution (expense)	\$ 19,402
Contribution made	<u>9,581</u>
Net OPEB obligation, end of year	<u><u>\$ 9,821</u></u>

The Commission's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (NPO) to the System for fiscal year 2008 (The first year of implementation of the accounting standard) is presented below (\$000):

	<u>2008</u>
Annual Required Contribution (ARC)	\$ 19,402
Percentage of ARC Contributed	49%
Net Pension Obligation (NPO)	9,821

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

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

**Actuarial Methods for Retiree Health Care Benefits Plan** - The actuarial value of assets is the fair value of the investments. This year's asset value is based on the July 1, 2007 actuarial valuation.

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

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2007. Significant actuarial assumptions used in the valuation are as follows:

**Rate of Return** – The assumed rate of return on the investment of present and future assets is a “select and ultimate” interest rate starting at 4.25% and grading to 7.5% over a five year period, and thereafter at 7.5% a year compounded annually. The actuarial study was done using this five year phase in at a time when the Commission intended to phase in to full funding over five years. In the subsequent budgetary process, this policy was altered to an eight year phase in. In the process of an annual update, the actuarial report will be restated to reflect the new phase in period, but that information is not available at this time.

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

**Healthcare Cost Trend Rates** – The expected rate of increase for healthcare costs in 2008 was estimated at 10% for prescription drugs and medical costs, and 6.0% for dental and vision. Declining rates of increase were used, with 2019 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2007, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	144
Actuarial Accrued Liability		232,535
Funded Ratio		0.06%
Unfunded Actuarial Accrued Liability		232,391
Annual Covered Payroll		118,486
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		196.1%

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

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

**(F) Pension Trust Funds**

Combining schedules of the pension trust funds follow:

Combining Schedules of Net Assets  
Pension Trust Funds  
June 30, 2008

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 671,970	\$ 671,970
Cash	108,691	213,092	321,783
Fixed Income Securities	149,662,828	-	149,662,828
International Fixed Income Securities	40,253,069	-	40,253,069
Corporate Stock	262,160,522	-	262,160,522
International Corporate Stock	87,429,403	-	87,429,403
Real Estate	32,299,756	-	32,299,756
Short Term Investments	4,186,788	-	4,186,788
Mutual Funds	-	2,603,897	2,603,897
Collateral for Securities Lending Transactions	33,983,356	-	33,983,356
Investments receivable	1,583,805	-	1,583,805
Accounts Receivable	1,287,616	-	1,287,616
Other	17,224	-	17,224
Total Assets	612,973,058	3,488,959	616,462,017
<b>LIABILITIES</b>			
Accounts Payable	825,931	8,419	834,350
Claims Payable	-	663,591	663,591
Obligation for Collateral Received under Securities Lending Transactions	33,983,356	-	33,983,356
Total Liabilities	34,809,287	672,010	35,481,297
<b>NET ASSETS</b>			
Assets Held in Trust for:			
Pension Benefits	578,163,771	-	578,163,771
Other Postemployment Benefits	-	2,816,989	2,816,989
Total Net Assets	\$ 578,163,771	\$ 2,816,989	\$ 580,980,760

Combining Schedules of Changes in Net Assets  
Pension Trust Funds  
For the Year Ended June 30, 2008

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 10,561,434	\$ 7,982,455	\$ 18,543,889
Plan Members	4,521,535	-	4,521,535
Plan Members for Current Benefits	-	904,938	904,938
Total Contributions	<u>15,082,969</u>	<u>8,887,393</u>	<u>23,970,362</u>
Federal Grants _ Medicare	-	298,681	298,681
Investment Earnings:			
Interest	7,590,941	23,541	7,614,482
Dividends	977,430	63,568	1,040,998
Net increase (decrease) in the Fair Value of Investments	<u>(62,105,788)</u>	<u>(91,264)</u>	<u>(62,197,052)</u>
Total Investment Earnings (loss)	<u>(53,537,417)</u>	<u>(4,155)</u>	<u>(53,541,572)</u>
Less Investment Advisory and Management Fees	<u>(1,977,012)</u>	<u>(13,050)</u>	<u>(1,990,062)</u>
Net Income (loss) from Investing Activities	<u>(55,514,429)</u>	<u>(17,205)</u>	<u>(55,531,634)</u>
Securities Lending Activity			
Securities Lending Income	2,167,456	-	2,167,456
Securities Lending Fees	<u>(1,962,564)</u>	<u>-</u>	<u>(1,962,564)</u>
Net Income from Securities Lending Activity	<u>204,892</u>	<u>-</u>	<u>204,892</u>
Total Net Investment Income	<u>(55,309,537)</u>	<u>(17,205)</u>	<u>(55,326,742)</u>
Total Additions	<u>(40,226,568)</u>	<u>9,168,869</u>	<u>(31,057,699)</u>
DEDUCTIONS:			
Benefits	23,635,793	6,496,074	30,131,867
Refunds of Contributions	382,455	-	382,455
Administrative expenses	<u>1,250,164</u>	<u>-</u>	<u>1,250,164</u>
Total Deductions	<u>25,268,412</u>	<u>6,496,074</u>	<u>31,764,486</u>
Change in Net Assets	<u>(65,494,980)</u>	<u>2,672,795</u>	<u>(62,822,185)</u>
Net Assets - Beginning	<u>643,658,751</u>	<u>144,194</u>	<u>643,802,945</u>
Net Assets - Ending	<u>\$ 578,163,771</u>	<u>\$ 2,816,989</u>	<u>\$ 580,980,760</u>

**(6) – COUNTY FINANCIAL DATA**

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

**MONTGOMERY COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2008**

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 6,346,943	\$ 15,356,984	\$ 21,703,927	\$ 2,335,105	\$ 1,674,383	\$ 25,713,415
Receivables - Taxes (net of allowance for uncollectibles)	269,887	776,709	1,046,596	-	7,230	1,053,826
Receivables - Other	10,427	17,733	28,160	-	13,737	41,897
Due from Other Funds	-	-	-	18,868	-	18,868
Due from County Government	-	31,115	31,115	2,395,998	281,780	2,708,893
Due from Other Governments	-	88,352	88,352	1,933,040	24,000	2,045,392
Restricted Cash - Unspent Debt Proceeds	-	-	-	1,487,089	-	1,487,089
Other	23,535	-	23,535	-	-	23,535
Total Assets	\$ 6,650,792	\$ 16,270,893	\$ 22,921,685	\$ 8,170,100	\$ 2,001,130	\$ 33,092,915
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts Payable	\$ 662,416	\$ 934,684	\$ 1,597,100	\$ 1,109,857	\$ 19,197	\$ 2,726,154
Accrued Liabilities	884,927	2,224,857	3,109,784	-	344	3,110,128
Retainage Payable	-	-	-	622,444	-	622,444
Due to County Government	60	-	60	-	35	95
Deposits and Deferred Revenue	295,705	627,511	923,216	875,000	250,505	2,048,721
Total Liabilities	1,843,108	3,787,052	5,630,160	2,607,301	270,081	8,507,542
Fund Balances:						
Reserved for Encumbrances	2,658,141	1,781,261	4,439,402	10,486,991	441,216	15,367,609
Reserved for Debt Service	-	-	-	-	7,230	7,230
Unreserved, Designated for Contingencies	823,900	2,386,000	3,209,900	-	-	3,209,900
Unreserved, Designated for Subsequent Years	239,400	4,790,600	5,030,000	-	-	5,030,000
Unreserved, Undesignated, Reported in:						
General Fund	1,086,243	3,525,980	4,612,223	-	-	4,612,223
Special Revenue Fund	-	-	-	-	1,282,603	1,282,603
Capital Projects	-	-	-	(4,924,192)	-	(4,924,192)
Total Fund Balances	4,807,684	12,483,841	17,291,525	5,562,799	1,731,049	24,585,373
Total Liabilities and Fund Balances	\$ 6,650,792	\$ 16,270,893	\$ 22,921,685	\$ 8,170,100	\$ 2,001,130	\$ 33,092,915

**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2008**

	General Fund Accounts			Capital	Other	Total
	Administration	Park	Total	Projects	Governmental	Governmental
					Funds	Funds
<b>REVENUES</b>						
Property Taxes	\$ 25,057,657	\$ 76,339,969	\$ 101,397,626	\$ -	\$ 1,543,383	\$ 102,941,009
Intergovernmental:						
Federal	-	38,731	38,731	-	-	38,731
State	-	38,585	38,585	6,790,237	-	6,828,822
County	458,385	510,650	969,035	10,781,560	425,603	12,176,198
Local	-	31,840	31,840	-	44,887	76,727
Charges for Services	367,161	940,228	1,307,389	-	1,847,453	3,154,842
Rentals and Concessions	-	1,666,627	1,666,627	-	34,451	1,701,078
Interest	373,624	830,609	1,204,233	133,635	82,088	1,419,956
Sale of Land	-	-	-	27,412	-	27,412
Contributions	-	-	-	90,769	288,694	379,463
Miscellaneous	6,471	129,077	135,548	-	39,484	175,032
Total Revenues	<u>26,263,298</u>	<u>80,526,316</u>	<u>106,789,614</u>	<u>17,823,613</u>	<u>4,306,043</u>	<u>128,919,270</u>
<b>EXPENDITURES</b>						
Current:						
General Government	7,961,774	-	7,961,774	-	-	7,961,774
Planning and Zoning	17,952,066	-	17,952,066	-	3,756,279	21,708,345
Park Operations and Maintenance	-	72,880,162	72,880,162	-	336,675	73,216,837
Contributions	-	-	-	-	883,443	883,443
Debt Service:						
Principal	28,400	28,400	56,800	-	3,105,000	3,161,800
Interest	-	-	-	-	1,417,554	1,417,554
Other Debt Service Costs	-	-	-	-	4,499	4,499
Capital Outlay:						
Park Acquisition	-	-	-	5,450,472	-	5,450,472
Park Development	-	-	-	13,995,177	-	13,995,177
Total Expenditures	<u>25,942,240</u>	<u>72,908,562</u>	<u>98,850,802</u>	<u>19,445,649</u>	<u>9,503,450</u>	<u>127,799,901</u>
Excess (Deficiency) of Revenues over Expenditures	<u>321,058</u>	<u>7,617,754</u>	<u>7,938,812</u>	<u>(1,622,036)</u>	<u>(5,197,407)</u>	<u>1,119,369</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers In	-	133,635	133,635	350,000	4,566,466	5,050,101
Transfer Out	(749,000)	(4,786,466)	(5,535,466)	(383,635)	-	(5,919,101)
Total Other Financing Sources (Uses)	<u>(749,000)</u>	<u>(4,652,831)</u>	<u>(5,401,831)</u>	<u>(33,635)</u>	<u>4,566,466</u>	<u>(869,000)</u>
Net Change in Fund Balances	(427,942)	2,964,923	2,536,981	(1,655,671)	(630,941)	250,369
Fund Balances - Beginning	<u>5,235,626</u>	<u>9,518,918</u>	<u>14,754,544</u>	<u>7,218,470</u>	<u>2,361,990</u>	<u>24,335,004</u>
Fund Balances - Ending	<u>\$ 4,807,684</u>	<u>\$ 12,483,841</u>	<u>\$ 17,291,525</u>	<u>\$ 5,562,799</u>	<u>\$ 1,731,049</u>	<u>\$ 24,585,373</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, 2008**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 24,759,400	\$ 24,759,400	\$ 25,057,657	\$ 298,257
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	-	250,000	458,385	208,385
Charges for Services	487,500	487,500	367,161	(120,339)
Interest	380,000	380,000	373,624	(6,376)
Miscellaneous	142,900	142,900	6,471	(136,429)
Total Revenues	<u>25,919,800</u>	<u>26,169,800</u>	<u>26,263,298</u>	<u>93,498</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,563,400	1,563,400	1,482,063	81,337
Central Administrative Services -				
Department of Human Resources and Management	2,409,500	2,409,500	2,407,273	2,227
Department of Finance	2,955,000	2,955,000	2,786,107	168,893
Legal Department	1,061,200	1,061,200	1,060,724	476
Support Services	503,500	503,500	454,287	49,213
Merit System Board	49,000	49,000	38,357	10,643
Total Central Administrative Services	<u>6,978,200</u>	<u>6,978,200</u>	<u>6,746,748</u>	<u>231,452</u>
Planning Department -				
Park and Planning Director's Office	510,150	510,100	500,174	9,926
Management Services	685,890	685,900	717,436	(31,536)
Strategic Planning	514,200	514,200	436,566	77,634
Community-Based Planning	3,971,400	4,021,400	4,081,032	(59,632)
County-wide Planning	4,177,600	4,377,600	4,365,508	12,092
Development Review	1,513,460	1,513,500	923,404	590,096
Research and Technology	4,485,000	4,485,000	4,826,210	(341,210)
Support Services	2,149,400	2,149,400	2,196,426	(47,026)
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>18,157,100</u>	<u>18,407,100</u>	<u>18,046,756</u>	<u>360,344</u>
Non-Departmental	-	-	(40,773)	40,773
Total Expenditures/Encumbrances	<u>26,698,700</u>	<u>26,948,700</u>	<u>26,234,794</u>	<u>713,906</u>
Excess of Revenues over (under)				
Expenditures/Encumbrances	<u>(778,900)</u>	<u>(778,900)</u>	<u>28,504</u>	<u>807,404</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	-	(749,000)	(749,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(749,000)</u>	<u>(749,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources				
over (under) Expenditures and Other Financing Uses	<u>\$ (778,900)</u>	<u>\$ (1,527,900)</u>	<u>(720,496)</u>	<u>\$ 807,404</u>
Fund Balance - Budget Basis, Beginning			2,870,039	
Fund Balance - Budget Basis, Ending			<u>\$ 2,149,543</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, 2008**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 75,628,900	\$ 75,628,900	\$ 76,339,969	\$ 711,069
Intergovernmental -				
Federal	-	38,731	38,731	-
State	425,000	353,429	38,585	(314,844)
Other	-	31,840	31,840	-
County	-	473,000	510,650	37,650
Charges for Services	927,900	927,900	940,228	12,328
Rentals and Concessions	1,711,600	1,711,600	1,666,627	(44,973)
Interest	770,000	770,000	830,609	60,609
Miscellaneous	78,400	79,400	129,077	49,677
Total Revenues	<u>79,541,800</u>	<u>80,014,800</u>	<u>80,526,316</u>	<u>511,516</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	2,800,900	2,800,900	2,548,698	252,202
Management Services	834,700	834,700	573,009	261,691
Facilities Management	1,148,200	1,515,200	1,310,636	204,564
County-wide Planning	3,146,500	3,199,500	2,955,851	243,649
Research and Technology	1,898,900	1,898,900	1,795,701	103,199
Park Development	3,149,600	3,202,600	3,140,380	62,220
Park Police	11,251,200	11,251,200	11,391,458	(140,258)
Natural Resources	5,672,200	5,672,200	5,332,827	339,373
Central Maintenance	10,306,000	10,306,000	10,226,825	79,175
Northern Region	8,334,400	8,334,400	8,607,708	(273,308)
Southern Region	12,280,300	12,280,300	12,425,632	(145,332)
Support Services	11,062,800	11,264,800	10,910,467	354,333
Grants	425,000	425,000	107,156	317,844
Property Management	1,072,600	1,072,600	1,178,399	(105,799)
Non-Departmental	-	-	(92,978)	92,978
Total Expenditures/Encumbrances	<u>73,383,300</u>	<u>74,058,300</u>	<u>72,411,769</u>	<u>1,646,531</u>
Excess of Revenues over (under)				
Expenditures/Encumbrances	<u>6,158,500</u>	<u>5,956,500</u>	<u>8,114,547</u>	<u>2,158,047</u>
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	200,000	200,000	133,635	(66,365)
Debt Service Fund	(3,960,000)	(3,960,000)	(3,817,466)	142,534
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	(10,000)	(10,000)	-	10,000
Enterprise Fund	(619,000)	(619,000)	(619,000)	-
Total Other Financing Sources (Uses)	<u>(4,739,000)</u>	<u>(4,739,000)</u>	<u>(4,652,831)</u>	<u>86,169</u>
Excess of Revenues and Other Financing Sources				
over (under) Expenditures and Other Financing Uses	<u>\$ 1,419,500</u>	<u>\$ 1,217,500</u>	<u>3,461,716</u>	<u>\$ 2,244,216</u>
Fund Balance - Budget Basis, Beginning			7,240,864	
Fund Balance - Budget Basis, Ending			<u>\$ 10,702,580</u>	

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2008**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 30,810,088	\$ 72,605,425	\$ 44,584,777	\$ 148,000,290	\$ 75,575,332	\$ 6,634,612	\$ 230,210,234
Receivables - Taxes (net of allowance for uncollectibles)	361,071	1,144,946	866,485	2,372,502	-	4,377	2,376,879
Receivables - Other	4,389	7,060	4,776	16,225	-	-	16,225
Due from County Government	-	-	-	-	-	60,809	60,809
Due from Other Governments	106,090	15,684	728	122,502	3,234,709	-	3,357,211
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	14,653,514	-	14,653,514
Other	12,806	7,674	-	20,480	-	-	20,480
Total Assets	<u>\$ 31,294,444</u>	<u>\$ 73,780,789</u>	<u>\$ 45,456,766</u>	<u>\$ 150,531,999</u>	<u>\$ 93,463,555</u>	<u>\$ 6,699,798</u>	<u>\$ 250,695,352</u>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 3,182,824	\$ 1,769,985	\$ 1,826,461	\$ 6,779,270	\$ 4,803,097	\$ 210,972	\$ 11,793,339
Accrued Liabilities	594,345	2,260,160	2,433,265	5,287,770	-	61,401	5,349,171
Retainage Payable	-	-	-	-	658,156	-	658,156
Deposits and Deferred Revenue	263,942	1,094,869	3,702,552	5,061,363	-	309,811	5,371,174
Total Liabilities	<u>4,041,111</u>	<u>5,125,014</u>	<u>7,962,278</u>	<u>17,128,403</u>	<u>5,461,253</u>	<u>582,184</u>	<u>23,171,840</u>
<b>Fund Balances:</b>							
Reserved for Encumbrances	8,594,768	4,577,771	4,006,784	17,179,323	13,670,878	403,054	31,253,255
Reserved for Debt Service	-	-	-	-	-	4,377	4,377
Unreserved, Designated for Contingencies	2,829,900	5,643,200	3,679,700	12,152,800	-	-	12,152,800
Unreserved, Designated for Subsequent Years	14,336,600	18,929,100	6,056,000	39,321,700	-	-	39,321,700
Unreserved, Designated for Future Facilities	-	2,550,000	7,315,000	9,865,000	-	-	9,865,000
Unreserved, Undesignated, Reported in:							
General Fund	1,492,065	36,955,704	16,437,004	54,884,773	-	-	54,884,773
Special Revenue Fund	-	-	-	-	-	5,710,183	5,710,183
Capital Projects	-	-	-	-	74,331,424	-	74,331,424
Total Fund Balances	<u>27,253,333</u>	<u>68,655,775</u>	<u>37,494,488</u>	<u>133,403,596</u>	<u>88,002,302</u>	<u>6,117,614</u>	<u>227,523,512</u>
Total Liabilities and Fund Balances	<u>\$ 31,294,444</u>	<u>\$ 73,780,789</u>	<u>\$ 45,456,766</u>	<u>\$ 150,531,999</u>	<u>\$ 93,463,555</u>	<u>\$ 6,699,798</u>	<u>\$ 250,695,352</u>

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2008**

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>REVENUES</b>							
Property Taxes	\$ 35,899,461	\$ 126,882,966	\$ 46,878,452	\$ 209,660,879	\$ -	\$ 1,026,533	\$ 210,687,412
Intergovernmental:							
Federal	-	28,901	1,750	30,651	232,261	-	262,912
State	2,500	48,247	320,596	371,343	18,599,815	-	18,971,158
County	163,105	1,795	-	164,900	-	72,356	237,256
Local	-	13,996	4,000	17,996	-	-	17,996
Charges for Services	1,378,305	292,053	5,939,172	7,609,530	-	693,210	8,302,740
Rentals and Concessions	-	1,988,355	689,511	2,677,866	-	4,598,265	7,276,131
Interest	1,321,934	3,046,027	1,663,996	6,031,957	3,167,504	376,724	9,576,185
Sale of Land	-	-	-	-	11,000	-	11,000
Contributions	-	-	-	-	352,000	439,021	791,021
Miscellaneous	17,528	213,826	74,417	305,771	7,209	52,187	365,167
Total Revenues	<u>38,782,833</u>	<u>132,516,166</u>	<u>55,571,894</u>	<u>226,870,893</u>	<u>22,369,789</u>	<u>7,258,296</u>	<u>256,498,978</u>
<b>EXPENDITURES</b>							
Current:							
General Government	8,848,053	-	-	8,848,053	-	-	8,848,053
Planning and Zoning	26,281,941	-	-	26,281,941	-	2,850	26,284,791
Park Operations and Maintenance	-	74,718,254	-	74,718,254	-	178,652	74,896,906
Recreation	-	-	44,448,572	44,448,572	-	5,912,992	50,361,564
Contributions	-	-	-	-	-	662,451	662,451
Debt Service:							
Principal	-	-	-	-	-	9,970,000	9,970,000
Interest	-	-	-	-	-	4,087,336	4,087,336
Other Debt Service Costs	-	-	-	-	-	83,438	83,438
Capital Outlay:							
Park Acquisition	-	-	-	-	4,584,893	-	4,584,893
Park Development	-	-	-	-	16,837,598	-	16,837,598
Total Expenditures	<u>35,129,994</u>	<u>74,718,254</u>	<u>44,448,572</u>	<u>154,296,820</u>	<u>21,422,491</u>	<u>20,897,719</u>	<u>196,617,030</u>
Excess (deficiency) of Revenues over Expenditures	<u>3,652,839</u>	<u>57,797,912</u>	<u>11,123,322</u>	<u>72,574,073</u>	<u>947,298</u>	<u>(13,639,423)</u>	<u>59,881,948</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Refunding Bonds Issued	-	-	-	-	-	17,300,000	17,300,000
Principal Retirement of Refunded Bonds	-	-	-	-	-	(17,300,000)	(17,300,000)
Transfers In	-	4,167,504	-	4,167,504	31,362,000	13,829,583	49,359,087
Transfer Out	(50,000)	(51,286,683)	(400,000)	(51,736,683)	(3,167,504)	(2,900,000)	(57,804,187)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(47,119,179)</u>	<u>(400,000)</u>	<u>(47,569,179)</u>	<u>28,194,496</u>	<u>10,929,583</u>	<u>(8,445,100)</u>
Net Change in Fund Balances	3,602,839	10,678,733	10,723,322	25,004,894	29,141,794	(2,709,840)	51,436,848
Fund Balances - Beginning	<u>23,650,494</u>	<u>57,977,042</u>	<u>26,771,166</u>	<u>108,398,702</u>	<u>58,860,508</u>	<u>8,827,454</u>	<u>176,086,664</u>
Fund Balances - Ending	<u>\$ 27,253,333</u>	<u>\$ 68,655,775</u>	<u>\$ 37,494,488</u>	<u>\$ 133,403,596</u>	<u>\$ 88,002,302</u>	<u>\$ 6,117,614</u>	<u>\$ 227,523,512</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, 2008**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 31,833,000	\$ 31,833,000	\$ 35,899,461	\$ 4,066,461
Intergovernmental -				
State	-	2,500	2,500	-
County	188,000	162,305	163,105	800
Charges for Services	2,225,000	2,225,000	1,378,305	(846,695)
Interest	920,000	920,000	1,321,934	401,934
Miscellaneous	-	-	17,528	17,528
Total Revenues	<u>35,166,000</u>	<u>35,142,805</u>	<u>38,782,833</u>	<u>3,640,028</u>
Expenditures/Encumbrances:				
Commissioners' Office	2,380,500	2,383,000	2,367,689	15,311
Central Administrative Services -				
Department of Human Resources and Management	2,409,500	2,409,500	2,407,273	2,227
Department of Finance	2,955,000	2,955,000	2,786,107	168,893
Legal Department	1,061,200	1,061,200	1,060,724	476
Support Services	503,500	503,500	454,287	49,213
Merit System Board	49,000	49,000	38,357	10,643
Total Central Administrative Services	<u>6,978,200</u>	<u>6,978,200</u>	<u>6,746,748</u>	<u>231,452</u>
Planning Department -				
Director's Office	1,789,500	1,789,500	1,964,333	(174,833)
Development Review	5,342,700	5,342,700	5,139,171	203,529
Community Planning North	3,439,200	3,439,200	3,631,282	(192,082)
Community Planning South	3,361,100	3,361,100	2,720,718	640,382
Information Management	3,274,400	3,274,400	3,578,643	(304,243)
Countywide Planning	6,235,500	6,235,500	4,605,448	1,630,052
Information Center	4,066,400	4,066,400	3,334,087	732,313
Support Services	1,649,900	1,649,900	1,813,878	(163,978)
Grants	121,000	95,305	95,305	-
Total Planning Department	<u>29,279,700</u>	<u>29,254,005</u>	<u>26,882,865</u>	<u>2,371,140</u>
Non-Departmental	-	-	(34,237)	34,237
Total Expenditures/Encumbrances	<u>38,638,400</u>	<u>38,615,205</u>	<u>35,963,065</u>	<u>2,652,140</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(3,472,400)</u>	<u>(3,472,400)</u>	<u>2,819,768</u>	<u>6,292,168</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (3,522,400)</u>	<u>\$ (3,522,400)</u>	<u>2,769,768</u>	<u>\$ 6,292,168</u>
Fund Balance - Budget Basis, Beginning			15,888,797	
Fund Balance - Budget Basis, Ending			<u>\$ 18,658,565</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, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 112,465,000	\$ 112,465,000	\$ 126,882,966	\$ 14,417,966
Intergovernmental -				
Federal	-	28,901	28,901	-
State	-	48,247	48,247	-
Local	-	1,795	1,795	-
County	-	3,996	13,996	10,000
Charges for Services	322,100	322,100	292,053	(30,047)
Rentals and Concessions	1,988,200	1,988,200	1,988,355	155
Interest	2,100,000	2,100,000	3,046,027	946,027
Miscellaneous	295,800	295,800	213,826	(81,974)
Total Revenues	<u>117,171,100</u>	<u>117,254,039</u>	<u>132,516,166</u>	<u>15,262,127</u>
Expenditures/Encumbrances:				
Director's Office	2,732,100	2,732,100	2,430,479	301,621
Park Police	13,019,300	13,019,300	12,945,528	73,772
Support Services	11,164,400	11,164,400	10,829,333	335,067
Park Planning and Development	4,670,800	4,670,800	4,526,782	144,018
Information Technology and Communication	1,647,400	1,647,400	1,532,275	115,125
Facility Operations -				
Administration	458,000	458,000	352,752	105,248
Maintenance and Development	21,319,300	21,319,300	21,561,646	(242,346)
Natural and Historical Resources	2,330,000	2,330,000	2,202,590	127,410
Arts and Cultural Heritage	1,493,700	1,493,700	1,517,567	(23,867)
Park Permits	322,300	322,300	285,627	36,673
Total Facility Operations	<u>25,923,300</u>	<u>25,923,300</u>	<u>25,920,182</u>	<u>3,118</u>
Area Operations -				
Northern Area	5,532,500	5,532,500	5,699,374	(166,874)
Central Area	5,074,900	5,074,900	5,195,324	(120,424)
Southern Area	4,772,700	4,772,700	4,743,090	29,610
Total Area Operations	<u>15,380,100</u>	<u>15,380,100</u>	<u>15,637,788</u>	<u>(257,688)</u>
Grants	-	82,939	82,939	-
Non-Departmental	1,752,100	1,752,100	1,626,991	125,109
Total Expenditures/Encumbrances	<u>76,289,500</u>	<u>76,372,439</u>	<u>75,532,297</u>	<u>840,142</u>
Excess of Revenues over Expenditures/Encumbrances	<u>40,881,600</u>	<u>40,881,600</u>	<u>56,983,869</u>	<u>16,102,269</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	1,300,000	1,300,000	3,167,504	1,867,504
Debt Service	-	-	1,000,000	1,000,000
Debt Service - Park Fund	(14,329,600)	(14,329,600)	(13,779,583)	550,017
Enterprise Fund	(8,045,100)	(8,045,100)	(8,045,100)	-
Capital Projects Funds - Development	(29,462,000)	(29,462,000)	(29,462,000)	-
Total Other Financing Sources (Uses)	<u>(50,536,700)</u>	<u>(50,536,700)</u>	<u>(47,119,179)</u>	<u>3,417,521</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (9,655,100)</u>	<u>\$ (9,655,100)</u>	<u>9,864,690</u>	<u>\$ 19,519,790</u>
Fund Balance - Budget Basis, Beginning			54,213,314	
Fund Balance - Budget Basis, Ending			<u>\$ 64,078,004</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, 2008**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 41,598,000	\$ 41,598,000	\$ 46,878,452	\$ 5,280,452
Intergovernmental -				
Federal	-	1,750	1,750	-
State	-	320,596	320,596	-
Other Local Munis/Gov	-	4,000	4,000	-
Charges for Services	6,130,000	6,130,000	5,939,172	(190,828)
Rentals and Concessions	618,400	618,400	689,511	71,111
Interest	850,000	850,000	1,663,996	813,996
Miscellaneous	71,100	71,100	74,417	3,317
Total Revenues	<u>49,267,500</u>	<u>49,593,846</u>	<u>55,571,894</u>	<u>5,978,048</u>
Expenditures/Encumbrances:				
Director's Office	611,000	611,000	638,798	(27,798)
Deputy Director	-	65,000	67,896	(2,896)
Support Services	6,436,100	6,116,100	6,261,673	(145,573)
Information Technology Communications	925,000	925,000	1,010,862	(85,862)
Total Director's Office	<u>7,972,100</u>	<u>7,717,100</u>	<u>7,979,229</u>	<u>(262,129)</u>
Facility Operations:				
Sports/Athletic/Outreach Program	4,316,100	4,316,100	4,315,606	494
Natural and Historical Resources	3,911,300	3,911,300	3,644,905	266,395
Arts and Cultural Heritage	3,347,200	3,347,200	3,351,755	(4,555)
Grants	-	326,346	325,592	754
Total Facility Operations	<u>11,574,600</u>	<u>11,900,946</u>	<u>11,637,858</u>	<u>263,088</u>
Area Operations:				
Deputy Director	398,900	398,900	402,883	(3,983)
Northern Area	7,160,800	7,160,800	7,585,609	(424,809)
Central Area	6,440,200	6,440,200	6,450,362	(10,162)
Southern Area	6,795,800	6,795,800	5,514,278	1,281,522
Child Care and Special Projects	4,372,000	4,372,000	4,394,517	(22,517)
Total Area Operations	<u>25,167,700</u>	<u>25,167,700</u>	<u>24,347,649</u>	<u>820,051</u>
Non-Departmental	1,890,400	2,145,400	1,594,974	550,426
Total Operating Expenditures/Encumbrances	<u>46,604,800</u>	<u>46,931,146</u>	<u>45,559,710</u>	<u>1,371,436</u>
Excess of Revenues over (under)				
Expenditures/Encumbrances	<u>2,662,700</u>	<u>2,662,700</u>	<u>10,012,184</u>	<u>7,349,484</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	(400,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	<u>(400,000)</u>	<u>(400,000)</u>	<u>(400,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources				
over Expenditures and Other Financing Uses	<u>\$ 2,262,700</u>	<u>\$ 2,262,700</u>	<u>9,612,184</u>	<u>\$ 7,349,484</u>
Fund Balance - Budget Basis, Beginning			23,875,520	
Fund Balance - Budget Basis, Ending			<u>\$ 33,487,704</u>	

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

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)			
	<u>July 1, 2005</u>	<u>July 1, 2006</u>	<u>July 1, 2007</u>
Actuarial Valuation of Plan Assets	\$ 521,369	\$ 552,432	\$ 600,285
Actuarial Accrued Liability	507,393	544,748	615,589
Funded Ratio	102.8%	101.4%	97.5%
Actuarial Value of Assets in Excess of (Less than) Actuarial Accrued Liability	13,976	7,684	(15,304)
Annual Covered Payroll	106,058	109,579	122,825
Actuarial Value of Assets in Excess of (Less than) Actuarial Accrued Liability as a Percentage of Covered Payroll	13.2%	7.0%	-12.5%

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

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

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

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

The Commission adopted the accounting requirements of GASB Statement No. 45 prospectively in fiscal year 2008, and began a formal program of funding these benefits in that fiscal year. Therefore the full three years of information required is not available, and the impact of that funding is not reflected in the actuarial information presented below. However, information from two actuarial valuations is available, summarized as follows:

SCHEDULE OF FUNDING PROGRESS (000'S)

	July 1, 2006	July 1, 2007
Actuarial Valuation of Plan Assets	\$ 132	\$ 144
Actuarial Accrued Liability	208,005	232,535
Funded Ratio	0.06%	0.06%
Unfunded Actuarial Accrued Liability	207,873	232,391
Annual Covered Payroll	109,579	122,825
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	189.7%	189.2%

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

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# ♦ PART IIB ♦

## FINANCIAL SECTION

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### Combining Statements and Schedules



The lake at Louise F. Cosca Regional Park in Clinton provides opportunities for water sports and an oasis of calm and relaxation.

### **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, 2008

	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	\$ 1,332,679	\$ 341,704	\$ 1,674,383	\$ -	\$ -	\$ 1,674,383	\$ 86,632	\$ 6,547,980	\$ 6,634,612	\$ -	\$ -	\$ 6,634,612	\$ 8,308,995
Taxes Receivable	-	-	-	-	7,230	7,230	-	-	-	-	4,377	4,377	11,607
Accounts Receivable	-	13,737	13,737	-	-	13,737	-	-	-	-	-	-	13,737
Due from County Government	281,780	-	281,780	-	-	281,780	-	60,809	60,809	-	-	60,809	342,589
Due from Other Government	24,000	-	24,000	-	-	24,000	-	-	-	-	-	-	24,000
Total Assets	\$ 1,638,459	\$ 355,441	\$ 1,993,900	\$ -	\$ 7,230	\$ 2,001,130	\$ 86,632	\$ 6,608,789	\$ 6,695,421	\$ -	\$ 4,377	\$ 6,699,798	\$ 8,700,928
LIABILITIES													
Accounts Payable	\$ 3,138	\$ 16,059	\$ 19,197	\$ -	\$ -	\$ 19,197	\$ -	\$ 210,972	\$ 210,972	\$ -	\$ -	\$ 210,972	\$ 230,169
Accrued Liabilities	162	182	344	-	-	344	-	61,401	61,401	-	-	61,401	61,745
Due to County Government	35	-	35	-	-	35	-	-	-	-	-	-	35
Deposits and Deferred Revenue	243,208	7,297	250,505	-	-	250,505	-	309,811	309,811	-	-	309,811	560,316
Total Liabilities	246,543	23,538	270,081	-	-	270,081	-	582,184	582,184	-	-	582,184	852,265
FUND BALANCES													
Reserved for Encumbrances	356,083	85,133	441,216	-	-	441,216	-	403,054	403,054	-	-	403,054	844,270
Reserved for Debt Service	-	-	-	-	7,230	7,230	-	-	-	-	4,377	4,377	11,607
Unreserved, Undesignated	1,035,833	246,770	1,282,603	-	-	1,282,603	86,632	5,623,551	5,710,183	-	-	5,710,183	6,992,786
Total Fund Balances	1,391,916	331,903	1,723,819	-	7,230	1,731,049	86,632	6,026,605	6,113,237	-	4,377	6,117,614	7,848,663
Total Liabilities and Fund Balances	\$ 1,638,459	\$ 355,441	\$ 1,993,900	\$ -	\$ 7,230	\$ 2,001,130	\$ 86,632	\$ 6,608,789	\$ 6,695,421	\$ -	\$ 4,377	\$ 6,699,798	\$ 8,700,928

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2008

Schedule 2

	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					Planning	Parks and Recreation				
<b>REVENUES:</b>												
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,543,383	\$ -	\$ -	\$ -	\$ -	\$ 1,026,533	\$ 1,026,533	\$ 2,569,916
Intergovernmental - County	275,780	149,823	425,603	-	425,603	-	72,356	72,356	-	-	72,356	497,959
Intergovernmental - Other	30,750	14,137	44,887	-	44,887	-	-	-	-	-	-	44,887
Charges for Services	1,822,049	25,404	1,847,453	-	1,847,453	-	693,210	693,210	-	-	693,210	2,540,663
Recreation Activities	-	34,451	34,451	-	34,451	-	4,598,265	4,598,265	-	-	4,598,265	4,632,716
Interest	67,748	14,340	82,088	-	82,088	2,737	373,987	376,724	-	-	376,724	458,812
Contributions	194,363	42,309	236,672	-	236,672	-	439,021	439,021	-	-	439,021	727,715
Miscellaneous	21,280	18,204	39,484	-	39,484	-	52,187	52,187	-	-	52,187	91,671
Total Revenues	2,411,970	298,668	2,710,638	-	2,710,638	2,737	6,229,026	6,231,763	-	1,026,533	7,258,296	11,564,339
<b>EXPENDITURES:</b>												
Principal Retirements	-	-	-	2,560,000	2,560,000	-	-	-	9,665,000	305,000	9,970,000	13,075,000
Interest	-	-	-	1,254,716	1,254,716	-	-	-	4,034,730	52,606	4,087,336	5,504,890
Other Debt Service Costs	-	-	-	2,750	2,750	-	-	-	79,853	3,585	83,438	87,937
Contributions	-	-	-	883,443	883,443	-	-	-	-	662,451	662,451	1,545,894
Planning and Zoning	3,756,279	-	3,756,279	-	3,756,279	2,850	-	2,850	-	-	2,850	3,759,129
Park Operations and Maintenance	-	336,675	336,675	-	336,675	-	178,652	178,652	-	-	178,652	515,327
Recreation	-	-	-	-	-	-	5,912,992	5,912,992	-	-	5,912,992	5,912,992
Total Expenditures	3,756,279	336,675	4,092,954	3,817,466	7,913,450	2,850	6,091,644	6,094,494	13,779,583	1,023,642	20,897,719	30,401,169
Excess (deficiency) of revenues over expenditures	(1,344,309)	(38,007)	(1,382,316)	(3,817,466)	(5,197,407)	(113)	137,382	137,269	(13,779,583)	2,891	(13,639,423)	(18,836,830)
<b>OTHER FINANCING SOURCES (USES):</b>												
Refunding Bonds Issued	-	-	-	-	-	-	-	-	17,300,000	-	17,300,000	17,300,000
Principal Retirement of Refunded Bonds	-	-	-	-	-	-	-	-	(17,300,000)	-	(17,300,000)	(17,300,000)
Transfers In	749,000	-	749,000	3,817,466	4,566,466	50,000	-	50,000	13,779,583	-	13,829,583	18,396,049
Transfers Out	-	-	-	-	-	-	(1,900,000)	(1,900,000)	(1,000,000)	-	(2,900,000)	(2,900,000)
Total Other Financing Sources (Uses)	749,000	-	749,000	3,817,466	4,566,466	50,000	(1,900,000)	(1,850,000)	12,779,583	-	10,929,583	15,496,049
Net change in fund balances	(595,309)	(38,007)	(633,316)	-	(633,316)	49,887	(1,762,618)	(1,712,731)	(1,000,000)	2,891	(2,709,840)	(3,340,781)
Fund Balances - beginning	1,987,225	369,910	2,357,135	-	2,357,135	36,745	7,789,223	7,825,968	1,000,000	1,486	8,827,454	11,189,444
Fund Balances - ending	\$ 1,391,916	\$ 331,903	\$ 1,723,819	\$ -	\$ 1,723,819	\$ 86,632	\$ 6,026,605	\$ 6,113,237	\$ -	\$ 4,377	\$ 6,117,614	\$ 7,848,663

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

Schedule 3

**Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - Special Revenue Funds  
For the Year Ended June 30, 2008**

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Intergovernmental	\$ 336,800	\$ 336,800	\$ 470,490	\$ 133,690	\$ 350,000	\$ 350,000	\$ 72,356	\$ (277,644)
Charges for Services	3,461,800	3,461,800	1,847,453	(1,614,347)	840,700	840,700	693,210	(147,490)
Recreation Activities	-	-	34,451	34,451	5,351,500	5,351,500	4,598,265	(753,235)
Interest	200	200	82,088	81,888	237,000	237,000	376,724	139,724
Contributions	-	-	236,672	236,672	553,300	553,300	439,021	(114,279)
Miscellaneous	282,000	282,000	39,484	(242,516)	72,300	72,300	52,187	(20,113)
Total Revenues	<u>4,080,800</u>	<u>4,080,800</u>	<u>2,710,638</u>	<u>(1,370,162)</u>	<u>7,404,800</u>	<u>7,404,800</u>	<u>6,231,763</u>	<u>(1,173,037)</u>
<b>Expenditures/Encumbrances:</b>								
Current -								
County Planning and Zoning	4,501,100	4,501,100	3,641,603	859,497	-	-	-	-
Park Operations and Maintenance	379,400	379,400	297,912	81,488	717,500	717,500	217,137	500,363
Recreation	-	-	-	-	6,044,600	6,044,600	6,113,872	(69,272)
Total Expenditures/Encumbrances	<u>4,880,500</u>	<u>4,880,500</u>	<u>3,939,515</u>	<u>940,985</u>	<u>6,762,100</u>	<u>6,762,100</u>	<u>6,331,009</u>	<u>431,091</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(799,700)</u>	<u>(799,700)</u>	<u>(1,228,877)</u>	<u>(429,177)</u>	<u>642,700</u>	<u>642,700</u>	<u>(99,246)</u>	<u>(741,946)</u>
<b>Other Financing Sources (Uses):</b>								
Operating Transfers In	10,000	759,000	749,000	(10,000)	50,000	50,000	50,000	-
Transfers Out	-	-	-	-	(1,950,000)	(1,950,000)	(1,900,000)	50,000
Total Other Financing (Uses)	<u>10,000</u>	<u>759,000</u>	<u>749,000</u>	<u>(10,000)</u>	<u>(1,900,000)</u>	<u>(1,900,000)</u>	<u>(1,850,000)</u>	<u>50,000</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	<u>\$ (789,700)</u>	<u>\$ (40,700)</u>	<u>(479,877)</u>	<u>\$ (439,177)</u>	<u>\$ (1,257,300)</u>	<u>\$ (1,257,300)</u>	<u>(1,949,246)</u>	<u>\$ (691,946)</u>
<b>Fund Balances - Budget Basis, July 1</b>			<u>1,762,480</u>				<u>7,659,429</u>	
<b>Fund Balances - Budget Basis, June 30</b>			<u>\$ 1,282,603</u>				<u>\$ 5,710,183</u>	

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



Front entrance to Wheaton Ice Arena, home to the nationally recognized Wheaton Ice Skating Academy.

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## ENTERPRISE FUNDS

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Assets  
Enterprise Funds  
June 30, 2008 and 2007

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007	June 30, 2008	June 30, 2007
<b>ASSETS</b>						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 1,581,618	\$ 2,005,825	\$ 2,933,116	\$ 2,791,555	\$ 4,514,734	\$ 4,797,380
Accounts Receivable	6,928	6,971	84,550	37,344	91,478	44,315
Due from County Government	180,000	-	-	-	180,000	-
Due from Other Government	102,906	14,957	-	146,596	102,906	161,553
Inventories	186,240	187,510	828,210	657,567	1,014,450	845,077
Total Current Assets	2,057,692	2,215,263	3,845,876	3,633,062	5,903,568	5,848,325
Noncurrent Assets:						
Due from County Government	540,000	900,000	-	-	540,000	900,000
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	26,994,492	28,156,765	72,270,589	72,270,589	99,265,081	100,427,354
Machinery and Equipment	1,625,438	1,783,988	4,783,290	4,815,971	6,408,728	6,599,959
Construction in Progress	172,164	28,525	-	-	172,164	28,525
	40,376,562	41,553,746	84,833,010	84,865,691	125,209,572	126,419,437
Less - Accumulated Depreciation	(13,692,522)	(13,820,363)	(26,630,930)	(24,560,787)	(40,323,452)	(38,381,150)
Total Capital Assets (net of depreciation)	26,684,040	27,733,383	58,202,080	60,304,904	84,886,120	88,038,287
Total Noncurrent Assets	27,224,040	28,633,383	58,202,080	60,304,904	85,426,120	88,938,287
Total Assets	29,281,732	30,848,646	62,047,956	63,937,966	91,329,688	94,786,612
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	336,271	128,343	604,589	357,344	940,860	485,687
Accrued Salaries and Benefits	47,966	167,469	175,780	273,881	223,746	441,350
Compensated Absences	83,717	96,151	188,908	180,052	272,625	276,203
Interest Payable	38,915	46,504	-	-	38,915	46,504
Revenue Collected in Advance	905,214	654,895	115,199	259,838	1,020,413	914,733
Current Portion of Revenue Bonds Payable	662,779	641,172	-	-	662,779	641,172
Current Portion of Revenue Notes Payable	444,444	444,444	-	-	444,444	444,444
Current Portion of Notes Payable	-	27,221	-	-	-	27,221
Total Current Liabilities	2,519,306	2,206,199	1,084,476	1,071,115	3,603,782	3,277,314
Noncurrent Liabilities:						
Revenue Bonds Payable	2,394,566	3,025,281	-	-	2,394,566	3,025,281
Revenue Notes Payable	2,000,004	2,444,448	-	-	2,000,004	2,444,448
Compensated Absences	174,150	209,895	565,246	492,499	739,396	702,394
Net Other Post Employment Benefit Obligations	92,317	-	351,589	-	443,906	-
Total Noncurrent Liabilities	4,661,037	5,679,624	916,835	492,499	5,577,872	6,172,123
Total Liabilities	7,180,343	7,885,823	2,001,311	1,563,614	9,181,654	9,449,437
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	21,182,247	21,150,817	58,202,080	60,304,904	79,384,327	81,455,721
Unrestricted	919,142	1,812,006	1,844,565	2,069,448	2,763,707	3,881,454
Total Net Assets	\$ 22,101,389	\$ 22,962,823	\$ 60,046,645	\$ 62,374,352	\$ 82,148,034	\$ 85,337,175

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Assets  
Enterprise Funds  
For the Years Ended June 30, 2008 and 2007

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2008	2007	2008	2007	2008	2007
Operating Revenues:						
Intergovernmental	\$ 102,906	\$ -	\$ 48,730	\$ 146,596	\$ 151,636	\$ 146,596
Sales	631,448	665,478	2,553,637	2,491,999	3,185,085	3,157,477
Charges for Services	4,786,150	6,166,399	4,645,836	4,526,163	9,431,986	10,692,562
Rentals and Concessions	2,326,898	2,462,051	2,983,022	2,973,918	5,309,920	5,435,969
Total Operating Revenues	7,847,402	9,293,928	10,231,225	10,138,676	18,078,627	19,432,604
Operating Expenses:						
Cost of Goods Sold	323,603	357,948	1,737,089	1,595,116	2,060,692	1,953,064
Personal Services	2,854,190	2,791,427	10,692,610	9,275,905	13,546,800	12,067,332
Supplies and Materials	503,608	440,040	1,636,301	1,613,582	2,139,909	2,053,622
Communications	43,276	27,099	345,435	292,902	388,711	320,001
Utilities	1,171,194	1,263,607	1,780,917	1,759,906	2,952,111	3,023,513
Maintenance	517,290	258,830	1,059,898	863,532	1,577,188	1,122,362
Contractual Services	660,097	1,140,276	707,985	582,608	1,368,082	1,722,884
Other Services and Charges	352,783	211,319	649,789	587,537	1,002,572	798,856
Administrative Services	1,320,493	1,434,788	321,900	300,800	1,642,393	1,735,588
Depreciation	1,363,737	1,382,939	2,265,809	2,336,410	3,629,546	3,719,349
Total Operating Expenses	9,110,271	9,308,273	21,197,733	19,208,298	30,308,004	28,516,571
Operating Income (Loss)	(1,262,869)	(14,345)	(10,966,508)	(9,069,622)	(12,229,377)	(9,083,967)
Nonoperating Revenues (Expenses):						
Investment Earnings	101,154	109,957	193,701	209,476	294,855	319,433
Interest Expense, net of Amortization	(291,511)	(336,317)	-	-	(291,511)	(336,317)
Loss on Disposal of Asset	(27,208)	(8,461)	-	-	(27,208)	(8,461)
Total Nonoperating Revenue (Expense)	(217,565)	(234,821)	193,701	209,476	(23,864)	(25,345)
Loss before Transfers	(1,480,434)	(249,166)	(10,772,807)	(8,860,146)	(12,253,241)	(9,109,312)
Contribution from General Government Assets	-	-	-	272,772	-	272,772
Transfers In	619,000	405,000	8,445,100	7,349,100	9,064,100	7,754,100
Total Contributions and Transfers	619,000	405,000	8,445,100	7,621,872	9,064,100	8,026,872
Change in Net Assets	(861,434)	155,834	(2,327,707)	(1,238,274)	(3,189,141)	(1,082,440)
Total Net Assets - Beginning	22,962,823	22,806,989	62,374,352	63,612,626	85,337,175	86,419,615
Total Net Assets - Ending	\$ 22,101,389	\$ 22,962,823	\$ 60,046,645	\$ 62,374,352	\$ 82,148,034	\$ 85,337,175

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

**Schedule 6**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2008 and 2007**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2008	2007	2008	2007	2008	2007
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 8,009,815	\$ 9,232,970	\$ 10,185,976	\$ 10,052,112	\$ 18,195,791	\$ 19,285,082
Payments to Suppliers	(2,889,872)	(3,142,583)	(7,840,812)	(7,201,201)	(10,730,684)	(10,343,784)
Payments to Employees	(2,920,126)	(2,837,668)	(10,357,519)	(9,195,561)	(13,277,645)	(12,033,229)
Payments for Interfund Services Used	(489,800)	(549,800)	-	-	(489,800)	(549,800)
Payments for Administrative Charges	(1,320,493)	(1,434,788)	(321,900)	(300,800)	(1,642,393)	(1,735,588)
Net Cash Provided (Used) by Operating Activities	389,524	1,268,131	(8,334,255)	(6,645,450)	(7,944,731)	(5,377,319)
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	619,000	405,000	8,445,100	7,349,100	9,064,100	7,754,100
Net Cash Provided (Used) by Noncapital Financing Activities	619,000	405,000	8,445,100	7,349,100	9,064,100	7,754,100
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(341,601)	(99,468)	(162,985)	(273,544)	(504,586)	(373,012)
Principal Paid on Bonds and Notes Payable	(1,112,836)	(1,091,678)	-	-	(1,112,836)	(1,091,678)
Interest Paid	(259,448)	(304,254)	-	-	(259,448)	(304,254)
Payment Received on Long Term Note	180,000	180,000	-	-	180,000	180,000
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,533,885)	(1,315,400)	(162,985)	(273,544)	(1,696,870)	(1,588,944)
Cash Flows from Investing Activities:						
Interest on Investments	101,154	109,957	193,701	209,476	294,855	319,433
Net Cash Provided (Used) by Investing Activities	101,154	109,957	193,701	209,476	294,855	319,433
Net Increase (Decrease) in Cash and Cash Equivalents	(424,207)	467,688	141,561	639,582	(282,646)	1,107,270
Cash, Cash Equivalents and Restricted Cash, July 1	2,005,825	1,538,137	2,791,555	2,151,973	4,797,380	3,690,110
Cash, Cash Equivalents and Restricted Cash, June 30	\$ 1,581,618	\$ 2,005,825	\$ 2,933,116	\$ 2,791,555	\$ 4,514,734	\$ 4,797,380
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ (1,262,869)	\$ (14,345)	\$ (10,966,508)	\$ (9,069,622)	(12,229,377)	\$ (9,083,967)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,363,737	1,382,939	2,265,809	2,336,410	3,629,546	3,719,349
Effect of Changes in Assets and Liabilities in:						
Accounts Receivable	43	(183)	(47,206)	93,471	(47,163)	93,288
Due from Other Government	(87,949)	(14,957)	146,596	(146,596)	58,647	(161,553)
Inventories, at Cost	1,270	12,525	(170,643)	32,051	(169,373)	44,576
Accounts Payable	207,927	1,685	247,245	94,157	455,172	95,842
Accrued Salaries and Benefits	(119,503)	1,185	(98,101)	(531)	(217,604)	654
Compensated Absences	(48,179)	(47,426)	81,603	49,762	33,424	2,336
Interest Payable	(7,589)	(7,474)	-	-	(7,589)	(7,474)
Due to Other Governments	-	-	-	(1,113)	-	(1,113)
Net Other Post Employment Obligations	92,317	-	351,589	-	443,906	-
Revenue Collected in Advance	250,319	(45,818)	(144,639)	(33,439)	105,680	(79,257)
Total Adjustments	1,652,393	1,282,476	2,632,253	2,424,172	4,284,646	3,706,648
Net Cash Provided (Used) by Operating Activities	\$ 389,524	\$ 1,268,131	\$ (8,334,255)	\$ (6,645,450)	\$ (7,944,731)	\$ (5,377,319)

In FY 2007 the Montgomery County Enterprise Fund sold \$840,400 of equipment and \$239,600 of inventory for a long term note of \$1,080,000.

In FY 2007, \$227,287 of improvements and \$45,485 of machinery and equipment were contributed to the Prince George's County Enterprise Fund.



Future champions hone their skills at a Oakcrest Community Park School Center's chess camp.

## 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 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 Fund

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 of 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.

### Commission Wide Initiative Funds

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 7

Internal Service Funds  
Combining Statement of Net Assets  
June 30, 2008

	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY					TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2008	June 30, 2007
<b>ASSETS</b>										
Current Assets:										
Equity in Pooled Cash and Investments	\$ -	\$ 16,120,235	\$ 8,378,404	\$ 78,310	\$ 628,205	\$ 16,124,017	\$ 12,252,659	\$ 2,480,827	\$ 56,062,657	\$ 49,593,402
Restricted Cash, Cash Equivalents and Investments:										
Equipment Financing										
Proceeds	3,100,745	-	-	399,772	-	-	-	23,664	3,524,181	3,377,801
Accounts Receivable	-	6,460	1,500	-	-	6,460	1,250	-	15,670	250
Due from County Government	-	-	58,983	-	-	-	58,983	-	117,966	243,853
Deposits and Other	-	58,352	-	-	-	58,352	-	-	116,704	64,536
Total Current Assets	3,100,745	16,185,047	8,438,887	478,082	628,205	16,188,829	12,312,892	2,504,491	59,837,178	53,279,842
Noncurrent Assets:										
Capital Assets:										
Land	-	-	-	-	748,497	-	-	-	748,497	748,497
Buildings and Improvements	-	-	-	-	2,649,865	-	-	-	2,649,865	2,752,334
Machinery and Equipment	23,153,929	-	199,120	698,598	5,514	-	356,341	733,358	25,146,860	24,019,707
Construction in Progress	1,056,761	-	-	-	-	-	-	-	1,056,761	-
Less-Accumulated Depreciation	(18,010,337)	-	(163,285)	(195,042)	(1,537,478)	-	(319,408)	(269,022)	(20,494,572)	(19,285,302)
Total Capital Assets (net of accumulated depreciation)	6,200,353	-	35,835	503,556	1,866,398	-	36,933	464,336	9,107,411	8,235,236
Total Assets	9,301,098	16,185,047	8,474,722	981,638	2,494,603	16,188,829	12,349,825	2,968,827	68,944,589	61,515,078
<b>LIABILITIES</b>										
Current Liabilities:										
Accounts Payable	195,102	60,786	27,098	-	7,452	14,304	23,011	-	327,753	269,484
Current Portion of Claims Payable	-	1,070,793	1,092,029	-	-	1,070,791	1,486,589	-	4,720,202	3,943,473
Accrued Salaries and Benefits	-	83,467	4,510	-	1,015	84,093	4,874	-	177,959	442,618
Current Portion of Notes Payable	1,123,914	-	-	143,442	180,000	-	-	101,357	1,548,713	2,050,223
Current Portion of Compensated Absences	-	4,568,200	19,973	-	2,807	4,822,900	19,973	-	9,433,853	9,308,507
Due to County Government	-	-	221,505	-	-	-	221,505	-	443,010	243,776
Interest Payable	27,266	-	-	3,560	23,673	-	-	1,607	56,106	74,960
Revenue Collected in Advance	-	50,000	-	-	-	50,000	-	-	100,000	-
Due to Other Funds	18,868	-	-	-	-	-	-	-	18,868	-
Total Current Liabilities	1,365,150	5,833,246	1,365,115	147,002	214,947	6,042,088	1,755,952	102,964	16,826,464	16,333,041
Noncurrent Liabilities:										
Claims Payable - Net of Current Portion	-	-	2,998,588	-	-	-	4,182,263	-	7,180,851	7,065,575
Notes Payable - Net of Current Portion	2,085,665	-	-	272,064	715,000	-	-	111,751	3,184,480	4,731,437
Compensated Absences - Net of Current Portion	-	3,093,600	8,308	-	13,731	4,486,700	8,308	-	7,610,647	6,051,148
Net Other Post Employment Benefit Obligations	-	-	23,368	-	1,764	-	23,367	-	48,499	-
Total Noncurrent Liabilities	2,085,665	3,093,600	3,030,264	272,064	730,495	4,486,700	4,213,938	111,751	18,024,477	17,848,160
Total Liabilities	3,450,815	8,926,846	4,395,379	419,066	945,442	10,528,788	5,969,890	214,715	34,850,941	34,181,201
<b>NET ASSETS</b>										
Invested in Capital Assets, Net of Related Debt	6,091,519	-	35,835	487,822	971,398	-	36,933	274,892	7,898,399	4,831,377
Unrestricted	(241,236)	7,258,201	4,043,508	74,750	577,763	5,660,041	6,343,002	2,479,220	26,195,249	22,502,500
Total Net Assets	\$ 5,850,283	\$ 7,258,201	\$ 4,079,343	\$ 562,572	\$ 1,549,161	\$ 5,660,041	\$ 6,379,935	\$ 2,754,112	\$ 34,093,648	\$ 27,333,877

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 8

Internal Service Funds  
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets  
For the Year Ended June 30, 2008

	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY					TOTALS	
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	June 30, 2008	June 30, 2007
Operating Revenues:										
Charges for Services	\$ 2,150,930	\$ 18,973,992	\$ 2,929,000	\$ 200,000	\$ 721,126	\$ 20,066,687	\$ 3,313,000	\$ 1,091,222	\$ 49,445,957	\$ 43,196,456
Claim Recoveries	-	-	354,851	-	-	-	412,575	-	767,426	691,731
Total Operating Revenues	2,150,930	18,973,992	3,283,851	200,000	721,126	20,066,687	3,725,575	1,091,222	50,213,383	43,888,187
Operating Expenses:										
Personal Services	-	6,938,867	448,097	-	107,719	8,258,308	448,097	-	16,201,088	15,070,972
Supplies and Materials	30,990	-	51,477	-	6,061	-	51,477	-	140,005	130,548
Contractual Services - Montgomery County Self	-	-	-	-	-	-	-	-	-	-
Other Contractual Services	-	54,534	412,685	-	-	54,535	541,007	-	1,062,761	1,007,493
Claims Incurred	-	8,035,022	1,179,999	-	-	8,035,022	2,261,883	-	19,511,926	16,302,139
Insurance	-	2,876,482	89,442	-	-	2,876,482	149,511	-	5,991,917	8,615,221
Other Services and Charges	36,304	51,486	245,687	3,400	480,659	51,485	250,778	159,659	1,279,458	944,505
Depreciation	1,480,987	-	22,819	80,918	111,115	-	49,705	72,675	1,818,219	1,887,686
Total Operating Expenses	1,548,281	17,956,391	2,450,206	84,318	705,554	19,275,832	3,752,458	232,334	46,005,374	43,958,564
Operating Income (Loss)	602,649	1,017,601	833,645	115,682	15,572	790,855	(26,883)	858,888	4,208,009	(70,377)
Nonoperating Revenues (Expenses):										
Interest Income	175,174	668,582	389,875	2,786	34,549	675,770	571,612	86,748	2,605,096	2,779,054
Interest Expense	(127,751)	-	-	(15,982)	(49,594)	-	-	(7,538)	(200,865)	(210,909)
Loss on Disposal of Asset	(102,469)	-	-	-	-	-	-	-	(102,469)	-
Total Nonoperating Revenues (Expenses)	(55,046)	668,582	389,875	(13,196)	(15,045)	675,770	571,612	79,210	2,301,762	2,568,145
Income (Loss) Before Contributions and Transfers	547,603	1,686,183	1,223,520	102,486	527	1,466,625	544,729	938,098	6,509,771	2,497,768
Contributions and Transfers In (Out) :										
Transfers In	250,000	-	-	-	-	-	-	-	250,000	250,000
Transfers (Out)	-	-	-	-	-	-	-	-	-	(250,000)
Net Operating Transfers	250,000	-	-	-	-	-	-	-	250,000	-
Change in Net Assets	797,603	1,686,183	1,223,520	102,486	527	1,466,625	544,729	938,098	6,759,771	2,497,768
Total Net Assets, July 1	5,052,680	5,572,018	2,855,823	460,086	1,548,634	4,193,416	5,835,206	1,816,014	27,333,877	24,836,109
Total Net Assets, June 30	\$ 5,850,283	\$ 7,258,201	\$ 4,079,343	\$ 562,572	\$ 1,549,161	\$ 5,660,041	\$ 6,379,935	\$ 2,754,112	\$ 34,093,648	\$ 27,333,877

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

**Schedule 9**

**Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS  
For the Year Ended June 30, 2008**

	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY					
	Capital Equipment	Employee Benefits	Risk Management	Capital Equipment/	Executive Building	Employee Benefits	Risk Management	Commission Wide Initiatives	TOTAL
Cash Flows from Operating Activities:									
Receipts from Customers and Users	\$ 2,150,930	\$ 18,941,449	\$ 3,345,544	\$ 200,000	\$ 721,126	\$ 20,034,143	\$ 3,787,269	\$ 1,091,222	\$ 50,271,683
Payments to Suppliers	105,663	(10,646,842)	(1,926,410)	(1,154)	(487,578)	(10,693,324)	(2,474,070)	(160,395)	(26,284,110)
Payments to Employees	-	(6,356,809)	(457,678)	-	(108,324)	(7,403,616)	(452,712)	-	(14,779,139)
Payments for Interfund Services Used	(34,300)	(47,700)	(135,700)	(3,400)	(1,200)	(47,700)	(135,700)	-	(405,700)
Net Cash Provided by Operating Activities	2,222,293	1,890,098	825,756	195,446	124,024	1,889,503	724,787	930,827	8,802,734
Cash Flows from Noncapital Financing Activities:									
Transfers In From Other Funds	250,000	-	-	-	-	-	-	-	250,000
Net Cash Provided (Used) by Noncapital Financing Activities	250,000	-	-	-	-	-	-	-	250,000
Cash Flows from Capital and Related Financing Activities:									
Acquisition of Capital Assets	(2,769,415)	-	(8,378)	-	-	-	(8,379)	(6,688)	(2,792,860)
Principal Paid on Notes Payable	(1,641,323)	-	-	(138,766)	(170,001)	-	-	(98,379)	(2,048,469)
Interest Paid on Notes Payable	(127,751)	-	-	(15,982)	(49,594)	-	-	(7,538)	(200,865)
Net Cash Provided (Used) by Capital and Related Financing Activities	(4,538,489)	-	(8,378)	(154,748)	(219,595)	-	(8,379)	(112,605)	(5,042,194)
Cash Flows from Investing Activities:									
Interest on Investments	175,174	668,582	389,875	2,786	34,549	675,769	571,612	86,748	2,605,095
Net Cash Provided (Used) by Investing Activities	175,174	668,582	389,875	2,786	34,549	675,769	571,612	86,748	2,605,095
Net Increase (Decrease) in Cash and Cash Equivalents	(1,891,022)	2,558,680	1,207,253	43,484	(61,022)	2,565,272	1,288,020	904,970	6,615,635
Cash and Cash Equivalents, July 1	4,991,767	13,561,555	7,171,151	434,598	689,227	13,558,745	10,964,639	1,599,521	52,971,203
Cash and Cash Equivalents, June 30	\$ 3,100,745	\$ 16,120,235	\$ 8,378,404	\$ 478,082	\$ 628,205	\$ 16,124,017	\$ 12,252,659	\$ 2,504,491	\$ 59,586,838
Operating Income (Loss)	\$ 602,649	\$ 1,017,601	\$ 833,645	\$ 115,682	15,572	\$ 790,855	\$ (26,883)	\$ 858,888	\$ 4,208,009
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:									
Depreciation	1,480,987	-	22,819	80,918	111,115	-	49,705	72,675	1,818,219
Effect of Changes in Assets and Liabilities in:									
Accounts Receivable	-	(6,460)	(1,250)	-	-	(6,460)	(1,250)	-	(15,420)
Due from County Government	-	-	62,943	-	-	-	62,944	-	125,887
Deposits and Other	-	(26,084)	-	-	-	(26,084)	-	-	(52,168)
Accounts Payable	132,257	(3,675)	11,406	-	2,438	(50,156)	(34,001)	-	58,269
Claims Payable	-	276,657	(217,211)	-	-	276,656	555,903	-	892,005
Accrued Salaries and Benefits	-	(96,241)	(12,514)	-	(1,947)	(146,408)	(7,549)	-	(264,659)
Compensated Absences	-	678,300	2,933	-	(422)	1,001,100	2,934	-	1,684,845
Interest Payable	(12,468)	-	-	(1,154)	(4,496)	-	-	(736)	(18,854)
Other Accrued Liabilities	-	50,000	-	-	-	50,000	-	-	100,000
Due to Other Funds	18,868	-	-	-	-	-	-	-	18,868
Net Other Post Employment Obligations	-	-	23,368	-	1,764	-	23,367	-	48,499
Due to County Government	-	-	99,617	-	-	-	99,617	-	199,234
Total Adjustments	1,619,644	872,497	(7,889)	79,764	108,452	1,098,648	751,670	71,939	4,594,725
Net Cash Provided (Used) by Operating Activities	\$ 2,222,293	\$ 1,890,098	\$ 825,756	\$ 195,446	124,024	\$ 1,889,503	\$ 724,787	\$ 930,827	\$ 8,802,734



Youth reenacting pioneer days at Woodlawn Manor.

## FIDUCIARY FUNDS

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

### *Pension Trust Funds*

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

### *Private Purpose Trust Funds*

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

### *Agency Funds*

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 10

Combining Statements of Net Assets  
Fiduciary Fund Types  
June 30, 2008

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	State Retirement	Montgomery	Total Agency Funds
<b>ASSETS</b>									
Equity in Pooled Cash and Investments	\$ -	\$ 671,970	\$ 671,970	\$ 25,433,489	\$ 6,204,185	\$ 31,637,674	\$ 2,500,971	\$ 639,499	\$ 3,140,470
Cash	108,691	213,092	321,783	-	-	-	-	-	-
Fixed Income Securities	149,662,828	-	149,662,828	-	-	-	-	-	-
International Fixed Income Securities	40,253,069	-	40,253,069	-	-	-	-	-	-
Corporate Stock	262,160,522	-	262,160,522	-	-	-	-	-	-
International Corporate Stock	87,429,403	-	87,429,403	-	-	-	-	-	-
Real Estate Investments	32,299,756	-	32,299,756	-	-	-	-	-	-
Short Term Investments	4,186,788	-	4,186,788	-	-	-	-	-	-
Mutual Funds	-	2,603,897	2,603,897	-	-	-	-	-	-
Collateral for Securities Lending Transactions	33,983,356	-	33,983,356	-	-	-	-	-	-
Investments receivable	1,583,805	-	1,583,805	-	-	-	-	-	-
Accounts Receivable	1,287,616	-	1,287,616	400	1,350	1,750	-	-	-
Land Held for Other Governments	-	-	-	25,658,841	17,837,342	43,496,183	-	-	-
Other	17,224	-	17,224	-	-	-	-	-	-
Total Assets	612,973,058	3,488,959	616,462,017	51,092,730	24,042,877	75,135,607	2,500,971	639,499	3,140,470
<b>LIABILITIES</b>									
Accounts Payable	825,931	8,419	834,350	67	43	110	2,500,971	9,690	2,510,661
Claims Payable	-	663,551	663,551	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	33,983,356	-	33,983,356	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	629,809	629,809
Total Liabilities	34,809,287	671,970	35,481,257	67	43	110	2,500,971	639,499	3,140,470
<b>NET ASSETS</b>									
Assets Held in Trust for:									
Land Held for Transfer	-	-	-	25,658,841	17,837,342	43,496,183	-	-	-
Pension Benefits	578,163,771	-	578,163,771	-	-	-	-	-	-
Other Postemployment Benefits	-	2,816,989	2,816,989	-	-	-	-	-	-
Other Purposes	-	-	-	25,433,822	6,205,492	31,639,314	-	-	-
Total Net Assets	\$ 578,163,771	\$ 2,816,989	\$ 580,980,760	\$ 51,092,663	\$ 24,042,834	\$ 75,135,497	\$ -	\$ -	\$ -

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 11

Combining Statements of Changes in Net Assets  
Fiduciary Fund Types  
For the Year Ended June 30, 2008

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals
<b>ADDITIONS:</b>						
Contributions:						
Employer	\$ 10,561,434	\$ 7,982,455	\$ 18,543,889	\$ -	\$ -	\$ -
Plan Members	4,521,535	-	4,521,535	-	-	-
Plan Members for Current Benefits	-	904,938	904,938	-	-	-
Private Donations	-	-	-	5,824	39,093	44,917
Total Contributions	15,082,969	8,887,393	23,970,362	5,824	39,093	44,917
Contributions from Commission Debt Service Funds	-	-	-	883,443	662,451	1,545,894
Federal Grants - Medicare	-	298,681	298,681	-	-	-
Investment Earnings:						
Interest	7,590,941	23,541	7,614,482	1,277,954	243,199	1,521,153
Dividends	977,430	63,568	1,040,998	-	-	-
Net increase (decrease) in the Fair Value of Investments	(62,105,788)	(91,264)	(62,197,052)	-	-	-
Total Investment Earnings	(53,537,417)	(4,155)	(53,541,572)	1,277,954	243,199	1,521,153
Less Investment Advisory and Management Fees	(1,977,012)	(13,050)	(1,990,062)	-	-	-
Net Income from Investing Activities	(55,514,429)	(17,205)	(55,531,634)	1,277,954	243,199	1,521,153
Securities Lending Activity						
Securities Lending Income	2,167,456	-	2,167,456	-	-	-
Securities Lending Fees	(1,962,564)	-	(1,962,564)	-	-	-
Net Income from Securities Lending Activity	204,892	-	204,892	-	-	-
Total Net Investment Income	(55,309,537)	(17,205)	(55,326,742)	1,277,954	243,199	1,521,153
Total Additions	(40,226,568)	9,168,869	(31,057,699)	2,167,221	944,743	3,111,964
<b>DEDUCTIONS:</b>						
Benefits	23,635,793	6,496,074	30,131,867	-	-	-
Refunds of Contributions	382,455	-	382,455	-	-	-
Administrative expenses	1,250,164	-	1,250,164	-	-	-
Contribution to Commission Debt Service Funds	-	-	-	52,022	-	52,022
Other	-	-	-	5,438	38,878	44,316
Total Deductions	25,268,412	6,496,074	31,764,486	57,460	38,878	96,338
Change in Net Assets	(65,494,980)	2,672,795	(62,822,185)	2,109,761	905,865	3,015,626
Net Assets - Beginning	643,658,751	144,194	643,802,945	48,982,902	23,136,969	72,119,871
Net Assets - Ending	\$ 578,163,771	\$ 2,816,989	\$ 580,980,760	\$ 51,092,663	\$ 24,042,834	\$ 75,135,497

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

Schedule 12

**Combining Statement of Changes in Assets and Liabilities  
Agency Funds  
For the Year Ended June 30, 2008**

	July 1, 2007	Additions	Deductions	June 30, 2008
<b>MARYLAND STATE RETIREMENT SYSTEM FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 2,546,365	\$ 253,411	\$ 298,805	\$ 2,500,971
Total Current Assets	\$ 2,546,365	\$ 253,411	\$ 298,805	\$ 2,500,971
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,546,365	\$ 253,411	\$ 298,805	\$ 2,500,971
Total Current Liabilities	\$ 2,546,365	\$ 253,411	\$ 298,805	\$ 2,500,971
<b>MONTGOMERY COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 899,105	\$ 10,410	\$ 270,016	\$ 639,499
Total Current Assets	\$ 899,105	\$ 10,410	\$ 270,016	\$ 639,499
<b>LIABILITIES</b>				
Accounts Payable	\$ -	\$ 279,706	\$ 270,016	\$ 9,690
Deposits	899,105	-	269,296	629,809
Total Current Liabilities	\$ 899,105	\$ 279,706	\$ 539,312	\$ 639,499
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 3,445,470	\$ 263,821	\$ 568,821	\$ 3,140,470
Total Current Assets	\$ 3,445,470	\$ 263,821	\$ 568,821	\$ 3,140,470
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,546,365	\$ 533,117	\$ 568,821	\$ 2,510,661
Deposits	899,105	-	269,296	629,809
Total Current Liabilities	\$ 3,445,470	\$ 533,117	\$ 838,117	\$ 3,140,470

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# ♦ PART III ♦

## STATISTICAL SECTION

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An avid M-NCPPC dog park user competes in the “Skyhoundz” canine Frisbee competition.

## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.</i>	118
<b>Revenue Capacity</b> <i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	123
<b>Debt Capacity</b> <i>These schedules present information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future.</i>	127
<b>Demographic and Economic Information</b> <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Commission's financial activities take place.</i>	132
<b>Operating Information</b> <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.</i>	135

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

Net Assets by Category (1) Entity-wide Basis Last Seven Fiscal Years (2)							
	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental Activities:							
Invested in Capital Assets, net of related debt	\$ 282,595,478	\$ 305,800,251	\$ 364,642,396	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669
Unrestricted	82,792,312	86,192,777	91,953,723	126,681,153	159,962,347	201,822,613	253,129,079
Subtotal Governmental Activities Net Assets	<u>365,387,790</u>	<u>391,993,028</u>	<u>456,596,119</u>	<u>497,150,427</u>	<u>543,419,370</u>	<u>617,963,410</u>	<u>709,896,748</u>
Business-type Activities:							
Invested in Capital Assets, net of related debt	82,267,248	80,397,496	85,843,860	83,421,966	84,318,532	81,455,721	79,384,327
Restricted for Debt Service	583,266	589,848	-	-	-	-	-
Unrestricted	3,772,189	1,910,929	2,238,739	2,334,180	2,101,083	3,881,454	2,763,707
Subtotal Business-type Activities Net Assets	<u>86,622,703</u>	<u>82,898,273</u>	<u>88,082,599</u>	<u>85,756,146</u>	<u>86,419,615</u>	<u>85,337,175</u>	<u>82,148,034</u>
Primary Government:							
Invested in Capital Assets, net of related debt	364,862,726	386,197,747	450,486,256	453,891,240	467,775,555	497,596,518	536,151,996
Restricted for Debt Service	583,266	589,848	-	-	-	-	-
Unrestricted	86,564,501	88,103,706	94,192,462	129,015,333	162,063,430	205,704,067	255,892,786
Total Government Net Assets	<u>\$ 452,010,493</u>	<u>\$ 474,891,301</u>	<u>\$ 544,678,718</u>	<u>\$ 582,906,573</u>	<u>\$ 629,838,985</u>	<u>\$ 703,300,585</u>	<u>\$ 792,044,782</u>

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

(2) The entity-wide net assets figures are only available for seven years.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-2

Change in Net Assets  
Entity-wide Basis  
Last Seven Fiscal Years (1)

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
<b>Expenses</b>							
<b>Governmental Activities:</b>							
General Government	\$ 11,614,891	\$ 12,678,079	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,062,982	\$ 17,397,550
County Planning and Zoning	29,739,984	29,119,749	29,792,531	31,089,512	35,931,600	39,150,300	48,649,825
Park Operations and Maintenance	102,355,291	104,484,551	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521
Recreation Programs	37,992,630	38,057,899	39,174,875	42,175,861	43,058,594	46,907,997	52,688,859
Interest on Long-term Debt	8,460,869	6,994,245	5,483,168	6,396,948	6,045,652	5,693,542	5,902,190
Subtotal Governmental Activities	190,163,665	191,334,523	199,726,076	210,448,671	239,524,967	252,772,152	290,391,945
<b>Business-type Activities:</b>							
Recreational and Cultural Facilities	28,203,070	28,243,046	30,033,511	31,635,252	32,957,080	28,861,349	30,626,723
Total Government Expenses	218,366,735	219,577,569	229,759,587	242,083,923	272,482,047	281,633,501	321,018,668
<b>Program Revenues</b>							
<b>Governmental Activities:</b>							
County Planning and Zoning	2,771,580	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677
Park Operations and Maintenance	31,666,712	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,958
Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371
Subtotal Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006
<b>Business-type Activities:</b>							
Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627
Total Government Program Revenues	67,189,515	58,547,702	61,949,585	63,140,031	68,505,853	68,486,379	82,053,633
Net Government Expenses	(151,177,220)	(161,029,867)	(167,810,002)	(178,943,892)	(203,976,194)	(213,147,122)	(238,965,035)
<b>General Revenues and Other Changes in Net Assets</b>							
Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277
Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955
Total Primary Government	174,900,419	183,910,675	205,767,831	217,171,747	250,908,606	286,608,722	327,709,232
<b>Change in Net Assets</b>							
Governmental Activities	21,122,387	26,605,238	32,773,503	40,554,308	46,268,943	74,544,040	91,933,338
Business-type Activities	2,600,812	(3,724,430)	5,184,326	(2,326,453)	663,469	(1,082,440)	(3,189,141)
Total Primary Government	\$ 23,723,199	\$ 22,880,808	\$ 37,957,829	\$ 38,227,855	\$ 46,932,412	\$ 73,461,600	\$ 88,744,197

(1) The entity-wide change in net assets figures are only available for seven years.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-3

Government Wide Revenues  
Entity-wide Basis  
Last Seven Fiscal Years (1)

	2002	2003	2004	2005	2006	2007	2008
<b>Program Revenues</b>							
<b>Governmental Activities:</b>							
County Planning and Zoning							
Charges for services	\$ 2,004,103	\$ 2,206,015	\$ 3,743,951	\$ 3,523,763	\$ 4,535,128	\$ 5,703,337	\$ 3,612,794
Operating grants and contributions	767,477	852,120	649,006	1,013,503	1,020,755	749,283	1,124,883
Total County Planning and Zoning	2,771,580	3,058,135	4,392,957	4,537,266	5,555,883	6,452,620	4,737,677
Park Operations and Maintenance							
Charges for services	5,029,035	4,689,195	5,294,071	6,544,420	5,498,642	5,553,868	5,473,310
Operating grants and contributions	570,005	762,869	705,213	645,795	1,106,898	1,122,332	1,272,686
Capital grants and contributions	26,067,672	20,869,343	14,104,776	16,168,902	17,157,775	23,207,055	40,038,962
Total Park Operations and Maintenance	31,666,712	26,321,407	20,104,060	23,359,117	23,763,315	29,883,255	46,784,958
Recreation Programs							
Charges for services	9,989,550	9,083,148	11,239,721	11,641,554	12,294,579	12,052,358	11,916,298
Operating grants and contributions	341,415	327,394	311,216	280,363	451,706	392,770	536,073
Total Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371
Total Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006
<b>Business-type Activities:</b>							
Recreational and Cultural Facilities							
Charges for services	22,420,258	19,757,618	22,046,268	23,321,731	22,969,521	19,286,008	17,926,991
Operating grants and contributions	-	-	26,000	-	-	146,596	151,636
Capital grants and contributions	-	-	3,829,363	-	3,470,849	272,772	-
Total Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627
Total Government Program Revenues	\$ 67,189,515	\$ 58,547,702	\$ 61,949,585	\$ 63,140,031	\$ 68,505,853	\$ 68,486,379	\$ 82,053,633
<b>General Revenues and Other Changes in Net Assets</b>							
<b>Governmental Activities</b>							
Property Taxes	\$ 174,735,630	\$ 181,859,997	\$ 204,217,877	\$ 213,178,802	\$ 241,784,351	\$ 272,927,451	\$ 313,813,140
Unrestricted Investment Earnings	3,073,142	1,931,787	1,418,407	3,908,309	8,870,876	13,361,838	13,601,237
Gain/Loss on Disposal of Land	(3,170,165)	(4,920)	35,676	-	-	-	-
Transfers	(8,121,812)	(4,637,187)	(9,220,335)	(5,902,432)	(6,926,800)	(7,754,100)	(9,064,100)
Total Governmental Activities	\$ 166,516,795	\$ 179,149,677	\$ 196,451,625	\$ 211,184,679	\$ 243,728,427	\$ 278,535,189	\$ 318,350,277
<b>Business-type Activities</b>							
Unrestricted Investment Earnings	261,812	123,811	95,871	84,636	253,379	319,433	294,855
Transfers	8,121,812	4,637,187	9,220,335	5,902,432	6,926,800	7,754,100	9,064,100
Total Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955
Total Primary Government	\$ 174,900,419	\$ 183,910,675	\$ 205,767,831	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232

(1) The entity-wide change in net assets figures are only available for seven years.

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

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

TABLE T-4

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 8,326,917	\$ 13,406,458	\$ 10,146,574	\$ 8,720,270	\$ 9,828,316	\$ 7,909,128	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725
Unreserved, reported in:										
Montgomery Administration Account	1,707,285	1,961,800	1,667,283	2,015,586	2,303,332	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543
Montgomery Park Account	3,314,130	3,446,871	3,015,542	4,123,670	5,489,328	4,289,120	3,419,516	3,662,593	7,240,864	10,702,580
Prince George's Administration Account	2,595,207	2,741,183	3,431,162	4,439,016	5,779,000	7,655,832	10,120,856	12,568,819	15,888,797	18,658,565
Prince George's Park Account	32,436,568	27,609,215	22,886,857	20,175,540	17,581,235	28,032,500	36,850,247	50,284,754	54,213,314	64,078,004
Prince George's Recreation Account	8,026,275	8,457,382	9,108,023	9,619,463	8,674,676	8,463,689	10,997,196	16,987,850	23,875,520	33,487,704
Total General Fund	<u>56,406,382</u>	<u>57,622,909</u>	<u>50,255,441</u>	<u>49,093,545</u>	<u>49,655,887</u>	<u>58,839,553</u>	<u>74,135,468</u>	<u>100,858,141</u>	<u>123,153,246</u>	<u>150,695,121</u>
All Other Governmental Funds										
Reserved	17,110,783	9,840,345	14,110,994	14,432,004	15,166,586	19,279,123	16,239,896	30,979,446	27,311,293	25,013,746
Unreserved (deficit), reported in:										
Special Revenue Funds	-	-	-	6,546,298	5,888,267	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786
Capital Projects Funds	<u>12,979,957</u>	<u>12,596,487</u>	<u>3,478,091</u>	<u>17,427,284</u>	<u>21,121,422</u>	<u>19,573,788</u>	<u>27,292,889</u>	<u>15,279,284</u>	<u>40,535,220</u>	<u>69,407,232</u>
Total All Other Governmental Funds	<u>30,090,740</u>	<u>22,436,832</u>	<u>17,589,085</u>	<u>38,405,586</u>	<u>42,176,275</u>	<u>45,319,633</u>	<u>50,621,503</u>	<u>54,617,119</u>	<u>77,268,422</u>	<u>101,413,764</u>
Total All Governmental Funds	<u>\$ 86,497,122</u>	<u>\$ 80,059,741</u>	<u>\$ 67,844,526</u>	<u>\$ 87,499,131</u>	<u>\$ 91,832,162</u>	<u>\$ 104,159,186</u>	<u>\$ 124,756,971</u>	<u>\$ 155,475,260</u>	<u>\$ 200,421,668</u>	<u>\$ 252,108,885</u>

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

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

TABLE T-5

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Property Taxes	\$ 161,579,148	\$ 166,088,780	\$ 169,028,884	\$ 177,143,063	\$ 182,180,854	\$ 199,178,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421
Intergovernmental	16,289,396	20,455,474	22,523,429	18,561,030	14,291,595	14,282,243	13,475,196	13,728,507	20,395,468	38,609,800
Charges for Services	6,414,300	6,517,397	6,618,976	8,233,858	8,285,233	11,378,060	10,905,923	12,170,203	13,302,886	11,457,579
Rentals and Concessions	2,601,165	2,837,447	2,967,445	7,374,700	6,562,896	7,752,377	8,119,786	8,883,464	8,872,522	8,977,209
Interest	6,249,428	5,565,815	4,717,809	2,265,821	1,361,363	1,040,326	2,996,567	6,934,901	10,582,784	10,996,141
Miscellaneous	2,721,632	1,712,412	1,056,531	1,420,835	1,129,476	1,297,262	3,278,902	2,312,925	2,004,402	1,749,098
Total Revenues	195,855,069	203,177,325	206,913,074	214,999,307	213,811,417	234,928,354	254,824,003	288,637,360	328,601,283	385,418,248
<b>Expenditures</b>										
General Government	10,930,626	10,787,642	11,751,327	12,088,929	12,698,310	13,097,617	13,814,296	14,989,960	15,307,979	16,809,827
Planning and Zoning	27,353,307	26,771,563	28,860,846	29,707,273	29,387,574	30,921,513	32,024,402	35,660,252	39,453,463	47,993,136
Park Operations and Maintenance	87,941,231	86,674,082	95,079,886	95,550,144	99,466,159	103,998,826	109,838,327	118,469,005	131,788,561	148,113,743
Recreation	29,191,944	29,668,637	30,383,916	36,242,037	37,467,508	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564
Contributions	-	-	-	-	-	-	-	-	1,269,884	1,545,894
Debt Service										
Principal	6,975,000	7,745,000	7,825,000	9,340,000	31,335,000 (1)	10,755,000	11,290,000	11,820,000	11,630,000	13,131,800
Interest	7,985,963	8,141,310	7,794,657	8,076,447	6,638,933	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890
Other Debt Service Costs	212,054	33,237	81,752	70,981	553,630	525,375	188,317	262,491	258,155	87,937
Capital Projects	44,367,346	33,486,574	37,422,899	25,615,322	16,387,523	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140
Total Expenditures	214,957,471	203,308,045	219,200,283	216,691,133	233,934,637	236,799,097	236,599,387	250,942,376	289,878,484	324,416,931
<b>Other Financing Sources (Uses)</b>										
Proceeds from General Obligation Bonds	7,000,000	-	5,700,000	18,744,820	26,422,900	14,720,000	4,002,020	-	13,600,000	17,300,000
Refunding Bonds Issued	21,000,000	-	-	-	29,592,100	22,805,000	-	19,130,000	-	(17,300,000)
Loan Issued	-	-	-	-	-	-	-	-	284,000	-
Premiums on Bonds Issued	-	-	-	-	281,807	1,926,886	-	88,405	93,709	-
Payment to Refunding Bond Escrow Account	(21,000,000)	-	-	-	(29,552,086)	(23,862,764)	-	(19,018,300)	-	-
Payment from Private Purpose Trust Funds	-	-	-	-	9,874	8,615	-	-	-	-
Contribution to Private Purpose Trust Funds	-	-	-	(286,585)	(493,058)	(609,148)	-	-	-	-
Transfers In	20,568,005	21,566,544	20,654,975	20,320,029	22,591,017	28,577,814	31,727,099	31,327,417	46,882,822	54,409,188
Transfers Out	(27,591,798)	(27,873,205)	(26,282,981)	(25,448,702)	(24,396,303)	(29,368,636)	(33,355,950)	(38,504,217)	(54,636,922)	(63,723,288)
Total Other Financing Sources (Uses)	(23,793)	(6,306,661)	71,994	13,329,562	24,456,251	14,197,767	2,373,169	(6,976,695)	6,223,609	(9,314,100)
<b>Net Change in Fund Balances</b>	(19,126,195)	(6,437,381)	(12,215,215)	11,637,736	4,333,031	12,327,024	20,597,785	30,718,289	44,946,408	51,687,217
Beginning Fund Balance	105,623,317	86,497,122	80,059,741	75,861,395	87,499,131	91,832,162	104,159,186	124,756,971	155,475,260	200,421,668
Ending Fund Balance	\$ 86,497,122	\$ 80,059,741	\$ 67,844,526	\$ 87,499,131	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	9.02%	9.52%	8.76%	9.22%	17.65%	8.30%	8.09%	7.62%	6.77%	6.56%

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

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-6

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

(Dollars in Thousands)

## MONTGOMERY COUNTY

Fiscal Year	Real Property (1)			Personal Property (2)		Total (3)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	
1999	\$ 27,906,080	\$ 71,480,738	\$ 2.540	\$ 3,758,547	\$ 2.524	\$ 31,664,627	\$ 75,239,285	42.09 %
2000	28,674,554	74,907,403	2.514	3,879,303	2.502	32,553,857	78,786,706	41.32
2001	29,649,013	79,021,889	2.513	4,077,848	2.500	33,726,861	83,099,737	40.59
2002	77,574,948	84,229,042	1.005	4,201,345	2.495	81,776,293	88,430,387	92.48
2003	82,407,338	93,432,356	1.004	4,227,854	2.494	86,635,192	97,660,210	88.71
2004	89,263,005	98,091,215	1.005	3,963,802	2.498	93,226,807	102,055,017	91.35
2005	98,281,725	105,339,469	0.994	3,902,612	2.474	102,184,337	109,242,081	93.54
2006	110,529,249	118,593,615	0.952	3,831,629	2.367	114,360,878	122,425,244	93.41
2007	125,710,776	131,634,320	0.902	3,948,950	2.242	129,659,726	135,583,270	95.63
2008	142,306,436	145,210,649	0.902	3,970,547	2.241	146,276,983	149,181,196	98.05

## PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property (1)			Personal Property (2)		Total (3)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	
1999	\$ 14,630,433	\$ 36,423,659	\$ 2.461	\$ 2,895,545	\$ 2.461	\$ 17,525,978	\$ 39,319,204	44.57 %
2000	14,869,426	37,244,023	2.459	3,022,343	2.459	17,891,769	40,266,366	44.43
2001	15,173,826	38,267,541	2.458	3,009,078	2.458	18,182,904	41,276,619	44.05
2002	39,091,456	39,326,338	0.981	3,099,323	2.453	42,190,779	42,425,661	99.45
2003	40,794,370	42,546,271	0.980	3,037,763	2.450	43,832,133	45,584,034	96.16
2004	43,066,688	45,195,233	0.980	2,956,111	2.452	46,022,799	48,151,344	95.58
2005	46,612,629	49,379,361	0.978	2,828,385	2.444	49,441,014	52,207,746	94.70
2006	52,277,305	58,874,924	0.980	2,823,369	2.449	55,100,674	61,698,293	89.31
2007	60,716,650	69,500,205	0.924	2,827,545	2.312	63,544,195	72,327,750	87.86
2008	72,840,584	82,244,050	0.915	2,888,299	2.327	75,728,883	85,132,349	88.95

- Note: (1) 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 assessed at 40% of actual value.  
(2) For personal property, the assessed value and estimated value are the same.  
(3) Total includes real property, business personal property, public utility operating property and domestic shares.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

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

## M-NCPPC TAXES

### MONTGOMERY COUNTY

Fiscal Year	Administration	Park Operations	Advance Land Acquisition	Total	County-wide Property Taxes Within County	Total
1999	\$ 0.0610	\$ 0.1530	\$ 0.0040	\$ 0.2180	\$ 2.2880	\$ 2.5060
2000	0.0620	0.1540	0.0030	0.2190	2.2550	2.4740
2001	0.0600	0.1600	0.0030	0.2230	2.2500	2.4730
2002	(1) 0.024/0.059	0.0660/0.1650	0.0010/0.0020	0.0910/0.2260	0.900/2.250	0.991/2.476
2003	0.023/0.058	0.0630/0.1580	0.0010/0.0030	0.0870/0.2190	0.909/2.273	0.996/2.492
2004	0.021/0.053	0.0590/0.1480	0.0010/0.0030	0.0810/0.2040	0.913/2.283	0.994/2.487
2005	0.020/0.050	0.0590/0.1480	0.0010/0.0030	0.0800/0.2010	0.901/2.253	0.981/2.454
2006	0.022/0.055	0.0610/0.1530	0.0010/0.0030	0.0840/0.2110	0.855/2.138	0.939/2.349
2007	0.020/0.050	0.0570/0.1430	0.0010/0.0030	0.0780/0.1960	0.811/2.028	0.889/2.224
2008	0.019/0.047	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950	0.811/2.027	0.889/2.222

### PRINCE GEORGE'S COUNTY

Fiscal Year	Administration	Park Operations	Recreation	Advance Land Acquisition	Total	County-wide Property Taxes Within County	Total
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	1.0906/2.7277	1.3346/3.3377
2003	0.0466/0.1165	0.1420/0.3550	0.0541/0.1353	0.0013/0.0032	0.2440/0.6100	1.0901/2.7253	1.3341/3.3353
2004	0.0466/0.1165	0.1770/0.4425	0.0541/0.1353	0.0013/0.0032	0.2790/0.6975	1.1384/2.8471	1.4174/3.5446
2005	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1357/2.8390	1.4147/3.5365
2006	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1381/2.8437	1.4171/3.5412
2007	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1165/2.7916	1.3955/3.4891
2008	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.1069/2.8069	1.3859/3.5044

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 for real property was assessed 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-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Taxpayer</u>	2008			1999 (1)		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Potomac Electric Power Company	\$ 689,238,812	1	0.47 %	\$ 996,240,780	1	3.15 %
Verizon	677,976,920	2	0.46	-	-	-
Montgomery Mall	388,230,580	3	0.27	78,371,130	6	0.25
7501 Wisconsin Ave. LLC	220,262,500	4	0.15	-	-	-
Washington Gas Light Company	219,256,160	5	0.15	172,029,460	3	0.54
Federal Realty Investment Trust	217,618,610	6	0.15	-	-	-
Mirant Mid-Atlantic LLC	199,580,310	7	0.14	-	-	-
Camalier, Anne D et al, Trustee	196,269,158	8	0.13	-	-	-
Democracy Associates	184,676,600	9	0.13	-	-	-
Wheaton Plaza Regional Shopping Center	180,823,356	10	0.12	46,182,510	9	0.15
Bell Atlantic - Washington D.C. Inc	-	-	-	656,382,670	2	2.07
International Business Machines	-	-	-	91,778,710	4	0.29
May Department Stores	-	-	-	80,543,280	5	0.25
Bryant F. Foulger, Trustee	-	-	-	56,683,540	7	0.18
Albert & R. Abramson, et. al.	-	-	-	51,945,040	8	0.16
Marbeth Partnership	-	-	-	45,274,990	10	0.14
<b>Total</b>	<b>\$ 3,173,933,006</b>		<b>2.17 %</b>	<b>\$ 2,275,432,110</b>		<b>7.19 %</b>
<b>Total Assessable Base</b>	<b>\$ 146,276,982,963</b>		<b>100.00 %</b>	<b>\$ 31,664,626,551</b>		<b>100.00 %</b>

PRINCE GEORGE'S COUNTY

<u>Taxpayer</u>	2008			1999 (1)		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Mirant Chalk Point LLC	\$ 486,861,570	1	0.64 %	\$ -	-	- %
Potomac Electric Power Company	408,070,450	2	0.54	977,977,140	1	5.58
Verizon Maryland	388,721,010	3	0.51	-	-	-
Washington Gas Light Company	211,925,358	4	0.28	151,633,140	3	0.87
JKC Stadium (FedEx Field)	184,912,132	5	0.24	99,401,933	4	0.57
Gaylord National, LLC	175,619,200	6	0.23	-	-	-
Greenbelt Homes, Incorporated	138,604,603	7	0.18	-	-	-
Baltimore Gas and Electric Company	133,597,130	8	0.18	85,922,030	5	0.49
Silver Oaks Campus LLC	115,463,500	9	0.15	-	-	-
Samuel Zell TRS	112,316,399	10	0.15	-	-	-
Bell Atlantic Maryland	-	-	-	386,429,690	2	2.20
Giant Foods, Inc.	-	-	-	49,036,720	7	0.28
Secretary of HUD	-	-	-	42,500,530	8	0.24
Secretary of Veterans Affairs	-	-	-	41,415,720	9	0.24
Panda-Brandywine Partnership	-	-	-	77,217,230	6	0.44
Jones Communication of MD Inc	-	-	-	37,133,200	10	0.21
<b>Total</b>	<b>\$ 2,356,091,352</b>		<b>3.11 %</b>	<b>\$ 1,948,667,333</b>		<b>11.12 %</b>
<b>Total Assessable Base</b>	<b>\$ 75,728,882,767</b>		<b>100.00 %</b>	<b>\$ 17,525,978,395</b>		<b>100.00 %</b>

(1) 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 assessed at 40% of actual value.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

## Property Tax Levies and Collections Last Ten Fiscal Years

### MONTGOMERY COUNTY

<u>Fiscal Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collections in Subsequent Years</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
1999	\$ 60,547,511	\$ 59,484,336	98.2 %	\$ 1,246,119	\$ 60,730,455	100.3 %
2000	61,998,281	60,973,987	98.3	471,608	61,445,595	99.1
2001	65,210,972	64,015,359	98.2	317,305	64,332,664	98.7
2002	69,302,154	68,605,694	99.0	1,486,724	70,092,418	101.1
2003	69,493,121	68,994,492	99.3	692,679	69,687,171	100.3
2004	68,788,496	68,447,863	99.5	651,988	69,099,851	100.5
2005	74,428,353	74,232,900	99.7	314,817	74,547,717	100.2
2006	87,277,546	84,587,921	96.9	2,568,766	87,156,687	99.9
2007	91,903,957	91,347,333	99.4	87,440	91,434,773	99.5
2008	102,981,734	102,582,155	99.6	-	102,582,155	99.6

### 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>Collections in Subsequent Years</u>	<u>Total Collections</u>	<u>Percent of Total Collections to Tax Levy</u>
1999	\$ 101,339,962	\$ 100,037,283	98.7 %	\$ 1,155,611	\$ 101,192,894	99.9 %
2000	103,461,526	102,213,005	98.8	578,268	102,791,273	99.4
2001	105,035,614	103,544,928	98.6	747,069	104,291,997	99.3
2002	107,977,263	106,777,906	98.9	927,119	107,705,025	99.7
2003	112,003,391	110,517,257	98.7	758,381	111,275,638	99.4
2004	132,837,385	128,734,271	96.9	3,629,349	132,363,620	99.6
2005	141,452,179	140,621,685	99.4	291,590	140,913,275	99.6
2006	156,005,194	155,091,912	99.4	444,585	155,536,497	99.7
2007	178,448,928	177,139,126	99.3	615,008	177,754,134	99.6
2008	210,271,715	208,168,095	99.0	-	208,168,095	99.0

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

## MONTGOMERY COUNTY

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Ratios		Advance Land Acquisition General Obligation Bonds	Total Debt	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income	Outstanding Debt Per Capita			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
1999	28,985	3,550	13,658	124	46,317	0.12	53.71	5,560	51,877	0.13	60.16
2000	27,125	2,149	13,255	-	42,529	0.10	48.40	5,255	47,784	0.11	54.38
2001	30,920	4,792	12,388	273	48,373	0.11	54.07	4,925	53,298	0.12	59.58
2002	28,700	3,577	11,811	218	44,306	0.09	48.80	4,500	48,806	0.10	53.76
2003	32,125	4,976	10,852	290	48,243	0.10	52.66	4,225	52,468	0.11	57.27
2004	29,830	3,291	9,860	204	43,185	0.08	46.88	3,805	46,990	0.09	51.01
2005	31,760	5,256	8,825	114	45,955	0.08	49.55	5,390	51,345	0.09	55.36
2006	29,555	3,711	7,780	54	41,100	0.07	43.86	4,845	45,945	0.08	49.03
2007	32,025	5,259	6,715	27	44,026	0.07	46.49	4,290	48,316	0.08	51.02
2008	29,465	3,522	5,630	-	38,617	0.06	40.78	3,745	42,362	0.07	44.73

## PRINCE GEORGE'S COUNTY

Year	Governmental Activities		Business-Type Activities		Total Primary Government	Ratios		Advance Land Acquisition General Obligation Bonds	Total Debt	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
1999	117,980	1,982	-	-	119,962	0.56	152.04	3,605	123,567	0.57	156.60
2000	112,635	1,893	-	-	114,528	0.49	142.68	3,370	117,898	0.51	146.87
2001	107,280	1,796	-	-	109,076	0.45	133.68	3,135	112,211	0.46	137.53
2002	119,620	1,765	-	-	121,385	0.48	146.99	2,800	124,185	0.49	150.38
2003	113,655	1,675	-	-	115,330	0.44	138.49	2,470	117,800	0.45	141.46
2004	121,965	1,530	-	-	123,495	0.44	147.40	2,145	125,640	0.45	149.96
2005	113,480	1,714	-	-	115,194	0.39	136.69	1,825	117,019	0.40	138.85
2006	105,030	1,496	-	-	106,526	0.35	126.62	1,505	108,031	0.36	128.41
2007	105,400	1,806	-	-	107,206	n.a	129.36	1,190	108,396	n.a	130.79
2008	95,735	1,438	-	-	97,173	n.a	n.a	885	98,058	n.a	n.a

Notes: (1) 000's omitted.

(2) See Table 15 for personal income and population data. Data are not available for Prince George's County for FY 2007 and FY 2008.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-11

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

## MONTGOMERY COUNTY

Year	Population	Park Acquisition and Development Bonds				Advance Land Acquisition Bonds			
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1999	862,350	\$ 27,701,359	\$ 28,985	0.10 %	33.61	\$ 31,664,627	\$ 5,560	0.02 %	6.45
2000	878,683	28,408,647	27,125	0.10	30.87	32,553,857	5,255	0.02	5.98
2001	892,818	29,324,926	30,920	0.11	34.63	33,726,861	4,925	0.01	5.52
2002 (3)	904,813	71,060,080	28,700	0.04	31.72	81,776,292	4,500	0.01	4.97
2003	911,968	75,030,387	32,125	0.04	35.23	86,635,192	4,225	0.00	4.63
2004	915,967	80,589,255	29,830	0.04	32.57	93,226,807	3,805	0.00	4.15
2005	921,016	88,294,369	31,760	0.04	34.48	102,184,337	5,390	0.01	5.85
2006	925,327	99,136,692	29,555	0.03	31.94	114,360,878	4,845	0.00	5.24
2007	930,813	112,335,704	32,025	0.03	34.41	129,659,726	4,290	0.00	4.61
2008	938,508	126,613,148	29,465	0.02	31.40	146,276,983	3,745	0.00	3.99

## PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds				Advance Land Acquisition Bonds			
		Assessed Value (1) (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita	Assessed Value (1)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
1999	789,037	\$ 16,274,756	\$ 117,980	0.72 %	\$ 149.52	\$ 17,525,978	\$ 3,605	0.02 %	4.57
2000	802,712	16,634,701	112,635	0.68	140.32	17,891,768	3,370	0.02	4.20
2001	815,927	16,873,735	107,280	0.64	131.48	18,182,904	3,135	0.02	3.84
2002 (3)	825,815	39,068,577	119,620	0.31	144.85	42,190,779	2,800	0.01	3.39
2003	832,761	40,706,364	113,655	0.28	136.48	43,832,133	2,470	0.01	2.97
2004	837,837	42,782,719	121,965	0.29	145.57	46,022,799	2,145	0.00	2.56
2005	842,764	45,981,392	113,480	0.25	134.65	49,441,014	1,825	0.00	2.17
2006	841,315	55,083,907	105,030	0.19	124.84	55,100,674	1,505	0.00	1.79
2007	828,770	59,177,385	105,400	0.18	127.18	63,544,195	1,190	0.00	1.44
2008	n. a.	70,615,992	95,735	0.14	n.a.	75,728,883	885	0.00	n.a.

Notes: (1) 000's omitted  
(2) Metropolitan District only  
(3) Beginning in Fiscal Year 2002 all real property in the State of Maryland is assessed at 100% of actual value. Previously the valuation was assessed at 40% of actual value.

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

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-12

## Direct and Overlapping Governmental Activities Debt

June 30, 2008

	Debt Outstanding	Estimated Percentage Applicable	Montgomery County Estimated Share of Overlapping Debt	Prince George's County Estimated Share of Overlapping Debt	Total Estimated Share of Overlapping Debt
<b>Overlapping Debt:</b>					
<b>Montgomery County:</b>					
Montgomery County Government Direct Debt	\$ 1,921,401,484	100.00%	\$ 1,921,401,484	\$ -	\$ 1,921,401,484
MCPS - capital leases	49,420,506	100.00%	49,420,506	-	49,420,506
MCC - capital leases	32,130,000	100.00%	32,130,000	-	32,130,000
Kingsview Village Center - bonds	2,145,000	100.00%	2,145,000	-	2,145,000
West Germantown - bonds	15,270,000	100.00%	15,270,000	-	15,270,000
Towns, Cities and Villages	52,321,022	100.00%	52,321,022	-	52,321,022
<b>Prince George's County:</b>					
Prince George's County Direct Debt	782,927,125	100.00%	-	782,927,125	782,927,125
IDA of Prince George's County - lease revenue bonds	48,553,292	100.00%	-	48,553,292	48,553,292
Towns, Cities and Villages	-	100.00%	-	-	-
<b>Total Overlapping Debt</b>			<b>2,072,688,012</b>	<b>831,480,417</b>	<b>2,904,168,429</b>
<b>M-NCPPC Direct Debt Outstanding (1)</b>			<b>36,732,022</b>	<b>98,058,370</b>	<b>134,790,392</b>
<b>Total Direct and Overlapping Debt</b>			<b>\$ 2,109,420,034</b>	<b>\$ 929,538,787</b>	<b>\$ 3,038,958,821</b>

Note: (1) Direct Debt is comprised of Park bonds, ALA bonds, and the debt of Internal Service Funds.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-13

Computation of Legal Debt Margin  
Park Acquisition and Development Bonds  
Last Ten Fiscal Years

Park Acquisition and Development Bonds  
Guaranteed by Montgomery County

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Valuation - Metropolitan District										
Real Property	\$ -	\$ -	\$ -	\$ 67,628,590,879	\$ 71,653,677,756	\$ 77,392,706,440	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,087,997,868	\$ 123,349,223,504
Personal Property	-	-	-	3,431,488,780	3,376,709,429	3,196,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271
Total Assessed Value	27,701,359,000	28,408,647,000	29,324,926,000	71,060,079,659	75,030,387,185	80,589,255,330	88,294,369,345	99,136,692,634	112,335,703,729	126,613,147,775
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 3.6 cents (9 cents for FY 2001 and prior)	-	-	-	24,346,293	25,795,324	27,861,374	30,641,742	34,562,980	39,271,679	44,405,720
Personal Property at 9 cents	-	-	-	3,088,340	3,039,038	2,876,894	2,860,577	2,815,574	2,922,935	2,937,532
	24,931,223	25,567,782	26,392,433	27,434,633	28,834,362	30,738,268	33,502,319	37,378,554	42,194,614	47,343,252
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	747,936,690	767,033,460	791,772,990	823,038,990	865,030,860	922,148,040	1,005,069,570	1,121,356,620	1,265,838,420	1,420,297,560
Debt Service Applicable to Limit	40,702,000	37,381,000	43,203,000	39,469,000	43,472,000	39,836,487	42,224,115	38,393,681	41,883,976	38,059,329
Legal Debt Margin	\$ 707,234,690	\$ 729,652,460	\$ 748,569,990	\$ 783,569,990	\$ 821,558,860	\$ 882,311,553	\$ 962,845,455	\$ 1,082,962,939	\$ 1,223,954,444	\$ 1,382,238,231
Debt Service Applicable to Limit as a Percentage of the Limit	5.44%	4.87%	5.46%	4.80%	5.03%	4.32%	4.20%	3.42%	3.31%	2.68%

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Assessed Valuation - Metropolitan District										
Real Property	\$ -	\$ -	\$ -	\$ 36,198,688,000	\$ 37,840,312,000	\$ 40,023,911,556	\$ 43,332,058,449	\$ 52,272,039,269	\$ 56,538,661,889	\$ 67,906,380,950
Personal Property	-	-	-	2,869,889,000	2,866,052,000	2,758,807,706	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652
Total Assessed Value	16,274,756,000	16,634,701,000	16,873,735,000	39,068,577,000	40,706,364,000	42,782,719,262	45,981,391,582	55,083,906,851	59,177,384,646	70,615,991,602
Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation										
Real Property at 4 cents (10 cents for FY 2001 and prior)	-	-	-	14,479,475	15,136,125	16,009,565	17,332,823	20,908,816	22,615,465	27,162,552
Personal Property at 10 cents	-	-	-	2,869,889	2,866,052	2,758,808	2,649,333	2,811,868	2,638,723	2,709,611
	16,274,756	16,634,701	16,873,735	17,349,364	18,002,177	18,768,373	19,982,156	23,720,684	25,254,188	29,872,163
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	488,242,680	499,041,030	506,212,050	520,480,920	540,065,310	563,051,190	599,464,680	711,620,520	757,625,640	896,164,890
Debt Service Applicable to Limit	164,131,000	152,589,437	141,350,000	157,767,000	147,391,000	156,442,246	146,418,484	136,076,320	135,698,883	119,846,031
Legal Debt Margin	\$ 324,111,680	\$ 346,451,593	\$ 364,862,050	\$ 362,713,920	\$ 392,674,310	\$ 406,608,944	\$ 453,046,196	\$ 575,544,200	\$ 621,926,757	\$ 776,318,859
Debt Service Applicable to Limit as a Percentage of the Limit	33.62%	30.58%	27.92%	30.31%	27.29%	27.78%	24.42%	19.12%	17.91%	13.37%

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

TABLE T-14

Pledged-Revenue Coverage  
Last Ten Fiscal Years

Little Bennett Golf Course Revenue Bonds (1)						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
1999	\$ 1,627,069	\$ 1,495,121	\$ 131,948	\$ 265,000	\$ 289,412	0.24
2000	1,654,516	1,531,064	123,452	245,000	273,875	0.24
2001	1,697,517	1,728,532	(31,015)	255,000	259,647	(0.06)
2002	1,782,015	1,910,369	(128,354)	270,000	244,643	(0.25)
2003	1,433,356	1,636,476	(203,120)	285,000	228,796	(0.40)
2004	1,547,197	1,501,372	45,825	300,000	248,684	0.08
2005	1,407,434	1,571,068	(163,634)	314,634	122,975	(0.37)
2006	999,416	1,303,515	(304,099)	315,137	120,699	(0.70)
2007	213,804	3,194	210,610	325,757	109,811	0.48
2008	181,899	159,104	22,795	336,735	98,587	0.05

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
1999	\$ 554,357	\$ 475,357	\$ 79,000	\$ -	\$ 242,971	0.33
2000	585,225	1,213,664	(628,439)	190,000	216,241	(1.55)
2001	760,659	868,404	(107,745)	200,000	204,626	(0.27)
2002	949,130	986,319	(37,189)	215,000	192,335	(0.09)
2003	917,785	995,430	(77,645)	230,000	179,174	(0.19)
2004	962,056	1,036,132	(74,076)	315,662	158,692	(0.16)
2005	1,017,062	1,112,823	(95,761)	275,622	83,433	(0.27)
2006	1,248,187	1,375,948	(127,761)	284,910	72,748	(0.36)
2007	1,129,298	1,329,107	(199,809)	294,512	63,144	(0.56)
2008	981,681	1,262,416	(280,735)	304,437	53,165	(0.79)

Cabin John Ice Rink Revenue Notes (5)						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2000	\$ 1,637,362	\$ 1,579,133	\$ 58,229	\$ -	\$ 311,920	0.19
2001	2,426,109	2,170,016	256,093	444,444	300,045	0.34
2002	2,778,017	2,506,214	271,803	444,444	277,111	0.38
2003	2,968,982	2,529,806	439,176	444,444	254,177	0.63
2004	3,071,550	2,495,269	576,281	444,444	231,245	0.85
2005	3,066,518	2,608,814	457,704	444,444	208,311	0.70
2006	3,384,115	3,066,518	317,597	444,444	185,378	0.50
2007	3,006,568	2,604,061	402,507	444,444	162,444	0.66
2008	2,505,663	2,204,101	301,562	444,444	139,512	0.52

- Notes: (1) The Commission's Montgomery County golf courses lease to the Montgomery County Revenue Authority on a short-term basis on April 15, 2006 was converted to a long-term lease in October 2006.
- (2) Gross revenues include nonoperating interest income.
- (3) Operating expenses do not include interest, depreciation, or amortization expenses.
- (4) These are the revenues that are actually pledged to cover this debt. In practice, the Commission uses the available resources of the entire Montgomery County Enterprise Fund.
- (5) Revenue notes for the Cabin John Ice Rink were issued in fiscal year 2000.

Source: The Maryland-National Capital Park and Planning Commission

# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Demographic Statistics  
Last Ten Fiscal Years

## MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
1999	862,350	\$ 39,049,711	\$ 45,283	478,946	1.9	127,852
2000	878,683	43,575,224	49,592	489,050	2.6	130,689
2001	892,818	45,537,627	51,004	490,213	3.1	134,180
2002	904,813	47,041,902	51,991	496,101	3.5	136,832
2003	911,968	48,533,753	53,219	497,820	3.3	138,891
2004	915,967	51,907,936	56,670	498,237	3.2	139,203
2005	921,016	55,619,405	60,389	507,556	3.1	139,337
2006	925,327	58,992,132	63,753	512,434	2.8	139,387
2007	930,813	62,900,000	67,575	512,310	2.7	137,798
2008	938,508	65,400,000	69,685	514,100	2.8	137,745

## PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
1999	789,037	\$ 21,492,265	\$ 27,033	447,650	3.8	130,259
2000	802,712	23,195,413	28,894	452,067	4.3	131,059
2001	815,927	24,414,098	29,909	485,077	4.0	133,723
2002	825,815	25,445,330	30,783	471,602	5.1	135,039
2003	832,761	26,248,500	31,429	475,007	5.2	135,439
2004	837,837	28,162,399	33,461	440,424	4.5	137,285
2005	842,764	29,422,711	34,912	445,124	4.5	136,095
2006	841,315	30,137,985	36,108	454,601	4.1	133,325
2007	828,770	n. a.	n. a.	454,054	4.0	131,014
2008	n. a.	n. a.	n. a.	452,822	4.1	129,752

Notes:

(1) Source: Data for 1999-2007 from the U.S. Bureau of the Census, data for 2008 estimated by the Montgomery County Department of Finance

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce

(3) Source: Data for 2007 - 2008 are estimates derived by the Montgomery County Department of Finance

(4) Source: Per Capita Income is derived by dividing personal income by population

(5) Source: Bureau of Labor Statistics, U.S. Department of Labor

(6) Source: Maryland Department of Labor, Licensing and Regulations. Represents yearly average figures.

(7) Source: Office of Management and Budget, Montgomery County

(8) Source: U.S. Bureau of the Census, Population Estimates Branch

(9) Source: Maryland Department of Labor, Career and Workforce Information

(10) Source: www.mdreportcard.org, updated 2008

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

TABLE T-16

Total Government Employees by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>										
Commissioners Office	14.00	14.41	14.41	14.41	14.41	14.22	14.19	16.70	16.70	16.40
Department of Human Resources and Management	22.75	22.75	24.75	24.25	24.05	24.35	23.75	23.75	23.75	24.50
Department of Finance	28.60	28.60	28.80	29.30	29.00	28.30	28.30	29.30	29.30	29.60
Legal Department	8.50	8.75	8.75	9.75	9.40	9.40	9.50	11.00	11.00	12.70
Merit System Board	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
General Government:	74.10	74.76	76.96	77.96	77.11	76.52	75.99	81.00	81.00	83.45
County Planning and Zoning:										
Office of the Planning Director	4.00	3.00	2.50	2.50	2.30	2.50	2.50	2.50	3.30	3.77
Management Services	8.80	13.10	13.10	12.80	12.40	12.80	11.30	11.10	9.30	7.60
Strategic Planning	-	5.00	4.50	4.50	4.50	4.50	4.50	4.40	3.30	4.30
Community-Based Planning	46.90	46.50	46.20	45.70	45.75	44.70	43.70	39.00	38.00	38.77
County-Wide Planning	39.40	37.90	38.20	41.40	42.35	41.70	40.20	40.10	41.00	48.57
Development Review	24.20	25.20	24.30	24.80	24.40	24.80	24.60	28.50	35.60	35.00
Research and Technology	30.00	30.00	28.50	28.50	29.80	28.00	26.80	26.30	26.90	31.30
Total County Planning and Zoning	153.30	160.70	157.30	160.20	161.50	159.00	153.60	151.90	157.40	169.31
Park Operations and Maintenance:										
Director of Parks	-	-	-	-	-	2.00	4.00	3.90	24.20	23.65
Superintendent of Parks	15.20	15.40	15.40	17.00	16.50	15.00	19.00	19.00	-	-
Management Services	3.50	-	-	-	-	-	-	-	-	7.22
Facilities Management	-	-	-	-	-	-	-	-	-	6.90
Research and Technology	8.00	8.00	8.00	8.00	8.00	10.00	7.70	8.90	10.10	11.50
County-Wide Planning	12.00	12.00	16.80	17.10	16.30	16.05	18.95	20.50	18.85	29.88
Park Development	25.82	29.27	27.90	27.80	26.50	27.50	27.00	27.70	26.50	28.50
Park Police	107.50	108.50	114.50	115.50	115.05	115.50	112.50	111.20	117.50	112.85
Natural Resources	63.32	66.27	70.60	69.05	69.25	67.65	65.05	67.30	65.65	62.65
Central Maintenance	105.00	105.40	110.90	109.90	107.25	102.30	98.30	106.80	101.30	102.77
Northern Region	113.25	115.50	116.15	117.40	123.25	118.00	113.90	118.00	115.10	114.71
Southern Region	193.00	198.00	198.95	194.20	197.30	190.30	175.00	181.50	174.22	179.11
Property Management	1.10	1.10	1.10	1.10	2.10	3.10	3.10	3.00	3.00	3.50
Total Park Operations and Maintenance	647.69	659.44	680.30	677.05	681.50	667.40	644.50	667.80	656.42	683.24
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	208.40	211.85	235.60	231.65	226.35	229.30	215.40	204.70	109.70	110.30
Total Workyears	1,083.49	1,106.75	1,150.16	1,146.86	1,146.46	1,132.22	1,089.49	1,105.40	1,004.52	1,046.30

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16  
continued

Total Government Employees by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental Activities</b>										
General Government:	75.50	76.25	78.45	77.45	76.60	75.70	75.70	77.20	79.35	82.65
County Planning and Zoning:										
Director's Office	23.70	24.20	13.00	15.50	14.00	14.00	13.00	15.00	14.00	14.00
Development Review	28.70	29.20	41.20	39.70	41.20	42.70	43.60	46.60	48.40	49.70
Information Permit Review	17.00	18.00	-	-	-	-	-	-	-	-
Community Planning	23.60	23.60	23.60	24.60	22.93	21.03	24.13	26.88	33.63	45.80
Redevelopment Authority	14.00	14.00	14.00	14.00	13.90	14.00	-	-	-	-
Natural Resources	8.60	12.60	-	-	-	-	-	-	-	-
Transportation	11.00	10.00	-	-	-	-	-	-	-	-
Urban Design	10.00	10.00	-	-	-	-	-	-	-	-
Information Management	33.00	32.00	26.00	22.00	21.80	23.00	22.00	23.00	23.50	24.60
County-Wide Planning	-	-	30.60	30.60	29.80	31.00	32.00	34.00	35.50	42.00
Information Center	-	-	25.70	22.70	21.10	20.00	22.00	22.00	23.50	25.00
Total County Planning and Zoning	169.60	173.60	174.10	169.10	164.73	165.73	156.73	167.48	178.53	201.10
Park Operations and Maintenance:										
Office of the Director	29.50	33.00	33.00	33.20	34.70	40.70	39.70	39.70	39.70	25.10
IT & Communications	-	-	-	-	-	-	-	-	-	15.20
Park Police	120.00	121.00	121.00	123.40	123.40	124.20	124.20	129.80	130.80	137.60
Park Planning and Development	49.00	49.00	49.00	48.00	48.00	47.00	47.00	48.00	51.00	52.00
Facility Operations	272.32	239.00	239.00	233.00	232.50	234.50	235.50	243.50	243.50	250.50
Area Operations	214.00	214.00	218.00	202.00	202.10	204.10	204.10	219.60	219.60	228.10
Total Park Operations and Maintenance	684.82	656.00	660.00	639.60	640.70	650.50	650.50	680.60	684.60	708.50
Recreation Programs:										
Director's Office	1.00	2.00	2.00	3.00	3.00	3.00	8.00	8.00	9.50	9.50
IT & Communications	-	-	-	-	-	-	-	-	-	9.00
Facility Operations	205.07	212.50	176.50	161.00	159.60	157.60	157.60	159.10	161.10	160.70
Area Operations	459.00	439.50	472.50	476.60	473.00	472.00	622.40	644.10	654.60	670.60
Total Recreation Programs	665.07	654.00	651.00	640.60	635.60	632.60	788.00	811.20	825.20	849.80
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	139.50	139.50	147.30	217.50	217.50	210.50	209.50	207.50	215.50	218.00
<b>Total Workyears</b>	<b>1,734.49</b>	<b>1,699.35</b>	<b>1,710.85</b>	<b>1,744.25</b>	<b>1,735.13</b>	<b>1,735.03</b>	<b>1,880.43</b>	<b>1,943.98</b>	<b>1,983.18</b>	<b>2,060.05</b>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Operating Indicators by Function  
Last Ten Fiscal Years

	Fiscal Year									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	estimated 2008
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	n/a	224	377	175	200	200	362	325	400	350
Number of Vendors in Directory	9,726	11,520	12,976	14,165	15,171	16,015	17,014	17,741	18,481	19,514
Number of MFD Vendors in Directory	1,159	1,334	1,334	1,549	1,772	2,094	2,551	2,818	3,028	3,383
MONTGOMERY COUNTY										
County Planning and Zoning:										
Number of Master & Sectional Map Ammendment										
Plans Completed	3	5	4	3	8	9	12	6	7	na
Number of Regulatory Planning Reviews	n/a	n/a	n/a	n/a	26	30	35	35	38	na
Number of Transportation Studies	n/a	n/a	126	125	53	46	56	52	40	na
Number of Site Plan and Project Plans Reviews	66	55	71	68	135	107	142	109	160	na
Number of Daily Website Visits	n/a	n/a	n/a	n/a	n/a	1,963	2,000	2,800	3,000	na
Number of GIS Updates	n/a	n/a	n/a	n/a	2,086	2,500	1,805	2,140	2,400	na
Park Operations and Maintenance:										
Number of Park Permits Issued	n/a	7,685	9,056	9,282	9,239	9,505	9,475	9,475	9,547	9,600
Number of Playground Renovations Completed	n/a	n/a	n/a	9	2	14	16	6	6	10
Total Acres of Parkland Acquired	n/a	n/a	n/a	529	1,031	224	407	310	480	297
Trees Planted for Reforestation Projects	n/a	n/a	n/a	n/a	2,000	1,200	1,300	1,512	1,295	1,100
Major Maintenance Requests Completed	n/a	n/a	n/a	n/a	32	30	33	146	184	240
Service Requests Completed	4,016	3,872	3,900	3,900	5,463	5,300	5,569	5,812	6,830	7,104
Number of Customers Attending Nature Programs	n/a	n/a	n/a	n/a	n/a	n/a	35,225	30,355	45,808	46,700
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	167,307	151,389	381,779	398,664	418,318	426,493	440,235	459,863	470,000	408,746
Number of Indoor Tennis Customers	272,476	156,503	148,400	145,511	159,869	155,604	140,760	139,839	135,000	58,510
Number of Park Facilities Customers	613,141	491,966	419,357	526,628	358,668	494,563	520,097	496,112	591,500	490,200
Number of Conference Center Customers	n/a	28,395	30,100	31,191	32,301	31,873	37,466	39,153	39,800	30,359

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	estimated 2008
<u>PRINCE GEORGE'S COUNTY</u>										
<b>Governmental Activities</b>										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	76	n/a	229	113	157	214	214	163	70	120
Number of New Zoning Applications	n/a	n/a	89	98	88	71	76	90	59	70
Number of Help Desk Requests Completed	n/a	n/a	1,251	1,309	1,986	2,240	2,030	2,770	2,450	2,850
Number of GIS Requests Delivered	n/a	n/a	153	175	212	212	240	206	200	210
Number of Transportation Referrals Received	n/a	265	295	414	338	369	303	318	348	309
Number of Environmental Referrals Received	n/a	377	1,023	1,174	1,441	1,791	1,783	2,355	2,053	1,800
Number of Walk-in Customers Served	n/a	n/a	5,707	7,106	n/a	7,165	7,100	10,149	7,000	7,000
Number of Telephone Calls Responded to	n/a	n/a	15,111	11,215	n/a	10,911	10,911	9,645	11,000	11,000
Park Operations and Maintenance:										
Number of Nature Education Attendees	38,100	23,800	20,024	44,968	39,193	91,320	152,817	152,346	167,372	165,500
Number of Museum Visitors (College Park Airport)	40,000	60,000	32,113	42,000	53,000	76,331	77,246	88,019	65,772	90,000
Number of Commission Facility Permits Issued	5,300	6,000	5,300	5,300	5,400	4,676	5,494	4,363	4,521	4,600
Number of Historic Property Rentals	493	599	630	458	706	663	566	596	609	715
Acres of Grass Mowed	4,360	4,760	4,964	5,092	5,582	5,698	6,040	6,450	6,600	7,100
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	18,933	15,296	13,969	22,400	33,718	34,030	42,246	51,155	48,194	60,270
Number of Youth Sports Participants	19,000	18,000	18,000	18,000	18,000	20,000	18,000	15,400	13,000	12,000
Total Aquatics Activities Attendance	263,791	284,891	281,094	298,871	222,835	275,772	271,834	284,844	295,242	295,113
Total Community Center Classes Conducted	2,493	2,282	1,884	1,983	4,000	4,877	4,699	5,078	5,387	5,598
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities										
Number of Rounds of Golf	126,000	103,271	102,735	110,650	88,561	89,102	91,867	90,556	81,274	97,000
Number of Fitness Center Class Participants	n/a	n/a	n/a	9,000	22,000	22,000	23,500	26,000	26,500	27,000
Number of Ice Rink General Admissions	42,625	30,000	29,250	11,360	11,700	16,800	27,900	27,000	24,355	25,000
Number of Attendance (Show Place Arena)	211,130	223,010	223,010	227,925	216,061	253,446	268,304	277,295	278,147	250,000
Number of Attendance (Equestrian Center)	24,180	24,811	n/a	30,900	41,806	36,941	37,735	38,562	37,122	39,222

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

**The Maryland-National Capital Park and Planning Commission**

TABLE T-18

Capital Asset Statistics by Function  
Last Four Fiscal Years

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

(1) Data for 1999-2004 not readily available

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

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

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

TABLE T-19

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	2008 (1)			1999		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Health and Human Services	39,979	1	8.31 %	32,908	1	7.61 %
Montgomery County Public Schools	20,769	2	4.32	17,299	2	4.00
U.S. Department of Defense	14,709	3	3.06	12,448	3	2.88
Montgomery County Government	9,059	4	1.88	7,127	4	1.65
U.S. Department of Commerce	8,749	5	1.82	6,705	5	1.55
Adventist Healthcare	8,090	6	1.68	3,800	8	0.88
Lockheed Martin	7,518	7	1.56	3,500	9	0.81
Giant Food Corporation	3,816	8	0.79	5,000	6	1.16
Marriott International, Inc. (Headquarters)	3,000	9	0.62	3,500	9	0.81
Nuclear Regulatory Commission	2,972	10	0.62	*		-
Chevy Chase Bank	*	-	-	4,500	7	1.04
Total	118,661		24.65 %	96,787		22.37 %

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2007 (2)			1998 (2)		
	Private Sector Employees	Rank	Percentage of Total County Employment	Private Sector Employees	Rank	Percentage of Total County Employment
Giant Food, Inc.	5,394	1	1.73 %	5,761	1	1.37 %
United Parcel Service	4,220	2	1.35	1,700	7	0.40
Verizon	2,738	3	0.88	-	-	-
Dimensions Health Corporation	2,500	4	0.80	2,100	3	0.50
Safeway Stores, Inc.	2,400	5	0.77	2,827	2	0.67
Shoppers Food Warehouse	1,975	6	0.63	1,750	6	0.42
Chevy Chase Bank	1,456	7	0.47	-	-	-
Target	1,400	8	0.45	-	-	-
Hughes STX	-	-	-	1,400	9	0.33
Southern Maryland Hospital Center	1,300	9	0.42	1,300	10	0.31
Computer Science Corporation	1,200	10	0.38	2,000	4	0.48
Bell Atlantic Corp./Verizon	*	-	-	1,967	5	0.47
Allied technical Services	*	-	-	1,467	8	0.35
Total	24,583		7.88 %	22,272		5.30 %

Note: (1) The employee numbers listed are best estimates taken during the 4th quarter of 2008 from various sources, including first-hand research by the County's Department of Economic Development, the Montgomery County Department of Park and Planning Research and Technology Center, CoStar Tenant, and company Internet websites.

(2) In 2008, number of employees not provided by the State. The number of employees in FY 1998 is provided for the ten year comparison.

\* Employer is not one of the largest employers during the year noted.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-20

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2008

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 314,564	\$ 358,339	\$ 3,611,744	\$ 728,242	\$ 2,834,513	\$ 7,847,402
Operating Expenses Before Depreciation	571,946	225,209	3,577,160	907,690	2,464,529	7,746,534
Operating Income (Loss) Before Depreciation	(257,382)	133,130	34,584	(179,448)	369,984	100,868
Depreciation	33,357	494,378	675,986	44,252	115,764	1,363,737
Operating Income (Loss)	(290,739)	(361,248)	(641,402)	(223,700)	254,220	(1,262,869)
Nonoperating Revenues (Expenses)	-	(126,043)	(192,676)	50,281	50,873	(217,565)
Transfers In (Out)	76,000	-	543,000	-	-	619,000
Net Income (Loss)	\$ (214,739)	\$ (487,291)	\$ (291,078)	\$ (173,419)	\$ 305,093	\$ (861,434)

PRINCE GEORGE'S COUNTY

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Skeet Center	Sports and Learning Complex	Bladensburg Marina	Totals
Operating Revenues	\$ 323,032	\$ 1,729,252	\$ 2,533,987	\$ 533,009	\$ 342,326	\$ 1,330,650	\$ 3,386,812	\$ 52,157	\$ 10,231,225
Operating Expenses Before Depreciation	413,176	3,883,286	3,458,281	1,273,969	498,196	1,448,830	7,265,086	691,100	18,931,924
Operating Income (Loss) Before Depreciation	(90,144)	(2,154,034)	(924,294)	(740,960)	(155,870)	(118,180)	(3,878,274)	(638,943)	(8,700,699)
Depreciation	120,032	599,155	97,145	112,030	85,641	8,902	1,218,543	24,361	2,265,809
Operating Income (Loss)	(210,176)	(2,753,189)	(1,021,439)	(852,990)	(241,511)	(127,082)	(5,096,817)	(663,304)	(10,966,508)
Nonoperating Revenues (Expenses)	10,909	42,331	-	-	38,046	228	63,308	38,879	193,701
Capital Contribution	-	-	-	-	-	-	-	-	-
Transfers In (Out)	142,800	2,141,200	674,100	587,400	85,800	94,100	3,738,800	980,900	8,445,100
Net Income (Loss)	\$ (56,467)	\$ (569,658)	\$ (347,339)	\$ (265,590)	\$ (117,665)	\$ (32,754)	\$ (1,294,709)	\$ 356,475	\$ (2,327,707)

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

## **ACKNOWLEDGMENTS**

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

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## **Photo Index**

### **Cover:**

Downtown Silver Spring's popularity is thanks in part to the forward-thinking Silver Spring Business District Sector Plan. Residents and visitors to the downtown also benefit from a developer's public amenity – a fountain and plaza off Ellsworth Drive. Montgomery County Planning Department file photo.

### **Page 9:**

Climbing walls, like this one in Cabin John Regional Park, are common sights at the many special events hosted on park property...Fantastic Friday -children with disabilities are treated to a special day of fun County Fair activities at the Prince George's Equestrian Center...Children enjoy a summertime romp outside during day camp at Woodlawn Manor Park...Safe, accessible play grounds and equipment provide hours of fun for children at Watkins Regional Park in Upper Marlboro...Adults and youth alike enjoy playing their baseball games on park fields...Maryland-National Capital Park Police mounted units provide crowd control for outdoor events like Festival Hispano at Lane Manor Park...Children play soccer in South Germantown Regional Park...US Representative Steny H. Hoyer meets with former Tuskegee airmen and participants in the federal World War II oral history project conducted at College Park Aviation Museum.

### **Photo Credits:**

Laurence King (MRO, Montgomery County): Cover

Francine Bethea (Montgomery County): pages 9, 20, 104, and 112.

Steve Abramowitz and Cassi Hayden (Prince George's County): pages 1, 9, 100, 108, and 116.



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The Maryland-National Capital  
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