

The Maryland–National Capital Park and Planning Commission



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

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT
of
THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION**

For the Fiscal Year Ended June 30, 2010

Commissioners

Samuel J. Parker, Jr., Chairman of the Commission
Françoise Carrier, Vice-Chairman of the Commission
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Alfred F. Warfield, Acting Secretary-Treasurer
Adrian R. Gardner, General Counsel

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Mary Bradford, Montgomery County Director of Parks

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TABLE OF CONTENTS

	<u>Page</u>
List of Officials	i
<u>PART I - INTRODUCTORY SECTION</u>	
Letter of Transmittal	2
Certificate of Achievement	5
Commission Background	7
Organization Chart	8
Program Highlights	10
<u>PART IIA - FINANCIAL SECTION</u>	
Independent Auditor's Report	21
A. MANAGEMENT'S DISCUSSION AND ANALYSIS	24
B. BASIC FINANCIAL STATEMENTS	
<u>Exhibits</u>	
	<u>Government-Wide Financial Statements</u>
1	Statement of Net Assets 43
2	Statement of Activities 44
	<u>Fund Financial Statements</u>
	Governmental Funds Financial Statements
3	Balance Sheet 45
4	Statement of Revenues, Expenditures and Changes in Fund Balances 46
5	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 47
6	Statement of Revenues, Expenditures/Encumbrances and Changes in Fund Balance – Budget (Non-GAAP Budgetary Basis) and Actual – General Fund 48
	Proprietary Funds Financial Statements
7	Statement of Net Assets 49
8	Statement of Revenues, Expenses and Changes in Fund Net Assets 50
9	Statement of Cash Flows 51
	Fiduciary Funds Financial Statements
10	Statement of Net Assets 53
11	Statement of Changes in Net Assets 54
Notes to Financial Statements	55
C. REQUIRED SUPPLEMENTARY INFORMATION	
	<u>SCHEDULE OF FUNDING PROGRESS</u>
	Defined Benefit Pension Plan 103
	Other Post Employment Benefits 104

PART IIB - FINANCIAL SECTION, continued**D. COMBINING STATEMENTS AND SCHEDULES**Schedules

	<u>Nonmajor Governmental Funds</u>	
1	Combining Balance Sheet	107
2	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	108
3	Combining Schedule of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance – Budget (Non – GAAP Budgetary Basis) and Actual – Special Revenue Funds	109
	<u>Enterprise Funds</u>	
4	Schedule of Net Assets	111
5	Schedule of Revenues, Expenses and Changes in Fund Net Assets	112
6	Schedule of Cash Flows	113
	<u>Internal Service Funds</u>	
7	Combining Statement of Net Assets	115
8	Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	116
9	Combining Statement of Cash Flows	117
	<u>Fiduciary Fund Types</u>	
10	Combining Statements of Net Assets	119
11	Combining Statements of Changes in Net Assets	120
12	Combining Statement of Changes in Assets and Liabilities – Agency Fund	121

PART III - STATISTICAL SECTIONTables

T-1	Net Assets by Category Entity-wide Basis - Last Nine Fiscal Years	124
T-2	Change in Net Assets Entity-wide Basis – Last Nine Fiscal Years	125
T-3	Government Wide Revenues Entity-wide Basis – Last Nine Fiscal Years	126
T-4	Fund Balances of Governmental Funds – Last Ten Fiscal Years	127
T-5	Changes in Fund Balances of Governmental Funds – Last Ten Fiscal Years	128
T-6	Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	129
T-7	Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	130
T-8	Principal Taxpayers – Current Fiscal Year and Nine Years Ago	131
T-9	Property Tax Levies and Collections – Last Ten Fiscal Years	132
T-10	Ratios of Outstanding Debt by Type – Last Ten Fiscal Years	133
T-11	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt Per Capita – Last Ten Fiscal Years	134
T-12	Direct and Overlapping Governmental Activities Debt	133
T-13	Computation of Legal Debt Margin – Park Acquisition and Development Bonds – Last Ten Fiscal Years	136
T-14	Pledged Revenue Coverage – Last Ten Fiscal Years	137
T-15	Demographic Statistics – Last Ten Fiscal Years	138
T-16	Total Government Employees by Function – Last Ten Fiscal Years	139
T-17	Operating Indicators by Function – Last Ten Fiscal Years	141
T-18	Capital Asset Statistics by Function – Last Six Fiscal Years	143
T-19	Principal Employers – Current Fiscal and Nine Years Ago	144
T-20	Supplemental Enterprise Information	145
	Acknowledgments	146
	Photo Index	147

♦ PART I ♦

INTRODUCTORY SECTION



Guests attend the dedication of the Columbia Air Center, the first licensed African American-owned and operated airfield in the U.S.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

November 10, 2010

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2010 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, 2010 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, 2010 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.

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

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

The Commission

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

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

The Commission maintains an internal auditing division that reports to the 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 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, 2010, the Commission's General Fund budget basis ending fund balance was \$115.4 million.

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

Montgomery and Prince George's Counties are adjacent to Washington, D. C. and both of these counties have an economic base that is centered on vital government bureaus, major corporations and higher educational institutions. Maryland remains the richest state in the nation, according to the latest U. S. Census data. The state's median household income for 2009 was \$70,050, a decrease of about \$500 from the previous year and Montgomery County regularly ranks among the top 10 wealthiest counties in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2009, the nation's unemployment rate was 9.5 percent, whereas Montgomery and Prince George's rates were 5.6 percent and 7.4 percent, respectively. These counties have a combined population base of 1.8 million people and have almost 1.0 million employed as of fiscal year 2010.

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

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

Long-term Financial Planning

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

prepared for its Montgomery County operations by Montgomery County government, with Commission input.

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

There are significant undesignated fund balances in Prince George's County (\$80.1 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 2010. The major accomplishments of the Commission are set forth in the Program Highlights section of this Report.

Other Information

Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. 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.

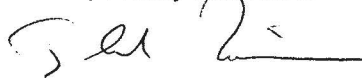
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2010. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Joe Zimmerman', with a stylized flourish at the end.

Joseph C. Zimmerman, CPA
Secretary-Treasurer



Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Maryland-National Capital Park and Planning Commission

For its Comprehensive Annual

Financial Report

for the Fiscal Year Ended

June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Commission Background and Organization

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

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

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

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

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

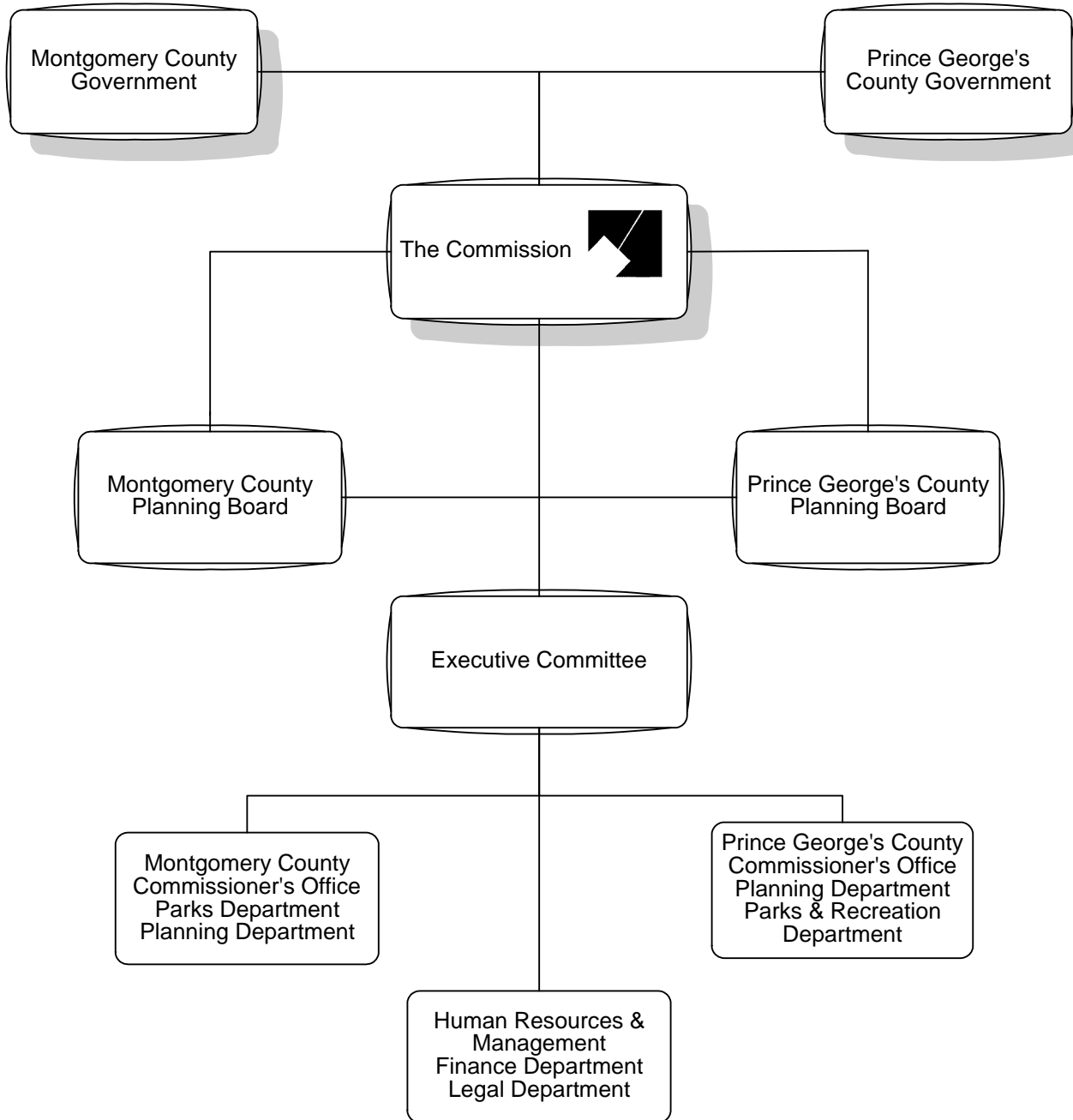
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve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

The Commission administers a park system that currently contains over 62,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,137 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 5,168 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 2010 PROGRAM HIGHLIGHTS

In Fiscal Year 2010 (FY10), The Maryland-National Capital Park and Planning Commission continued to fulfill its mission to plan, fund, and deliver quality, innovative programs, facilities, and services to the more than 1.8 million citizens of the bi-county area, even in the face of significant budget challenges. Through innovative strategies and programs, M-NCPPC continued building on its record of accomplishment and leadership, while moving forward into the future with new ideas and approaches to meet the needs of a community characterized by great economic, racial, ethnic and geographic diversity. Increased emphasis was placed on community engagement, through several key outreach projects. In Prince George's County, the Prince George's County Planning Department has been working with thousands of Prince Georgians on Envision Prince George's, a multi-year grassroots initiative designed to create and implement a long-term vision for the county based on the viewpoints of the entire community. Envision Prince George's incorporates the Department of Parks and Recreation's 2010 and Beyond community needs assessment project that has brought together thousands of county stakeholders as well to identify future needs for parks, open space, trails, recreation programs, and leisure services. In Montgomery County, the Montgomery County Planning Department engaged members of the business and civic community in an effort to re-think the County through a re-write of the zoning code, and reached out to a wide range of participants in a stepped-up weekly speaker series to educate staff and the public on new, cutting-edge strategies and elements of sustainability. The Montgomery County Parks Department, with the Montgomery County Department of Recreation, kicked-off Vision 2030, a process to develop a vision and strategic plan for park and recreation services in the county, to collaboratively lead the county's efforts in stewardship of natural, historical and archaeological resources and to provide opportunities for life-long learning, leisure and recreation. In addition, M-NCPPC as a whole continued to develop an agency-wide Sustainability Policy initiative designed to focus and institutionalize efforts across all departments that integrate cost-saving, energy-saving, and environmentally conscious practices into the Commission's daily operations.

Montgomery County Department of Parks

Park Projects and Acquisitions: The Department acquired 877 acres in FY10 in 16 parks. Projects completed in FY10 include: Elmhirst Parkway Local Park, Blair Local Park Synthetic Turf, Brookside Gardens Irrigation System, Ovid Hazen Well Recreational Park, Woodside Urban Park Skatespot, and Falls Road Local Park playground resurfacing.

Reduced Expenditures: Montgomery County faced significant revenue shortfalls in FY10 and imposed two mandated savings plans for County agencies. The total of the savings plans for the Department of Parks was \$2,357,020 or 3.14% of the approved budget. Cuts of this magnitude have produced a long-term structural deficit for the park fund. Demand is growing for more and better facilities and services for a changing population on one hand and aging facilities on the other, which generates a growing maintenance and replacement backlog. To achieve the mandated savings plans, the Department of Parks implemented a hiring freeze, minimized overtime, eliminated capital equipment purchases, and reduced other expenditures including non-local travel and training, supplies, and non-essential contacts. In addition, the Department closed 11 park activity buildings. To achieve cost savings for the FY11 budget, the Department of Parks offered a retirement incentive plan in FY10. The plan was accepted by employees in 40 park fund positions and most, if not all, of these positions will be abolished in FY11.

FY10 Accomplishments: FY10 was a challenging year in terms of balancing the maintenance and management of an aging and ever-changing park system with fewer resources. The Department prioritized projects based on its core-mission. Accomplishments for FY10 include: improved efficiencies in Enterprise programs and repurposed use of the Wheaton Outdoor rink to reduce costs and increase revenues, completed a comprehensive study with the Department of Recreation to improve park and recreation programming, eliminated inefficiencies, and enhanced user experiences, successfully launched the Community Gardening Program, opened two new popular dog parks in Cabin John Regional Park and Olney Manor Recreational Park, increased the volunteer program to 76,368 volunteer hours valued at 36.7 work years, saving the taxpayers approximately \$1.48 million, successfully launched several public-private partnerships that help accomplish our core mission including Miracle League and Go Ape (a treetop forest adventure company), increased fees and revenue to offset expenditures for third-party special events in parks, improved coordination with other County agencies in emergency preparedness and other efforts, increased the viability of our cultural resources by stabilizing a number of historic sites, completed emergency infrastructure work on a number of older facilities, implemented tighter management practices in hiring, vehicle/fleet replacement, and purchasing activities, continued to save money by implementing greener park development strategies and reducing energy consumption.

Data Driven Efficiencies in Operations: The systematic collection of labor data and costs of supplies and materials through the SmartParks system has enabled managers to make more informed decisions about the most strategic use of staff and resources to meet existing needs. As budget dollars continue to get tighter, the ability to determine how resources can be adjusted to maximize productivity and cover core services is critical. SmartParks data allowed the Department to calculate in detail the cost of the snow events and justify the request for FEMA reimbursement. The Department's energy management program has realized savings of \$507,321 in utilities for 2009. Operation and Use Guidelines and Plans are being developed in key areas to optimize management. Significant fleet management efficiency measures are underway, including the new Shady Grove Fueling site that provides fuel usage data. Vehicles that have been identified as underutilized will be reassigned or divested. The Park Police's new Computer Aided Dispatch system automatically generates patrol calls to ensure responsiveness to citizen concerns and creates an audit trail of the patrols for problem areas.

Vision 2030: In cooperation with the Montgomery County Department of Recreation, the Department of Parks began developing the *Parks and Recreation 2030 Vision and Strategic Plan*. This plan will develop the tools necessary to make wise capital and operating investment decisions with respect to stewardship of the land, facilities and programs for the parks and recreation system.

Environmental "Green" Initiatives: The Department of Parks implemented a number of innovative approaches to support our core mission and "keep it green" Including 1) launching the Green Waste Recycling and Composting Program which reduces the cost of purchasing soil amendments for ball field renovations, tree planting and other improvements; 2) securing the selection of two projects from the national Sustainable Sites Initiative™ (SITES™) for testing the nation's first rating system for green landscape design, construction and maintenance; 3) incorporating Environmental Site Design concepts into ongoing projects and Facility Plans as required by May 2010 regulations; 4) completing Waste Storage Facilities at two stables operations and a Heavy Use Area at Wheaton Stables in partnership with the Maryland Department of Agriculture/Soil Conservation District; and 5) continuing to reduce energy costs in spite of rising prices with a successful, targeted energy management program.

Montgomery County Planning Department

Despite some of the greatest budget challenges in the history of Montgomery County, the Planning Department continued to work hard to achieve its work program, driven by the priorities of the residents of Montgomery County.

Master Planning: In FY 10, the Department continued to advance several plans. The White Flint Sector Plan and the Great Seneca Science Corridor Master Plan were approved and adopted by the County Council. Staff made progress with the Kensington Sector Plan, and the Wheaton & Vicinity Master Plan. In addition, staff made progress on drafting three Purple Line station area plans: the Takoma/Langley Crossroads, the Long Branch Sector Plan, and the Chevy Chase Lake Sector Plan.

Functional Plans: Functional plans look at countywide topics – typically transportation and environmental issues. In FY10, staff delivered the Water Resources Functional Plan, which examines drinking water, wastewater treatment capacity and regulatory requirements. Transportation staff set guidelines for the alignment and station locations of the Purple Line Functional Master Plan, which will help guide master plans for each station area.

Revising Zoning: The Planning Department continues work on a multi-year effort to reorganize, revise, and simplify the county Zoning Code to make it easier to use. Department staff created electronic base maps for all 640+ zoning maps, opening up a whole new world of data layers and information-sharing between departments and the public. Staff also released the project consultant's report, drafted under staff direction, of the project approach and outline, setting the stage for drafting the new code over the next year.

Historic Preservation: Historic preservation staff drafted a comprehensive amendment for the Upper Patuxent area, including two historic districts and several individual resources. Resources in this far northwestern area of Montgomery County were evaluated against the Locational Atlas for Historic Preservation. The plan goes to the Planning Board in fall, 2010. Preservation staff also recommended several sites throughout the county to be designated as amendments to the Master Plan for Historic Preservation.

Regulatory Caseload: In the past year, planning staff and the legal department prepared and submitted 169 resolutions for Board adoption. On average, reviews have dipped to four months from receipt of an application to Board decision, and resolutions are adopted within two to three weeks of Board action.

Streamlining Development Review: To bring about a more timely review of plans and minimize repetition in processes and reviews, planners identified ways to streamline the project review process and recommended it to the Planning Board. Under the new system, plans would be reviewed fewer times, eliminating time and redundancies. As part of the evaluation process, planners engaged the public several times to solicit feedback. In keeping with their regular work program, development review staff continued to analyze applications and coordinated comments from other divisions and agencies to prepare staff reports for the Board on development proposals. Many of the projects continued to be complex and require innovative solutions to promote public goals like infill development.

ReThink Montgomery Speaker Series: Last spring, the Planning Department stepped up its annual speaker series to be a weekly event and attracted experts on topics of economy, health, knowledge, food, ecology, energy, culture, resources and infrastructure – the nine elements of sustainability targeted by the Planning Director to become part of all plans. Like previously, the series served as a way for professionals such as architects and planners to receive credits for continuing education and provided a free opportunity for staff and the public to learn new, cutting-edge strategies.

Leaves for Neighborhoods: For the second year, the Department launched its Leaves for Neighborhoods program to encourage residents to plant trees in their yards. The campaign, which features a \$25 discount off native shade trees worth \$75 or more, is intended to increase the county's tree canopy on residential property. The 2009 campaign resulted in 469 coupons being redeemed at area nurseries. The campaign is funded by the Montgomery County Forest Conservation Fund, which contains fees from developers in lieu of planting.

New Zoning: Planners prepared the Commercial Residential Zone for adoption. The zone encourages a mix of commercial and residential uses at varying densities and will allow better predictability of allowed use, density and height; more integrated services, residential opportunities, public amenities, and more sustainable growth.

Outreach: To continue its efforts to keep the public informed about planning issues the Department continued its live webcasting of Board meetings. Anyone with a computer can watch the Board in real time – or visit online archives later to view particular actions. Staff continued to refine the www.montgomeryplanning.org website to better highlight Board actions and Department initiatives. Among regular web features are blogs and other direct-feedback methods designed to encourage two-way communication. Communications staff produced several episodes of the planning cable programs "Growing Right" and "Montgomery Plans."

Informational Videos: To help draw new audiences and simplify planning concepts, we produced informational videos such as an in-depth look at diversity and its implications for countywide planning, a commute comparison for the Zoning Rewrite website, a day in the life of a forest conservation inspector, and a light-hearted look at streamlining the development review process.

Prince George's County Department of Parks and Recreation

Meeting Customer Needs through Innovative Service: Comprehensive park and recreation programs and county-wide facilities and services were provided with an eye toward austere budget conditions. A new "Live more, Play more" marketing campaign was launched, using television, radio, direct mail, and social networking components to reach residents with park system and facilities information. The comprehensive needs assessment and master planning program, *Parks & Recreation: 2010 and Beyond*, www.2010Beyond.com, developed an action plan to implement 100 priority objectives; integrated projects initiated include a Master Plan to implement a vision for the parks and recreation system in 2040, a unified strategic work program, and a comprehensive program and service assessment. A bilingual marketing campaign focused on youth to get them involved and give them safe places to meet. The customer base grew to 436,670 individuals in the SMARTlink database. The expanded Active Citizen Response system tracked inquiries and requests for service. Weekly e-mail newsletters, the web site, and outreach meetings connected with the community. Partners 'n Parks enjoyed relationships with IKEA, REI, AARP, the University of Maryland, Holy Cross Hospital and DeMatha Catholic High School.

Planning and Providing Recreational Opportunities for All: Thousands of youth enrolled in summer camps, teen centers and playgrounds, and community partners provided funding for 150 children needing assistance. More than

200 sports teams played in tournaments, and sports leagues attracted more than 30,000 participants. The 28th annual Washington Area Metropolitan Youth Super Bowl was held, and over 700 youth enrolled in The First Tee golf program. Health and Wellness programs like Family Health & Fitness Day were initiated. Free summer concerts and events such as Festival Hispano, the Festival of Nations, 28th annual Kinderfest, Juneteenth, the Jug Bay 10K Run/Walk, the Beltway BBQ Showdown, College Park Airport's AirFair 100, the American Indian Festival, and the 23rd annual Festival of Lights delighted thousands. Programming for individuals with disabilities emphasized adapted aquatics and health, wellness and fitness and core training requirements were established for all staff who work with individuals with disabilities. A vibrant volunteer program, which produced Synergy teen volunteers, received the Maryland Governor's Volunteer Service Award for Service.

Serving the County's Youth: With the Youth Action Plan as a guide, diverse programming and positive experiences and opportunities for young people included the late-night national award-winning Safe Summer program, Xtreme Teens, Café Groove, the Positive Pathways Program for pre-teens, and the "Talk Up, Not Down" residency arts camp serving at-risk youth which culminated in a compelling performance. Service to Latino youth included the fourth successful Quinceanera. A partnership with the Washington Nationals Baseball Team enabled youth to experience professional baseball first-hand. The Prince George's Employees' Child Care Center and the facility at Glenridge Elementary School were accredited by the Maryland State Department of Education. Lunches were served to needy children at 77 summer program sites, and pre-school, before- and after- care, and Kids' Day Out programs continued at facilities countywide. A pilot program for the Headquarters for United Benefits program was offered at Kentland Community Center, part of the vision to make M-NCPPC facilities the "HUB" of community activities and provide a rounded offering of County social services.

Supporting Arts and Cultural Heritage: The Gateway Arts Center in Brentwood was officially dedicated and opened its doors to the public; in a unique partnership with the Gateway Community Development Corporation, M-NCPPC provided significant construction funding. Montpelier Arts Center celebrated its 30th anniversary with a major exhibition featuring 80 of its past and present resident artists, and sold out its popular jazz series. Arts/Harmony Hall celebrated its 20th anniversary with special exhibits and events. In an effort to expand marketing of the historic rental properties for corporate and business meetings/conferences, event planners throughout the region participated in a very successful familiarization tour. The Show Place Arena hosted the prestigious Atlantic 10 Conference Women's Basketball Championship.

Preserving and Protecting Natural and Historical Resources: Partnerships and grants helped youth experience the outdoors and grow an appreciation for the environment. Innovative educational programs continued at museums, nature centers, waterfront parks and natural areas. Special events, conservation and reforestation projects, and river and stream valley clean-ups led to environmental improvements. Outdoor recreation opportunities expanded through cooperative projects like the Patuxent Water Trail. Stewardship of historic sites included maintenance, restoration and stabilization projects. Awareness of African American history was raised through cooperative efforts with the African American Heritage Preservation Group. Partnerships with the Patuxent River Keepers, Anacostia Watershed Society, Prince George's Historical Society, Patuxent 4-H Foundation, and Boy and Girl Scouts of America helped promote, protect and restore our rich natural heritage.

Enhancing the Park System: The e-Builder Project Management System for CIP and Development Review projects was implemented to include strategies to increase the effectiveness of the design and construction work program. The geographic information system (GIS) continued to assist in the management of over 27,000 acres of parkland. Construction was completed on: Brentwood Arts Exchange at Gateway Arts Center, Hillcrest Heights Community Center, Mt. Rainier Skate Park, and Woodrow Wilson Bridge Trail. Six park buildings and 12 park sites were renovated and 19 playgrounds were replaced. The Department partnered with the State of Maryland to build a vital link in Maryland's trail network along the Anacostia River Tributary System. Program Open Space provided \$793,000 in funding for park acquisition; \$365,000 in State bond bill funding was awarded for Concord Historic Site, Cosca Skate Park and Lincoln Vista Recreation Center. College Park Aviation Museum received a \$500,000 Maryland Aviation Administration Grant.

Keeping Parks Secure: Park Police ensured the safety of park visitors and program participants using sophisticated technologies including mobile data terminals, in-car digital video cameras, T-3 all-terrain vehicles and remote digital video surveillance equipment. The Community Services Unit developed activities and programs to better serve patrons. The canine program helped combat crime, and an expanded unit patrolled the Potomac River Waterfront Community Park and Potomac Heritage Trails across the Woodrow Wilson Bridge. Officers participated in regional area task forces to combat drug abuse and trafficking and to address gang problems. Park Police Community

Volunteer Academy (PPVA) members continued to assist with services like free fingerprinting and Park Watch, and several trained as Community Emergency Response Team (CERT) members. Cops Camp for Kids offered campers a glimpse into the duties/responsibilities of a park police officer.

Maintaining Parks and Facilities: Storms of historic proportions necessitated round-the-clock snow removal by Commission maintenance personnel who cleared parks and facilities, public properties, streets and highways. Renovation of the County Administration Building mall area was completed in cooperation with the county. Use of the Active Customer Response (ACR) work order program was continued, improving communication in the field and response to external customers. The Major Maintenance section organized and implemented a new work program to provide cosmetic upgrades to 12 community centers, including paint, windows, carpeting, ceiling tiles, and lighting. Fleet Management continued upgrades to Commission fuel sites to comply with environmental regulations, and replaced the fuel management system for more accurate accounting of fuel consumption.

Prince George's County Planning Department

Communicating with the Public: In March 2010, *Envision Prince George's* held a 21st Century Town Meeting®. Extensive outreach was conducted to faith-based organizations, municipal and community groups, schools, nonprofit organizations, business, and other members and residents of the community to attend through outreach to, partnerships with, and programming on major radio stations, newspapers, and cable television and other extensive media outreach efforts. The result was an historic event with over 1,000 participants endorsing a shared vision for the county's future, including participation and attendance by many of the county's elected and appointed officials. Following the meeting, more than 100 members of the community committed their time to join Community Action Teams to develop specific strategies to implement the community vision. In addition to the many thousands reached through media coverage, over the course of the year, the initiative regularly reached 20,000 stakeholders through a monthly e-newsletter. Other communications vehicles supporting the effort, included inserts in the quarterly *Your Guide* publication of the Department of Parks and Recreation, reaching an estimated 200,000 and the Department's e-newsletter distributed to several thousand more residents. In total, more than 15,000 ideas and suggestions came from the thousands of residents and community stakeholders engaged. In June 2010, the Department was the lead agency in planning the third Economic Outlook Forum. The Forum was host to more than 300 participants, including a keynote speaker from the White House. The event unveiled the results of the year's extensive community engagement efforts: the *Envision Prince George's* Action Agenda, which outlines specific objectives and strategies to implement the community's top priorities.

Planning for Quality Communities: In FY10, 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 North accomplishments included the completion and approval of the following plans and sectional map amendments: Takoma/Langley Crossroads Sector Plan; Sub Region I Master Plan; Glenn Dale-Seabrook-Lanham Sector Plan and SMA; Bowie State University MARC Station Sector Plan and SMA; New Carrollton Metro Station Transit District Development Plan; Sub Region 4 Master Plan and SMA; Central US 1 Corridor Sector Plan and SMA; the New Mixed-Use Zoning Tools Project; and the Central Kenilworth Avenue Revitalization Study. Community Planning South accomplishments included County Council approval of the Subregion 5, Subregion 6 and Marlboro Pike Master Plans and SMAs. Contracts were let for new sector plans for the Clinton, Camp Springs, Joint Base Andrews, Morningside and St. Barnabas and Beech Road communities and new projects that include the Brandywine Preservation and Revitalization and Rural Villages studies. A Memorandum of Understanding with the Maryland Small Business Development Center will undertake a revitalization program based on the Main Street model for business areas along St. Barnabas Road and around the Naylor Road Metro Station.

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

Developing Efficient Transportation Systems: In FY10, The Master Plan of Transportation was adopted by the Planning Board and approved by District Council. Work continued on the Trails Signage Study and the W.B. & A Trail Extension Study. Work also continued on developing Alternative Adequate Public Transportation Facilities Requirements and Review Procedures to address traffic congestion in targeted growth centers and corridors. Staff also provided assistance with the County's Bicycle and Trail Advisory Group, the Transit Services and Operations Plan, the Base Realignment and Closure (BRAC) Action Plan, the Transportation Planning Board Technical Committee, and Bicycle/Pedestrian Subcommittee.

Preserving and Protecting the Environment and Historic Properties: The Countywide Green Infrastructure Plan was implemented; the first comprehensive update of the Woodland Conservation Ordinance since 1989 was enacted; and work continued on the technical manual for the Ordinance. Assistance was provided to the Department of Public Works and Transportation by giving an update of the Chesapeake Bay Critical Area legislation. Development review activities focused on use of natural resource inventories, and archeological review of subdivision applications continued. The Water Resources Functional Plan was approved and forwarded to the State. Work continued on the Lower Patuxent Scenic By-way Corridor Management Plan. The Postbellum Archeological Resources Guide and the Oral History Interviews for the African-American Heritage Survey were published and the Historic Sites and Districts Plan was approved. Historic community documentation requests were completed for Glenn Dale Hospital and St. Thomas' Church properties. Staff supported the Historic Properties Grant Committee by reviewing and field-surveying applications; 15 applications were approved and awards successfully signed. Reports and recommendations were provided to the County's Historic Preservation Commission on development cases, Historic Area Work Permits, and Preservation Tax Credit applications.

Information Technology Advancements: Data delivery of 2009 color aerial photography and several years of historical aerial imagery was received and added to the GIS database in FY10. Contracted interim reports on the 3D analysis project were received and reviewed by staff. The final report and recommendations are expected early in FY 11. A major upgrade in document management software was completed. The previous document image storage and delivery system was converted to a web-based environment; this software upgrade has improved internal network efficiency and made access to the document database over the Internet feasible.

Promoting Responsible Development: Several hundred applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary and final plats of subdivision were analyzed for conformance with county plans, policies and development regulations. Approximately 14,700 permits were processed, and the Planning Information Center responded to more than 11,000 inquiries from the general public. Several major development proposals were approved, including the detailed site plan for Belcrest Plaza comprising 2,618 multifamily dwellings, 57 townhouses, 216,000 square feet of office space and 62,000 square feet of retail space, located in proximity to the Prince George's Plaza Metro Station. Significant progress was also made to improve the development review process in conjunction with the ongoing comprehensive update to the Zoning Ordinance and Subdivision Regulations, and proposed revisions to the Landscape Manual.

Department of Human Resources and Management

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

Performance Management and Accountability: During FY10, Montgomery and Prince George's County Councils conducted a study of Central Administrative Services (CAS) functions for efficiency. The report provided guidance on improvements to governance, performance management, and service provision methods. The Executive Director, working in collaboration with the other Departments, has implemented many of these recommendations, prior to completion of the study, including revision of existing corporate policies, collaborative establishment of new Information Technology governance model (including recruitment of a Chief Information Officer), and formed a leadership team to address and align CAS goals and processes of items needing further analysis.

Streamlining for Affordability and Efficiency: The Department addressed the impact of recent economic challenges and the downturn in the housing market through conserving resources and meeting two savings requests by Montgomery County. To support the agency, staff increased their analysis and presentations to decision-makers on long-term budget projections and strategies to support fiscal planning and sustain budget proposals that align with requirements by the counties. Special studies and project charge changes for Prince George's County were

negotiated and addressed through the appropriate processes. As a part of this response, including the impact of new Homestead Tax legislation (SB683) in Prince George's, the Department spearheaded and implemented a Retirement Incentive Program (RIP), Reduction in Force (RIF) proceedings and Furlough policy to reduce Commission expenditures to the salary and wage base for FY11 and beyond. Changes were also negotiated for two union contracts, the Fraternal Order of Police (FOP), and United Food and Commercial Workers Union, Local 1994, Municipal and County Government Employees Organization (MCGEO), including adding the Retirement Incentive Program and changing bargained compensation structures.

Program Improvements: Policy revisions in governance and a change in executive leadership increased transparency and collaboration for leadership in the decision-making process. Program resources were reallocated to address changing needs in the operating departments. For example, a downturn in recruitment allowed staff to redirect its efforts toward training and support of employees (e.g., interview skills) and managers (e.g., on-line applicant tracking system, *NeoGov*). The reclassification schedule was reduced to annual instead of biannual and the resources refocused on job series review and salary studies. Budget and Human Resources staff participated in the preliminary selection process for a new Enterprise Resource Planning System. The Risk Management and Safety team increased facility inspections, hazard identification, and safety training to reduce claims for on-the-job injuries.

Human Resources: The Department successfully passed an on-site audit by the Criminal Justice Information System for accurate and confidential reporting and record keeping. The manual fingerprinting process was replaced with an automated digitized system. The Commission's new employee orientation and departing employee exit-interview processes were reformed and streamlined. Staff participated in the upgrade to the Human Resources Information System (ePersonality), which integrates position management and employee benefits functions with the Commission's financial and timekeeping systems (Performance and Kronos) functions. Health Benefits staff participated in an interagency joint bid for an insurance vendor to increase quality and reduce costs.

Recognition of Excellence in Business and Results: Risk Management performed an independent market analysis of the Commission's self-insurance program as compared to traditional insurance programs. The review supported the existing self-insurance structure and gave a favorable evaluation to the program. As a result of the increased efforts of Risk and Safety Management to agency operations, the Montgomery County Parks Department was able to decrease worker's compensation insurance charges by approximately \$120,000 over the prior year. The Budget Office received the Distinguished Budget Presentation Award from the Government Finance Officer's Association (GFOA) for its annual proposed budget submission for the 24th consecutive year and submitted the FY11 proposal for review.

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 FY10, the Department coordinated the sale of \$14 million Prince George's County Park Acquisition and Development Refunding Bonds. As a result of the refunding, a net present value savings of \$860,495 was realized. Financial and procurement related guidance was provided on public/private partnership transactions including work on the Go Ape project located in Rock Creek Regional Park in Montgomery County.

Safeguarding of Commission Assets: Fiscal year 2010 was a busy and productive year for the Commission's Internal Audit Division. For the first time in the Commission history, the Division earned a Full Compliance Opinion for its 2010 Peer Review from the United States of America and Canada Association of Local Government Auditors. In addition, based on the Division's annual audit plan which was approved by the Audit Committee, several performance and compliance audits were conducted throughout the Commission. In order to help the Internal Audit staff members and ensure high quality audits in diverse environments, the Audit Division developed and maintains a full range of audit guidance in compliance with Generally Accepted Government Auditing Standards (GAGAS) and provided training for staff internal auditors about best practices for preventing and detecting fraud, waste, and abuse.

Automating/Streamlining Efforts: The Department has begun a project to replace its outdated financial system software product with a new enterprise resource planning (ERP) system. The Department received several proposals,

with the expectation of award and the start of implementation in late calendar year 2010. This new system will greatly enhance the toolset available to our operating departments and allow for enhanced financial analysis and program budgeting, along with better access to financial information. A change in the payroll processing schedule was implemented as part of disaster recovery planning to provide additional time for the submission and processing of the weekly payrolls. This change was well timed as it allowed payrolls to be met without delay during the winter snow storms that closed operations for several days.

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. The events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 29.6% which equated to \$30.1 million of procurement with MFD firms.

Information Systems Support: The Department's IT Division has extended its management and support to include all Departments in Central Administrative Services. This now includes Legal, Employee Retirement System (ERS) and a disaster recovery warm site along with financial, human resources, payroll and EnergyCAP applications, Internet and ATM Wide-Area Networks. Support includes ensuring business continuity plans for critical applications and resources along with strong security administration for Central Administrative Services information systems and services. During FY10, major efforts included: Replacement of the eva5000 Storage Area Network (SAN) with a new eva6400, converting from Symantec Netbackup to HP Data Protector; unit testing of the Finance Disaster Recovery Plan; creation of a Disaster Recovery warm site for the replication of data between the eva6400 (EOB) and the eva8000 (CAB) Storage Area Networks; upgrade of the Finance Performance system from 2.5 to 3.1 which included upgrading the Oracle database from 9i to 10g; upgrade of the HR/Payroll application from P2K to ePersonality including the Oracle database from 9i to 10g, which will enable self service for HR, Benefits and Payroll processes; upgrade of EnergyCAP 6.0 to 6.1 to enable more robust reporting and data capture of utility information; Planning and transitioning to a content management system for the upgrade and replacement of the existing INSITE Intranet.

Financial Reporting: For the 37th 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 FY09 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

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

Protecting the Public Interest in Litigation: At the onset of FY10, the OGC was actively involved in 30 court cases (including state and federal courts) carried-over from FY09. During FY10, the OGC managed 28 new courts cases, resolved 24 court cases, and closed the fiscal year with 34 active court cases. During FY10, the OGC also launched a series of site and forest conservation plan enforcement actions, and prepared to assume exclusive responsibility for the Commission's general liability and workers compensation litigation. Beginning in FY11, these litigation cases are being handled in-house at a lower relative cost than otherwise available under the auspices of the Montgomery County (Intergovernmental) Self-Insurance Fund.

Building Quality of Life – One Transaction at a Time: Commission attorneys represented staff and the Planning Boards in the negotiation and development of dozens of complex agreements and memoranda of understanding. Notable transactions handled recently include the OGC's role as a key advisor in the negotiation of a lease for the construction and operation of the "Go Ape" tree-top adventure course – with ladders, zip lines, walkways, bridges and tunnels – in Rock Creek Regional Park. The OGC Transactions Practice Team 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, the 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.

Enhancing the Stewardship of Public Funds: In this austere economic climate when all government agencies are seeking cost effective solutions to meet the service needs of citizens, the OGC provides sound advice to the Commission to assure that it continues to meet all legal requirements by using cost effective means of service delivery. The OGC is working with the staff and outside consultants providing all legal advice and drafting in-house for the Montgomery County Zoning Ordinance rewrite. The OGC has also provided assistance for the Commission to significantly reduce printing and mailing costs while meeting all legal notice requirements.

Doing Our Part to Move the Economy Forward: In FY10, OGC's Prince George's County Land Use Team reviewed for legal sufficiency almost 300 Board Resolutions, Planning Department contracts, Memoranda of Understanding, Recreational Facility Agreements, Easements and more. Meanwhile, the Montgomery County Land Use drafted more than 200 Planning Board Resolutions and continued its record of reducing the turn-around time to less than 30 days.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over ninety-six (96) bills during the 2010 Session of the Maryland General Assembly. On the local level, OGC actively supported the Prince George's County Planning Department major initiatives, including updates to the County's Master Plan of Transportation, the Water Resources Plan, the Woodland Conservation Ordinance, the Historic Sites and Districts' Plan as well as numerous Area Master and Sector Plans. In Montgomery County, OGC assisted the Planning Department in the development and adoption of a new form based code which is designed to reduce the time and uncertainty inherent in the development process.

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 FY10, 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 \$508 million. The FY10 annualized rate of return on investments was 14.67%. The Board of Trustees actions for the year included engaging additional managers in the areas of private real assets, international, high yield fixed income, and distressed opportunities; conducting an asset allocation analysis; adopting a revised statement of investment policy; and continuous comprehensive communications to all members which included and Annual Report, a Comprehensive Annual Financial Report, and conducting educational workshops for participants.



♦ PART II A ♦

FINANCIAL SECTION

Basic Financial Statements



Children playing large board game of chess at the Broadacres Local Park dedication.

Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the budgetary comparison for the general fund of The Maryland-National Capital Park and Planning Commission (the Commission) as of and for the year ended June 30, 2010, 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, 2010, 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 November 10, 2010, 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.

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

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

Clifton Gunderson LLP

Calverton, Maryland
November 10, 2010



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, 2010.

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, 2010 by \$895.4 million (net assets). Of this amount, \$284.2 million may be used to meet the Commission's ongoing obligations.
- The Commission's net assets grew by \$41.2 million during fiscal year 2010. This is largely a result of: pay-as-you-go funds of \$43.0 million in the Prince George's Capital Projects Fund which has not been spent, \$23.7 million of capital grants and contributions, receipt of property taxes (\$6.7 million) in excess of the budget, offset by debt principal payments of \$16.0 million, and the increase in the OPEB liability of \$15.8 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 \$36.2 million has been recognized on the Commission's Statement of Net Assets, including \$1.6 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2010, the Commission's governmental funds reported combined ending fund balances of \$302.0 million, an increase of \$13.0 million. Of this amount, \$66.1 million is reserved for contracts

already issued (encumbrances) and \$32.4 million is designated for use in the fiscal year 2011 budget, for future facilities costs (\$16.1 million) and as contingency reserves (\$16.3 million).

- The Commission's General Fund balance at June 30, 2010 was \$135.5 million, a decrease of \$8.0 million during the year. The unreserved fund balance of \$115.4 million is approximately 28.7% of fiscal year 2010 expenditures and transfers out. Of this amount, \$83.0 million (20.7% of fiscal year 2010 expenditures and transfers out) is unreserved and undesignated.
- The Prince George's County Capital Projects Fund balance at June 30, 2010 was \$161.2 million, an increase of \$25.2 million. The unreserved fund balance of \$126.7 million has grown due to major pay-as-you-go funding, which was \$43.0 million in fiscal year 2010.
- The Montgomery County Capital Projects deficit Fund balance at June 30, 2010 was \$0.4 million, a decrease of \$3.6 million. The unreserved fund deficit of \$11.1 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 \$76.8 million, a decrease of \$2.5 million. The Prince George's Enterprise Fund had a decrease in net assets of \$2.4 million and the Montgomery Enterprise Fund had a decrease in net assets of \$.1 million.
- The Commission's bonds and notes payable decreased by \$15.7 million due to scheduled principal payments, an advance refunding offset by the refunding debt issue.

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>Independent Auditors' Report</p> <p><i>Provides the opinion of the Independent Auditors on the fair presentation of the basic financial statements.</i></p>	
<p>Management's Discussion and Analysis</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>Government-Wide Financial Statements</p> <p><i>Provides information on governmental and business-type activities of the Commission.</i></p> <p><i>Exhibits 1 and 2.</i></p>	<p>Fund Financial Statements</p> <p><i>Provides information on the financial position of specific funds of the Commission.</i></p> <p><i>Exhibits 3 to 11.</i></p>
<p>Notes to Financial Statements</p> <p><i>Provides a summary of significant accounting policies and related disclosures.</i></p> <p><i>Following Exhibit 11.</i></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, reconciliations are provided to facilitate this comparison between governmental funds and governmental activities.

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

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

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$895.4 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, 2010 and 2009							Total Percentage Change 2009-2010
	Governmental Activities		Business-type Activities		Total		
	2010	2009	2010	2009	2010	2009	
<u>Assets</u>							
Current and Other Assets	\$ 409.6	\$ 391.7	\$ 6.8	\$ 5.9	\$ 416.4	\$ 397.6	4.7%
Capital Assets	632.8	603.2	78.4	81.8	711.2	685.0	3.8%
Total Assets	<u>1,042.4</u>	<u>994.9</u>	<u>85.2</u>	<u>87.7</u>	<u>1,127.6</u>	<u>1,082.6</u>	<u>4.2%</u>
<u>Liabilities</u>							
Current Portion of Long-term							
Liabilities	30.3	30.2	1.4	1.4	31.7	31.6	0.3%
Long-term Liabilities	144.2	143.4	4.6	5.0	148.8	148.4	0.3%
Other Liabilities	49.3	46.4	2.4	2.0	51.7	48.4	6.8%
Total Liabilities	<u>223.8</u>	<u>220.0</u>	<u>8.4</u>	<u>8.4</u>	<u>232.2</u>	<u>228.4</u>	<u>1.7%</u>
<u>Net Assets</u>							
Invested in Capital Assets,							
Net of Related Debt	536.1	492.9	75.0	77.4	611.1	570.3	7.2%
Unrestricted	282.5	282.0	1.8	1.9	284.3	283.9	0.1%
Total Net Assets	<u>\$ 818.6</u>	<u>\$ 774.9</u>	<u>\$ 76.8</u>	<u>\$ 79.3</u>	<u>\$ 895.4</u>	<u>\$ 854.2</u>	<u>4.8%</u>

Current and other assets increased by 4.7%, primarily due to 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 accrued salaries and benefits. Changes in net assets are discussed later.

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

The remaining balance of \$284.3 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:

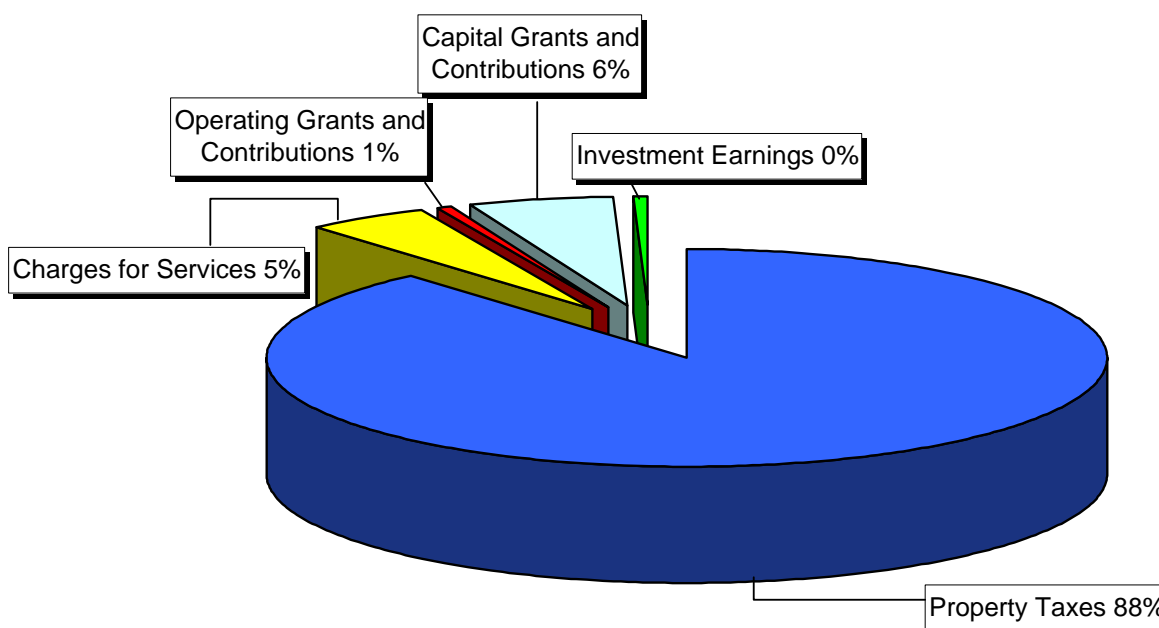
Summary of Changes in Net Assets (in millions)
For the Fiscal Years Ended June 30, 2010 and 2009

	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2009-2010
	2010	2009	2010	2009	2010	2009	
Program Revenues:							
Charges for Services	\$ 20.7	\$ 21.4	\$ 18.6	\$ 18.2	\$ 39.3	\$ 39.6	-0.8%
Operating Grants and Contributions	2.8	3.1	0.1	0.1	2.9	3.2	-9.4%
Capital Grants and Contributions	23.7	20.5	-	-	23.7	20.5	15.6%
General Revenues:							
Property Taxes	380.1	354.3	-	-	380.1	354.3	7.3%
Investment Earnings	2.1	9.1	-	0.1	2.1	9.2	-77.2%
Total Revenues	<u>429.4</u>	<u>408.4</u>	<u>18.7</u>	<u>18.4</u>	<u>448.1</u>	<u>426.8</u>	<u>5.0%</u>
Expenses:							
General Government	19.8	18.9	-	-	19.8	18.9	4.8%
County Planning and Zoning	58.7	60.4	-	-	58.7	60.4	-2.8%
Park Operations and Maintenance	224.8	181.3	-	-	224.8	181.3	24.0%
Recreation Programs	68.4	68.0	-	-	68.4	68.0	0.6%
Recreational and Cultural Facilities	-	-	30.9	30.7	30.9	30.7	0.7%
Interest on Long-term Debt	4.3	5.2	-	0.2	4.3	5.4	-20.4%
Total Expenses	<u>376.0</u>	<u>333.8</u>	<u>30.9</u>	<u>30.9</u>	<u>406.9</u>	<u>364.7</u>	<u>11.6%</u>
Increase (Decrease) in Net Assets Before Transfers	53.4	74.6	(12.2)	(12.5)	41.2	62.1	-33.7%
Transfers	<u>(9.7)</u>	<u>(9.6)</u>	<u>9.7</u>	<u>9.6</u>	<u>-</u>	<u>-</u>	
Increase (Decrease) in Net Assets	43.7	65.0	(2.5)	(2.9)	41.2	62.1	
Net Assets - beginning	<u>774.9</u>	<u>709.9</u>	<u>79.3</u>	<u>82.2</u>	<u>854.2</u>	<u>792.1</u>	
Net Assets - ending	<u>\$ 818.6</u>	<u>\$ 774.9</u>	<u>\$ 76.8</u>	<u>\$ 79.3</u>	<u>\$ 895.4</u>	<u>\$ 854.2</u>	

During the current fiscal year the Commission's net assets increased by \$41.2 million. This is largely a result of: pay-as-you-go funds of \$43.0 million in the Prince George's Capital Projects Fund which has not been spent, \$23.7 million of capital grants and contributions, growth in property taxes (\$6.7 million) in excess of anticipated, offset by debt principal payments of \$16.0 million, and the increase in the OPEB liability of \$15.8 million. Investment earnings were lower due to the falling interest rates during the fiscal year. Charges for services decreased in the County Planning and Zoning and in the Park Operations and Maintenance Activities due to the general economic conditions. This was offset by an increase in Charges for Services and Rentals and Concessions activities for Recreation programs.

Governmental activities. Governmental activities increased the Commission's net assets by \$43.7 million, thereby accounting for 106% of the total growth in the net assets of the Commission. This increase is primarily attributable to capital grants receipts of \$23.7 million, added to an excess of ongoing revenues over ongoing expenses of \$29.7 million, which were offset by the transfers to business-type activities of \$9.7 million.

Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 88% of Commission governmental revenues. Investment earnings decreased due to lower interest rates.

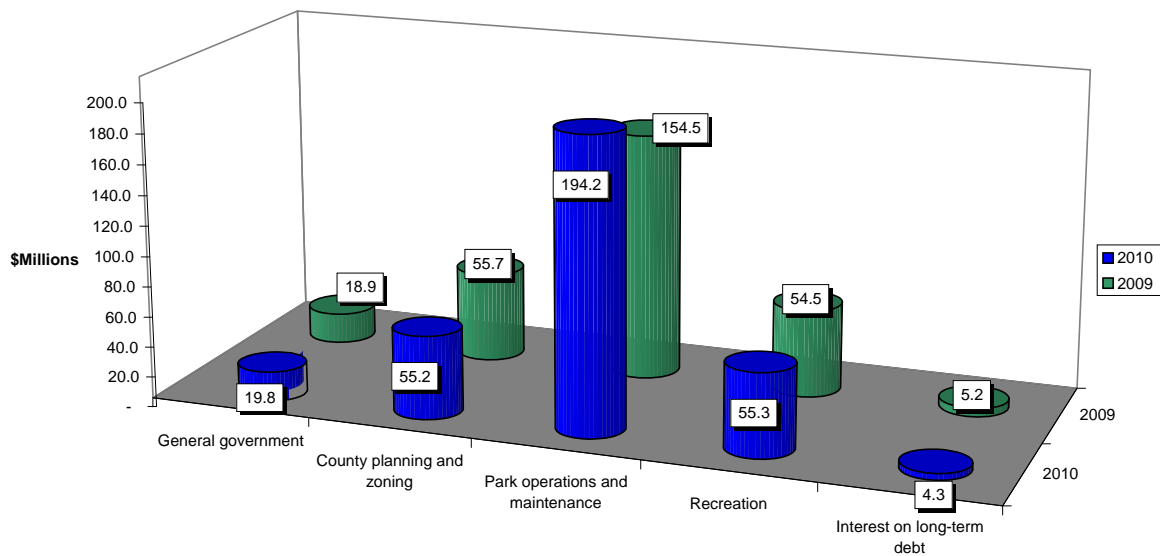
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 6.3% of governmental activities expenses.

Park Operations and Maintenance net costs increased 25.7% largely due to an increase in amounts due to the Prince George's County Government for programs they provide which are eligible for funding by the Commission's property taxes. These programs are listed in Note 5B and as charges for services were lower than in the prior year due to the general economic conditions. Park Operations and Maintenance net costs rose significantly due to the personnel costs associated with filling vacant and new positions, additional costs for professional services and the decrease in receipts of capital grants and contributions.

Net Cost of Governmental Activities (000's) For the Fiscal Years Ended June 30, 2010 and 2009

	2010		2009		Percentage Change 2009 - 2010	
	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	\$ 19,766	\$ 19,766	\$ 18,875	\$ 18,875	4.7%	4.7%
County Planning and Zoning	58,695	55,205	60,371	55,694	-2.8%	-0.9%
Park Operations and Maintenance	224,849	194,243	181,359	154,542	24.0%	25.7%
Recreation Programs	68,428	55,303	68,011	54,477	0.6%	1.5%
Interest on Long-term Debt	4,295	4,295	5,212	5,212	-17.6%	-17.6%
Total	<u>\$ 376,033</u>	<u>\$ 328,812</u>	<u>\$ 333,828</u>	<u>\$ 288,800</u>	<u>12.6%</u>	<u>13.9%</u>

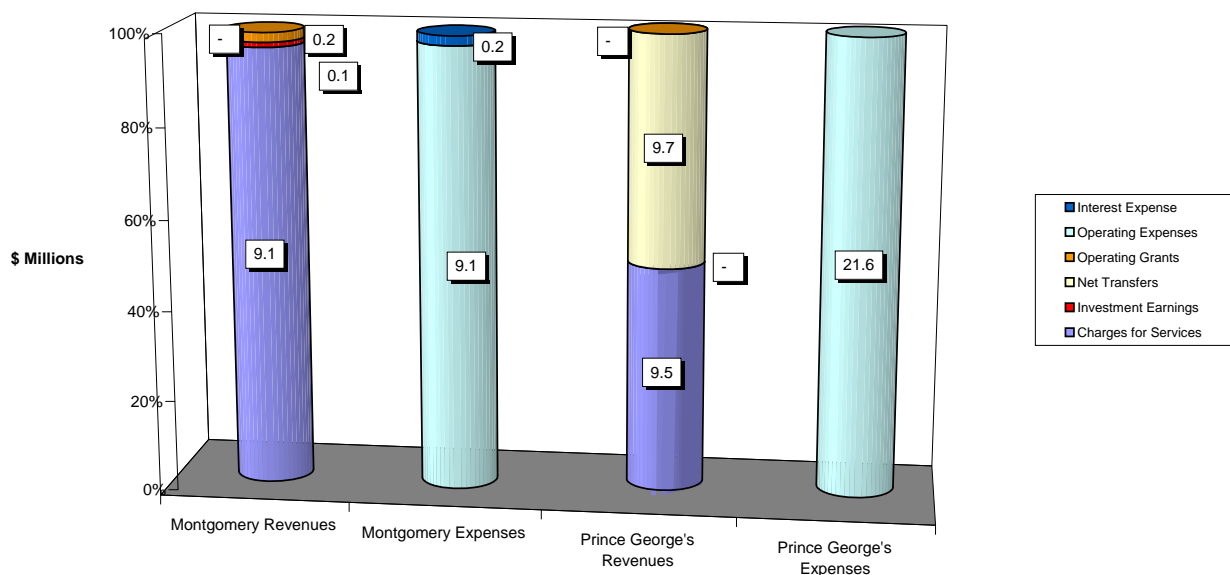
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission's net assets by \$2.5 million.

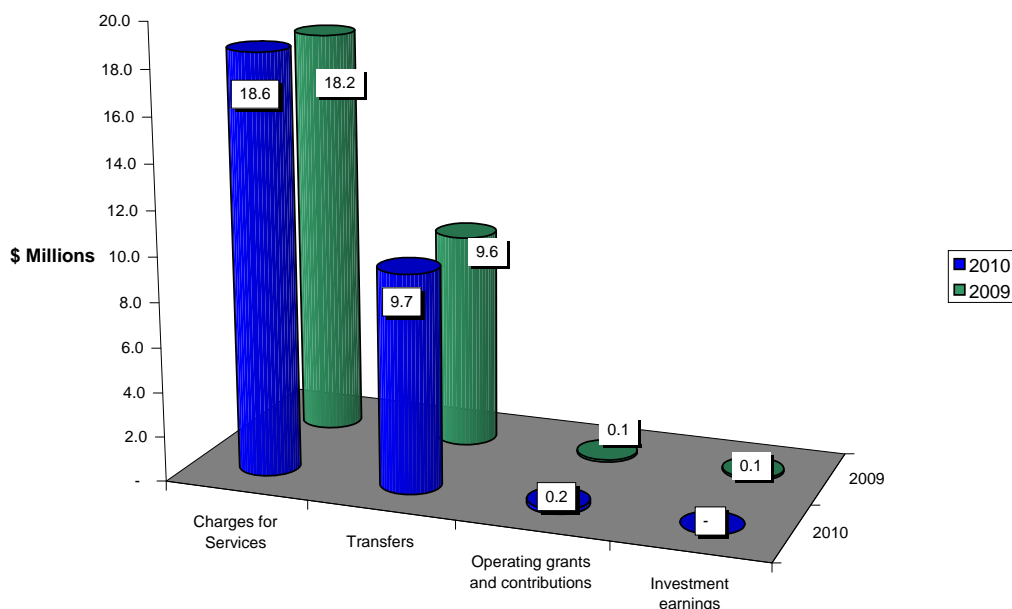
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$12.2 million.
- Governmental activities contributed \$9.7 million to support the enterprise activities. The funding is primarily for the Prince George's County business-type activities.

Changes in Net Assets - Business-type Activities



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

Revenues by Source - Business-type Activities



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

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

Financial Analysis of the Commission's Funds

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

As of the end of the current fiscal year, the Commission's governmental funds reported combined ending fund balances of \$302.0 million, an increase of \$13.0 million in comparison with the prior year. Approximately 67% of this total amount, or \$203.4 million, constitutes unreserved and undesignated fund balance, which is available for spending in future years, with \$115.6 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 \$66.1 million has been committed for contracts and purchase orders, and \$32.4 million is designated to fund fiscal year 2011 expenditures 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 \$83.0 million, while total fund balance was \$135.5 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 21% of the total general fund expenditures and transfers out, while total fund balance represents 34% of the same amount.

The fund balance of the Commission's General Fund decreased by \$8.0 million during the current fiscal year. Key factors that generated this decrease are as follows:

- A reduction of \$20.2 million was planned in the final budget for fiscal year 2010.
- Property taxes were \$6.7 million greater than anticipated, primarily due to increases in the assessable base.
- Receipts from Charges for Services and Rentals and Concessions were \$1.6 million lower than anticipated due to the general economic conditions.
- Interest revenues were \$.8 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- Interest revenues in the Capital Projects funds were \$.5 million lower than anticipated due to lower than budgeted interest rates. These revenues are transferred into the Park Accounts for each county.
- A control of expenditures generated \$19.1million savings to provide funding for future years' budgets.

Reserves for encumbrances were \$11.3 million lower than in the prior year, representing additional fund balance decreases.

The capital project fund for Montgomery County has a total deficit fund balance of \$0.4 million and Prince George's County has a surplus fund balance of \$161.2 million, all of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were a decrease of \$3.6 million in Montgomery County, and an increase of \$25.2 million in Prince George's County primarily due to the \$43.0 million in pay-as-you-go funding in Prince George's County, and construction grants realized of \$10.7 million in Montgomery County and \$6.9 million in Prince George's County, compared to expenditures of \$15.4 million in Montgomery County and \$26.3 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 \$.8 million. The total changes in net assets for the funds were decreases of \$30,300 and \$2.4 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, 2010 and 2009				
	Montgomery County		Prince George's County	
	FY2010	FY2009	FY2010	FY2009
Operating Revenues	\$ 9,219	\$ 8,518	\$ 9,503	\$ 9,751
Operating Expenses, Excluding Depreciation	7,764	7,773	19,428	19,246
Operating Income (Loss), Excluding Depreciation	1,455	745	(9,925)	(9,495)
Depreciation	1,331	1,364	2,200	2,269
Operating Income (Loss)	124	(619)	(12,125)	(11,764)
Nonoperating Revenue (Expense)	(189)	(197)	23	88
Transfers	35	619	9,664	8,981
Change in Net Assets	<u>\$ (30)</u>	<u>\$ (197)</u>	<u>\$ (2,438)</u>	<u>\$ (2,695)</u>

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2010 and 2009						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2010	FY2009	Change	FY2010	FY2009	Change
Conference Centers	\$ 399	\$ 333	\$ 66	\$ (214)	\$ (213)	\$ (1)
Golf Courses	479	360	119	264	281	(17)
Ice Rinks	3,894	3,768	126	372	(60)	432
Indoor Tennis	1,491	1,288	203	367	181	186
Park Facilities	2,956	2,769	187	666	556	110
Total	<u>\$ 9,219</u>	<u>\$ 8,518</u>	<u>\$ 701</u>	<u>\$ 1,455</u>	<u>\$ 745</u>	<u>\$ 710</u>

The Montgomery County Enterprise Fund revenues increased by \$701,000, and operating income, excluding depreciation, increased by \$710,000. Operating revenues and expenses at the two indoor tennis facilities continue to increase due to the re-opening in FY09 for both facilities after being closed for refurbishing. This resulted in an increase in operating income of \$186,000. Net Income at the Ice Rinks increased by \$432,000 mainly due to efforts to control costs.

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, 2010 and 2009						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2010	FY2009	Change	FY2010	FY2009	Change
Airport	\$ 202	\$ 261	\$ (59)	\$ (242)	\$ (220)	\$ (22)
Equestrian Center/Arena	1,401	1,464	(63)	(2,757)	(2,341)	(416)
Golf Courses	2,466	2,495	(29)	(1,220)	(1,138)	(82)
Ice Rinks	523	515	8	(934)	(877)	(57)
Tennis Bubbles	328	357	(29)	(112)	(198)	86
Trap and Skeet Center	1,352	1,267	85	(146)	(152)	6
Sports and Learning Complex	3,160	3,339	(179)	(4,199)	(4,173)	(26)
Bladensburg Marina	71	53	18	(315)	(396)	81
Total	<u>\$ 9,503</u>	<u>\$ 9,751</u>	<u>\$ (248)</u>	<u>\$ (9,925)</u>	<u>\$ (9,495)</u>	<u>\$ (430)</u>

The Prince George's County Enterprise Fund revenues decreased by \$248,000 and the operating loss, excluding depreciation, increased by \$430,000. The major changes occurred in the Equestrian Center and the Sports and Learning Complex. Revenues remained fairly stable at facilities with the exception of the Sports and Learning Complex where revenues were lower in FY 2010 due to the general state of the economy. Some of these revenue losses were offset by a reduction in spending for supplies. However, expenses increased overall, primarily due to increased compensation costs resulting in greater losses than in 2009. 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, 2010		
	Administration Account	Park Account
Favorable property tax collections	\$ 184.3	\$ 568.7
Favorable (unfavorable) charges for services	44.2	(661.9)
Favorable (unfavorable) intergovernmental revenue	(47.6)	190.2
(Unfavorable) investment revenue	(29.5)	(158.9)
Favorable other revenue	57.3	69.1
Total unfavorable revenue variance	208.7	7.2
Expenditure savings	1,393.9	2,015.3
Favorable other financing sources (uses)	-	13.8
Total favorable budgetary variance	<u>\$ 1,602.6</u>	<u>\$ 2,036.3</u>

Property tax collections were above budget. Charges for services were almost equal to the budget in the Administration Account and were below budget in the Park Account primarily due to the economic slowdown. Investment revenue was below budget due to declining interest rates. Unfavorable intergovernmental revenues in the Administration Account are offset by expenditure savings. Other revenue in both funds exceeded the budget. The Administration Account increase was the result of fines collected, and the Park Account increase was

primarily the result of fines and advertising revenues. The expenditure savings were primarily the result of managing operations to generate a 3.2% percent savings, as requested by Montgomery County Government. This savings, intended to assist in funding the fiscal year 2011 budget, was generated primarily by freezing positions. The favorable other financing uses in the Park Account primarily results from a lower transfer to the Debt Service Fund, due to savings generated by refunding bonds issued in FY 2009 and new debt also issued in FY 2009 at a lower than budgeted interest rate.

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, 2010		
	Administration Account	Park Account
Prior year fund balance		
Designated for Contingencies	\$ 833.3	\$ 2,383.3
Undesignated	1,231.5	591.4
Favorable budget variance	1,602.6	2,719.9
Total ending fund balance, budget basis	<u>\$ 3,667.4</u>	<u>\$ 5,694.6</u>
Fund balance, budget basis		
Designated for Subsequent Years	\$ 2,170.1	\$ 1,450.7
Designated for Contingencies	712.6	2,083.5
Undesignated	784.7	2,160.4
Total Budgetary Fund Balance	<u>\$ 3,667.4</u>	<u>\$ 5,694.6</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, 2010			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 797.3	\$ 3,849.7	\$ 1,274.4
(Unfavorable) charges for services	(468.2)	(455.1)	(86.8)
Favorable (unfavorable) intergovernmental revenue	(505.3)	5.7	-
(Unfavorable) investment revenue	(84.3)	(346.9)	(199.3)
Favorable other revenue	9.4	38.4	5.3
Total favorable revenue variance	<u>(251.1)</u>	<u>3,091.8</u>	<u>993.6</u>
Expenditure savings	6,995.4	5,889.4	2,785.7
Favorable other financing sources	-	335.6	-
Total favorable budgetary variance	<u>\$ 6,744.3</u>	<u>\$ 9,316.8</u>	<u>\$ 3,779.3</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. Intergovernmental revenue was lower than budget in the Administration Account due to processing fewer permits. Charges for services were also down significantly in the Park Account due to cancellations at historical rental properties. Intergovernmental revenue was higher in the Park Account due to the receipt of grant funds for prior year disbursements. The unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to lower than budgeted interest rates. The expenditure savings were primarily the result of vacant positions in all of the Accounts, the delay of a planned facility relocation in the Administration Account and non-departmental savings from liquidation of prior year encumbrances of \$1,053,300 in the Administration Account, \$999,688 in the Park Account and \$313,831 in the Recreation Account. Other financing sources were

favorable due to interest on cash balances in the capital projects fund due to large pay-as-you-go funding balances for projects (this income is transferred to the Park Account), and the savings from budgeted debt service as a scheduled bond sale was not needed due to large cash balances.

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

Prince George's County Budgetary Fund Balances (000's)			
June 30, 2010			
	Administration Account	Park Account	Recreation Account
Prior year fund balance			
Designated for Contingencies	\$ 2,475.5	\$ 8,133.2	\$ 3,473.3
Undesignated	9,783.7	37,663.6	24,704.5
Budget adjustment in mid-year	-	(440.0)	440.0
Favorable budget variance	6,744.3	9,316.8	3,779.3
Total ending fund balance, budget basis	<u>\$ 19,003.5</u>	<u>\$ 54,673.6</u>	<u>\$ 32,397.1</u>
Fund balance, budget basis			
Designated for Subsequent Years	\$ -	\$ 2,167.5	\$ 10,555.4
Designated for Contingencies	2,209.4	7,321.9	3,765.2
Undesignated	16,794.1	45,184.2	18,076.5
Total Budgetary Fund Balance	<u>\$ 19,003.5</u>	<u>\$ 54,673.6</u>	<u>\$ 32,397.1</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, 2010 amounts to \$711.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 3.8% (a 4.9% increase for governmental activities and a 4.2% decrease for business-type activities). The most significant increases are from land acquisitions, construction of recreational facilities, community center renovation/expansion, construction of an irrigation system in a regional park, 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 bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Assets. During fiscal year 2010, projects totaling \$9.3 million in governmental activities were completed. Among these projects, where most of the costs were incurred in prior years, are the turf field at a Montgomery County High School, the installation of lights at Olney Manor Field, and the Matthew Henson Hiker/Biker Trail.

Expenditures on Montgomery County projects totaled \$15.4 million in fiscal year 2010, of which \$.6 million was for acquisition and \$14.8 million was for development. Land acquisition included \$.4 million for the Luy Huynh et al property. The largest project was the Rock Creek Trail Pedestrian Bridge, with construction cost to date of \$5.3 million, of which \$3.2 million was in fiscal year 2010 and, the Brookside Gardens Irrigation System with construction costs of \$2.0 million with \$.3 million occurring in fiscal year 2010. In addition, expenditures totaling \$3.2 million were spent on 25 projects for routine maintenance of parks, roads, buildings and other structures.

Prince George's County projects totaled \$26.3 million in fiscal year 2010, of which \$8.4 million was for acquisition and \$17.9 million was for development. Land acquisition included \$3.3 million for Historic Agricultural Resources Preservation, \$3.1 million for Regional Park Acquisitions to include the purchase of a Historic property with a 17th century chapel, an addition to the WB& A Trail, and the Sugar Ray Leonard gym. Major Park Development

expenditures include the Aquatics Facilities Renovations with construction costs to date of \$.7 million all of which was in fiscal year 2010, the Beltsville/Laurel Senior Center with construction costs to date of \$3.4 million, of which \$3.0 million was in fiscal year 2010, the Glenarden Community Center re-construction/addition with construction costs to date of \$1.8 million, of which \$1.6 million was in fiscal year 2010, the Hillcrest Heights Community Park expansion/renovation with construction costs to date of \$3.2 million, of which \$1.9 million was in fiscal year 2010, the Walker Mill Regional Park with construction costs to date of \$1.0 million, of which \$.6 million was in fiscal year 2010, Play equipment replacement costs to date of \$3.0 million, of which \$.9 million was in fiscal year 2010, and the Southern Regional Technology/Recreation Complex with construction costs to date of \$1.2 million, of which \$.5 million was in fiscal year 2010. In addition, expenditures totaling \$1.5 million was spent on 15 other community center projects.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2010 and 2009							
	June 30, 2010			June 30, 2009			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 317,848	\$ 19,364	\$ 337,212	\$ 305,083	\$ 19,364	\$ 324,447	3.9%
Buildings and improvements	82,832	56,840	139,672	84,623	60,146	144,769	-3.5%
Infrastructure	115,780	-	115,780	115,627	-	115,627	0.1%
Machinery, equip. & intangibles	24,486	1,761	26,247	24,229	1,920	26,149	0.4%
Construction in progress	91,901	398	92,299	73,644	398	74,042	24.7%
Total	<u>\$ 632,847</u>	<u>\$ 78,363</u>	<u>\$ 711,210</u>	<u>\$ 603,206</u>	<u>\$ 81,828</u>	<u>\$ 685,034</u>	<u>3.8%</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 \$108.9 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 \$17.3 million (Montgomery - \$4.3 million; Prince George's - \$13.0 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$105.9 million (Montgomery County - \$29.7 million and Prince George's County - \$76.2 million) at June 30, 2010. Park Bonds debt service expenditures totaled \$16.4 million (Montgomery - \$3.6 million, Prince George's - \$12.8 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 0.24 cents per \$100 of assessed valuation for real property and .60 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.34 cents per \$100 of assessed valuation for real property and 3.33 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, 2010			
	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 \$3.4 million at June 30, 2010. The bonds and notes have a reported value of \$3.3 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 \$1.3 million for the fiscal year. The outstanding proprietary fund debt as of June 30, 2010, and the related debt service requirements are set forth in the Notes to the Financial Statements.

On March 4, 2010, the Commission issued \$14,080,000 of Prince George's County Park Acquisition and Development Refunding Bonds, Series NN-2. The refunding bonds provided the resources to defease the \$13,650,000 callable portion of the Prince George's County Park Acquisition and Development Project Bonds, Series Z-2 (advance refunding). The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until May 1, 2021, at a net interest cost of 2.4212%.

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2010 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2010 and 2009							
	Governmental Activities		Business-type Activities		Total		Change
	2010	2009	2010	2009	2010	2009	
General obligation bonds	\$ 106,986	\$ 119,930	\$ -	\$ -	\$ 106,986	\$ 119,930	-10.8%
Revenue bonds and notes	-	-	3,329	4,427	3,329	4,427	-24.8%
Notes payable	1,694	3,355	-	-	1,694	3,355	-49.5%
Total	<u>\$ 108,680</u>	<u>\$ 123,285</u>	<u>\$ 3,329</u>	<u>\$ 4,427</u>	<u>\$ 112,009</u>	<u>\$ 127,712</u>	<u>-12.3%</u>

Montgomery County Outstanding Debt June 30, 2010 and 2009							
	Governmental Activities		Business-type Activities		Total		Change
	2010	2009	2010	2009	2010	2009	
General obligation bonds	\$ 31,903	\$ 35,007	\$ -	\$ -	\$ 31,903	\$ 35,007	-8.9%
Revenue bonds and notes	-	-	3,329	4,427	3,329	4,427	-24.8%
Notes payable	1,041	2,301	-	-	1,041	2,301	-54.8%
Total	<u>\$ 32,944</u>	<u>\$ 37,308</u>	<u>\$ 3,329</u>	<u>\$ 4,427</u>	<u>\$ 36,273</u>	<u>\$ 41,735</u>	<u>-13.1%</u>

Prince George's County Outstanding Debt June 30, 2010 and 2009							
	Governmental Activities		Business-type Activities		Total		Change
	2010	2009	2010	2009	2010	2009	
General obligation bonds	\$ 75,083	\$ 84,923	\$ -	\$ -	\$ 75,083	\$ 84,923	-11.6%
Revenue bonds and notes	-	-	-	-	-	-	0.0%
Notes payable	653	1,054	-	-	653	1,054	-38.0%
Total	<u>\$ 75,736</u>	<u>\$ 85,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,736</u>	<u>\$ 85,977</u>	<u>-11.9%</u>

The Commission's total debt decreased by \$15.7 million (12.3%) during the current fiscal year, due to principal payments made as scheduled.

State statutes limit the amount of general obligation debt the Commission may issue to the amount that can be redeemed within 30 years from date of issue by the taxes authorized for payment of the bonds. The legal debt margin for the Commission is \$1,629.0 million of debt service for Montgomery County and \$1,057.2 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$37.2 million and \$92.3 million, respectively, over the 30 year period.

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

Economic Factors and Next Year's Budgets and Rates

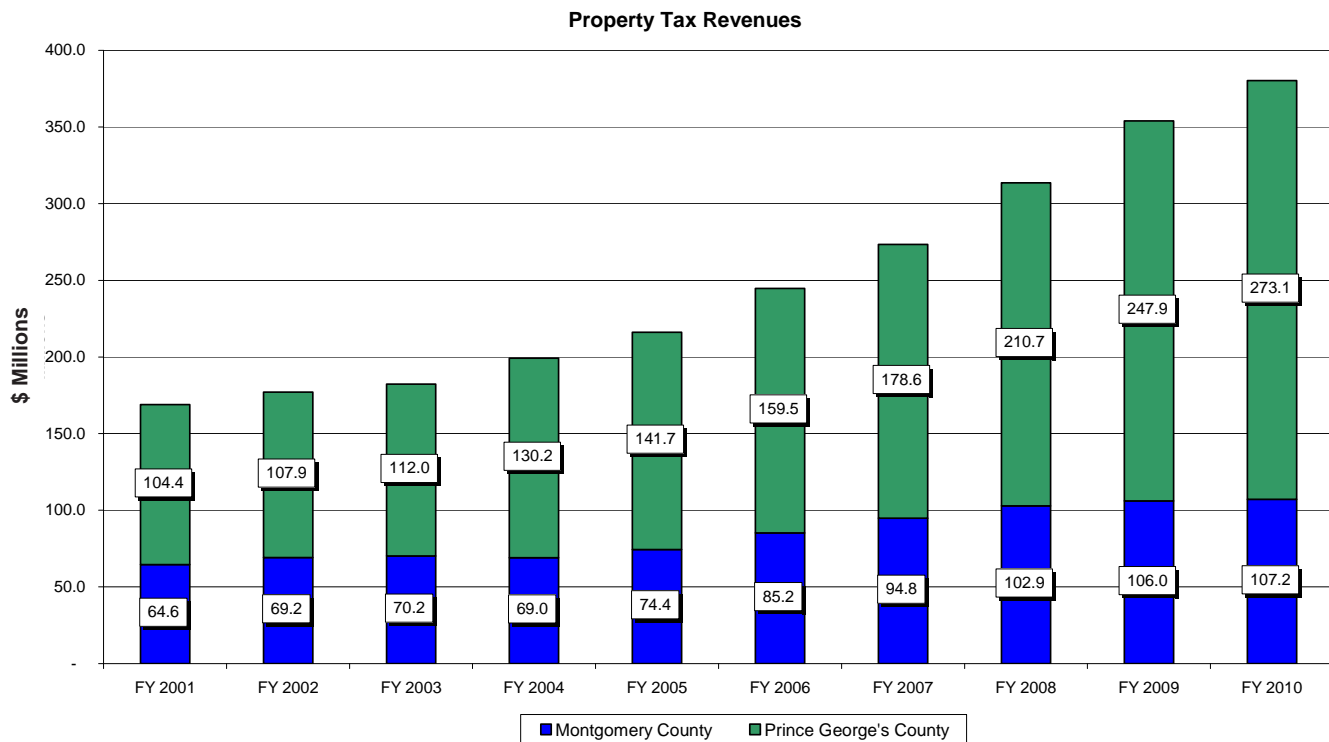
The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 88% of the Governmental Funds revenues in FY 2010. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, a FY 2010 savings plan for Montgomery County operations including a retirement incentive program, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2011 tax rates and adopting the FY 2011 Budget.

The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates, which have resulted in declining Commission tax rates over the past few years. In FY 2011, the Commission's total Montgomery County real property tax rate was reduced by .8 of a cent and the personal property tax rate was reduced by 2 cents. So although the taxable real property assessable base was projected to increase by .4%, Commission property tax revenue was budgeted to decrease by 11% leading to a decrease in budgeted expenditures of 12.5% in the tax supported funds.

In Prince George's County, the Commission's property tax rates were increased in FY 2004 to maintain a level tax rate for the foreseeable future and to fund an aggressive capital improvement program. With the strong assessable base growth in prior years, the property tax revenues increased at a greater rate than expenditures, enabling the Commission to budget a large amount of current revenue to fund the capital improvement program keeping debt levels relatively low and providing capacity to assist the Prince George's County Government in funding programs they deliver to the community which are eligible to be funded by Commission property tax revenues. These expenditures are referred to as project charges. The project charges increased from \$15.2 million in FY 2009 to \$16.1 million in FY 2010 and in FY 2011, they were budgeted at \$21.5 million. In addition, the Commission supported legislation effective in FY 2010 to transfer \$30 million from the Commission's Park Account property taxes in FY 2010 and FY 2011 to assist the Prince George's County Government. This transfer will be achieved primarily by reducing the pay-as-you-go funding of the capital improvement program in FY 2010 and FY 2011 and selling bonds at a future date when resources are needed. The budgeted transfer from the Park Account to the Capital Project Fund was reduced from \$68.0 million in the FY 2010 Proposed Budget to \$43.0 million in the FY 2010 Adopted Budget and \$21.3 million in the FY 2011 Proposed Budget.

As noted above, assessable base in Montgomery County continues to grow, but at a reduced rate due to the economic slow down. Assessable base in Prince George's County shows a decrease between budgeted FY 2010 and FY 2011. 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, the assessable base declines at a slower rate which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable. When the economy is recovering, the assessments growth rate will lag somewhat.

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



Of this amount, \$16.3 million is designated to fund fiscal year 2011, \$16.1 million is designated for unforeseen circumstances, and \$83.0 million is uncommitted as of June 30, 2010. Of the uncommitted portion, \$80.1 million is from Prince George's County operations and will be utilized in future years to build out an aggressive capital improvement program and maintain a stable tax rate in accordance with its long-term fiscal plan.

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

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

Requests for Information

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

**Statement of Net Assets
June 30, 2010**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 385,263,845	\$ 5,490,465	\$ 390,754,310
Receivables - Taxes, net of allowance for uncollectibles	5,615,977	-	5,615,977
Receivables - Other	132,202	3,577	135,779
Due from County Governments	4,502,016	360,000	4,862,016
Due from Other Governments	1,840,368	8,982	1,849,350
Inventories	-	956,119	956,119
Deposits and Other	2,060,938	-	2,060,938
Restricted Cash, Cash Equivalents and Investments:			
Unspent Debt Proceeds	10,126,653	-	10,126,653
Capital Assets:			
Land and Construction in Progress	409,748,044	19,761,487	429,509,531
Other Capital Assets, Net of Accumulated Depreciation	<u>223,098,800</u>	<u>58,601,465</u>	<u>281,700,265</u>
Total Assets	<u>1,042,388,843</u>	<u>85,182,095</u>	<u>1,127,570,938</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	42,460,881	925,322	43,386,203
Accrued Interest Payable	1,210,950	23,700	1,234,650
Due to Other Governments	332,979	-	332,979
Deposits and Unearned Revenue	5,280,086	1,483,352	6,763,438
Claims Payable:			
Due within One Year	4,395,161	-	4,395,161
Due in more than One Year	8,124,397	-	8,124,397
Compensated Absences:			
Due within One Year	10,850,029	302,063	11,152,092
Due in more than One Year	7,764,739	755,593	8,520,332
Bonds and Notes Payable:			
Due within One Year	15,072,968	1,152,647	16,225,615
Due in more than One Year	93,607,269	2,176,489	95,783,758
Net Other Post Employment Benefit Obligations			
Due in more than One Year	<u>34,657,192</u>	<u>1,574,929</u>	<u>36,232,121</u>
Total Liabilities	<u>223,756,651</u>	<u>8,394,095</u>	<u>232,150,746</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	536,147,424	75,033,816	611,181,240
Unrestricted	<u>282,484,768</u>	<u>1,754,184</u>	<u>284,238,952</u>
Total Net Assets	<u>\$ 818,632,192</u>	<u>\$ 76,788,000</u>	<u>\$ 895,420,192</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, 2010**

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	\$ 19,765,804	\$ -	\$ -	\$ -	\$ (19,765,804)	\$ -	\$ (19,765,804)
County Planning and Zoning	58,695,074	2,851,449	638,868	-	(55,204,757)	-	(55,204,757)
Park Operations and Maintenance	224,848,872	5,048,728	1,894,538	23,662,201	(194,243,405)	-	(194,243,405)
Recreation Programs	68,427,714	12,819,658	305,610	-	(55,302,446)	-	(55,302,446)
Interest on Long-term Debt	4,295,266	-	-	-	(4,295,266)	-	(4,295,266)
Total Governmental Activities	376,032,730	20,719,835	2,839,016	23,662,201	(328,811,678)	-	(328,811,678)
Business-type Activities:							
Recreational and Cultural Facilities	30,924,994	18,572,911	150,000	-	-	(12,202,083)	(12,202,083)
Total Business-type Activities	30,924,994	18,572,911	150,000	-	-	(12,202,083)	(12,202,083)
Total Government	\$ 406,957,724	\$ 39,292,746	\$ 2,989,016	\$ 23,662,201	(328,811,678)	(12,202,083)	(341,013,761)
General Revenues:							
Property Taxes					380,067,118	-	380,067,118
Unrestricted Investment Earnings					2,097,505	34,621	2,132,126
Transfers					(9,698,900)	9,698,900	-
Net General Revenues and Transfers					372,465,723	9,733,521	382,199,244
Change in Net Assets					43,654,045	(2,468,562)	41,185,483
Net Assets - Beginning					774,978,147	79,256,562	854,234,709
Net Assets - Ending					\$ 818,632,192	\$ 76,788,000	\$ 895,420,192

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, 2010**

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 166,522,210	\$ -	\$ 156,932,574	\$ 5,033,433	\$ 328,488,217
Receivables - Taxes (net of allowance for uncollectibles)	5,560,765	-	-	55,212	5,615,977
Receivables - Other (net of allowance for uncollectibles)	32,161	-	-	13,728	45,889
Due from Other Funds	1,457,894	-	-	-	1,457,894
Due from County Governments	257,196	2,809,113	-	1,099,258	4,165,567
Due from Other Governments	775,782	216,375	813,211	35,000	1,840,368
Restricted Cash - Unspent Debt Proceeds	-	1,579,456	8,547,197	-	10,126,653
Other	59,232	-	-	22,182	81,414
Total Assets	\$ 174,665,240	\$ 4,604,944	\$ 166,292,982	\$ 6,258,813	\$ 351,821,979
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 18,448,713	\$ 1,991,113	\$ 3,771,858	\$ 297,464	\$ 24,509,148
Accrued Liabilities	14,037,586	-	-	223,014	14,260,600
Retainage Payable	-	984,289	1,285,827	-	2,270,116
Due to Other Funds	-	1,457,894	-	-	1,457,894
Due to County Governments	60	-	-	35	95
Deposits and Deferred Revenue	6,654,935	561,000	-	118,688	7,334,623
Total Liabilities	39,141,294	4,994,296	5,057,685	639,201	49,832,476
Fund Balances:					
Reserved for Encumbrances	20,087,780	10,666,275	34,581,072	784,828	66,119,955
Reserved for Debt Service	-	-	-	23,712	23,712
Unreserved, Designated for Contingencies	16,092,600	-	-	-	16,092,600
Unreserved, Designated for Subsequent Years	16,343,650	-	-	-	16,343,650
Unreserved, Undesignated, Reported in:					
General Fund	82,999,916	-	-	-	82,999,916
Special Revenue Fund	-	-	-	4,811,072	4,811,072
Capital Projects Fund	-	(11,055,627)	126,654,225	-	115,598,598
Total Fund Balances	135,523,946	(389,352)	161,235,297	5,619,612	301,989,503
Total Liabilities and Fund Balances	\$ 174,665,240	\$ 4,604,944	\$ 166,292,982	\$ 6,258,813	

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.	621,860,760
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.	52,115,814
Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,054,537
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(159,388,422)
Net Assets of Governmental Activities	\$ 818,632,192

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, 2010**

	<u>General</u>	<u>Montgomery County Capital Projects</u>	<u>Prince George's County Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Property Taxes	\$ 377,156,450	\$ -	\$ -	\$ 3,136,005	\$ 380,292,455
Intergovernmental -					
Federal	863,889	-	225,732	-	1,089,621
State	351,477	2,417,563	6,685,735	-	9,454,775
County	301,921	8,250,551	-	1,115,993	9,668,465
Local	28,862	-	-	39,508	68,370
Charges for Services	8,366,566	-	-	2,657,780	11,024,346
Rentals and Concessions	4,109,956	-	-	4,819,178	8,929,134
Interest	986,088	1,961	795,444	33,045	1,816,538
Contributions	-	824,913	1,531,627	137,366	2,493,906
Miscellaneous	582,523	-	7,811	176,021	766,355
Total Revenues	<u>392,747,732</u>	<u>11,494,988</u>	<u>9,246,349</u>	<u>12,114,896</u>	<u>425,603,965</u>
EXPENDITURES					
Current -					
General Government	18,760,282	-	-	-	18,760,282
Planning and Zoning	52,996,330	-	-	3,764,762	56,761,092
Park Operations and Maintenance	199,952,027	-	-	1,211,700	201,163,727
Recreation	58,774,553	-	-	6,122,071	64,896,624
Contributions	-	-	-	2,187,475	2,187,475
Debt Service -					
Principal	56,800	-	-	13,124,797	13,181,597
Interest	-	-	-	4,223,697	4,223,697
Other Debt Service Costs	-	-	-	113,412	113,412
Capital Outlay -					
Park Acquisition	-	617,182	8,421,963	-	9,039,145
Park Development	-	14,751,156	17,842,377	-	32,593,533
Total Expenditures	<u>330,539,992</u>	<u>15,368,338</u>	<u>26,264,340</u>	<u>30,747,914</u>	<u>402,920,584</u>
Excess (Deficiency) of Revenues over Expenditures	<u>62,207,740</u>	<u>(3,873,350)</u>	<u>(17,017,991)</u>	<u>(18,633,018)</u>	<u>22,683,381</u>
OTHER FINANCING SOURCES (USES)					
Refunding Bonds Issued	-	-	-	14,080,000	14,080,000
Premiums on Bonds Issued	-	-	-	769,574	769,574
Deposit of Bond Proceeds with Escrow Agent	-	-	-	(14,849,574)	(14,849,574)
Transfers In	797,405	320,000	42,996,000	18,071,709	62,185,114
Transfers Out	(71,036,609)	(1,961)	(795,444)	(50,000)	(71,884,014)
Total Other Financing Sources (Uses)	<u>(70,239,204)</u>	<u>318,039</u>	<u>42,200,556</u>	<u>18,021,709</u>	<u>(9,698,900)</u>
Net Change in Fund Balances	(8,031,464)	(3,555,311)	25,182,565	(611,309)	12,984,481
Fund Balances - Beginning	<u>143,555,410</u>	<u>3,165,959</u>	<u>136,052,732</u>	<u>6,230,921</u>	<u>289,005,022</u>
Fund Balances - Ending	\$ <u>135,523,946</u>	\$ <u>(389,352)</u>	\$ <u>161,235,297</u>	\$ <u>5,619,612</u>	\$ <u>301,989,503</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, 2010

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)	\$	12,984,481
---	----	------------

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	\$ 43,009,984	
Depreciation Expense	<u>(14,642,138)</u>	
Net adjustment		28,367,846

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

Donations	<u>3,726,080</u>	
Net adjustment		3,726,080

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.

(225,337)

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	(14,849,574)	
Repayments of Principal	13,181,597	
Payment to Refunding Bond Escrow Account	<u>14,849,574</u>	
Net adjustment		13,181,597

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 and compensated absences.

(15,042,090)

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

14,320

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

Change in net assets of governmental activities (Exhibit 2)	\$ <u>647,148</u>
	<u>43,654,045</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, 2010**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 370,481,900	\$ 370,481,900	\$ 377,156,450	\$ 6,674,550
Intergovernmental	770,000	1,903,167	1,546,149	(357,018)
Charges for Services	9,374,000	9,335,000	8,366,566	(968,434)
Rentals and Concessions	4,769,300	4,769,300	4,109,956	(659,344)
Interest	1,805,000	1,805,000	986,088	(818,912)
Miscellaneous	373,300	403,144	582,523	179,379
Total Revenues	<u>387,573,500</u>	<u>388,697,511</u>	<u>392,747,732</u>	<u>4,050,221</u>
Expenditures/Encumbrances:				
General Government	19,786,600	19,786,600	18,983,097	803,503
County Planning and Zoning	57,449,800	57,892,269	50,306,501	7,585,768
Park Operation and Maintenance	200,139,100	201,003,350	193,098,651	7,904,699
Recreation Programs	59,801,500	59,618,792	56,833,108	2,785,684
Total Expenditures/Encumbrances	<u>337,177,000</u>	<u>338,301,011</u>	<u>319,221,357</u>	<u>19,079,654</u>
Excess of Revenues over Expenditures/Encumbrances	<u>50,396,500</u>	<u>50,396,500</u>	<u>73,526,375</u>	<u>23,129,875</u>
Other Financing Sources (Uses):				
Transfers In	1,330,000	1,330,000	797,405	(532,595)
Transfers Out	<u>(72,602,200)</u>	<u>(72,602,200)</u>	<u>(71,036,609)</u>	<u>1,565,591</u>
Total Other Financing Sources (Uses)	<u>(71,272,200)</u>	<u>(71,272,200)</u>	<u>(70,239,204)</u>	<u>1,032,996</u>
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	<u>\$ (20,875,700)</u>	<u>\$ (20,875,700)</u>	<u>3,287,171</u>	<u>\$ 24,162,871</u>
Fund Balances - Budget Basis, Beginning			<u>112,148,995</u>	
Fund Balances - Budget Basis, Ending			<u>\$ 115,436,166</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, 2010**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery	Prince George's	Totals	Internal
	County	County		Service
				Funds
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 2,335,200	\$ 3,155,265	\$ 5,490,465	\$ 56,775,628
Accounts Receivable	3,577	-	3,577	86,313
Due from County Government	180,000	-	180,000	336,449
Due from Other Government	-	8,982	8,982	-
Deposits and Other	-	-	-	125,360
Inventories	139,837	816,282	956,119	-
Total Current Assets	<u>2,658,614</u>	<u>3,980,529</u>	<u>6,639,143</u>	<u>57,323,750</u>
Noncurrent Assets:				
Due from County Government	180,000	-	180,000	-
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	26,999,848	72,270,589	99,270,437	2,649,865
Machinery, Equipment and Intangibles	1,680,427	5,106,641	6,787,068	29,127,538
Construction in Progress	397,888	-	397,888	1,803,993
	<u>40,662,631</u>	<u>85,156,361</u>	<u>125,818,992</u>	<u>34,329,893</u>
Less - Accumulated Depreciation	<u>(16,388,236)</u>	<u>(31,067,804)</u>	<u>(47,456,040)</u>	<u>(23,343,809)</u>
Total Capital Assets, Net of Depreciation	<u>24,274,395</u>	<u>54,088,557</u>	<u>78,362,952</u>	<u>10,986,084</u>
Total Noncurrent Assets	<u>24,454,395</u>	<u>54,088,557</u>	<u>78,542,952</u>	<u>10,986,084</u>
Total Assets	<u>27,113,009</u>	<u>58,069,086</u>	<u>85,182,095</u>	<u>68,309,834</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	154,392	389,997	544,389	1,401,252
Claims Payable	-	-	-	4,395,161
Accrued Salaries and Benefits	123,180	257,753	380,933	19,765
Compensated Absences	86,112	215,951	302,063	52,629
Interest Payable	23,700	-	23,700	23,443
Revenue Collected in Advance	1,055,674	427,678	1,483,352	-
Current Portion of Revenue Bonds Payable	708,203	-	708,203	-
Current Portion of Revenue Notes Payable	444,444	-	444,444	-
Current Portion of Notes Payable	-	-	-	900,211
Due to Other Government	-	-	-	332,884
Total Current Liabilities	<u>2,595,705</u>	<u>1,291,379</u>	<u>3,887,084</u>	<u>7,125,345</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	8,124,397
Revenue Bonds Payable	1,065,373	-	1,065,373	-
Revenue Notes Payable	1,111,116	-	1,111,116	-
Notes Payable	-	-	-	680,000
Compensated Absences	154,875	600,718	755,593	46,601
Net Other Post Employment Benefit Obligations	311,792	1,263,137	1,574,929	217,677
Total Noncurrent Liabilities	<u>2,643,156</u>	<u>1,863,855</u>	<u>4,507,011</u>	<u>9,068,675</u>
Total Liabilities	<u>5,238,861</u>	<u>3,155,234</u>	<u>8,394,095</u>	<u>16,194,020</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	20,945,259	54,088,557	75,033,816	9,405,873
Unrestricted	928,889	825,295	1,754,184	42,709,941
Total Net Assets	<u>\$ 21,874,148</u>	<u>\$ 54,913,852</u>	<u>\$ 76,788,000</u>	<u>\$ 52,115,814</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, 2010

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery	Prince George's		Internal
	County	County	Totals	Service
				Funds
Operating Revenues:				
Intergovernmental	\$ 150,000	\$ -	\$ 150,000	\$ -
Sales	637,367	2,473,523	3,110,890	-
Charges for Services	5,908,744	4,521,813	10,430,557	36,752,949
Claim Recoveries	-	-	-	586,311
Rentals and Concessions	2,523,333	2,508,131	5,031,464	-
Total Operating Revenues	9,219,444	9,503,467	18,722,911	37,339,260
Operating Expenses:				
Cost of Goods Sold	345,027	1,389,382	1,734,409	-
Personal Services	3,129,527	11,449,984	14,579,511	1,322,719
Supplies and Materials	431,349	1,624,706	2,056,055	1,590,463
Claims Incurred	-	-	-	20,272,668
Insurance	-	-	-	8,040,174
Communications	31,620	289,388	321,008	-
Utilities	1,180,463	2,161,910	3,342,373	-
Maintenance	331,767	782,537	1,114,304	-
Contractual Services	619,317	662,664	1,281,981	1,451,743
Other Services and Charges	379,202	702,206	1,081,408	2,195,050
Administrative Services	1,315,804	365,700	1,681,504	-
Depreciation	1,331,778	2,199,848	3,531,626	2,014,339
Total Operating Expenses	9,095,854	21,628,325	30,724,179	36,887,156
Operating Income (Loss)	123,590	(12,124,858)	(12,001,268)	452,104
Nonoperating Revenues (Expenses):				
Investment Earnings	11,918	22,703	34,621	280,967
Interest Expense, net of Amortization	(200,815)	-	(200,815)	(85,922)
Total Nonoperating Revenue (Expense)	(188,897)	22,703	(166,194)	195,045
Income (Loss) before Transfers	(65,307)	(12,102,155)	(12,167,462)	647,149
Transfers	35,000	9,663,900	9,698,900	-
Change in Net Assets	(30,307)	(2,438,255)	(2,468,562)	647,149
Total Net Assets - Beginning	21,904,455	57,352,107	79,256,562	51,468,665
Total Net Assets - Ending	\$ 21,874,148	\$ 54,913,852	\$ 76,788,000	\$ 52,115,814

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, 2010**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Cash Flows from Operating Activities:				
Receipts from Customers and Users	\$ 9,465,682	\$ 9,598,101	\$ 19,063,783	\$ 37,855,047
Payments to Suppliers	(2,737,649)	(7,689,503)	(10,427,152)	(31,827,473)
Payments to Employees	(3,775,869)	(10,845,709)	(14,621,578)	(1,204,634)
Payments for Interfund Services Used	(446,600)	-	(446,600)	(464,600)
Payments for Administrative Charges	(596,599)	(365,700)	(962,299)	-
Net Cash Provided (Used) by Operating Activities	<u>1,908,965</u>	<u>(9,302,811)</u>	<u>(7,393,846)</u>	<u>4,358,340</u>
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	<u>35,000</u>	<u>9,663,900</u>	<u>9,698,900</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	-	(66,993)	(66,993)	(1,415,502)
Principal Paid on Bonds and Notes Payable	(1,129,560)	-	(1,129,560)	(1,604,269)
Interest Paid	(168,752)	-	(168,752)	(85,922)
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>(1,118,312)</u>	<u>(66,993)</u>	<u>(1,185,305)</u>	<u>(3,105,693)</u>
Cash Flows from Investing Activities:				
Interest on Investments	<u>11,918</u>	<u>22,703</u>	<u>34,621</u>	<u>280,967</u>
Net Decrease in Cash and Cash Equivalents	<u>837,571</u>	<u>316,799</u>	<u>1,154,370</u>	<u>1,533,614</u>
Cash and Cash Equivalents, July 1	<u>1,497,629</u>	<u>2,838,466</u>	<u>4,336,095</u>	<u>55,242,014</u>
Cash and Cash Equivalents, June 30	\$ 2,335,200	\$ 3,155,265	\$ 5,490,465	\$ 56,775,628

**Exhibit 9
continued**

	Business-type Activities- Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 123,590	\$ (12,124,858)	\$ (12,001,268)	\$ 452,104
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,331,778	2,199,848	3,531,626	2,014,339
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	3,351	-	3,351	(46,018)
Due from Other Government	-	249	249	74,807
Inventories, at Cost	12,650	11,496	24,146	-
Deposits and Other	-	-	-	(8,656)
Prepaid Expenses	-	-	-	495,654
Accounts Payable	52,374	(88,206)	(35,832)	923,275
Claims Payable	-	-	-	346,725
Accrued Salaries and Benefits	58,163	43,245	101,408	3,572
Compensated Absences	(35,415)	18,325	(17,090)	10,228
Interest Payable	(7,670)	-	(7,670)	(16,654)
Due to County Government	-	-	-	9,979
Net Other Post Employment Obligations	127,257	542,705	669,962	98,985
Revenue Collected in Advance	242,887	94,385	337,272	-
Total Adjustments	1,785,375	2,822,047	4,607,422	3,906,236
Net Cash Provided (Used) by Operating Activities	\$ 1,908,965	\$ (9,302,811)	\$ (7,393,846)	\$ 4,358,340

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, 2010**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Agency Funds</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 508,814	\$ 15,647,746	\$ 2,813,184
Cash	112,959	-	-
Fixed Income Securities	139,637,264	-	-
International Fixed Income Securities	27,741,376	-	-
Venture Capital/Alternative Investments	7,334,124		
Corporate Stock	215,296,068	-	-
International Corporate Stock	86,984,790	-	-
Real Estate Investments	20,195,788	-	-
Short Term Investments	18,701,832	-	-
Mutual Funds	8,535,547	-	-
Collateral for Securities Lending Transactions	30,425,252	-	-
Accounts Receivable	1,687,616	-	12,099
Land Held for Other Governments	-	59,407,151	-
Other	53,762	-	-
Total Assets	<u>557,215,192</u>	<u>75,054,897</u>	<u>2,825,283</u>
LIABILITIES			
Investment Payable	7,994,978	-	-
Accounts Payable	740,329	938	2,235,642
Claims Payable	484,770	-	-
Obligation for Collateral Received under Securities Lending Transactions	31,189,565	-	-
Deposits	-	-	589,641
Total Liabilities	<u>40,409,642</u>	<u>938</u>	<u>2,825,283</u>
NET ASSETS			
Assets Held in Trust for:			
Land Held for Other Governments	-	59,407,151	-
Pension Benefits	508,252,461	-	-
Other Postemployment Benefits	8,553,089	-	-
Other Purposes	-	15,646,808	-
Total Net Assets	<u>\$ 516,805,550</u>	<u>\$ 75,053,959</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, 2010**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
ADDITIONS		
Contributions:		
Employer	\$ 24,500,048	\$ -
Plan Members	5,136,526	-
Plan Members for Current Benefits	870,326	-
Private Donations	-	58,525
Total Contributions	<u>30,506,900</u>	<u>58,525</u>
Receipts from Commission Debt Service Funds	-	2,187,475
Federal Grants - Medicare	317,948	-
Investment Earnings:		
Interest	7,030,935	120,770
Dividends	222,154	-
Net Increase in the Fair Value of Investments	59,193,257	-
Total Investment Earnings	<u>66,446,346</u>	<u>120,770</u>
Less Investment Advisory and Management Fees	<u>(1,971,186)</u>	-
Net Income from Investing Activities	<u>64,475,160</u>	<u>120,770</u>
Securities Lending Activity		
Securities Lending Income	92,702	-
Securities Lending Fees	<u>(29,905)</u>	-
Net Income from Securities Lending Activity	<u>62,797</u>	-
Total Net Investment Income	<u>64,537,957</u>	<u>120,770</u>
Total Additions and Investment Income	<u>95,362,805</u>	<u>2,366,770</u>
DEDUCTIONS		
Benefits	35,640,685	-
Refunds of Contributions	334,929	-
Administrative Expenses	1,322,931	-
Other	-	5,050,984
Total Deductions	<u>37,298,545</u>	<u>5,050,984</u>
Change in Net Assets	<u>58,064,260</u>	<u>(2,684,214)</u>
Net Assets - Beginning	458,741,290	77,738,173
Net Assets - Ending	\$ <u>516,805,550</u>	\$ <u>75,053,959</u>

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

NOTES TO FINANCIAL STATEMENTS

Index

	<u>Page</u>
Note 1 - Summary of Significant Accounting Policies	56
A. The Commission and Its Services	56
B. Government-wide and Fund Financial Statements	57
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	59
D. Assets, Liabilities, and Net Assets or Equity	61
Note 2 - Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets	62
Note 3 - Stewardship, Compliance, and Accountability	63
Note 4 - Detailed Notes on All Funds	64
A. Cash and Investments	64
B. Capital Assets	76
C. Interfund Receivables, Payables and Transfers	78
D. Operating Leases	79
E. Long-Term Obligations	79
Note 5 - Other Information	85
A. Risk Management	85
B. Related Party Transactions	86
C. Contingencies	87
D. Employees' Retirement System and Pension Plans	87
E. Other Postemployment Benefits	88
F. Pension Trust Funds	91
Note 6 – County Financial Data	93

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS June 30, 2010

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A) The Commission and Its Services

Background

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

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

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

Financial Reporting Entity

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

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

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

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

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

(B) Government-wide and Fund Financial Statements

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

The reporting requirements established by GASB include:

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

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

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

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

Statement of Net Assets – The Statement of Net Assets is designed to display the financial position of the Commission (government and business-type activities). The Commission reports all capital assets, including infrastructure, in the Government-wide Statement of Net Assets and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. The net assets of the Commission are presented in three categories – 1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The Commission may defer the use of restricted assets based on a review of the specific transaction. The Commission has no restricted net assets as of June 30, 2010.

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

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

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

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

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

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

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

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

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

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

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

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

The Commission reports the following fiduciary fund types:

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

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

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

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

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

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

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

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

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

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

Property Taxes Receivable – All property tax receivables are shown net of an allowance for uncollectible accounts of \$2,095,863 at June 30, 2010. 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.

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

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

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

Fund 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 \$32,436,250 of fund balances in the General Fund at June 30, 2010, to fund fiscal year 2011 operations and allow for contingencies, as follows:

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Contingencies	\$ 712,600	\$ 2,083,500	\$ 2,209,400	\$ 7,321,900	\$ 3,765,200	\$ 16,092,600
Fiscal year 2011	2,170,120	1,450,680	-	2,167,500	10,555,350	16,343,650
	<u>\$ 2,882,720</u>	<u>\$ 3,534,180</u>	<u>\$ 2,209,400</u>	<u>\$ 9,489,400</u>	<u>\$ 14,320,550</u>	<u>\$ 32,436,250</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	\$ 317,099,096
Buildings and improvements	199,296,766
Infrastructure	230,405,254
Machinery, Equipment and Intangibles	57,578,390
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(272,615,204)
Construction in Progress	90,096,458
Total	<u>\$ 621,860,760</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	\$ 14,172,757
Due in More than One Year	92,927,269
Net Other Post Employment Benefit Obligations	34,439,515
Compensated Absences	
Due Within One Year	10,797,400
Due in More than One Year	7,718,138
Accrued Interest Payable	1,187,507
Totals	<u>\$ 161,242,586</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 2010 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, 2010 is as follows. The following account information is reported in Note 6.

	Montgomery County		Prince George's County			Total General Fund
	Administration	Park	Administration	Park	Recreation	
	Account	Account	Account	Account	Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2009	\$ 3,137,475	\$ 3,837,443	\$ 10,871,655	\$ 9,917,207	\$ 3,642,635	\$ 31,406,415
To Decrease -						
Encumbrances -						
June 30, 2010	(3,535,854)	(1,863,790)	(7,977,862)	(5,009,084)	(1,701,190)	(20,087,780)
Total Adjustment	(398,379)	1,973,653	2,893,793	4,908,123	1,941,445	11,318,635
Net Change in Fund Balance:						
GAAP Basis	932,764	(3,828,073)	1,689,631	(6,876,493)	50,707	(8,031,464)
Budget Basis	\$ 534,385	\$ (1,854,420)	\$ 4,583,424	\$ (1,968,370)	\$ 1,992,152	\$ 3,287,171

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2010, totaled \$974,815,707. The Commission's unrestricted pool of deposits and investments (\$409,724,054) 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 \$2,213,790 and the bank balance was \$3,670,263. In addition, the Commission held cash at various locations totaling \$251,090. Of the bank balance, \$452,000 was covered by Federal depository insurance and the remainder was collateralized by \$3,982,010 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 \$105,176,093 at June 30, 2010. The certificates, with an average life of 97.89 days, were covered by collateral of \$108,030,875, 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, 2010. 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 \$25,573,580. Of these deposits \$84,450 relate to cash and investments restricted for construction.

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

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

Cash and Investments Restricted for Unspent Debt Proceeds - At year-end, the Commission had \$10,126,653 of unspent bonds and note proceeds restricted to pay construction costs for various projects.

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, 2010 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Days)</u>
Commercial Paper	\$ 5,071,847	191.00
U.S Treasury Notes	6,329,348	168.00
U.S. Treasury Bills	19,960,657	140.97
Federal Agricultural Mortgage Corporation Notes	19,996,000	58.00
Federal Home Loan Bank Notes	65,140,426	296.60
Federal Home Loan Mortgage Association Notes	44,157,728	36.54
Federal National Mortgage Association Notes	60,996,346	259.50
Federal Farm Credit Bank	26,132,528	396.15
Maryland Local Government Investment Pool	38,851,274	46.00
Total fair value	<u>\$ 286,636,154</u>	
Portfolio Weighted Average Maturity		191.74

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Commission's investment policy requires that investments in commercial paper, money market accounts and bankers acceptances have received ratings of the highest letter and numerical rating by at least one nationally recognized statistical rating organization as designated by the Securities and Exchange Commission. Up to 10% of bond proceeds may be invested in money market mutual funds that have not received the highest rating but are still recognized as investment grade. All related investments have received ratings of the highest letter quality, except for \$84,450 (0.8%) of bond funds invested in a money market fund that is considered investment grade.

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

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

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

* At time of purchase

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

The Commission is currently in compliance with this policy. Due to an accounting error, from early November 2009 to late December 2009 the Commission exceeded the 20% per agency limit for Federal Home Loan Mortgage Association Notes. However, during this time period the Commission was in compliance with the 60% limit for total agency funds.

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, 2010, was \$18,797,249. Cash deposits in the bank account totaled \$95,417 that was insured and collateralized. At June 30, 2010, ERS held \$18,701,832 of cash equivalents in its custodial investment accounts.

As of June 30, 2010, ERS's cash equivalents were exposed to custodial credit risk as follows:

Uninsured and held by custodial bank not in ERS's name	<u><u>\$84,339</u></u>
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Investments - The Board of Trustees ("Board") of ERS is authorized by the Trust Agreement dated July 26, 1972 and most recently amended September 16, 2009 to invest and reinvest the Trust Fund, as may be determined by investment counsel selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors. The Commission approves new investment managers.

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

U. S. Equities	35 %
Non-U.S. Equities	20
U.S. Core Fixed Income	15
U.S. High Yield Fixed Income	10
U.S. Long Duration Fixed income	10
U.S. Real Estate (Private)	5
U.S. Real Assets (Private)	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 and mid capitalization stocks".

Non-U.S. Equity

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

Fixed Income Guidelines

- The Fixed Income Composite is limited to 20% of its value in cash equivalents at any time.
- A single issuer cannot exceed 5% of the market value of the fixed income composite at any time.
- Duration of the fixed income composite should remain within +/- 1.5 years relative to the asset class benchmarks. The duration of the fixed income composite at June 30, 2010 was 6.92 years with the Merrill Lynch BB/B and the Barclays Aggregate at 4.51 and 4.30 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.
- The fixed income composite may contain an allocation to opportunistic investments and distressed securities.

Real Estate Guidelines

- Cash equivalent exposure is limited to 10%.
- The maximum allocation by geographic region and property type is limited to 150% of its weight in the index and a minimum of 50% of its weight in the index.
- No individual property investment is expected to exceed 7.5% of the real estate composite at any time.

- The valuation objective is to accurately estimate the net asset value on a daily basis. The Valuation Consultant (VC) obtains an independent third-party appraisal for each property at least every 12 months. Monthly, the VC provides a list of property values that is based on a portfolio overview, updated discounted cash flow models, and/or limited scope, restricted appraisals and any facts regarding any event that occurs (i.e. lease or sale) that could impact property value.

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

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

Derivatives Policy Statement- A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Investment Policy Statement. The guidelines identify transaction-level and portfolio-level risk control procedures and documentation requirements. Managers are required to measure and monitor exposure to counterparty credit risk. All counterparties must have commercial paper credit ratings of at least A1 or equivalent rating. The duration and other risk exposure limits specified in the managers' guidelines are expected to be satisfied on an ongoing basis. Investment managers are permitted to use such derivatives for hedging purposes, including cross-hedging of currency exposures, to replicate the risk/return profile of an asset or asset class, and to tactically change country exposure. Derivative securities such as "plain vanilla" collateralized mortgage obligations (CMOs) and structured notes are allowed. CMOs which are not "plain vanilla" are restricted to 5% of a manager's portfolio. Any use of derivatives not listed above is prohibited without written approval of the Board. At June 30, 2010, the System held derivatives with fair market values of approximately \$28,125 with an underlying notional market value of \$3,398,011. Gains and losses are determined based on quoted market values and recorded in the statement of changes in plan net assets. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

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

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts are included in the ERS' net assets and represents the fair value of the contracts on June 30, 2010, the ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2010:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Australian dollar	\$ 2,899	\$ (12)	\$ (165,035)	\$ 123
British pound sterling	2,060,785	10,452	-	-
Canadian dollar	-	-	(922,232)	(5,827)
Czech koruna	154,936	2,952	-	-
Euro	3,555,090	17,954	-	-
Hong Kong dollar	3,216,207	(949)	-	-
Iceland krona	-	-	(3,507)	(543)
Japanese yen	2,605,192	(23,488)	-	-
Mexican peso	285,536	2,619	(57,112)	(370)
New Zealand dollar	3,902	53	(159,422)	943
Norwegian krone	1,160,158	17,351	-	-
Swedish krona	670,555	7,094	-	-
Swiss franc	569,832	2,621	-	-
Australian dollar	6,086.35	(34.56)	-	-

ERS's investments at June 30, 2010 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Common stock	\$ 298,678,837
Preferred stock	639,765
Convertible equity	570,833
Venture Capital and Partnerships	7,334,124
Government bonds	30,426,820
Government agencies	16,485,493
Provincial bonds	2,414,142
Corporate bonds	67,191,857
Corporate convertible bonds	2,391,423
Government mortgage-backed securities	12,419,665
Commercial mortgage-backed	4,068,220
Asset backed securities	2,065,731
Non-government backed CMOs	3,790,540
Index linked government bonds	7,062,070
Fixed income mutual funds	21,454,103
Real estate	20,195,788
Short term bills and notes	7,367,270
Cash & cash equivalent derivative-options	18,475
Short term investment funds	5,424,866
Securities lending short term collateral investment pool	30,425,252
Cash	5,891,220
Total Investments	\$ 546,316,494

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

Of the ERS' \$546.3 million in investments at June 30, 2010, \$30.4 million were cash collateral reinvestment securities acquired by the custodian, whom is also the lending agent/counterparty. This is consistent with the ERS' securities lending agreement in place with the custodian.

The fair value of loaned securities collateralized by cash collateral as of June 30, 2010 and cash collateral received from borrowers as of June 30, 2009 are presented by type below:

<u>Collateral</u>	<u>Fair Value</u>
Global equities	\$146,424
U.S. agencies	198,894
U.S. corporate fixed	2,573,588
U.S. equities	10,451,978
U.S. government fixed	17,054,368
Total	<u>\$30,425,252</u>

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

As of June 30, 2010, the ERS had the following fixed income investments and short term investments with the following maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity-Years</u>
Asset backed securities	\$ 2,065,731	23.719182
Commercial mortgage-backed	4,068,220	29.473615
Corporate bonds	67,191,857	13.293565
Corporate convertible bonds	2,391,423	21.458266
Government agencies	16,485,493	11.824067
Government bonds	30,426,820	12.999872
Government mortgage backed securities	12,419,665	26.411038
Index linked government bonds	7,062,070	7.582842
Provincial bonds	2,414,142	25.909901
Non-government backed CMOs	3,790,540	30.334305
Fixed income mutual funds	21,454,103	N/A
Short term bills and notes	7,367,270	0.202431
Short term investment funds	5,424,866	N/A
Totals	<u>\$182,562,200</u>	
Portfolio Weighted Average Maturity		14.382408

Collateralized Mortgage Obligations - Collateralized Mortgage Obligations are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. The repayments of principal and interest from the pass-through securities are used to retire the bonds in an established order of maturity. The ERS held \$3,790,540 and \$5,853,606 in CMOs at June 30, 2010.

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 \$3,975,967 in ABS at June 30, 2010.

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

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

ERS Credit Quality Ratings as of June 30, 2010:

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

Agency	Government	4.55%
Agency	AAA	8.30%
Agency	A	0.34%
Agency	BBB	0.12%
Agency	BB	0.04%
Agency	C	0.00%
Agency	Not Rated	0.04%
Asset Backed Securities	AAA	0.17%
Asset Backed Securities	AA	0.02%
Asset Backed Securities	A	0.03%
Asset Backed Securities	BBB	0.04%
Asset Backed Securities	BB	0.05%
Asset Backed Securities	B	0.01%
Asset Backed Securities	CCC	0.02%
Asset Backed Securities	CC	0.02%
Asset Backed Securities	Not Rated	0.03%
Commercial Mortgage Backed Securities	AAA	0.58%
Commercial Mortgage Backed Securities	Not Rated	0.17%
Non-Government Backed CMOs	AAA	0.34%
Non-Government Backed CMOs	AA	0.02%
Non-Government Backed CMOs	A	0.04%
Non-Government Backed CMOs	BBB	0.01%
Non-Government Backed CMOs	BB	0.01%
Non-Government Backed CMOs	B	0.10%
Non-Government Backed CMOs	CCC	0.11%
Non-Government Backed CMOs	CC	0.02%
Non-Government Backed CMOs	Not Rated	0.05%
Corporate Bonds	AAA	0.04%
Corporate Bonds	AA	0.84%
Corporate Bonds	A	3.02%
Corporate Bonds	BBB	2.43%
Corporate Bonds	BB	1.36%
Corporate Bonds	B	1.40%
Corporate Bonds	CCC	0.15%
Corporate Bonds	Not Rated	3.06%
Corporate Convertible Bonds	A	0.12%
Corporate Convertible Bonds	BB	0.05%

Corporate Convertible Bonds	B	0.24%
Corporate Convertible Bonds	CCC	0.02%
Provincial Bonds	AAA	0.04%
Provincial Bonds	AA	0.24%
Provincial Bonds	A	0.10%
Provincial Bonds	Not Rated	0.07%
Government Mortgage Backed	BBB	0.06%
Other Fixed Income	Not Rated	3.88%
Short Term Bills and Notes	AAA	0.06%
Short Term Investment Fund	Not Rated	0.99%

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

The ERS' exposure to foreign currency risk at June 30, 2010, was as follows:

Investment Type	Currency	Fair Value
Government bonds	Brazilian real	\$ 646,422
Government bonds	Colombian peso	154,237
Government bonds	Mexican peso	571,599
Government agencies	Indonesian rupiah	277,914
Government agencies	South Korean won	332,710
Corporate bonds	Mexican peso	149,832
Common stock	Australian dollar	8,920
Common stock	Mexican peso	277,405
Common stock	Swiss franc	566,894
Common stock	Czech koruna	145,929
Common stock	Euro	3,582,636
Common stock	British pound sterling	1,993,959
Common stock	Hong Kong dollar	3,328,906
Common stock	Japanese yen	2,655,560
Common stock	Norwegian krone	1,051,423
Common stock	Swedish krona	637,444
Cash	Euro	16,327
Cash	Australian dollar	<u>2,840</u>
Total		\$ <u>16,400,957</u>

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2010:

Security lending income	\$ 92,702
Less security lending fees	<u>29,905</u>
Net securities lending income	<u><u>\$ 62,797</u></u>

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

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. 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, 2010.

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 111 days in 2010.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 25 days as of this statement date. Cash collateral may also be invested separately in "term

loans”, in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent.

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, 2010:

Securities Lent	Fair Value	Cash Collateral Received*
Fixed income securities	\$ 19,826,850	\$ 20,267,675
Domestic equities	10,451,978	10,767,936
Global equities	146,424	153,954
Total	\$ 30,425,252	\$ 31,189,565

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

Other Post Employment Benefits (the “Trust”) Cash and Investments

The Trust had \$17,542 in money market funds at June 30, 2010. The trust participates in the Commission’s pooled cash for payment of benefits, and had equity in pooled cash balance of \$508,814. Investments in mutual funds totaled \$8,535,547.

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 2010 are as follows:

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

The Trust’s investments in mutual funds at June 30, 2010 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Equity Index Fund	<u>\$ 8,535,547</u>

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

<u>Statement of Net Assets</u>	
Equity in Pooled Cash and Investments	\$ 390,754,310
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	10,126,653
<u>Statement of Net Assets - Fiduciary Funds</u>	
Equity in Pooled Cash and Investments - Pension Trust Funds	508,814
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	15,647,746
Equity in Pooled Cash and Investments - Agency Funds	2,813,184
Cash and Marketable Securities - Pension Trust Funds	524,539,748
Collateral for Securities Lending Transactions - Pension Trust Funds	30,425,252
Total	<u>\$ 974,815,707</u>
They are composed of:	
Cash in Banks of Commission	\$ 2,213,790
Cash of Employees' Retirement System Pension Trust Fund	95,417
Cash in Other Post Employment Benefits Fund	
Cash in Other Locations - Commission	251,090
Money Market Deposits of Commission	25,573,580
Money Market Deposits in Other Post Employment Benefits Fund	17,542
Certificates of Deposit of Commission	105,176,093
Fixed Income Securities In Commission's Investment Pool	286,636,154
Mutual funds in Other Post Employment Benefits Fund	8,535,547
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	299,889,435
Fixed Income Securities	182,562,200
Real Estate	20,195,788
Venture Capital and Partnerships	7,334,124
Cash	5,891,220
Cash & Cash Equivalent Derivative-Options	18,475
Collateral for Securities Lending Transactions	30,425,252
Total	<u>\$ 974,815,707</u>

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2010 is as follows:

	July 1, 2009	Increases	Decreases	Transfers/ Contributions	June 30, 2010
Capital assets not being depreciated					
Land	\$ 305,082,368	\$ 12,765,225	\$ -	\$ -	\$ 317,847,593
Construction in progress	73,644,329	27,512,832	-	(9,256,710)	91,900,451
Total capital assets not being depreciated	<u>378,726,697</u>	<u>40,278,057</u>	<u>-</u>	<u>(9,256,710)</u>	<u>409,748,044</u>
Other capital assets, being depreciated					
Buildings and improvements	198,445,190	277,034	-	3,224,407	201,946,631
Infrastructure	224,650,697	-	-	5,754,557	230,405,254
Machinery, equipment and intangibles	82,606,194	5,742,312	(1,920,324)	277,746	86,705,928
Total other capital assets	<u>505,702,081</u>	<u>6,019,346</u>	<u>(1,920,324)</u>	<u>9,256,710</u>	<u>519,057,813</u>
Less accumulated depreciation for:					
Buildings and improvements	(113,821,891)	(5,292,607)	-	-	(119,114,498)
Infrastructure	(109,023,770)	(5,601,056)	-	-	(114,624,826)
Machinery, equipment and intangibles	(58,377,198)	(5,762,815)	1,920,324	-	(62,219,689)
Total accumulated depreciation	<u>(281,222,859)</u>	<u>(16,656,478)</u>	<u>1,920,324</u>	<u>-</u>	<u>(295,959,013)</u>
Total other capital asset, net	<u>224,479,222</u>	<u>(10,637,132)</u>	<u>-</u>	<u>9,256,710</u>	<u>223,098,800</u>
Governmental activities capital assets, net	<u>\$ 603,205,919</u>	<u>\$ 29,640,925</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 632,846,844</u>

Summaries of business-type activities capital assets at June 30, 2010, made up of two major enterprise funds, are as follows:

	<u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2010</u>
<u>Montgomery County Enterprise Fund</u>				
Capital assets not being depreciated:				
Land	\$ 11,584,468	\$ -	\$ -	\$ 11,584,468
Construction in progress	397,888	-	-	397,888
Total capital assets not being depreciated	<u>11,982,356</u>	<u>-</u>	<u>-</u>	<u>11,982,356</u>
Capital assets being depreciated				
Buildings and improvements	26,999,848	-	-	26,999,848
Machinery, equipment and intangibles	1,680,427	-	-	1,680,427
Total capital assets being depreciated	<u>28,680,275</u>	<u>-</u>	<u>-</u>	<u>28,680,275</u>
Less accumulated depreciation for:				
Buildings and improvements	(13,757,420)	(1,270,791)	-	(15,028,211)
Machinery, equipment and intangibles	(1,299,038)	(60,987)	-	(1,360,025)
Total accumulated depreciation	<u>(15,056,458)</u>	<u>(1,331,778)</u>	<u>-</u>	<u>(16,388,236)</u>
Total capital assets being depreciated, net	<u>13,623,817</u>	<u>(1,331,778)</u>	<u>-</u>	<u>12,292,039</u>
Capital assets, net	<u>\$ 25,606,173</u>	<u>\$ (1,331,778)</u>	<u>\$ -</u>	<u>\$ 24,274,395</u>
<u>Prince George's County Enterprise Fund</u>				
Capital assets not being depreciated:				
Land	\$ 7,779,131	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:				
Buildings and improvements	72,270,589	-	-	72,270,589
Machinery, equipment and intangibles	5,047,976	66,993	(8,328)	5,106,641
Total capital assets being depreciated	<u>77,318,565</u>	<u>66,993</u>	<u>(8,328)</u>	<u>77,377,230</u>
Less accumulated depreciation for:				
Buildings and improvements	(25,367,524)	(2,034,329)	-	(27,401,853)
Machinery, equipment and intangibles	(3,508,760)	(165,519)	8,328	(3,665,951)
Total accumulated depreciation	<u>(28,876,284)</u>	<u>(2,199,848)</u>	<u>8,328</u>	<u>(31,067,804)</u>
Total capital assets being depreciated, net	<u>48,442,281</u>	<u>(2,132,855)</u>	<u>-</u>	<u>46,309,426</u>
Capital assets, net	<u>\$ 56,221,412</u>	<u>\$ (2,132,855)</u>	<u>\$ -</u>	<u>\$ 54,088,557</u>
Total Business-type activities	<u>\$ 81,827,585</u>	<u>\$ (3,464,633)</u>	<u>\$ -</u>	<u>\$ 78,362,952</u>

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

Governmental activities:	
General Government	\$ 319,717
County Planning and Zoning	617,070
Park Operations and Maintenance	13,505,107
Recreation Programs	2,214,584
Total depreciation expense - governmental activities	<u>\$ 16,656,478</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,531,626</u>

Construction Commitments - The Commission is committed to \$45,247,347 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, 2010. The Montgomery County Capital Projects Fund has a payable balance of \$1,457,894 to the Montgomery County Parks Fund. The short term borrowing is to remove a cash shortfall in the Capital Projects Fund.

The Commission had the following interfund transfers during fiscal year 2010:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
Transfers In						
General Fund - Administration Account	\$ -	\$ -	\$ -	\$ 1,578,000	\$ -	\$ 1,578,000
General Fund - Park Account	-	270,000	42,996,000	16,493,709	35,000	59,794,709
General Fund - Recreation Account	-	-	-	-	9,663,900	9,663,900
Special Revenue Fund	-	50,000	-	-	-	50,000
Capital Projects	797,405	-	-	-	-	797,405
Total Transfers In	\$ 797,405	\$ 320,000	\$ 42,996,000	\$ 18,071,709	\$ 9,698,900	\$ 71,884,014
Transfers Out						
General Fund - Park Account	\$ -	\$ 1,961	\$ 795,444	\$ -	\$ -	\$ 797,405
Debt Service Fund	16,493,709	-	-	-	-	16,493,709
Capital Projects	43,266,000	-	-	50,000	-	43,316,000
Special Revenue Fund	1,578,000	-	-	-	-	1,578,000
Enterprise Fund	9,698,900	-	-	-	-	9,698,900
Total Transfers Out	\$ 71,036,609	\$ 1,961	\$ 795,444	\$ 50,000	\$ -	\$ 71,884,014

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$16,493,709) and current funding for Capital Projects (\$43,316,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Montgomery County Enterprise Fund	Prince George's County Enterprise Fund	Total Proprietary Funds
Transfers In			
General Fund - Park Account	\$ 35,000	\$ -	\$ 35,000
General Fund - Recreation Account	-	9,663,900	9,663,900
Total Transfers In	\$ 35,000	\$ 9,663,900	\$ 9,698,900

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

In addition to the above transfers, tax revenues of \$2,187,475 not needed to pay current debt service were contributed by the Advanced Land Acquisition Debt Service Funds to the Advanced Land Acquisition Accounts in the Private Purpose Trust Funds.

(D) Operating Leases

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

Future minimum commitments under operating leases at June 30, 2010 are as follows (\$000's):

Year Ending June 30	Operating Leases		
	Total	Montgomery County	Prince George's County
2011	\$ 3,115	\$ 928	\$ 2,187
2012	2,535	630	1,905
2013	718	-	718
2014	627	-	627
Total minimum lease payments	<u>\$ 6,995</u>	<u>\$ 1,558</u>	<u>\$ 5,437</u>

In fiscal year 2010, expenditures in the General Fund included \$1,748,390 relating to the rental of office space and \$1,333,563 relating to rental and other charges for rented equipment.

(E) Long-Term Obligations

Notes and Loans Payable - Notes payable and loans are only reported at the Government-wide level.

Payments required to maturity on notes payable at June 30, 2010 are as follows (\$000's):

Year Ending June 30	Total	Montgomery County		Prince George's County	
		Governmental		Governmental	
		Principal	Interest	Principal	Interest
2011	\$ 1,013	\$ 673	\$ 26	\$ 285	\$ 29
2012	646	368	5	258	15
2013	113	-	-	110	3
2014	-	-	-	-	-
Total payments	<u>\$ 1,772</u>	<u>\$ 1,041</u>	<u>\$ 31</u>	<u>\$ 653</u>	<u>\$ 47</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 2010, debt service payments approximated 0.24 cents per \$100 of real property and 0.60 cents per \$100 of personal property for Montgomery County and 1.34 cents for real property and 3.33 cents for personal property for Prince George's County. The remainder of the proceeds of the mandatory taxes was used for operating and maintaining the park system of the respective counties.

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

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

Montgomery County General Obligation Bonds

Fiscal Year	Governmental Activities					
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA
	Principal	Interest	Payments	Principal	Interest	Payments
2011	\$ 2,970	\$ 991	\$ 3,961	\$ 535	\$ 95	\$ 630
2012	2,515	904	3,419	240	79	319
2013	2,620	824	3,444	240	71	311
2014	2,345	746	3,091	235	61	296
2015	2,380	672	3,052	230	52	282
2016-2020	9,305	2,361	11,666	600	180	780
2021-2025	5,715	885	6,600	600	62	662
2026-2029	1,830	135	1,965	-	-	-
Totals	<u>\$ 29,680</u>	<u>\$ 7,518</u>	<u>\$ 37,198</u>	<u>\$ 2,680</u>	<u>\$ 600</u>	<u>\$ 3,280</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities						Total Commission General Obligation Bonds
	Total Park	Total Park	Total Park	Total ALA	Total ALA	Total ALA	
	Principal	Interest	Payments	Principal	Interest	Payments	
2011	\$ 10,321	\$ 2,795	\$ 13,116	\$ 290	\$ 7	\$ 297	\$ 18,004
2012	9,188	2,486	11,674	-	-	-	15,412
2013	9,409	2,189	11,598	-	-	-	15,353
2014	7,912	1,910	9,822	-	-	-	13,209
2015	7,240	1,610	8,850	-	-	-	12,184
2016 - 2020	23,576	4,057	27,633	-	-	-	40,079
2021 - 2025	7,530	968	8,498	-	-	-	15,760
2026 - 2027	1,070	68	1,138	-	-	-	3,103
Totals	<u>\$ 76,246</u>	<u>\$ 16,083</u>	<u>\$ 92,329</u>	<u>\$ 290</u>	<u>\$ 7</u>	<u>\$ 297</u>	<u>\$ 133,104</u>

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2010, consist of the following individual issues (000's):

<u>Series</u>	<u>Effective Interest Rate at Date of Sale</u>	<u>Dated</u>	<u>Final Maturity Date</u>	<u>FY 2011 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2010</u>
<u>Montgomery County</u>						
Park Acquisition and Development Bonds						
Series Y-2	5.0232 %	11/01/00	11/01/10	\$ 230	\$ 5,700	\$ 230
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	865	12,155	6,555
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	3,200
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	835	5,445	2,245
Series II-2	3.9651	03/15/07	04/01/27	185	4,700	4,145
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	485	8,405	8,265
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	5,040
				<u>2,970</u>	<u>45,655</u>	<u>29,680</u>
Advance Land Acquisition Bonds						
Bonds of 1995 Advance Refunding	4.7707	12/01/95	07/01/10	290	3,345	290
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	165	1,550	790
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,600
				<u>535</u>	<u>6,895</u>	<u>2,680</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,505</u>	<u>\$ 52,550</u>	<u>\$ 32,360</u>
<u>Prince George's County</u>						
Park Acquisition and Development Bonds						
Series W-2	6.4000	06/25/98	07/01/12	\$ 635	\$ 7,325	\$ 1,380
Series BB-2 Advance Refunding	3.3944	12/01/02	07/01/14	1,740	21,110	7,545
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	2,760	37,525	27,120
Series GG-2 Current Refunding	3.1053	07/15/05	07/01/12	2,265	13,685	4,395
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	7,835
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,661	17,300	14,056
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	905	14,080	13,915
				<u>10,321</u>	<u>119,925</u>	<u>76,246</u>
Advance Land Acquisition Bonds						
Bonds of 1995 Advance Refunding	4.8991	12/01/95	07/01/10	290	3,300	290
Total Prince George's County General Obligation Bonds				<u>\$ 10,611</u>	<u>\$ 123,225</u>	<u>\$ 76,536</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 \$3,329,136 (net of a deferred amount of \$64,125) at June 30, 2010, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$1,305,981 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, 2010, and the related debt service requirements for Montgomery County are as follows (000's):

Fiscal Year	Business-type Activities Revenue Bonds and Notes		
	Total Principal	Total Interest	Total Payments
2011	\$ 1,153	\$ 130	\$ 1,283
2012	1,176	83	1,259
2013	842	35	877
2014	222	6	228
Total	<u>\$ 3,393</u>	<u>\$ 254</u>	<u>\$ 3,647</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 \$64,125 deferred amount on the Little Bennett Golf Facilities Refunding Bond, and revenue notes payable at June 30, 2010, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale		Dated	Final Maturity Date	FY2011 Serial Payment	Original Issue	Outstanding at June 30, 2010
Montgomery County							
Revenue Bonds and Notes							
Little Bennett Golf Course (net of deferred amount)	3.3705	%	12/09/03	11/01/12	\$ 372	\$ 3,154	\$ 1,089
Wheaton Ice Rink	3.3706		12/09/03	05/01/12	337	2,799	684
Cabin John Ice Rink	5.1600		04/24/99	11/01/13	444	6,000	1,556
					<u>\$ 1,153</u>	<u>\$ 11,953</u>	<u>\$ 3,329</u>

New Debt Issue - On March 4, 2010, the Commission issued \$14,080,000 of Prince George's County Park Acquisition and Development Refunding Bonds, Series NN-2. The refunding bonds provided the resources to defease the \$13,650,000 callable portion of the Prince George's County Park Acquisition and Development Project Bonds, Series Z-2 (advance refunding). The reacquisition price in excess of the net carrying value of the old debt is being netted against the new debt and amortized over the remaining life of the refunded bonds, which equals the life of the new debt issued. Semiannual payments of interest and annual principal payments are due until May 1, 2021 at a net interest cost of 2.4212%.

Information related to the refunding bond issue follows.

Prince George's County

Bond issue title	<u>Z-2</u>
Amount of refunding bonds issued	\$ 14,080,000
Amount of bonds defeased	13,650,000
Acquisition price in excess of carrying value of old debt	1,071,454
Remaining life of old bonds	11 years
Total reduction in debt service payments	858,123
Economic gain	860,495

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

<u>Series</u>	<u>Redemption Date</u>	<u>Montgomery County</u>	<u>Prince George's County</u>
Series Y-2	November 1, 2010	\$ 3,700,000	
Series Z-2	November 1, 2011		\$ 12,150,000

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2010, were as follows:

Governmental activities:	Beginning			Ending	Amount Due
	Balance	Additions	Reductions	Balance	in One Year
Montgomery County					
General Obligation Park Bonds Payable	\$ 32,290,000	\$ -	\$ 2,610,000	\$ 29,680,000	\$ 2,970,000
General Obligation ALA Bonds Payable	3,210,000	-	530,000	2,680,000	535,000
Deferred charges, net of premiums, on General Obligation Bonds	(492,768)	-	(36,023)	(456,745)	-
Notes Payable - Governmental	2,130,367	-	1,203,338	927,029	615,536
Loan Payable to Montgomery County	170,400	-	56,800	113,600	56,800
Accrued Compensated Absences	8,051,277	4,380,089	5,023,656	7,407,710	5,023,656
Net Other Post Employment Benefit Obligations	8,657,720	6,375,191	-	15,032,911	-
Long-term Liabilities	54,016,996	10,755,280	9,387,771	55,384,505	9,200,992
Prince George's County					
General Obligation Park Bonds Payable	85,500,951	14,080,000	23,334,797	76,246,154	10,320,957
General Obligation ALA Bonds Payable	585,000	-	295,000	290,000	290,000
Deferred charges, net of premiums, on General Obligation Bonds	(1,162,943)	(430,000)	(139,960)	(1,452,983)	-
Notes Payable - Governmental	1,054,112	-	400,930	653,182	284,675
Accrued Compensated Absences	10,588,515	6,444,916	5,826,373	11,207,058	5,826,373
Net Other Post Employment Benefit Obligations	10,823,145	8,801,136	-	19,624,281	-
Long-term Liabilities	107,388,780	28,896,052	29,717,140	106,567,692	16,722,005
Total Long-term Liabilities	\$ 161,405,776	\$ 39,651,332	\$ 39,104,911	\$ 161,952,197	\$ 25,922,997
Business type activities:	Beginning			Ending	Amount Due
	Balance	Additions	Reductions	Balance	in One Year
Montgomery County					
Revenue Bonds and Notes Payable	\$ 4,522,821	\$ -	\$ 1,129,560	\$ 3,393,261	\$ 1,152,647
Unamortized Discount on Revenue Bonds and Notes	(96,188)	-	(32,063)	(64,125)	-
Accrued Compensated Absences	276,402	50,697	86,112	240,987	86,112
Net Other Post Employment Benefit Obligations	184,535	127,257	-	311,792	-
Long-term Liabilities	4,887,570	177,954	1,183,609	3,881,915	1,238,759
Prince George's County					
Accrued Compensated Absences	798,344	234,276	215,951	816,669	215,951
Net Other Post Employment Benefit Obligations	720,432	542,705	-	1,263,137	-
Long-term Liabilities	1,518,776	776,981	215,951	2,079,806	215,951
Total Long-term Liabilities	\$ 6,406,346	\$ 954,935	\$ 1,399,560	\$ 5,961,721	\$ 1,454,710

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	\$ 10,850,029	\$ 302,063	\$ 11,152,092
Due in more than One Year	7,764,739	755,593	8,520,332
Bonds and Notes Payable:			
Due within One Year	15,072,968	1,152,647	16,225,615
Due in more than One Year	93,607,269	2,176,489	95,783,758
Net Other Post employment Benefit Obligations			
Due in more than One Year	34,657,192	1,574,929	36,232,121
Total Long-term Liabilities	<u>\$ 161,952,197</u>	<u>\$ 5,961,721</u>	<u>\$ 167,913,918</u>

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

(5) – OTHER INFORMATION

(A) Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission protects against unforeseen losses through self-insurance and commercial insurance coverages. Self-insurance and some commercial insurance policies are administered through the Montgomery County Self-Insurance Fund (the "Program"), of which the Commission is a participant. The "Program" is beneficial for the purpose of economic pooling of risks and resources, and providing claims administration. Self-insured coverage is available for workers' compensation (Maryland state mandatory limits), comprehensive general liability (Maryland Tort caps apply), police professional, public official liability, and property and fire damage (up to \$250,000). Commercial insurance policies are retained for boiler and machinery damage, and data processing system breakdown, property and fire damage above \$250,000 excess liability and commercial crime coverage. The Commission is responsible for reimbursing the Program, the full amount of all self-insured claims with the exception of property loss claims which are limited to \$250,000 reimbursement after which point, group commercial insurance policies provide protection. Outside the "Program" coverages, the Commission also carries Public Official bond coverage, airport liability coverage, airport museum coverages, and other coverages for specialized needs. The Commission did not pay any claims settlements in excess of \$250,000 for fiscal years 2008, 2009 and 2010. No insurance coverages were reduced in fiscal year 2010.

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 complement plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were \$26,362,729 for all group health benefits in fiscal year 2010. 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 2010 totaled \$3,453,457. 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:

		Risk
	Medical	Management
Unpaid Claims, June 30, 2008	\$ 2,141,584	\$ 9,759,469
Incurred Claims, Fiscal Year 2009	14,705,490	4,349,122
Claims Paid, Fiscal Year 2009	(14,848,379)	(3,934,453)
Unpaid Claims, June 30, 2009	1,998,695	10,174,138
Incurred Claims, Fiscal Year 2010	15,335,221	4,111,857
Claims Paid, Fiscal Year 2010	(15,646,896)	(3,453,457)
Unpaid Claims, June 30, 2010	<u>\$ 1,687,020</u>	<u>\$ 10,832,538</u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,687,020	\$ 2,708,141	\$ 4,395,161
Due in more than One Year	-	8,124,397	8,124,397
Total	<u>\$ 1,687,020</u>	<u>\$ 10,832,538</u>	<u>\$ 12,519,558</u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2010:

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

State Law Mandatory Fund Balance Transfer	\$ 30,000,000
Reimbursements to County Council for planning, zoning, and audio/visual	846,950
Dept. of Environ. Resources Zoning Enforcement and Inspection	1,872,300
Property Tax Collection Fees	78,500
Office Space Rental at the County Administrative Building	602,854
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel	98,750
Economic Development for Enterprise Zone	65,000
Permits & Inspection - DER	2,300,000
Permits & Inspection - DPW&T	1,620,000
Redevelopment Authority	1,000,000
DPW&T Engineering, Snow Plowing & Tree Planting	78,000
Property Tax Collection Fees	353,700
Gorgeous Prince George's	250,000
Prince George's Community College	2,500,000
Sugar Ray Leonard Gym Acquisition (via Redevelopment Authority)	472,100
Total	<u>\$ 42,478,654</u>

Of this amount, \$8,079,800 is in Accounts Payable at June 30, 2010.

(C) Contingencies

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

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

(D) Employees' Retirement System and Pension Plans

Defined Benefit Pension Plan

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

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

Actuarial Methods for Defined Benefit Pension Plan - The actuarial value of assets calculates gains or losses on the basis of the actuarially assumed interest rate and recognizes one-fifth of the cumulative gains or losses not yet recognized. This year's asset value is based on the July 1, 2009 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, 2009. 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, 2009, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 541,519
Actuarial Accrued Liability	726,000
Funded Ratio	74.6%
Unfunded Actuarial Accrued Liability	184,481
Annual Covered Payroll	142,591
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	129.4%

The net assets available for benefits at June 30, 2010 totaled \$508,252,461.

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, 2008, 2009 and 2010 are presented below (\$000):

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual Pension Cost (APC)	\$ 10,561	\$ 14,933	\$ 17,615
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 787 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 85 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission.

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

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

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

Annual required contribution (expense)	\$ 23,056
Interest on net OPEB obligation	462
Adjustment to annual required contribution	(469)
Annual OPEB cost (Expense)	23,049
Contribution made	(7,203)
Increase in Net OPEB contribution	15,846
Net OPEB obligation, beginning of year	20,386
Net OPEB obligation, end of year	<u>\$ 36,232</u>

The Commission's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (NPO) to the System for fiscal years 2008, 2009 and 2010 is presented below (\$000):

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Annual Required Contribution (ARC)	\$ 19,402	\$ 21,306	\$ 23,049
Percentage of ARC Contributed	49%	50%	31%
Net OPEB Obligation	9,821	20,386	36,232

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, 2009 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, 2009. Significant actuarial assumptions used in the valuation are as follows:

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

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

Healthcare Cost Trend Rates – The expected rate of increase for healthcare costs in 2010 was estimated at 9.0% for prescription drugs and medical costs, and 5.0% for dental and vision. Declining rates of increase were used, with 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, 2009, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 7,475
Actuarial Accrued Liability	266,473
Funded Ratio	2.81%
Unfunded Actuarial Accrued Liability	258,998
Annual Covered Payroll	142,681
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	181.5%

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, 2010

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 508,814	\$ 508,814
Cash	95,417	17,542	112,959
Fixed Income Securities	139,637,264	-	139,637,264
International Fixed Income Securities	27,741,376	-	27,741,376
Venture Capital/Alternative Investments	7,334,124	-	7,334,124
Corporate Stock	215,296,068	-	215,296,068
International Corporate Stock	86,984,790	-	86,984,790
Real Estate	20,195,788	-	20,195,788
Short Term Investments	18,701,832	-	18,701,832
Mutual Funds	-	8,535,547	8,535,547
Collateral for Securities Lending Transactions	30,425,252	-	30,425,252
Accounts Receivable	1,687,616	-	1,687,616
Other	53,762	-	53,762
Total Assets	<u>548,153,289</u>	<u>9,061,903</u>	<u>557,215,192</u>
LIABILITIES			
Investments Payable	7,994,978	-	7,994,978
Accounts Payable	716,285	24,044	740,329
Claims Payable	-	484,770	484,770
Obligation for Collateral Received under Securities Lending Transactions	31,189,565	-	31,189,565
Total Liabilities	<u>39,900,828</u>	<u>508,814</u>	<u>40,409,642</u>
NET ASSETS			
Assets Held in Trust for:			
Pension Benefits	508,252,461	-	508,252,461
Other Postemployment Benefits	-	8,553,089	8,553,089
Total Net Assets	<u>\$ 508,252,461</u>	<u>\$ 8,553,089</u>	<u>\$ 516,805,550</u>

Combining Schedules of Changes in Net Assets
Pension Trust Funds
For the Year Ended June 30, 2010

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 17,614,908	\$ 6,885,140	\$ 24,500,048
Plan Members	5,136,526	-	5,136,526
Plan Members for Current Benefits	-	870,326	870,326
Total Contributions	<u>22,751,434</u>	<u>7,755,466</u>	<u>30,506,900</u>
Federal Grants - Medicare	-	317,948	317,948
Investment Earnings:			
Interest	7,030,923	12	7,030,935
Dividends	67,543	154,611	222,154
Net increase in the Fair Value of Investments	<u>58,270,082</u>	<u>923,175</u>	<u>59,193,257</u>
Total Investment Earnings	65,368,548	1,077,798	66,446,346
Less Investment Advisory and Management Fees	<u>(1,971,186)</u>	<u>-</u>	<u>(1,971,186)</u>
Net Income from Investing Activities	<u>63,397,362</u>	<u>1,077,798</u>	<u>64,475,160</u>
Securities Lending Activity			
Securities Lending Income	92,702	-	92,702
Securities Lending Fees	<u>(29,905)</u>	<u>-</u>	<u>(29,905)</u>
Net Income from Securities Lending Activity	<u>62,797</u>	<u>-</u>	<u>62,797</u>
Total Net Investment Earnings	<u>63,460,159</u>	<u>1,077,798</u>	<u>64,537,957</u>
Total Additions and Investment Earnings	<u>86,211,593</u>	<u>9,151,212</u>	<u>95,362,805</u>
DEDUCTIONS:			
Benefits	27,567,271	8,073,414	35,640,685
Refunds of Contributions	334,929	-	334,929
Administrative expenses	<u>1,322,931</u>	<u>-</u>	<u>1,322,931</u>
Total Deductions	<u>29,225,131</u>	<u>8,073,414</u>	<u>37,298,545</u>
Change in Net Assets	56,986,462	1,077,798	58,064,260
Net Assets - Beginning	<u>451,265,999</u>	<u>7,475,291</u>	<u>458,741,290</u>
Net Assets - Ending	<u>\$ 508,252,461</u>	<u>\$ 8,553,089</u>	<u>\$ 516,805,550</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, 2010

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 9,011,006	\$ 10,855,469	\$ 19,866,475	\$ -	\$ 1,841,661	\$ 21,708,136
Receivables - Taxes (net of allowance for uncollectibles)	224,970	609,632	834,602	-	24,258	858,860
Receivables - Other	3,689	8,035	11,724	-	13,728	25,452
Due from Other Funds	-	1,457,894	1,457,894	-	-	1,457,894
Due from County Government	121,000	42,797	163,797	2,809,113	284,840	3,257,750
Due from Other Governments	-	359,686	359,686	216,375	35,000	611,061
Restricted Cash - Unspent Debt Proceeds	-	-	-	1,579,456	-	1,579,456
Other	35,781	13,260	49,041	-	-	49,041
Total Assets	\$ 9,396,446	\$ 13,346,773	\$ 22,743,219	\$ 4,604,944	\$ 2,199,487	\$ 29,547,650
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 346,369	\$ 1,002,959	\$ 1,349,328	\$ 1,991,113	\$ 106,634	\$ 3,447,075
Accrued Liabilities	1,580,468	4,080,023	5,660,491	-	995	5,661,486
Retainage Payable	-	-	-	984,289	-	984,289
Due to Other Funds	-	-	-	1,457,894	-	1,457,894
Due to County Government	60	-	60	-	35	95
Deposits and Deferred Revenue	266,276	705,450	971,726	561,000	78,488	1,611,214
Total Liabilities	2,193,173	5,788,432	7,981,605	4,994,296	186,152	13,162,053
Fund Balances:						
Reserved for Encumbrances	3,535,854	1,863,790	5,399,644	10,666,275	633,947	16,699,866
Reserved for Debt Service	-	-	-	-	8,958	8,958
Unreserved, Designated for Contingencies	712,600	2,083,500	2,796,100	-	-	2,796,100
Unreserved, Designated for Subsequent Years	2,170,120	1,450,680	3,620,800	-	-	3,620,800
Unreserved, Undesignated, Reported in:						
General Fund	784,699	2,160,371	2,945,070	-	-	2,945,070
Special Revenue Fund	-	-	-	-	1,370,430	1,370,430
Capital Projects	-	-	-	(11,055,627)	-	(11,055,627)
Total Fund Balances	7,203,273	7,558,341	14,761,614	(389,352)	2,013,335	16,385,597
Total Liabilities and Fund Balances	\$ 9,396,446	\$ 13,346,773	\$ 22,743,219	\$ 4,604,944	\$ 2,199,487	\$ 29,547,650

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2010

	General Fund Accounts			Capital	Other	Total
	Administration	Park	Total	Projects	Governmental Funds	Governmental Funds
REVENUES						
Property Taxes	\$ 27,893,688	\$ 77,539,025	\$ 105,432,713	\$ -	\$ 1,804,764	\$ 107,237,477
Intergovernmental:						
Federal	-	438,950	438,950	-	-	438,950
State	-	111,583	111,583	2,417,563	-	2,529,146
County	137,382	18,838	156,220	8,250,551	472,767	8,879,538
Local	-	20,000	20,000	-	39,508	59,508
Charges for Services	292,727	786,393	1,079,120	-	1,663,921	2,743,041
Rentals and Concessions	-	1,433,201	1,433,201	-	94,398	1,527,599
Interest	60,468	46,099	106,567	1,961	13,654	122,182
Contributions	-	-	-	824,913	83,500	908,413
Miscellaneous	61,262	168,990	230,252	-	60,402	290,654
Total Revenues	<u>28,445,527</u>	<u>80,563,079</u>	<u>109,008,606</u>	<u>11,494,988</u>	<u>4,232,914</u>	<u>124,736,508</u>
EXPENDITURES						
Current:						
General Government	8,456,100	-	8,456,100	-	-	8,456,100
Planning and Zoning	17,500,263	-	17,500,263	-	3,764,762	21,265,025
Park Operations and Maintenance	-	80,400,738	80,400,738	-	320,038	80,720,776
Contributions	-	-	-	-	1,174,943	1,174,943
Debt Service:						
Principal	28,400	28,400	56,800	-	3,145,000	3,201,800
Interest	-	-	-	-	1,139,282	1,139,282
Other Debt Service Costs	-	-	-	-	24,674	24,674
Capital Outlay:						
Park Acquisition	-	-	-	617,182	-	617,182
Park Development	-	-	-	14,751,156	-	14,751,156
Total Expenditures	<u>25,984,763</u>	<u>80,429,138</u>	<u>106,413,901</u>	<u>15,368,338</u>	<u>9,568,699</u>	<u>131,350,938</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,460,764</u>	<u>133,941</u>	<u>2,594,705</u>	<u>(3,873,350)</u>	<u>(5,335,785)</u>	<u>(6,614,430)</u>
OTHER FINANCING SOURCES (USES)						
Transfers In	-	1,961	1,961	320,000	5,186,975	5,508,936
Transfer Out	(1,528,000)	(3,963,975)	(5,491,975)	(1,961)	(50,000)	(5,543,936)
Total Other Financing Sources (Uses)	<u>(1,528,000)</u>	<u>(3,962,014)</u>	<u>(5,490,014)</u>	<u>318,039</u>	<u>5,136,975</u>	<u>(35,000)</u>
Net Change in Fund Balances	932,764	(3,828,073)	(2,895,309)	(3,555,311)	(198,810)	(6,649,430)
Fund Balances - Beginning	<u>6,270,509</u>	<u>11,386,414</u>	<u>17,656,923</u>	<u>3,165,959</u>	<u>2,212,145</u>	<u>23,035,027</u>
Fund Balances - Ending	<u>\$ 7,203,273</u>	<u>\$ 7,558,341</u>	<u>\$ 14,761,614</u>	<u>\$ (389,352)</u>	<u>\$ 2,013,335</u>	<u>\$ 16,385,597</u>

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, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 27,709,300	\$ 27,709,300	\$ 27,893,688	\$ 184,388
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	-	35,000	137,382	102,382
Charges for Services	287,500	248,500	292,727	44,227
Interest	90,000	90,000	60,468	(29,532)
Miscellaneous	-	4,000	61,262	57,262
Total Revenues	<u>28,236,800</u>	<u>28,236,800</u>	<u>28,445,527</u>	<u>208,727</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,208,400	1,208,400	1,033,748	174,652
Central Administrative Services -				
Department of Human Resources and Management	2,516,550	2,511,050	2,391,258	119,792
Department of Finance	4,021,900	4,016,400	3,864,350	152,050
Legal Department	1,292,050	1,286,550	1,239,263	47,287
Merit System Board	56,300	72,800	71,895	905
Total Central Administrative Services	<u>7,886,800</u>	<u>7,886,800</u>	<u>7,566,766</u>	<u>320,034</u>
Planning Department -				
Park and Planning Director's Office	475,200	475,200	479,748	(4,548)
Management Services	3,852,900	3,852,900	3,819,502	33,398
Historic Preservation	-	306,200	316,415	(10,215)
Urban Design	1,432,900	1,126,700	1,088,283	38,417
Environmental Planning	2,492,700	2,492,700	2,318,365	174,335
Transportation Planning	1,886,600	1,886,600	1,629,771	256,829
Community-Based Planning	2,655,200	2,655,200	2,556,139	99,061
Development Review	1,145,100	1,145,100	1,220,441	(75,341)
Research and Technology	2,892,700	2,892,700	2,767,918	124,782
Support Services	1,698,500	1,698,500	1,685,038	13,462
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>18,681,800</u>	<u>18,681,800</u>	<u>17,881,620</u>	<u>800,180</u>
Non-Departmental	-	-	(98,992)	98,992
Total Expenditures/Encumbrances	<u>27,777,000</u>	<u>27,777,000</u>	<u>26,383,142</u>	<u>1,393,858</u>
Excess of Revenues over Expenditures/Encumbrances	<u>459,800</u>	<u>459,800</u>	<u>2,062,385</u>	<u>1,602,585</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	(1,528,000)	(1,528,000)	(1,528,000)	-
Total Other Financing Sources (Uses)	<u>(1,528,000)</u>	<u>(1,528,000)</u>	<u>(1,528,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (1,068,200)</u>	<u>\$ (1,068,200)</u>	<u>534,385</u>	<u>\$ 1,602,585</u>
Fund Balance - Budget Basis, Beginning			<u>3,133,034</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 3,667,419</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, 2010

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 76,970,300	\$ 76,970,300	\$ 77,539,025	\$ 568,725
Intergovernmental -				
Federal	-	359,500	438,950	79,450
State	425,000	20,818	111,583	90,765
Other	-	18,838	18,838	-
County	-	-	20,000	20,000
Charges for Services	1,001,700	1,001,700	786,393	(215,307)
Rentals and Concessions	1,879,800	1,879,800	1,433,201	(446,599)
Interest	205,000	205,000	46,099	(158,901)
Miscellaneous	74,100	99,944	168,990	69,046
Total Revenues	<u>80,555,900</u>	<u>80,555,900</u>	<u>80,563,079</u>	<u>7,179</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	829,000	829,000	863,036	(34,036)
Park Information and Customer Service	1,189,300	1,239,300	1,241,608	(2,308)
Special Programs	753,100	753,100	823,587	(70,487)
Management Services	906,200	906,200	929,278	(23,078)
Facilities Management	1,160,400	1,160,400	1,215,639	(55,239)
Park Planning and Stewardship	3,673,900	3,673,900	3,352,766	321,134
Research and Technology	1,966,900	1,966,900	1,576,606	390,294
Park Development	3,362,200	3,362,200	3,285,949	76,251
Park Police	12,512,000	12,512,000	11,737,802	774,198
Horticultural Resources	6,169,500	6,169,500	6,256,581	(87,081)
Central Maintenance	11,728,000	11,728,000	11,574,831	153,169
Northern Region	9,070,100	9,070,100	8,981,609	88,491
Southern Region	14,251,700	14,251,700	13,793,337	458,363
Support Services	11,446,800	11,396,800	11,989,609	(592,809)
Grants	425,000	425,000	515,765	(90,765)
Property Management	1,026,700	1,026,700	791,908	234,792
Non-Departmental	-	-	(474,426)	474,426
Total Expenditures/Encumbrances	<u>80,470,800</u>	<u>80,470,800</u>	<u>78,455,485</u>	<u>2,015,315</u>
Excess of Revenues over Expenditures/Encumbrances	<u>85,100</u>	<u>85,100</u>	<u>2,107,594</u>	<u>2,022,494</u>
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	30,000	30,000	1,961	(28,039)
Debt Service Fund	(4,304,400)	(4,304,400)	(3,658,975)	645,425
Capital Projects Funds - Development	(350,000)	(350,000)	(270,000)	80,000
Enterprise Fund	(35,000)	(35,000)	(35,000)	-
Total Other Financing Sources (Uses)	<u>(4,659,400)</u>	<u>(4,659,400)</u>	<u>(3,962,014)</u>	<u>697,386</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,574,300)</u>	<u>\$ (4,574,300)</u>	<u>(1,854,420)</u>	<u>\$ 2,719,880</u>
Fund Balance - Budget Basis, Beginning			7,548,971	
Fund Balance - Budget Basis, Ending			<u>\$ 5,694,551</u>	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities and Fund Balances
Governmental Funds and Accounts
June 30, 2010

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 36,796,238	\$ 64,888,668	\$ 44,970,829	\$ 146,655,735	\$ 156,932,574	\$ 3,191,772	\$ 306,780,081
Receivables - Taxes (net of allowance for uncollectibles)	748,474	2,558,504	1,419,185	4,726,163	-	30,954	4,757,117
Receivables - Other	4,931	11,154	4,352	20,437	-	-	20,437
Due from County Government	93,399	-	-	93,399	-	814,418	907,817
Due from Other Governments	-	394,543	21,553	416,096	813,211	-	1,229,307
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	8,547,197	-	8,547,197
Other	10,191	-	-	10,191	-	22,182	32,373
Total Assets	\$ 37,653,233	\$ 67,852,869	\$ 46,415,919	\$ 151,922,021	\$ 166,292,982	\$ 4,059,326	\$ 322,274,329
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 9,217,194	\$ 3,751,833	\$ 4,130,358	\$ 17,099,385	\$ 3,771,858	\$ 190,830	\$ 21,062,073
Accrued Liabilities	1,145,663	3,528,886	3,702,546	8,377,095	-	222,019	8,599,114
Retainage Payable	-	-	-	-	1,285,827	-	1,285,827
Deposits and Deferred Revenue	309,020	889,433	4,484,756	5,683,209	-	40,200	5,723,409
Total Liabilities	10,671,877	8,170,152	12,317,660	31,159,689	5,057,685	453,049	36,670,423
Fund Balances:							
Reserved for Encumbrances	7,977,862	5,009,084	1,701,190	14,688,136	34,581,072	150,881	49,420,089
Reserved for Debt Service	-	-	-	-	-	14,754	14,754
Unreserved, Designated for Contingencies	2,209,400	7,321,900	3,765,200	13,296,500	-	-	13,296,500
Unreserved, Designated for Subsequent Years	-	2,167,500	10,555,350	12,722,850	-	-	12,722,850
Unreserved, Undesignated, Reported in:							
General Fund	16,794,094	45,184,233	18,076,519	80,054,846	-	-	80,054,846
Special Revenue Fund	-	-	-	-	-	3,440,642	3,440,642
Capital Projects	-	-	-	-	126,654,225	-	126,654,225
Total Fund Balances	26,981,356	59,682,717	34,098,259	120,762,332	161,235,297	3,606,277	285,603,906
Total Liabilities and Fund Balances	\$ 37,653,233	\$ 67,852,869	\$ 46,415,919	\$ 151,922,021	\$ 166,292,982	\$ 4,059,326	\$ 322,274,329

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2010

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 46,337,250	\$ 164,628,542	\$ 60,757,945	\$ 271,723,737	\$ -	\$ 1,331,241	\$ 273,054,978
Intergovernmental:							
Federal	-	408,694	16,245	424,939	225,732	-	650,671
State	-	7,709	232,185	239,894	6,685,735	-	6,925,629
County	132,194	13,507	-	145,701	-	643,226	788,927
Local	-	-	8,862	8,862	-	-	8,862
Charges for Services	820,336	113,301	6,353,809	7,287,446	-	993,859	8,281,305
Rentals and Concessions	-	1,897,107	779,648	2,676,755	-	4,724,780	7,401,535
Interest	240,744	388,072	250,705	879,521	795,444	19,391	1,694,356
Contributions	-	-	-	-	1,531,627	53,866	1,585,493
Miscellaneous	9,356	253,154	89,761	352,271	7,811	115,619	475,701
Total Revenues	<u>47,539,880</u>	<u>167,710,086</u>	<u>68,489,160</u>	<u>283,739,126</u>	<u>9,246,349</u>	<u>7,881,982</u>	<u>300,867,457</u>
EXPENDITURES							
Current:							
General Government	10,304,182	-	-	10,304,182	-	-	10,304,182
Planning and Zoning	35,496,067	-	-	35,496,067	-	-	35,496,067
Park Operations and Maintenance	-	119,551,289	-	119,551,289	-	891,662	120,442,951
Recreation	-	-	58,774,553	58,774,553	-	6,122,071	64,896,624
Contributions	-	-	-	-	-	1,012,532	1,012,532
Debt Service:							
Principal	-	-	-	-	-	9,979,797	9,979,797
Interest	-	-	-	-	-	3,084,415	3,084,415
Other Debt Service Costs	-	-	-	-	-	88,738	88,738
Capital Outlay:							
Park Acquisition	-	-	-	-	8,421,963	-	8,421,963
Park Development	-	-	-	-	17,842,377	-	17,842,377
Total Expenditures	<u>45,800,249</u>	<u>119,551,289</u>	<u>58,774,553</u>	<u>224,126,091</u>	<u>26,264,340</u>	<u>21,179,215</u>	<u>271,569,646</u>
Excess (deficiency) of Revenues over Expenditures	<u>1,739,631</u>	<u>48,158,797</u>	<u>9,714,607</u>	<u>59,613,035</u>	<u>(17,017,991)</u>	<u>(13,297,233)</u>	<u>29,297,811</u>
OTHER FINANCING SOURCES (USES)							
Refunding Bonds Issued	-	-	-	-	-	14,080,000	14,080,000
Premiums on Bonds Issued	-	-	-	-	-	769,574	769,574
Deposit of Bond Proceeds with Escrow Agent	-	-	-	-	-	(14,849,574)	(14,849,574)
Transfers In	-	795,444	-	795,444	42,996,000	12,884,734	56,676,178
Transfer Out	(50,000)	(55,830,734)	(9,663,900)	(65,544,634)	(795,444)	-	(66,340,078)
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(55,035,290)</u>	<u>(9,663,900)</u>	<u>(64,749,190)</u>	<u>42,200,556</u>	<u>12,884,734</u>	<u>(9,663,900)</u>
Net Change in Fund Balances	1,689,631	(6,876,493)	50,707	(5,136,155)	25,182,565	(412,499)	19,633,911
Fund Balances - Beginning	25,291,725	66,559,210	34,047,552	125,898,487	136,052,732	4,018,776	265,969,995
Fund Balances - Ending	<u>\$ 26,981,356</u>	<u>\$ 59,682,717</u>	<u>\$ 34,098,259</u>	<u>\$ 120,762,332</u>	<u>\$ 161,235,297</u>	<u>\$ 3,606,277</u>	<u>\$ 285,603,906</u>

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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 45,540,000	\$ 45,540,000	\$ 46,337,250	\$ 797,250
Intergovernmental - County	195,000	637,469	132,194	(505,275)
Charges for Services	1,288,500	1,288,500	820,336	(468,164)
Interest	325,000	325,000	240,744	(84,256)
Miscellaneous	-	-	9,356	9,356
Total Revenues	<u>47,348,500</u>	<u>47,790,969</u>	<u>47,539,880</u>	<u>(251,089)</u>
Expenditures/Encumbrances:				
Commissioners' Office	2,864,500	2,864,500	2,724,730	139,770
Central Administrative Services - Department of Human Resources and Management	2,516,550	2,511,050	2,450,952	60,098
Department of Finance	4,021,900	4,016,400	3,924,585	91,815
Legal Department	1,232,150	1,226,650	1,210,426	16,224
Merit System Board	56,300	72,800	71,890	910
Total Central Administrative Services	<u>7,826,900</u>	<u>7,826,900</u>	<u>7,657,853</u>	<u>169,047</u>
Planning Department - Director's Office	5,104,700	5,104,700	4,414,656	690,044
Development Review	8,508,100	8,508,100	7,462,403	1,045,697
Community Planning North	4,194,100	4,194,100	3,168,250	1,025,850
Community Planning South	4,725,900	4,725,900	3,828,126	897,774
Information Management	5,187,000	5,187,000	5,766,054	(579,054)
Countywide Planning	8,886,500	8,886,500	7,218,947	1,667,553
Support Services	2,031,700	2,031,700	1,641,265	390,435
Grants	130,000	572,469	77,469	495,000
Total Planning Department	<u>38,768,000</u>	<u>39,210,469</u>	<u>33,577,170</u>	<u>5,633,299</u>
Non-Departmental	-	-	(1,053,297)	1,053,297
Total Expenditures/Encumbrances	<u>49,459,400</u>	<u>49,901,869</u>	<u>42,906,456</u>	<u>6,995,413</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(2,110,900)</u>	<u>(2,110,900)</u>	<u>4,633,424</u>	<u>6,744,324</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>\$ (2,160,900)</u>	<u>\$ (2,160,900)</u>	<u>4,583,424</u>	<u>\$ 6,744,324</u>
Fund Balance - Budget Basis, Beginning			14,420,070	
Fund Balance - Budget Basis, Ending			<u>\$ 19,003,494</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, 2010

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 160,778,800	\$ 160,778,800	\$ 164,628,542	\$ 3,849,742
Intergovernmental -				
Federal	-	407,523	408,694	1,171
State	-	3,220	7,709	4,489
County	-	13,507	13,507	-
Charges for Services	312,100	312,100	113,301	(198,799)
Rentals and Concessions	2,153,400	2,153,400	1,897,107	(256,293)
Interest	735,000	735,000	388,072	(346,928)
Miscellaneous	214,700	214,700	253,154	38,454
Total Revenues	164,194,000	164,618,250	167,710,086	3,091,836
Expenditures/Encumbrances:				
Director's Office	665,500	665,500	602,381	63,119
Park Police	15,465,100	15,465,100	15,410,022	55,078
Support Services	12,471,900	12,471,900	11,444,558	1,027,342
Park Planning and Development	6,063,300	6,063,300	6,114,308	(51,008)
Information Technology and Communication	1,894,700	1,894,700	1,942,979	(48,279)
Facility Operations -				
Administration - Deputy Director	466,600	466,600	442,465	24,135
Administrative Services - Park	1,568,500	1,568,500	1,243,647	324,853
Management Supervision - Public Affairs & Marketing	1,604,900	1,604,900	1,485,584	119,316
Maintenance and Development	24,667,200	24,667,200	22,629,874	2,037,326
Natural and Historical Resources	2,745,000	2,745,000	2,622,747	122,253
Arts and Cultural Heritage	2,035,600	2,035,600	1,725,986	309,614
Park Permits and Aquatics Maintenance	133,400	133,400	147,305	(13,905)
Total Facility Operations	33,221,200	33,221,200	30,297,608	2,923,592
Area Operations -				
Northern Area	6,168,500	6,168,500	6,137,456	31,044
Central Area	5,909,800	5,909,800	5,610,485	299,315
Southern Area	5,339,600	5,339,600	5,346,307	(6,707)
Total Area Operations	17,417,900	17,417,900	17,094,248	323,652
Grants	-	424,250	424,250	-
Non-Departmental	32,468,700	32,908,700	31,312,812	1,595,888
Total Expenditures/Encumbrances	119,668,300	120,532,550	114,643,166	5,889,384
Excess of Revenues over Expenditures/Encumbrances	44,525,700	44,085,700	53,066,920	8,981,220
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	1,300,000	1,300,000	795,444	(504,556)
Debt Service - Park Fund	(13,674,900)	(13,674,900)	(12,834,734)	840,166
Capital Projects Funds - Development	(42,996,000)	(42,996,000)	(42,996,000)	-
Total Other Financing Sources (Uses)	(55,370,900)	(55,370,900)	(55,035,290)	335,610
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	\$ (10,845,200)	\$ (11,285,200)	(1,968,370)	\$ 9,316,830
Fund Balance - Budget Basis, Beginning			56,642,003	
Fund Balance - Budget Basis, Ending			<u>\$ 54,673,633</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, 2010

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 59,483,500	\$ 59,483,500	\$ 60,757,945	\$ 1,274,445
Intergovernmental -				
Federal	-	16,245	16,245	-
State	-	241,047	241,047	-
Charges for Services	6,484,200	6,484,200	6,353,809	(130,391)
Rentals and Concessions	736,100	736,100	779,648	43,548
Interest	450,000	450,000	250,705	(199,295)
Miscellaneous	84,500	84,500	89,761	5,261
Total Revenues	<u>67,238,300</u>	<u>67,495,592</u>	<u>68,489,160</u>	<u>993,568</u>
Expenditures/Encumbrances:				
Director's Office	1,559,900	1,559,900	1,367,939	191,961
Deputy Director	337,200	337,200	301,782	35,418
Public Affairs & Marketing (Publications -Park)	962,700	962,700	719,564	243,136
Support Services	6,236,500	6,236,500	5,514,497	722,003
Information Technology Communications	1,736,700	1,736,700	1,709,760	26,940
Total Director's Office	<u>10,833,000</u>	<u>10,833,000</u>	<u>9,613,542</u>	<u>1,219,458</u>
Facility Operations:				
Sports/Athletic/Outreach Program	7,405,400	7,405,400	7,986,943	(581,543)
Natural and Historical Resources	4,381,500	4,381,500	4,320,372	61,128
Arts and Cultural Heritage	3,569,300	3,569,300	3,431,730	137,570
Grants	-	257,292	256,597	695
Total Facility Operations	<u>15,356,200</u>	<u>15,613,492</u>	<u>15,995,642</u>	<u>(382,150)</u>
Area Operations:				
Deputy Director	464,500	464,500	376,232	88,268
Northern Area	7,682,600	7,682,600	7,740,750	(58,150)
Central Area	7,294,900	7,294,900	6,790,423	504,477
Southern Area	6,749,200	6,749,200	6,292,665	456,535
Child Care and Special Projects	6,950,500	6,950,500	6,553,385	397,115
Total Area Operations	<u>29,141,700</u>	<u>29,141,700</u>	<u>27,753,455</u>	<u>1,388,245</u>
Non-Departmental	<u>4,470,600</u>	<u>4,030,600</u>	<u>3,470,469</u>	<u>560,131</u>
Total Operating Expenditures/Encumbrances	<u>59,801,500</u>	<u>59,618,792</u>	<u>56,833,108</u>	<u>2,785,684</u>
Excess of Revenues over Expenditures/Encumbrances	<u>7,436,800</u>	<u>7,876,800</u>	<u>11,656,052</u>	<u>3,779,252</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Enterprise	(9,663,900)	(9,663,900)	(9,663,900)	-
Total Other Financing Sources (Uses)	<u>(9,663,900)</u>	<u>(9,663,900)</u>	<u>(9,663,900)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (2,227,100)</u>	<u>\$ (1,787,100)</u>	<u>1,992,152</u>	<u>\$ 3,779,252</u>
Fund Balance - Budget Basis, Beginning			<u>30,404,917</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 32,397,069</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, 2007</u>	<u>July 1, 2008</u>	<u>July 1, 2009</u>
Actuarial Valuation of Plan Assets	\$ 600,285	\$ 633,700	\$ 541,519
Actuarial Accrued Liability	615,589	662,225	726,000
Funded Ratio	97.5%	95.7%	74.6%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	(15,304)	(28,525)	(184,481)
Annual Covered Payroll	122,825	132,241	142,591
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	-12.5%	-21.6%	-129.4%

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 three actuarial valuations is available, summarized as follows:

SCHEDULE OF FUNDING PROGRESS (000'S)

	<u>July 1, 2007</u>	<u>July 1, 2008</u>	<u>July 1, 2009</u>
Actuarial Valuation of Plan Assets	\$ 144	\$ 2,817	\$ 7,475
Actuarial Accrued Liability	232,535	257,492	266,473
Funded Ratio	0.06%	1.09%	2.81%
Unfunded Actuarial Accrued Liability	232,391	254,675	258,998
Annual Covered Payroll	122,825	131,074	142,681
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	189.2%	194.3%	181.5%

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.



♦ PART II B ♦

FINANCIAL SECTION

Combining Statements and Schedules



Exterior view of the Prince George's Sports & Learning Complex.

SPECIAL REVENUE FUNDS

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

DEBT SERVICE FUNDS

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

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 1

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2010

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY						
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Funds			Advance Land Acquisition Debt Service		Total Nonmajor Governmental Funds	
	Planning	Parks	Total Special Revenue	Park Debt Service		Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service		Total	
ASSETS													
Equity in Pooled Cash and Investments	\$ 1,364,949	\$ 476,310	\$ 1,841,259	\$ 402	\$ -	\$ 1,841,661	\$ 190,526	\$ 2,896,115	\$ 3,086,641	\$ 105,131	\$ -	\$ 3,191,772	\$ 5,033,433
Taxes Receivable	-	-	-	-	24,258	24,258	-	-	-	-	30,954	30,954	55,212
Accounts Receivable	-	13,728	13,728	-	-	13,728	-	-	-	-	-	-	13,728
Due from County Government	284,840	-	284,840	-	-	284,840	-	814,418	814,418	-	-	814,418	1,099,258
Due from Other Government	35,000	-	35,000	-	-	35,000	-	22,182	22,182	-	-	22,182	57,182
Total Assets	\$ 1,684,789	\$ 490,038	\$ 2,174,827	\$ 402	\$ 24,258	\$ 2,199,487	\$ 190,526	\$ 3,732,715	\$ 3,923,241	\$ 105,131	\$ 30,954	\$ 4,059,326	\$ 6,258,813
LIABILITIES													
Accounts Payable	\$ 102,881	\$ 3,351	\$ 106,232	\$ 402	\$ -	\$ 106,634	\$ -	\$ 189,756	\$ 189,756	\$ 1,074	\$ -	\$ 190,830	\$ 297,464
Accrued Liabilities	554	441	995	-	-	995	-	117,962	117,962	104,057	-	222,019	223,014
Due to County Government	35	-	35	-	-	35	-	-	-	-	-	-	35
Deposits and Deferred Revenue	35,645	27,543	63,188	-	15,300	78,488	-	24,000	24,000	-	16,200	40,200	118,688
Total Liabilities	139,115	31,335	170,450	402	15,300	186,152	-	331,718	331,718	105,131	16,200	453,049	639,201
FUND BALANCES													
Reserved for Encumbrances	511,448	122,499	633,947	-	-	633,947	-	150,881	150,881	-	-	150,881	784,828
Reserved for Debt Service	-	-	-	-	8,958	8,958	-	-	-	-	14,754	14,754	23,712
Unreserved, Undesignated	1,034,226	336,204	1,370,430	-	-	1,370,430	190,526	3,250,116	3,440,642	-	-	3,440,642	4,811,072
Total Fund Balances	1,545,674	458,703	2,004,377	-	8,958	2,013,335	190,526	3,400,997	3,591,523	-	14,754	3,606,277	5,619,612
Total Liabilities and Fund Balances	\$ 1,684,789	\$ 490,038	\$ 2,174,827	\$ 402	\$ 24,258	\$ 2,199,487	\$ 190,526	\$ 3,732,715	\$ 3,923,241	\$ 105,131	\$ 30,954	\$ 4,059,326	\$ 6,258,813

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, 2010

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	Total Special Revenue				Planning	Parks and Recreation	Total Special Revenue				
REVENUES:													
Property Taxes	\$ -	\$ -	\$ -	\$ -	1,804,764	\$ 1,804,764	\$ -	\$ -	\$ -	\$ -	1,331,241	\$ 1,331,241	\$ 3,136,005
Intergovernmental - County	284,840	187,927	472,767	-	-	472,767	-	643,226	643,226	-	-	643,226	1,115,993
Intergovernmental - Other	35,750	3,758	39,508	-	-	39,508	-	-	-	-	-	-	39,508
Charges for Services	1,625,437	38,484	1,663,921	-	-	1,663,921	-	993,859	993,859	-	-	993,859	2,657,780
Recreation Activities	-	94,398	94,398	-	-	94,398	-	4,724,780	4,724,780	-	-	4,724,780	4,819,178
Interest	10,899	2,755	13,654	-	-	13,654	665	18,726	19,391	-	-	19,391	33,045
Contributions	48,702	34,798	83,500	-	-	83,500	-	53,866	53,866	-	-	53,866	137,366
Miscellaneous	42,331	18,071	60,402	-	-	60,402	-	115,619	115,619	-	-	115,619	176,021
Total Revenues	2,047,959	380,191	2,428,150	-	1,804,764	4,232,914	665	6,550,076	6,550,741	-	1,331,241	7,881,982	12,114,896
EXPENDITURES:													
Principal Retirements	-	-	-	2,615,000	530,000	3,145,000	-	-	-	9,684,797	295,000	9,979,797	13,124,797
Interest	-	-	-	1,021,111	118,171	1,139,282	-	-	-	3,061,993	22,422	3,084,415	4,223,697
Other Debt Service Costs	-	-	-	22,864	1,810	24,674	-	-	-	87,944	794	88,738	113,412
Contributions	-	-	-	-	1,174,943	1,174,943	-	-	-	-	1,012,532	1,012,532	2,187,475
Planning and Zoning	3,764,762	-	3,764,762	-	-	3,764,762	-	-	-	-	-	-	3,764,762
Park Operations and Maintenance	-	320,038	320,038	-	-	320,038	-	891,662	891,662	-	-	891,662	1,211,700
Recreation	-	-	-	-	-	-	-	6,122,071	6,122,071	-	-	6,122,071	6,122,071
Total Expenditures	3,764,762	320,038	4,084,800	3,658,975	1,824,924	9,568,699	-	7,013,733	7,013,733	12,834,734	1,330,748	21,179,215	30,747,914
Excess (deficiency) of revenues over expenditures	(1,716,803)	60,153	(1,656,650)	(3,658,975)	(20,160)	(5,335,785)	665	(463,657)	(462,992)	(12,834,734)	493	(13,297,233)	(18,633,018)
OTHER FINANCING SOURCES (USES):													
Refunding Bonds Issued	-	-	-	-	-	-	-	-	-	14,080,000	-	14,080,000	14,080,000
Premiums on Bonds Issued	-	-	-	-	-	-	-	-	-	769,574	-	769,574	769,574
Payment to Refunding Bond Escrow Agent	-	-	-	-	-	-	-	-	-	(14,849,574)	-	(14,849,574)	(14,849,574)
Transfers In	1,528,000	-	1,528,000	3,658,975	-	5,186,975	50,000	-	50,000	12,834,734	-	12,884,734	18,071,709
Transfers Out	-	(50,000)	(50,000)	-	-	(50,000)	-	-	-	-	-	-	(50,000)
Total Other Financing Sources (Uses)	1,528,000	(50,000)	1,478,000	3,658,975	-	5,136,975	50,000	-	50,000	12,834,734	-	12,884,734	18,021,709
Net change in fund balances	(188,803)	10,153	(178,650)	-	(20,160)	(198,810)	50,665	(463,657)	(412,992)	-	493	(412,499)	(611,309)
Fund Balances - beginning	1,734,477	448,550	2,183,027	-	29,118	2,212,145	139,861	3,864,654	4,004,515	-	14,261	4,018,776	6,230,921
Fund Balances - ending	\$ 1,545,674	\$ 458,703	\$ 2,004,377	\$ -	\$ 8,958	\$ 2,013,335	\$ 190,526	\$ 3,400,997	\$ 3,591,523	\$ -	\$ 14,754	\$ 3,606,277	\$ 5,619,612

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, 2010**

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 345,800	\$ 345,800	\$ 512,275	\$ 166,475	\$ 376,000	\$ 376,000	\$ 643,226	\$ 267,226
Charges for Services	2,154,800	2,154,800	1,663,921	(490,879)	976,100	976,100	993,859	17,759
Recreation Activities	93,000	93,000	94,398	1,398	6,309,300	6,309,300	4,724,780	(1,584,520)
Interest	200	200	13,654	13,454	74,900	74,900	19,391	(55,509)
Contributions	220,000	220,000	83,500	(136,500)	27,000	27,000	53,866	26,866
Miscellaneous	140,000	140,000	60,402	(79,598)	38,800	38,800	115,619	76,819
Total Revenues	<u>2,953,800</u>	<u>2,953,800</u>	<u>2,428,150</u>	<u>(525,650)</u>	<u>7,802,100</u>	<u>7,802,100</u>	<u>6,550,741</u>	<u>(1,251,359)</u>
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	4,558,600	4,558,600	3,858,825	699,775	100,000	100,000	-	100,000
Park Operations and Maintenance	709,800	709,800	433,886	275,914	806,800	806,800	811,200	(4,400)
Recreation	-	-	-	-	7,328,800	7,328,800	5,931,947	1,396,853
Total Expenditures/Encumbrances	<u>5,268,400</u>	<u>5,268,400</u>	<u>4,292,711</u>	<u>975,689</u>	<u>8,235,600</u>	<u>8,235,600</u>	<u>6,743,147</u>	<u>1,492,453</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(2,314,600)</u>	<u>(2,314,600)</u>	<u>(1,864,561)</u>	<u>450,039</u>	<u>(433,500)</u>	<u>(433,500)</u>	<u>(192,406)</u>	<u>241,094</u>
Other Financing Sources (Uses):								
Operating Transfers In	1,528,000	1,528,000	1,528,000	-	50,000	50,000	50,000	-
Transfers Out	-	-	(50,000)	(50,000)	-	-	-	-
Total Other Financing (Uses)	<u>1,528,000</u>	<u>1,528,000</u>	<u>1,478,000</u>	<u>(50,000)</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	<u>\$ (786,600)</u>	<u>\$ (786,600)</u>	<u>(386,561)</u>	<u>\$ 400,039</u>	<u>\$ (383,500)</u>	<u>\$ (383,500)</u>	<u>(142,406)</u>	<u>\$ 241,094</u>
Fund Balances - Budget Basis, July 1			<u>1,756,991</u>				<u>3,583,048</u>	
Fund Balances - Budget Basis, June 30			<u>\$ 1,370,430</u>				<u>\$ 3,440,642</u>	

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



Children participating in sack race at the Harvest Festival at the Agricultural Historical Farm.

ENTERPRISE FUNDS

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Assets
Enterprise Funds
June 30, 2010 and 2009

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 2,335,200	\$ 1,497,629	\$ 3,155,265	\$ 2,838,466	\$ 5,490,465	\$ 4,336,095
Accounts Receivable	3,577	6,928	-	-	3,577	6,928
Due from County Government	180,000	180,000	-	-	180,000	180,000
Due from Other Government	-	-	8,982	9,231	8,982	9,231
Inventories	139,837	152,487	816,282	827,778	956,119	980,265
Total Current Assets	2,658,614	1,837,044	3,980,529	3,675,475	6,639,143	5,512,519
Noncurrent Assets:						
Due from County Government	180,000	360,000	-	-	180,000	360,000
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	26,999,848	26,999,848	72,270,589	72,270,589	99,270,437	99,270,437
Machinery, Equipment and Intangibles	1,680,427	1,680,427	5,106,641	5,047,976	6,787,068	6,728,403
Construction in Progress	397,888	397,888	-	-	397,888	397,888
	40,662,631	40,662,631	85,156,361	85,097,696	125,818,992	125,760,327
Less - Accumulated Depreciation	(16,388,236)	(15,056,458)	(31,067,804)	(28,876,284)	(47,456,040)	(43,932,742)
Total Capital Assets (net of depreciation)	24,274,395	25,606,173	54,088,557	56,221,412	78,362,952	81,827,585
Total Noncurrent Assets	24,454,395	25,966,173	54,088,557	56,221,412	78,542,952	82,187,585
Total Assets	27,113,009	27,803,217	58,069,086	59,896,887	85,182,095	87,700,104
LIABILITIES						
Current Liabilities:						
Accounts Payable	154,392	102,018	389,997	478,203	544,389	580,221
Accrued Salaries and Benefits	123,180	65,017	257,753	214,508	380,933	279,525
Compensated Absences	86,112	97,315	215,951	224,343	302,063	321,658
Interest Payable	23,700	31,370	-	-	23,700	31,370
Revenue Collected in Advance	1,055,674	812,787	427,678	333,293	1,483,352	1,146,080
Current Portion of Revenue Bonds Payable	708,203	685,117	-	-	708,203	685,117
Current Portion of Revenue Notes Payable	444,444	444,444	-	-	444,444	444,444
Total Current Liabilities	2,595,705	2,238,068	1,291,379	1,250,347	3,887,084	3,488,415
Noncurrent Liabilities:						
Revenue Bonds Payable	1,065,373	1,741,512	-	-	1,065,373	1,741,512
Revenue Notes Payable	1,111,116	1,555,560	-	-	1,111,116	1,555,560
Compensated Absences	154,875	179,087	600,718	574,001	755,593	753,088
Net Other Post Employment Benefit Obligations	311,792	184,535	1,263,137	720,432	1,574,929	904,967
Total Noncurrent Liabilities	2,643,156	3,660,694	1,863,855	1,294,433	4,507,011	4,955,127
Total Liabilities	5,238,861	5,898,762	3,155,234	2,544,780	8,394,095	8,443,542
NET ASSETS						
Invested in Capital Assets, Net of Related Debt	20,945,259	21,179,540	54,088,557	56,221,412	75,033,816	77,400,952
Unrestricted	928,889	724,915	825,295	1,130,695	1,754,184	1,855,610
Total Net Assets	\$ 21,874,148	\$ 21,904,455	\$ 54,913,852	\$ 57,352,107	\$ 76,788,000	\$ 79,256,562

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, 2010 and 2009

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2010	2009	2010	2009	2010	2009
Operating Revenues:						
Intergovernmental	\$ 150,000	\$ 82,249	\$ -	\$ 9,688	\$ 150,000	\$ 91,937
Sales	637,367	651,471	2,473,523	2,409,559	3,110,890	3,061,030
Charges for Services	5,908,744	5,456,653	4,521,813	4,576,459	10,430,557	10,033,112
Rentals and Concessions	2,523,333	2,327,935	2,508,131	2,755,534	5,031,464	5,083,469
Total Operating Revenues	9,219,444	8,518,308	9,503,467	9,751,240	18,722,911	18,269,548
Operating Expenses:						
Cost of Goods Sold	345,027	356,967	1,389,382	1,615,475	1,734,409	1,972,442
Personal Services	3,129,527	3,091,710	11,449,984	11,220,659	14,579,511	14,312,369
Supplies and Materials	431,349	503,561	1,624,706	1,615,713	2,056,055	2,119,274
Communications	31,620	36,124	289,388	345,584	321,008	381,708
Utilities	1,180,463	1,204,525	2,161,910	1,981,766	3,342,373	3,186,291
Maintenance	331,767	498,606	782,537	860,290	1,114,304	1,358,896
Contractual Services	619,317	557,949	662,664	606,466	1,281,981	1,164,415
Other Services and Charges	379,202	232,402	702,206	658,519	1,081,408	890,921
Administrative Services	1,315,804	1,291,790	365,700	341,700	1,681,504	1,633,490
Depreciation	1,331,778	1,363,936	2,199,848	2,268,984	3,531,626	3,632,920
Total Operating Expenses	9,095,854	9,137,570	21,628,325	21,515,156	30,724,179	30,652,726
Operating Income (Loss)	123,590	(619,262)	(12,124,858)	(11,763,916)	(12,001,268)	(12,383,178)
Nonoperating Revenues (Expenses):						
Investment Earnings	11,918	49,735	22,703	88,478	34,621	138,213
Interest Expense, net of Amortization	(200,815)	(246,407)	-	-	(200,815)	(246,407)
Total Nonoperating Revenue (Expense)	(188,897)	(196,672)	22,703	88,478	(166,194)	(108,194)
Loss before Transfers	(65,307)	(815,934)	(12,102,155)	(11,675,438)	(12,167,462)	(12,491,372)
Transfers In	35,000	619,000	9,663,900	8,980,900	9,698,900	9,599,900
Total Contributions and Transfers	35,000	619,000	9,663,900	8,980,900	9,698,900	9,599,900
Change in Net Assets	(30,307)	(196,934)	(2,438,255)	(2,694,538)	(2,468,562)	(2,891,472)
Total Net Assets - Beginning	21,904,455	22,101,389	57,352,107	60,046,645	79,256,562	82,148,034
Total Net Assets - Ending	\$ 21,874,148	\$ 21,904,455	\$ 54,913,852	\$ 57,352,107	\$ 76,788,000	\$ 79,256,562

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

**Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2010 and 2009**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30,		Year Ended June 30,		2010	
	2010	2009	2010	2009	2010	2009
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 9,465,682	\$ 8,528,788	\$ 9,598,101	\$ 10,044,653	\$ 19,063,783	\$ 18,573,441
Payments to Suppliers	(2,737,649)	(3,165,480)	(7,689,503)	(7,809,767)	(10,427,152)	(10,975,247)
Payments to Employees	(3,775,869)	(2,963,906)	(10,845,709)	(10,768,898)	(14,621,578)	(13,732,804)
Payments for Interfund Services Used	(446,600)	(432,700)	-	-	(446,600)	(432,700)
Payments for Administrative Charges	(596,599)	(1,291,790)	(365,700)	(341,700)	(962,299)	(1,633,490)
Net Cash Provided (Used) by Operating Activities	1,908,965	674,912	(9,302,811)	(8,875,712)	(7,393,846)	(8,200,800)
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	35,000	619,000	9,663,900	8,980,900	9,698,900	9,599,900
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	-	(286,069)	(66,993)	(288,316)	(66,993)	(574,385)
Principal Paid on Bonds and Notes Payable	(1,129,560)	(1,107,223)	-	-	(1,129,560)	(1,107,223)
Interest Paid	(168,752)	(214,344)	-	-	(168,752)	(214,344)
Payment Received on Long Term Note	180,000	180,000	-	-	180,000	180,000
Net Cash Used by Capital and Related Financing Activities	(1,118,312)	(1,427,636)	(66,993)	(288,316)	(1,185,305)	(1,715,952)
Cash Flows from Investing Activities:						
Interest on Investments	11,918	49,735	22,703	88,478	34,621	138,213
Net Increase (Decrease) in Cash and Cash Equivalents	837,571	(83,989)	316,799	(94,650)	1,154,370	(178,639)
Cash, Cash Equivalents and Restricted Cash, July 1	1,497,629	1,581,618	2,838,466	2,933,116	4,336,095	4,514,734
Cash, Cash Equivalents and Restricted Cash, June 30	\$ 2,335,200	\$ 1,497,629	\$ 3,155,265	\$ 2,838,466	\$ 5,490,465	\$ 4,336,095
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 123,590	\$ (619,262)	\$ (12,124,858)	\$ (11,763,916)	(12,001,268)	(12,383,178)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,331,778	1,363,936	2,199,848	2,268,984	3,531,626	3,632,920
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	3,351	-	-	84,550	3,351	84,550
Due from Other Government	-	102,906	249	(9,231)	249	93,675
Inventories, at Cost	12,650	33,753	11,496	432	24,146	34,185
Accounts Payable	52,374	(234,253)	(88,206)	(126,386)	(35,832)	(360,639)
Accrued Salaries and Benefits	58,163	17,051	43,245	38,728	101,408	55,779
Compensated Absences	(35,415)	18,535	18,325	44,190	(17,090)	62,725
Interest Payable	(7,670)	(7,545)	-	-	(7,670)	(7,545)
Net Other Post Employment Obligations	127,257	92,218	542,705	368,843	669,962	461,061
Revenue Collected in Advance	242,887	(92,427)	94,385	218,094	337,272	125,667
Total Adjustments	1,785,375	1,294,174	2,822,047	2,888,204	4,607,422	4,182,378
Net Cash Provided (Used) by Operating Activities	\$ 1,908,965	\$ 674,912	\$ (9,302,811)	\$ (8,875,712)	\$ (7,393,846)	\$ (8,200,800)



Montpelier Arts Center celebrated its 30th anniversary with a major exhibition featuring 80 of its past and present resident artists.

INTERNAL SERVICE FUNDS

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

Capital Equipment Funds

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

Executive Building Fund

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

Employee Benefits Funds

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

Risk Management Fund

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

Commission Wide Initiatives Fund

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 7

**Internal Service Funds
Combining Statement of Net Assets
For the Years Ended June 30, 2010 and 2009**

	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, 2010	June 30, 2009
ASSETS										
Current Assets:										
Equity in Pooled Cash and Investments	\$ 4,927,810	\$ 8,283,189	\$ 10,671,540	\$ 4,059,673	\$ 1,197,232	\$ 8,283,190	\$ 13,515,196	\$ 5,837,798	\$ 56,775,628	\$ 55,242,014
Accounts Receivable	-	26,371	20,184	-	-	26,372	13,386	-	86,313	40,295
Due from County Government	-	-	168,225	-	-	-	168,224	-	336,449	411,256
Prepaid Expenses	-	-	-	-	-	-	-	-	-	495,654
Deposits and Other	-	62,680	-	-	-	62,680	-	-	125,360	116,704
Total Current Assets	4,927,810	8,372,240	10,859,949	4,059,673	1,197,232	8,372,242	13,696,806	5,837,798	57,323,750	56,305,923
Noncurrent Assets:										
Capital Assets:										
Land	-	-	-	-	748,497	-	-	-	748,497	748,497
Buildings and Improvements	-	-	-	-	2,649,865	-	-	-	2,649,865	2,649,865
Machinery, Equipment and Intangibles	26,489,922	-	208,407	876,666	100,770	-	365,626	1,086,147	29,127,538	27,752,284
Construction in Progress	1,803,993	-	-	-	-	-	-	-	1,803,993	2,037,509
Less-Accumulated Depreciation	(20,269,659)	-	(166,401)	(368,376)	(1,756,150)	-	(328,575)	(454,648)	(23,343,809)	(21,603,234)
Total Capital Assets (net of accumulated depreciation)	8,024,256	-	42,006	508,290	1,742,982	-	37,051	631,499	10,986,084	11,584,921
Total Assets	12,952,066	8,372,240	10,901,955	4,567,963	2,940,214	8,372,242	13,733,857	6,469,297	68,309,834	67,890,844
LIABILITIES										
Current Liabilities:										
Accounts Payable	96,166	223,791	700,215	104,917	43,793	223,792	8,578	-	1,401,252	477,977
Current Portion of Claims Payable	-	843,510	1,111,653	-	-	843,510	1,596,488	-	4,395,161	4,553,532
Accrued Salaries and Benefits	-	-	8,603	-	2,329	-	8,833	-	19,765	16,193
Current Portion of Notes Payable	613,600	-	-	81,771	200,000	-	-	4,840	900,211	1,613,563
Current Portion of Compensated Absences	-	-	23,956	-	4,717	-	23,956	-	52,629	55,880
Due to County Government	-	-	166,442	-	-	-	166,442	-	332,884	322,905
Interest Payable	8,359	-	-	1,131	13,886	-	-	67	23,443	40,097
Total Current Liabilities	718,125	1,067,301	2,010,869	187,819	264,725	1,067,302	1,804,297	4,907	7,125,345	7,080,147
Noncurrent Liabilities:										
Claims Payable - Net of Current Portion	-	-	3,334,959	-	-	-	4,789,438	-	8,124,397	7,619,301
Notes Payable - Net of Current Portion	310,498	-	-	42,015	325,000	-	-	2,487	680,000	1,570,916
Compensated Absences - Net of Current Portion	-	-	16,078	-	14,444	-	16,079	-	46,601	33,122
Net Other Post Employment Benefit Obligations	-	-	98,366	-	20,940	-	98,371	-	217,677	118,692
Total Noncurrent Liabilities	310,498	-	3,449,403	42,015	360,384	-	4,903,888	2,487	9,068,675	9,342,031
Total Liabilities	1,028,623	1,067,301	5,460,272	229,834	625,109	1,067,302	6,708,185	7,394	16,194,020	16,422,178
NET ASSETS										
Invested in Capital Assets, Net of Related Debt	7,100,158	-	42,006	384,504	1,217,982	-	37,051	624,172	9,405,873	8,400,442
Unrestricted	4,823,285	7,304,939	5,399,677	3,953,625	1,097,123	7,304,940	6,988,621	5,837,731	42,709,941	43,068,224
Total Net Assets	\$ 11,923,443	\$ 7,304,939	\$ 5,441,683	\$ 4,338,129	\$ 2,315,105	\$ 7,304,940	\$ 7,025,672	\$ 6,461,903	\$ 52,115,814	\$ 51,468,666

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 Years Ended June 30, 2010 and 2009

	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, 2010	June 30, 2009
Operating Revenues:										
Charges for Services	\$ 3,369,843	\$ 11,372,709	\$ 3,115,700	\$ 500,000	\$ 859,689	\$ 11,372,709	\$ 3,282,800	\$ 2,879,499	\$ 36,752,949	\$ 34,423,182
Claim Recoveries	-	-	182,878	-	-	-	403,433	-	586,311	930,930
Total Operating Revenues	<u>3,369,843</u>	<u>11,372,709</u>	<u>3,298,578</u>	<u>500,000</u>	<u>859,689</u>	<u>11,372,709</u>	<u>3,686,233</u>	<u>2,879,499</u>	<u>37,339,260</u>	<u>35,354,112</u>
Operating Expenses:										
Personal Services	-	-	570,071	3,900	178,656	-	570,092	-	1,322,719	4,601,217
Supplies and Materials	19,303	-	20,934	1,465,904	52,938	-	24,522	6,862	1,590,463	360,071
Contractual Services - Montgomery County Self Insurance	-	20,356	581,330	-	-	20,356	829,701	-	1,451,743	1,332,214
Other Contractual Services	-	8,080,405	1,180,482	-	-	8,080,406	2,931,375	-	20,272,668	19,782,069
Claims Incurred	-	3,890,523	100,506	-	-	3,890,523	158,622	-	8,040,174	6,905,926
Insurance	258,803	70,668	478,818	286,309	549,588	70,668	297,878	182,318	2,195,050	1,628,182
Other Services and Charges	1,681,241	-	12,305	91,585	111,718	-	8,899	108,591	2,014,339	1,896,716
Depreciation	<u>1,959,347</u>	<u>12,061,952</u>	<u>2,944,446</u>	<u>1,847,698</u>	<u>892,900</u>	<u>12,061,953</u>	<u>4,821,089</u>	<u>297,771</u>	<u>36,887,156</u>	<u>36,506,395</u>
Total Operating Expenses										
Operating Income (Loss)	<u>1,410,496</u>	<u>(689,243)</u>	<u>354,132</u>	<u>(1,347,698)</u>	<u>(33,211)</u>	<u>(689,244)</u>	<u>(1,134,856)</u>	<u>2,581,728</u>	<u>452,104</u>	<u>(1,152,283)</u>
Nonoperating Revenues (Expenses):										
Interest Income	17,944	44,644	52,095	21,892	9,297	44,645	73,849	16,601	280,967	1,586,980
Interest Expense	(47,952)	-	-	(6,389)	(30,134)	-	-	(1,447)	(85,922)	(141,925)
Total Nonoperating Revenues (Expenses)	<u>(30,008)</u>	<u>44,644</u>	<u>52,095</u>	<u>15,503</u>	<u>(20,837)</u>	<u>44,645</u>	<u>73,849</u>	<u>15,154</u>	<u>195,045</u>	<u>1,445,055</u>
Income (Loss) Before Contributions and Transfers	<u>1,380,488</u>	<u>(644,599)</u>	<u>406,227</u>	<u>(1,332,195)</u>	<u>(54,048)</u>	<u>(644,599)</u>	<u>(1,061,007)</u>	<u>2,596,882</u>	<u>647,149</u>	<u>292,772</u>
Contributions and Transfers In (Out) :										
Transfers In	-	-	-	-	-	-	-	-	-	11,046,017
Transfers (Out)	-	-	-	-	-	-	-	-	-	(11,046,017)
Net Operating Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>1,380,488</u>	<u>(644,599)</u>	<u>406,227</u>	<u>(1,332,195)</u>	<u>(54,048)</u>	<u>(644,599)</u>	<u>(1,061,007)</u>	<u>2,596,882</u>	<u>647,149</u>	<u>292,772</u>
Total Net Assets, July 1	<u>10,542,955</u>	<u>7,949,538</u>	<u>5,035,456</u>	<u>5,670,324</u>	<u>2,369,153</u>	<u>7,949,539</u>	<u>8,086,679</u>	<u>3,865,021</u>	<u>51,468,665</u>	<u>51,175,894</u>
Total Net Assets, June 30	<u>\$ 11,923,443</u>	<u>\$ 7,304,939</u>	<u>\$ 5,441,683</u>	<u>\$ 4,338,129</u>	<u>\$ 2,315,105</u>	<u>\$ 7,304,940</u>	<u>\$ 7,025,672</u>	<u>\$ 6,461,903</u>	<u>\$ 52,115,814</u>	<u>\$ 51,468,666</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 9

**Combining Statement of Cash Flows - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010**

	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	\$ 3,569,242	\$ 11,360,783	\$ 3,317,297	\$ 771,574	\$ 859,689	\$ 11,360,781	\$ 3,711,501	\$ 2,904,180	\$ 37,855,047	\$
Payments to Suppliers	(273,228)	(11,965,373)	(1,610,020)	(1,853,174)	(579,858)	(11,965,372)	(3,371,449)	(208,999)	(31,827,473)	
Payments to Employees	-	-	(519,311)	-	(165,996)	-	(519,327)	-	(1,204,634)	
Payments for Interfund Services Used	(39,300)	(54,600)	(155,400)	(3,900)	(1,400)	(54,600)	(155,400)	-	(464,600)	
Net Cash Provided (Used) by Operating Activities	<u>3,256,714</u>	<u>(659,190)</u>	<u>1,032,566</u>	<u>(1,085,500)</u>	<u>112,435</u>	<u>(659,191)</u>	<u>(334,675)</u>	<u>2,695,181</u>	<u>4,358,340</u>	
Cash Flows from Capital and Related Financing Activities:										
Acquisition of Capital Assets	(1,107,989)	-	(29,476)	(161,459)	(87,100)	-	(29,478)	-	(1,415,502)	
Principal Paid on Notes Payable	(1,161,567)	-	-	(148,278)	(190,000)	-	-	(104,424)	(1,604,269)	
Interest Paid on Notes Payable	(47,952)	-	-	(6,389)	(30,134)	-	-	(1,447)	(85,922)	
Net Cash Used by Capital and Related Financing Activities	<u>(2,317,508)</u>	<u>-</u>	<u>(29,476)</u>	<u>(316,126)</u>	<u>(307,234)</u>	<u>-</u>	<u>(29,478)</u>	<u>(105,871)</u>	<u>(3,105,693)</u>	
Cash Flows from Investing Activities:										
Interest on Investments	17,944	44,644	52,095	21,892	9,297	44,645	73,849	16,601	280,967	
Net Increase (Decrease) in Cash and Cash Equivalents	957,150	(614,546)	1,055,185	(1,379,734)	(185,502)	(614,546)	(290,304)	2,605,911	1,533,614	
Cash and Cash Equivalents, July 1	3,970,660	8,897,735	9,616,355	5,439,407	1,382,734	8,897,736	13,805,500	3,231,887	55,242,014	
Cash and Cash Equivalents, June 30	<u>\$ 4,927,810</u>	<u>\$ 8,283,189</u>	<u>\$ 10,671,540</u>	<u>\$ 4,059,673</u>	<u>\$ 1,197,232</u>	<u>\$ 8,283,190</u>	<u>\$ 13,515,196</u>	<u>\$ 5,837,798</u>	<u>\$ 56,775,628</u>	
Operating Income (Loss)	\$ 1,410,496	\$ (689,243)	\$ 354,132	\$ (1,347,698)	\$ (33,211)	\$ (689,244)	\$ (1,134,856)	\$ 2,581,728	\$ 452,104	
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:										
Depreciation	1,681,241	-	12,305	91,585	111,718	-	8,899	108,591	2,014,339	
Effect of Changes in Assets and Liabilities in:										
Accounts Receivable	-	(7,598)	(18,684)	-	-	(7,600)	(12,136)	-	(46,018)	
Due from County Government	-	-	37,403	-	-	-	37,404	-	74,807	
Deposits and Other	-	(4,328)	-	-	-	(4,328)	-	-	(8,656)	
Prepaid Expenses	199,399	-	-	271,574	-	-	-	24,681	495,654	
Accounts Payable	(24,811)	197,817	650,307	(99,726)	27,694	197,818	(6,787)	(19,037)	923,275	
Claims Payable	-	(155,838)	(58,646)	-	-	(155,837)	717,046	-	346,725	
Accrued Salaries and Benefits	-	-	1,762	-	48	-	1,762	-	3,572	
Compensated Absences	-	-	3,785	-	2,658	-	3,785	-	10,228	
Interest Payable	(9,611)	-	-	(1,235)	(5,026)	-	-	(782)	(16,654)	
Net Other Post Employment Obligations	-	-	45,213	-	8,554	-	45,218	-	98,985	
Due to County Government	-	-	4,989	-	-	-	4,990	-	9,979	
Total Adjustments	<u>1,846,218</u>	<u>30,053</u>	<u>678,434</u>	<u>282,198</u>	<u>145,646</u>	<u>30,053</u>	<u>800,181</u>	<u>113,453</u>	<u>3,906,236</u>	
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,256,714</u>	<u>\$ (659,190)</u>	<u>\$ 1,032,566</u>	<u>\$ (1,085,500)</u>	<u>\$ 112,435</u>	<u>\$ (659,191)</u>	<u>\$ (334,675)</u>	<u>\$ 2,695,181</u>	<u>\$ 4,358,340</u>	



Visitors take a moment to relax and enjoy the Sculpture Fountain in Brookside Gardens.

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, 2010

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS			AGENCY FUNDS			
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds	Montgomery County	Prince George's County	Total Private Purpose Trust Funds	State Retirement	Montgomery	Prince George's	Total Agency Funds
ASSETS										
Equity in Pooled Cash and Investments	\$ -	\$ 508,814	\$ 508,814	\$ 7,375,520	\$ 8,272,226	\$ 15,647,746	\$ 2,225,814	\$ 577,683	\$ 9,687	\$ 2,813,184
Cash	95,417	17,542	112,959	-	-	-	-	-	-	-
Fixed Income Securities	139,637,264	-	139,637,264	-	-	-	-	-	-	-
International Fixed Income Securities	27,741,376	-	27,741,376	-	-	-	-	-	-	-
Venture Capital/Alternative Investments	7,334,124	-	7,334,124	-	-	-	-	-	-	-
Corporate Stock	215,296,068	-	215,296,068	-	-	-	-	-	-	-
International Corporate Stock	86,984,790	-	86,984,790	-	-	-	-	-	-	-
Real Estate Investments	20,195,788	-	20,195,788	-	-	-	-	-	-	-
Short Term Investments	18,701,832	-	18,701,832	-	-	-	-	-	-	-
Mutual Funds	-	8,535,547	8,535,547	-	-	-	-	-	-	-
Collateral for Securities Lending										
Transactions	30,425,252	-	30,425,252	-	-	-	-	-	-	-
Accounts Receivable	1,687,616	-	1,687,616	-	-	-	-	12,099	-	12,099
Land Held for Other Governments	-	-	-	41,569,809	17,837,342	59,407,151	-	-	-	-
Other	53,762	-	53,762	-	-	-	-	-	-	-
Total Assets	<u>548,153,289</u>	<u>9,061,903</u>	<u>557,215,192</u>	<u>48,945,329</u>	<u>26,109,568</u>	<u>75,054,897</u>	<u>2,225,814</u>	<u>589,782</u>	<u>9,687</u>	<u>2,825,283</u>
LIABILITIES										
Investments Payable	7,994,978	-	7,994,978	-	-	-	-	-	-	-
Accounts Payable	716,285	24,044	740,329	-	938	938	2,225,814	9,828	-	2,235,642
Claims Payable	-	484,770	484,770	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	31,189,565	-	31,189,565	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	579,954	9,687	589,641
Total Liabilities	<u>39,900,828</u>	<u>508,814</u>	<u>40,409,642</u>	<u>-</u>	<u>938</u>	<u>938</u>	<u>2,225,814</u>	<u>589,782</u>	<u>9,687</u>	<u>2,825,283</u>
NET ASSETS										
Assets Held in Trust for:										
Land Held for Transfer	-	-	-	41,569,809	17,837,342	59,407,151	-	-	-	-
Pension Benefits	508,252,461	-	508,252,461	-	-	-	-	-	-	-
Other Postemployment Benefits	-	8,553,089	8,553,089	-	-	-	-	-	-	-
Other Purposes	-	-	-	7,375,520	8,271,288	15,646,808	-	-	-	-
Total Net Assets	<u>\$ 508,252,461</u>	<u>\$ 8,553,089</u>	<u>\$ 516,805,550</u>	<u>\$ 48,945,329</u>	<u>\$ 26,108,630</u>	<u>\$ 75,053,959</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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, 2010**

	PENSION TRUST FUNDS			PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals
ADDITIONS:						
Contributions:						
Employer	\$ 17,614,908	\$ 6,885,140	\$ 24,500,048	\$ -	\$ -	\$ -
Plan Members	5,136,526	-	5,136,526	-	-	-
Plan Members for Current Benefits	-	870,326	870,326	-	-	-
Private Donations	-	-	-	7,415	51,110	58,525
Total Contributions	<u>22,751,434</u>	<u>7,755,466</u>	<u>30,506,900</u>	<u>7,415</u>	<u>51,110</u>	<u>58,525</u>
Contributions from Commission Debt Service Funds	-	-	-	1,174,943	1,012,532	2,187,475
Federal Grants - Medicare	-	317,948	317,948	-	-	-
Investment Earnings:						
Interest	7,030,923	12	7,030,935	85,045	35,725	120,770
Dividends	67,543	154,611	222,154	-	-	-
Net increase in the Fair Value of Investments	<u>58,270,082</u>	<u>923,175</u>	<u>59,193,257</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investment Earnings	65,368,548	1,077,798	66,446,346	85,045	35,725	120,770
Less Investment Advisory and Management Fees	(1,971,186)	-	(1,971,186)	-	-	-
Net Income from Investing Activities	<u>63,397,362</u>	<u>1,077,798</u>	<u>64,475,160</u>	<u>85,045</u>	<u>35,725</u>	<u>120,770</u>
Securities Lending Activity						
Securities Lending Income	92,702	-	92,702	-	-	-
Securities Lending Fees	(29,905)	-	(29,905)	-	-	-
Net Income from Securities Lending Activity	<u>62,797</u>	<u>-</u>	<u>62,797</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Investment Income	<u>63,460,159</u>	<u>1,077,798</u>	<u>64,537,957</u>	<u>85,045</u>	<u>35,725</u>	<u>120,770</u>
Total Additions and Investment Income	<u>86,211,593</u>	<u>9,151,212</u>	<u>95,362,805</u>	<u>1,267,403</u>	<u>1,099,367</u>	<u>2,366,770</u>
DEDUCTIONS:						
Benefits	27,567,271	8,073,414	35,640,685	-	-	-
Refunds of Contributions	334,929	-	334,929	-	-	-
Administrative expenses	1,322,931	-	1,322,931	-	-	-
Other	-	-	-	5,001,563	49,421	5,050,984
Total Deductions	<u>29,225,131</u>	<u>8,073,414</u>	<u>37,298,545</u>	<u>5,001,563</u>	<u>49,421</u>	<u>5,050,984</u>
Change in Net Assets	56,986,462	1,077,798	58,064,260	(3,734,160)	1,049,946	(2,684,214)
Net Assets - Beginning	451,265,999	7,475,291	458,741,290	52,679,489	25,058,684	77,738,173
Net Assets - Ending	<u>\$ 508,252,461</u>	<u>\$ 8,553,089</u>	<u>\$ 516,805,550</u>	<u>\$ 48,945,329</u>	<u>\$ 26,108,630</u>	<u>\$ 75,053,959</u>

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, 2010**

	July 1, 2009	Additions	Deductions	June 30, 2010
MARYLAND STATE RETIREMENT SYSTEM FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,397,943	\$ 157,303	\$ 329,432	\$ 2,225,814
Total Current Assets	\$ 2,397,943	\$ 157,303	\$ 329,432	\$ 2,225,814
LIABILITIES				
Accounts Payable	\$ 2,397,943	\$ 157,303	\$ 329,432	\$ 2,225,814
Total Current Liabilities	\$ 2,397,943	\$ 157,303	\$ 329,432	\$ 2,225,814
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 276,721	\$ 460,506	\$ 159,544	\$ 577,683
Accounts Receivable	364,112	10,000	362,013	12,099
Total Current Assets	\$ 640,833	\$ 470,506	\$ 521,557	\$ 589,782
LIABILITIES				
Accounts Payable	\$ -	\$ 154,522	\$ 144,694	\$ 9,828
Deposits	640,833	460,506	521,385	579,954
Total Current Liabilities	\$ 640,833	\$ 615,028	\$ 666,079	\$ 589,782
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,320	\$ 9,140	\$ 1,773	\$ 9,687
Total Current Assets	\$ 2,320	\$ 9,140	\$ 1,773	\$ 9,687
LIABILITIES				
Accounts Payable	\$ 1,700	\$ -	\$ 1,700	\$ -
Deposits	620	9,140	73	9,687
Total Current Liabilities	\$ 2,320	\$ 9,140	\$ 1,773	\$ 9,687
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,676,984	\$ 626,949	\$ 490,749	\$ 2,813,184
Accounts Receivable	364,112	10,000	362,013	12,099
Total Current Assets	\$ 3,041,096	\$ 636,949	\$ 852,762	\$ 2,825,283
LIABILITIES				
Accounts Payable	\$ 2,399,643	\$ 311,825	\$ 475,826	\$ 2,235,642
Deposits	641,453	469,646	521,458	589,641
Total Current Liabilities	\$ 3,041,096	\$ 781,471	\$ 997,284	\$ 2,825,283

♦ PART III ♦

STATISTICAL SECTION



A visitor to the 41 acre Dinosaur Park looks at fossil deposits found at the site.

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.

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

Net Assets by Category (1)
Entity-wide Basis
Last Nine Fiscal Years (2)

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 492,930,779	\$ 536,147,424
Unrestricted	<u>82,792,312</u>	<u>86,192,777</u>	<u>91,953,723</u>	<u>126,681,153</u>	<u>159,962,347</u>	<u>201,822,613</u>	<u>253,129,079</u>	<u>282,047,368</u>	<u>282,484,768</u>
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>	<u>774,978,147</u>	<u>818,632,192</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	77,400,952	75,033,816
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-	-
Unrestricted	<u>3,772,189</u>	<u>1,910,929</u>	<u>2,238,739</u>	<u>2,334,180</u>	<u>2,101,083</u>	<u>3,881,454</u>	<u>2,763,707</u>	<u>1,855,610</u>	<u>1,754,184</u>
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>	<u>79,256,562</u>	<u>76,788,000</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	570,331,731	611,181,240
Restricted for Debt Service	583,266	589,848	-	-	-	-	-	-	-
Unrestricted	<u>86,564,501</u>	<u>88,103,706</u>	<u>94,192,462</u>	<u>129,015,333</u>	<u>162,063,430</u>	<u>205,704,067</u>	<u>255,892,786</u>	<u>283,902,978</u>	<u>284,238,952</u>
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>	<u>\$ 854,234,709</u>	<u>\$ 895,420,192</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 nine years.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-2

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

	Fiscal Year								
	2002	2003	2004	2005	2006	2007	2008	2009	2010
Expenses									
Governmental Activities:									
General Government	\$ 11,614,891	\$ 12,678,079	\$ 12,497,931	\$ 13,365,605	\$ 14,110,350	\$ 15,062,982	\$ 17,397,550	\$ 18,875,258	\$ 19,765,804
County Planning and Zoning	29,739,984	29,119,749	29,792,531	31,089,512	35,931,600	39,150,300	48,649,825	60,370,641	58,695,074
Park Operations and Maintenance	102,355,291	104,484,551	112,777,571	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243	224,848,872
Recreation Programs	37,992,630	38,057,899	39,174,875	42,175,861	43,058,594	46,907,997	52,688,859	68,011,470	68,427,714
Interest on Long-term Debt	8,460,869	6,994,245	5,483,168	6,396,948	6,045,652	5,693,542	5,902,190	5,211,728	4,295,266
Subtotal Governmental Activities	<u>190,163,665</u>	<u>191,334,523</u>	<u>199,726,076</u>	<u>210,448,671</u>	<u>239,524,967</u>	<u>252,772,152</u>	<u>290,391,945</u>	<u>333,828,340</u>	<u>376,032,730</u>
Business-type Activities:									
Recreational and Cultural Facilities	28,203,070	28,243,046	30,033,511	31,635,252	32,957,080	28,861,349	30,626,723	30,899,133	30,924,994
Total Government Expenses	<u>218,366,735</u>	<u>219,577,569</u>	<u>229,759,587</u>	<u>242,083,923</u>	<u>272,482,047</u>	<u>281,633,501</u>	<u>321,018,668</u>	<u>364,727,473</u>	<u>406,957,724</u>
Program Revenues									
Governmental Activities:									
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	4,677,020	3,490,317
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	26,817,082	30,605,467
Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,268
Subtotal Governmental Activities	<u>44,769,257</u>	<u>38,790,084</u>	<u>36,047,954</u>	<u>39,818,300</u>	<u>42,065,483</u>	<u>48,781,003</u>	<u>63,975,006</u>	<u>45,028,040</u>	<u>47,221,052</u>
Business-type Activities:									
Recreational and Cultural Facilities	22,420,258	19,757,618	25,901,631	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911
Total Government Program Revenues	<u>67,189,515</u>	<u>58,547,702</u>	<u>61,949,585</u>	<u>63,140,031</u>	<u>68,505,853</u>	<u>68,486,379</u>	<u>82,053,633</u>	<u>63,297,588</u>	<u>65,943,963</u>
Net Government Expenses	<u>(151,177,220)</u>	<u>(161,029,867)</u>	<u>(167,810,002)</u>	<u>(178,943,892)</u>	<u>(203,976,194)</u>	<u>(213,147,122)</u>	<u>(238,965,035)</u>	<u>(301,429,885)</u>	<u>(341,013,761)</u>
General Revenues and Other Changes in Net Assets									
Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723
Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521
Total Primary Government	<u>174,900,419</u>	<u>183,910,675</u>	<u>205,767,831</u>	<u>217,171,747</u>	<u>250,908,606</u>	<u>286,608,722</u>	<u>327,709,232</u>	<u>363,619,812</u>	<u>382,199,244</u>
Change in Net Assets									
Governmental Activities	21,122,387	26,605,238	32,773,503	40,554,308	46,268,943	74,544,040	91,933,338	65,081,399	43,654,045
Business-type Activities	2,600,812	(3,724,430)	5,184,326	(2,326,453)	663,469	(1,082,440)	(3,189,141)	(2,891,472)	(2,468,562)
Total Primary Government	<u>\$ 23,723,199</u>	<u>\$ 22,880,808</u>	<u>\$ 37,957,829</u>	<u>\$ 38,227,855</u>	<u>\$ 46,932,412</u>	<u>\$ 73,461,600</u>	<u>\$ 88,744,197</u>	<u>\$ 62,189,927</u>	<u>\$ 41,185,483</u>

(1) The entity-wide change in net assets figures are only available for nine 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 Nine Fiscal Years (1)

	2002	2003	2004	2005	2006	2007	2008	2009	2010
Program Revenues									
Governmental Activities:									
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	\$ 3,257,841	\$ 2,851,449
Operating grants and contributions	767,477	852,120	649,006	1,013,503	1,020,755	749,283	1,124,883	1,419,179	638,868
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	4,677,020	3,490,317
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	5,381,156	5,048,728
Operating grants and contributions	570,005	762,869	705,213	645,795	1,106,898	1,122,332	1,272,686	891,923	1,894,538
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	20,544,003	23,662,201
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	26,817,082	30,605,467
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	12,725,930	12,819,658
Operating grants and contributions	341,415	327,394	311,216	280,363	451,706	392,770	536,073	808,008	305,610
Total Recreation Programs	10,330,965	9,410,542	11,550,937	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,268
Total Governmental Activities	44,769,257	38,790,084	36,047,954	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040	47,221,052
Business-type Activities:									
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	18,177,611	18,572,911
Operating grants and contributions	-	-	26,000	-	-	146,596	151,636	91,937	150,000
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	18,269,548	18,722,911
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	\$ 63,297,588	\$ 65,943,963
General Revenues and Other Changes in Net Assets									
Governmental Activities									
Property Taxes	\$ 174,735,630	\$ 181,859,997	\$ 204,217,877	\$ 213,178,802	\$ 241,784,351	\$ 272,927,451	\$ 313,813,140	\$ 354,329,523	\$ 380,067,118
Unrestricted Investment Earnings	3,073,142	1,931,787	1,418,407	3,908,309	8,870,876	13,361,838	13,601,237	9,152,076	2,097,505
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)	(9,599,900)	(9,698,900)
Total Governmental Activities	166,516,795	179,149,677	196,451,625	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723
Business-type Activities									
Unrestricted Investment Earnings	261,812	123,811	95,871	84,636	253,379	319,433	294,855	138,213	34,621
Transfers	8,121,812	4,637,187	9,220,335	5,902,432	6,926,800	7,754,100	9,064,100	9,599,900	9,698,900
Total Business-type Activities	8,383,624	4,760,998	9,316,206	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521
Total Primary Government	\$ 174,900,419	\$ 183,910,675	\$ 205,767,831	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812	\$ 382,199,244

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 10,146,574	\$ 8,720,270	\$ 9,828,316	\$ 7,909,128	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415	\$ 20,087,780
Unreserved, reported in:										
Montgomery Administration Account	1,667,283	2,015,586	2,303,332	2,489,284	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034	3,667,419
Montgomery Park Account	3,015,542	4,123,670	5,489,328	4,289,120	3,419,516	3,662,593	7,240,864	10,702,580	7,548,971	5,694,551
Prince George's Administration Account	3,431,162	4,439,016	5,779,000	7,655,832	10,120,856	12,568,819	15,888,797	18,658,565	14,420,070	19,003,494
Prince George's Park Account	22,886,857	20,175,540	17,581,235	28,032,500	36,850,247	50,284,754	54,213,314	64,078,004	56,642,003	54,673,633
Prince George's Recreation Account	9,108,023	9,619,463	8,674,676	8,463,689	10,997,196	16,987,850	23,875,520	33,487,704	30,404,917	32,397,069
Total General Fund	<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>	<u>143,555,410</u>	<u>135,523,946</u>
All Other Governmental Funds										
Reserved	14,110,994	14,432,004	15,166,586	19,279,123	16,239,896	30,979,446	27,311,293	25,013,746	29,845,493	46,055,887
Unreserved (deficit), reported in:										
Special Revenue Funds	-	6,546,298	5,888,267	6,466,722	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039	4,811,072
Capital Projects Funds	3,478,091	17,427,284	21,121,422	19,573,788	27,292,889	15,279,284	40,535,220	69,407,232	110,264,080	115,598,598
Total All Other Governmental Funds	<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>	<u>145,449,612</u>	<u>166,465,557</u>
Total All Governmental Funds	<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>	<u>\$ 289,005,022</u>	<u>\$ 301,989,503</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)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Property Taxes	\$ 169,028,884	\$ 177,143,063	\$ 182,180,854	\$ 199,178,086	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,263	\$ 380,292,455
Intergovernmental	22,523,429	18,561,030	14,291,595	14,282,243	13,475,196	13,728,507	20,395,468	38,609,800	17,411,704	20,281,231
Charges for Services	6,618,976	8,233,858	8,285,233	11,378,060	10,905,923	12,170,203	13,302,886	11,457,579	11,572,219	11,024,346
Rentals and Concessions	2,967,445	7,374,700	6,562,896	7,752,377	8,119,786	8,883,464	8,872,522	8,977,209	9,017,218	8,929,134
Interest	4,717,809	2,265,821	1,361,363	1,040,326	2,996,567	6,934,901	10,582,784	10,996,141	7,565,096	1,816,538
Miscellaneous	1,056,531	1,420,835	1,129,476	1,297,262	3,278,902	2,312,925	2,004,402	1,749,098	3,666,197	3,260,261
Total Revenues	206,913,074	214,999,307	213,811,417	234,928,354	254,824,003	288,637,360	328,601,283	385,418,248	403,198,697	425,603,965
Expenditures										
General Government	11,751,327	12,088,929	12,698,310	13,097,617	13,814,296	14,989,960	15,307,979	16,809,827	18,355,098	18,760,282
Planning and Zoning	28,860,846	29,707,273	29,387,574	30,921,513	32,024,402	35,660,252	39,453,463	47,993,136	57,139,743	56,761,092
Park Operations and Maintenance	95,079,886	95,550,144	99,466,159	103,998,826	109,838,327	118,469,005	131,788,561	148,113,743	162,803,732	201,163,727
Recreation	30,383,916	36,242,037	37,467,508	38,003,635	40,419,313	41,484,461	45,466,125	50,361,564	65,009,956	64,896,624
Contributions	-	-	-	-	-	-	1,269,884	1,545,894	1,860,781	2,187,475
Debt Service										
Principal	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	13,705,849	13,181,597
Interest	7,794,657	8,076,447	6,638,933	5,945,514	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685	4,223,697
Other Debt Service Costs	81,752	70,981	553,630	525,375	188,317	262,491	258,155	87,937	178,835	113,412
Capital Projects	37,422,899	25,615,322	16,387,523	33,551,617	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742	41,632,678
Total Expenditures	219,200,283	216,691,133	233,934,637	236,799,097	236,599,387	250,942,376	289,878,484	324,416,931	362,088,421	402,920,584
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	5,700,000	18,744,820	26,422,900	14,720,000	4,002,020	-	13,600,000	17,300,000	5,250,000	-
Refunding Bonds Issued	-	-	29,592,100	22,805,000	-	19,130,000	-	(17,300,000)	8,405,000	14,080,000
Loan Issued	-	-	-	-	-	-	284,000	-	-	-
Premiums on Bonds Issued	-	-	281,807	1,926,886	-	88,405	93,709	-	381,617	769,574
Payment to Refunding Bond Escrow Account	-	-	(29,552,086)	(23,862,764)	-	(19,018,300)	-	-	(8,650,856)	(14,849,574)
Payment from Private Purpose Trust Funds	-	-	9,874	8,615	-	-	-	-	-	-
Contribution to Private Purpose Trust Funds	-	(286,585)	(493,058)	(609,148)	-	-	-	-	-	-
Transfers In	20,654,975	20,320,029	22,591,017	28,577,814	31,727,099	31,327,417	46,882,822	54,409,188	84,117,596	62,185,114
Transfers Out	(26,282,981)	(25,448,702)	(24,396,303)	(29,368,636)	(33,355,950)	(38,504,217)	(54,636,922)	(63,723,288)	(93,717,496)	(71,884,014)
Total Other Financing Sources (Uses)	71,994	13,329,562	24,456,251	14,197,767	2,373,169	(6,976,695)	6,223,609	(9,314,100)	(4,214,139)	(9,698,900)
Net Change in Fund Balances	(12,215,215)	11,637,736	4,333,031	12,327,024	20,597,785	30,718,289	44,946,408	51,687,217	36,896,137	12,984,481
Beginning Fund Balance	80,059,741	75,861,395	87,499,131	91,832,162	104,159,186	124,756,971	155,475,260	200,421,668	252,108,885	289,005,022
Ending Fund Balance	\$ 67,844,526	\$ 87,499,131	\$ 91,832,162	\$ 104,159,186	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022	\$ 301,989,503
Debt Service as a Percentage of Noncapital Expenditures	8.76%	9.22%	17.65%	8.30%	8.09%	7.62%	6.77%	6.56%	5.86%	4.67%

(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		
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	
2009	158,133,491	164,038,892	0.902	3,920,171	2.241	162,053,662	167,959,063	96.48	
2010	167,096,844	168,676,000	0.904	4,123,997	2.247	171,220,841	172,799,997	99.09	

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	
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
2009	85,649,437	99,986,181	0.907	2,987,437	2.294	88,636,874	102,973,618	86.08
2010	95,749,759	102,512,190	0.900	2,772,044	2.272	98,521,803	105,284,234	93.58

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
2001	\$ 0.0600	\$ 0.1600	\$ 0.0030	\$ 0.2230	\$ 2.2900	\$ 2.5130
2002	(1) 0.024/0.059	0.0660/0.1650	0.0010/0.0020	0.0910/0.2260	0.914/2.269	1.005/2.495
2003	0.023/0.058	0.0630/0.1580	0.0010/0.0030	0.0870/0.2190	0.917/2.275	1.004/2.494
2004	0.021/0.053	0.0590/0.1480	0.0010/0.0030	0.0810/0.2040	0.924/2.294	1.005/2.498
2005	0.020/0.050	0.0590/0.1480	0.0010/0.0030	0.0800/0.2010	0.914/2.273	0.994/2.474
2006	0.022/0.055	0.0610/0.1530	0.0010/0.0030	0.0840/0.2110	0.868/2.156	0.952/2.367
2007	0.020/0.050	0.0570/0.1430	0.0010/0.0030	0.0780/0.1960	0.824/2.048	0.902/2.244
2008	0.019/0.047	0.0580/0.1450	0.0010/0.0030	0.0780/0.1950	0.824/2.046	0.902/2.241
2009	0.019/0.047	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820	0.829/2.059	0.902/2.241
2010	0.018/0.045	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.835/2.074	0.904/2.247

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration	Park Operations	Recreation	Advance Land Acquisition	Total	County-wide Property Taxes Within County	Total
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
2009	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0986/2.7740	1.3776/3.4715
2010	0.0466/0.1165	0.1719/0.4298	0.0592/0.1480	0.0013/0.0032	0.2790/0.6975	1.0915/2.7524	1.3705/3.4499

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>	2010			2001 (1)		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Verizon - Maryland	\$ 762,804,022	1	0.45 %	\$ 663,852,350	2	1.97 %
Potomac Electric Power Company	676,189,850	2	0.39	971,603,190	1	2.88
Montgomery Mall LLC	404,053,458	3	0.24	87,598,710	5	0.26
Washington Gas Light Company	252,714,250	4	0.15	178,488,430	3	0.53
7501 Wisconsin Ave. LLC	220,920,832	5	0.13	-	-	-
Camalier, Anne D et al, Trustee	219,422,703	6	0.13	-	-	-
Federal Realty Investment Trust	210,320,090	7	0.12	-	-	-
Chevy Chase Land Co	209,028,264	8	0.12	-	-	-
Democracy Associates	203,221,000	9	0.12	-	-	-
Mirant Mid-Atlantic, LLC.	200,467,380	10	0.11	-	-	-
International Business Machines	-	-	-	89,842,750	4	0.27
Silver Spring Metro	-	-	-	57,730,480	6	0.17
Bryant F. Foulger, Trustee	-	-	-	57,108,320	7	0.17
Albert & R. Abramson, et. al.	-	-	-	51,868,910	8	0.15
Lake Forest Associates	-	-	-	50,491,660	9	0.15
Marbeth Partnership	-	-	-	48,884,710	10	0.14
Total	\$ 3,359,141,849		1.96 %	\$ 2,257,469,510		6.69 %
Total Assessable Base	\$ 171,220,840,150		100.00 %	\$ 33,726,860,968		100.00 %

PRINCE GEORGE'S COUNTY

<u>Taxpayer</u>	2010			2001 (1)		
	Total Assessment	Rank	Percentage of Total Assessed Valuation	Total Assessment	Rank	Percentage of Total Assessed Valuation
Gaylord National, LLC	\$ 754,309,030	1	0.77 %	\$ -	-	- %
Mirant Chalk Point LLC	503,954,157	2	0.51	-	-	-
Potomac Electric Power Company	452,530,746	3	0.46	848,113,130	1	4.66
Verizon Maryland	423,839,970	4	0.43	-	-	-
Washington Gas Light Company	242,450,682	5	0.25	153,165,910	3	0.84
Greenbelt Homes, Incorporated	226,099,520	6	0.23	-	-	-
Empirian Village of Maryland, LLC	201,815,840	7	0.20	-	-	-
JKC Stadium (FedEx Field)	198,178,697	8	0.20	82,178,460	6	0.45
Baltimore Gas and Electric Company	145,079,100	9	0.15	97,914,380	4	0.54
Silver Oaks Campus LLC	143,432,632	10	0.14	-	-	-
Samuel Zell TRS	-	-	-	-	-	-
Bell Atlantic Maryland	-	-	-	384,671,990	2	2.12
Digex Incorp	-	-	-	82,816,390	5	0.46
Safeway Stores, Inc.	-	-	-	63,949,440	7	0.35
Jones Communication of MD Inc	-	-	-	46,486,070	8	0.26
Secretary of HUD	-	-	-	39,366,710	9	0.22
Summerfield Housing LTD Partnership	-	-	-	37,052,900	10	0.20
Total	\$ 3,291,690,374		3.34 %	\$ 1,835,715,380		10.09 %
Total Assessable Base	\$ 98,521,802,518		100.00 %	\$ 18,182,903,909		100.00 %

(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

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2001	\$ 65,210,972	\$ 64,015,359	98.2 %	\$ 318,243	\$ 64,333,602	98.7 %
2002	69,302,154	68,605,694	99.0	1,489,526	70,095,220	101.1
2003	69,493,121	68,994,492	99.3	688,919	69,683,411	100.3
2004	68,788,496	68,447,863	99.5	650,195	69,098,058	100.5
2005	74,428,353	74,232,900	99.7	288,823	74,521,723	100.1
2006	87,277,546	84,587,921	96.9	2,520,789	87,108,710	99.8
2007	91,903,957	91,347,333	99.4	(25,531)	91,321,802	99.4
2008	102,981,734	102,582,155	99.6	(159,068)	102,423,087	99.5
2009	106,450,471	105,976,302	99.6	359,186	106,335,488	99.9
2010	106,745,211	106,536,204	99.8	-	106,536,204	99.8

PRINCE GEORGE'S COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2001	\$ 105,035,614	\$ 103,544,928	98.6 %	\$ 748,846	\$ 104,293,774	99.3 %
2002	107,977,263	106,777,906	98.9	933,786	107,711,692	99.8
2003	112,003,391	110,517,257	98.7	771,714	111,288,971	99.4
2004	132,837,385	128,734,271	96.9	3,651,572	132,385,843	99.7
2005	141,452,179	140,621,685	99.4	318,400	140,940,085	99.6
2006	156,005,194	155,091,912	99.4	392,566	155,484,478	99.7
2007	178,448,928	177,139,126	99.3	571,135	177,710,261	99.6
2008	210,271,715	208,168,095	99.0	1,065,977	209,234,072	99.5
2009	245,444,114	246,157,180	100.3	387,786	246,544,966	100.4
2010	273,131,936	271,182,300	99.3	-	271,182,300	99.3

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities		Business-Type Activities		Advance Land Acquisition		Ratios		Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable	General Obligation Bonds	General Obligation Bonds	Total Primary Government	Percentage Of Personal Income	Total Debt	Percentage Of Personal Income (2)
2001	\$ 30,920	\$ 4,792	\$ 12,388	\$ 273	\$ 4,925	\$ 4,925	\$ 48,373	0.10 %	\$ 53,298	0.12 %
2002	28,700	3,577	11,811	218	4,500	4,500	44,306	0.09	48,806	0.10
2003	32,125	4,976	10,852	290	4,225	4,225	43,185	0.10	52,468	0.11
2004	29,830	3,291	9,860	204	3,805	3,805	45,955	0.08	46,990	0.09
2005	31,760	5,256	8,825	114	5,390	5,390	41,100	0.08	51,345	0.09
2006	29,555	3,711	7,780	54	4,845	4,845	44,026	0.07	45,945	0.08
2007	32,025	5,259	6,715	27	4,290	4,290	38,617	0.06	42,362	0.07
2008	29,465	3,522	5,630	-	3,745	3,745	39,114	0.06	42,324	0.07
2009	32,290	2,301	4,523	-	2,680	2,680	34,114	0.06	36,794	0.06
2010	29,680	1,041	3,393	-						

PRINCE GEORGE'S COUNTY

Year	Governmental Activities		Business-Type Activities		Advance Land Acquisition		Ratios		Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable	General Obligation Bonds	General Obligation Bonds	Total Primary Government	Percentage Of Personal Income	Total Debt	Percentage Of Personal Income (2)
2001	\$ 107,280	\$ 1,796	\$ -	\$ -	\$ 3,135	\$ 3,135	\$ 109,076	0.45 %	\$ 112,211	0.46 %
2002	119,620	1,765	-	-	2,800	2,800	121,385	0.48	124,185	0.49
2003	113,655	1,675	-	-	2,470	2,470	115,330	0.44	117,800	0.45
2004	121,965	1,530	-	-	2,145	2,145	123,495	0.44	125,640	0.45
2005	113,480	1,714	-	-	1,825	1,825	115,194	0.39	117,019	0.40
2006	105,030	1,496	-	-	1,505	1,505	106,526	0.35	108,031	0.36
2007	105,400	1,806	-	-	1,190	1,190	107,206	0.38	108,396	0.34
2008	95,735	1,438	-	-	885	885	97,173	0.30	98,058	0.30
2009	85,501	1,054	-	-	585	585	86,555	n.a	87,140	n.a
2010	76,246	653	-	-	290	290	76,899	n.a	77,189	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 2009 and FY 2010.

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
2001	894,878	\$ 29,324,926	\$ 30,920	0.11 %	34.55	\$ 33,726,861	\$ 4,925	0.01 %	\$ 5.50
2002 (3)	908,233	71,060,080	28,700	0.04	31.60	81,776,292	4,500	0.01	4.95
2003	917,160	75,030,387	32,125	0.04	35.03	86,635,192	4,225	0.00	4.61
2004	923,094	80,589,255	29,830	0.04	32.32	93,226,807	3,805	0.00	4.12
2005	930,286	88,294,369	31,760	0.04	34.14	102,184,337	5,390	0.01	5.79
2006	936,070	99,136,692	29,555	0.03	31.57	114,360,878	4,845	0.00	5.18
2007	941,491	112,335,704	32,025	0.03	34.02	129,659,726	4,290	0.00	4.56
2008	949,591	126,613,148	29,465	0.02	31.03	146,276,983	3,745	0.00	3.94
2009	957,760	140,254,264	32,290	0.02	33.71	162,053,662	3,210	0.00	3.35
2010	966,000	149,161,911	29,680	0.02	30.72	171,220,840	2,680	0.00	2.77

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
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	820,852	70,615,992	95,735	0.14	116.63	75,728,883	885	0.00	1.08
2009	834,560	82,671,572	85,501	0.10	102.45	88,636,874	585	0.00	0.70
2010	n. a.	91,889,365	76,246	0.08	n. a.	98,521,803	290	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, 2010

	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
Overlapping Debt:					
Montgomery County:					
Montgomery County Government Direct Debt	\$ 2,418,199,833	100.00%	\$ 2,418,199,833	\$ -	\$ 2,418,199,833
MCPS - capital leases	32,900,935	100.00%	32,900,935	-	32,900,935
MCC - capital leases	47,110,000	100.00%	47,110,000	-	47,110,000
Kingsview Village Center - bonds	1,995,000	100.00%	1,995,000	-	1,995,000
West Germantown - bonds	14,815,000	100.00%	14,815,000	-	14,815,000
Towns, Cities and Villages	44,958,509	100.00%	44,958,509	-	44,958,509
Prince George's County:					
Prince George's County Direct Debt	734,915,978	100.00%	-	734,915,978	734,915,978
IDA of Prince George's County - lease revenue bonds	69,401,416	100.00%	-	69,401,416	69,401,416
Towns, Cities and Villages (2)	28,943,446	100.00%	-	28,943,446	28,943,446
Total Overlapping Debt			2,559,979,277	833,260,840	3,393,240,117
M-NCPPC Direct Debt Outstanding (1)			33,400,629	77,189,336	110,589,965
Total Direct and Overlapping Debt			\$ 2,593,379,906	\$ 910,450,176	\$ 3,503,830,082

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2008 data from Prince George's County.

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 137,037,338,727	\$ 145,753,018,821
Personal Property	-	3,431,488,780	3,376,709,429	3,196,548,890	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,216,925,627	3,408,892,008
Total Assessed Value	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	140,254,264,354	149,161,910,629
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	49,333,442	52,471,087
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	2,895,233	3,068,003
	26,392,433	27,434,633	28,834,362	30,738,268	33,502,319	37,378,554	42,194,614	47,343,252	52,228,675	55,539,090
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	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	1,566,880,250	1,666,172,700
Debt Service Applicable to Limit	43,203,000	39,469,000	43,472,000	39,836,487	42,224,115	38,393,681	41,883,976	38,059,329	40,869,590	37,198,245
Legal Debt Margin	\$ 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	\$ 1,525,990,660	\$ 1,628,974,455
Debt Service Applicable to Limit as a Percentage of the Limit	5.46%	4.80%	5.03%	4.32%	4.20%	3.42%	3.31%	2.68%	2.61%	2.23%

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
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	\$ 79,863,728,005	\$ 89,287,524,163
Personal Property	-	2,869,889,000	2,866,052,000	2,758,807,706	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652	2,807,843,667	2,601,841,179
Total Assessed Value	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	82,671,571,672	91,889,365,342
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	31,945,491	35,715,010
Personal Property at 10 cents	-	2,869,889	2,866,052	2,758,808	2,649,333	2,811,868	2,638,723	2,709,611	2,807,844	2,601,841
	16,873,735	17,349,364	18,002,177	18,768,373	19,982,156	23,720,684	25,254,188	29,872,163	34,753,335	38,316,851
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	506,212,050	520,480,920	540,065,310	563,051,190	599,464,680	711,620,520	757,625,640	896,164,890	1,042,600,050	1,149,505,530
Debt Service Applicable to Limit	141,350,000	157,767,000	147,391,000	156,442,246	146,418,484	136,076,320	135,698,883	119,846,031	105,933,668	92,328,755
Legal Debt Margin	\$ 364,862,050	\$ 362,713,920	\$ 392,674,310	\$ 406,608,944	\$ 453,046,196	\$ 575,544,200	\$ 621,926,757	\$ 776,318,859	\$ 936,666,382	\$ 1,057,176,775
Debt Service Applicable to Limit as a Percentage of the Limit	27.92%	30.31%	27.29%	27.78%	24.42%	19.12%	17.91%	13.37%	10.16%	8.03%

Note: Prior to fiscal year 2002, all property in the State of Maryland was assessed at 40 percent of actual value. Effective June 1, 2001, real property is assessed at 100 percent of actual value. Personal property continues to be assessed at 40 percent. The breakdown between real and personal property assessed valuation is not available for 2000-2001.

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-14

Pledged-Revenue Coverage Last Ten Fiscal Years

Little Bennett Golf Course Revenue Bonds (1)						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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	301,059	159,104	141,955	336,735	98,587	0.33
2009	300,000	70,385	229,615	348,083	86,983	0.53
2010	450,000	208,925	241,075	359,813	74,989	0.55

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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)
2009	969,600	1,360,638	(391,038)	314,696	42,846	(1.09)
2010	967,805	1,205,865	(238,060)	325,301	32,182	(0.67)

Cabin John Ice Rink Revenue Notes						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
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
2009	2,724,698	2,399,913	324,785	444,444	116,578	0.58
2010	2,906,570	2,293,433	613,137	444,444	93,645	1.14

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

Source: The Maryland-National Capital Park and Planning Commission

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
2001	894,878	\$ 45,537,627	\$ 50,887	490,213	3.1 %	134,180
2002	908,233	47,041,902	51,795	496,101	3.5	136,832
2003	917,160	48,533,753	52,917	496,223	3.3	138,891
2004	923,094	51,907,936	56,233	497,204	3.2	139,203
2005	930,286	55,806,685	59,989	505,692	3.1	139,337
2006	936,070	59,458,070	63,519	514,163	2.8	139,387
2007	941,491	63,573,952	67,525	512,719	2.7	137,798
2008	949,591	65,300,000	68,766	513,649	3.2	137,745
2009	957,760	67,100,000	70,059	509,926	5.4	137,763
2010	966,000	67,430,000	69,803	509,320	5.6	140,500

PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2) (4)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
2001	815,028	\$ 24,414,098	\$ 29,909	485,077	4.0 %	133,723
2002	824,290	25,445,330	30,783	471,602	5.1	135,039
2003	830,923	26,248,500	31,429	475,007	5.2	135,439
2004	836,103	28,162,399	33,461	440,424	4.5	137,285
2005	840,513	29,518,546	35,120	445,124	4.5	136,095
2006	836,644	30,412,449	36,351	446,366	4.1	133,325
2007	832,699	31,658,181	38,018	448,144	3.7	131,014
2008	830,514	32,761,012	39,447	454,201	4.5	129,752
2009	834,560	n. a.	n. a.	450,657	6.9	127,977
2010	n. a.	n. a.	n. a.	445,119	7.4	127,039

Notes:

(1) Source: Data for 2001-2009 from the U.S. Bureau of the Census, data for 2010 estimated by the Montgomery County Department of Finance

(2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2009 and 2010 is not currently available)

(3) Source: Data for 2009 - 2010 are estimates derived by the Montgomery County Department of Finance

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

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

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

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

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

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

(10) Source: www.mdreportcard.org

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Total Government Employees by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
Commissioners Office	14.41	14.41	14.41	14.22	14.19	16.70	16.70	16.40	9.90	9.50
Department of Human Resources and Management	24.75	24.25	24.05	24.35	23.75	23.75	23.75	24.50	26.75	21.75
Department of Finance	28.80	29.30	29.00	28.30	28.30	29.30	29.30	29.60	29.10	32.60
Legal Department	8.75	9.75	9.40	9.40	9.50	11.00	11.00	12.70	12.75	12.25
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:	76.96	77.96	77.11	76.52	75.99	81.00	81.00	83.45	78.75	76.35
County Planning and Zoning:										
Office of the Planning Director	2.50	2.50	2.30	2.50	2.50	2.50	3.30	3.77	3.82	3.00
Management Services	13.10	12.80	12.40	12.80	11.30	11.10	9.30	7.60	25.57	28.35
Strategic Planning	4.50	4.50	4.50	4.50	4.50	4.40	3.30	4.30	-	-
Community-Based Planning	46.20	45.70	45.75	44.70	43.70	39.00	38.00	38.77	22.22	24.17
County-Wide Planning	38.20	41.40	42.35	41.70	40.20	40.10	41.00	48.57	-	-
Environmental Planning	-	-	-	-	-	-	-	-	23.67	23.67
Transportation Planning	-	-	-	-	-	-	-	-	17.89	18.15
Urban Design	-	-	-	-	-	-	-	-	17.01	16.99
Development Review	24.30	24.80	24.40	24.80	24.60	28.50	35.60	35.00	32.32	31.48
Center for Research and Information Systems	28.50	28.50	29.80	28.00	26.80	26.30	26.90	31.30	28.55	24.84
Total County Planning and Zoning	157.30	160.20	161.50	159.00	153.60	151.90	157.40	169.31	171.05	170.65
Park Operations and Maintenance:										
Director of Parks	-	-	-	2.00	4.00	3.90	24.20	23.65	21.57	5.55
Superintendent of Parks	15.40	17.00	16.50	15.00	19.00	19.00	-	-	-	-
Special Programs	-	-	-	-	-	-	-	-	-	6.00
Park Information and Customer Service	-	-	-	-	-	-	-	-	-	10.30
Management Services	-	-	-	-	-	-	-	7.22	7.13	7.67
Facilities Management	-	-	-	-	-	-	-	6.90	6.83	6.00
Technology Center	8.00	8.00	8.00	10.00	7.70	8.90	10.10	11.50	10.74	10.90
Park Planning and Stewardship	16.80	17.10	16.30	16.05	18.95	20.50	18.85	29.88	33.43	31.96
Park Development	27.90	27.80	26.50	27.50	27.00	27.70	26.50	28.50	28.43	28.50
Park Police	114.50	115.50	115.05	115.50	112.50	111.20	117.50	112.85	114.72	115.56
Horticultural Resources	70.60	69.05	69.25	67.65	65.05	67.30	65.65	62.65	63.84	63.40
Central Maintenance	110.90	109.90	107.25	102.30	98.30	106.80	101.30	102.77	104.76	102.90
Northern Region	116.15	117.40	123.25	118.00	113.90	118.00	115.10	114.71	116.25	116.52
Southern Region	198.95	194.20	197.30	190.30	175.00	181.50	174.22	179.11	180.51	182.14
Support Services	-	-	-	-	-	-	-	-	-	1.10
Property Management	1.10	1.10	2.10	3.10	3.10	3.00	3.00	3.50	3.50	3.50
Total Park Operations and Maintenance	680.30	677.05	681.50	667.40	644.50	667.80	656.42	683.24	691.71	692.00
Business-Type Activities										
Recreational and Cultural Facilities	235.60	231.65	226.35	229.30	215.40	204.70	109.70	110.30	104.60	113.10
Total Workyears	1,150.16	1,146.86	1,146.46	1,132.22	1,089.49	1,105.40	1,004.52	1,046.30	1,046.11	1,052.10

Source: The Maryland National Capital 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
General Government:	78.45	77.45	76.60	75.70	75.70	77.20	79.35	82.65	86.90	85.40
County Planning and Zoning:										
Director's Office	13.00	15.50	14.00	14.00	13.00	15.00	14.00	14.00	16.00	27.00
Development Review	41.20	39.70	41.20	42.70	43.60	46.60	48.40	49.70	52.70	60.00
Information Permit Review	-	-	-	-	-	-	-	-	-	-
Community Planning	23.60	24.60	22.93	21.03	24.13	26.88	33.63	45.80	43.80	43.60
Redevelopment Authority	14.00	14.00	13.90	14.00	-	-	-	-	-	-
Natural Resources	-	-	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-	-	-
Urban Design	-	-	-	-	-	-	-	-	-	-
Information Management	26.00	22.00	21.80	23.00	22.00	23.00	23.50	24.60	25.60	27.60
County-Wide Planning	30.60	30.60	29.80	31.00	32.00	34.00	35.50	42.00	39.50	46.00
Information Center	25.70	22.70	21.10	20.00	22.00	22.00	23.50	25.00	27.00	-
Total County Planning and Zoning	174.10	169.10	164.73	165.73	156.73	167.48	178.53	201.10	204.60	204.20
Park Operations and Maintenance:										
Office of the Director	33.00	33.20	34.70	40.70	39.70	39.70	39.70	25.10	27.50	4.00
Administrative Services	-	-	-	-	-	-	-	-	-	16.10
Public Affairs and Marketing	-	-	-	-	-	-	-	-	-	12.00
IT & Communications	-	-	-	-	-	-	-	15.20	16.20	16.20
Park Police	121.00	123.40	123.40	124.20	124.20	129.80	130.80	137.60	143.50	146.50
Park Planning and Development	49.00	48.00	48.00	47.00	47.00	48.00	51.00	52.00	61.00	61.00
Facility Operations	239.00	233.00	232.50	234.50	235.50	243.50	243.50	250.50	271.60	269.50
Area Operations	218.00	202.00	202.10	204.10	204.10	219.60	219.60	228.10	240.10	240.10
Total Park Operations and Maintenance	660.00	639.60	640.70	650.50	650.50	680.60	684.60	708.50	759.90	765.40
Recreation Programs:										
Director's Office	2.00	3.00	3.00	3.00	8.00	8.00	9.50	9.50	19.50	-
Administrative Services	-	-	-	-	-	-	-	-	-	20.50
Public Affairs and Marketing	-	-	-	-	-	-	-	-	-	3.00
Administration and Development	-	-	-	-	-	-	-	-	2.00	2.00
IT & Communications	-	-	-	-	-	-	-	9.00	9.00	9.00
Facility Operations	176.50	161.00	159.60	157.60	157.60	159.10	161.10	160.70	164.70	217.30
Area Operations	472.50	476.60	473.00	472.00	622.40	644.10	654.60	670.60	718.30	700.30
Total Recreation Programs	651.00	640.60	635.60	632.60	788.00	811.20	825.20	849.80	913.50	952.10
Business-Type Activities										
Recreational and Cultural Facilities	147.30	217.50	217.50	210.50	209.50	207.50	215.50	218.00	213.00	202.00
Total Workyears	1,710.85	1,744.25	1,735.13	1,735.03	1,880.43	1,943.98	1,983.18	2,060.05	2,177.90	2,209.10

Source: The Maryland National Capital 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									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	377	175	200	200	362	325	400	350	376	109
Number of Vendors in Directory	12,976	14,165	15,171	16,015	17,014	17,741	18,481	19,514	20,593	14,048
Number of MFD Vendors in Directory	1,334	1,549	1,772	2,094	2,551	2,818	3,028	3,383	3,747	3,830
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed										
Number of Regulatory Planning Reviews	4	3	8	9	12	6	7	-	4	4
Number of Transportation Studies	n/a	n/a	26	30	35	35	38	120	124	220
Number of Site Plan and Project Plans Reviews	126	125	53	46	56	52	40	39	40	26
Number of Daily Website Visits	71	68	135	107	142	109	160	na	na	na
Number of GIS Updates	n/a	n/a	n/a	1,963	2,000	2,800	3,000	3,080	3,624	3,439
	n/a	n/a	2,086	2,500	1,805	2,140	2,400	5,697	14,576	23,602
Park Operations and Maintenance:										
Number of Park Permits Issued										
Number of Playground Renovations Completed	9,056	9,282	9,239	9,505	9,475	9,475	9,547	9,882	9,014	8,003
Total Acres of Parkland Acquired	n/a	9	2	14	16	6	6	10	12	7
Trees Planted for Reforestation Projects	n/a	529	1,031	224	407	310	480	297	140	877
Major Maintenance Requests Completed	n/a	n/a	2,000	1,200	1,300	1,512	1,295	1,100	1,581	1,642
Service Requests Completed	3,900	3,900	32	30	33	146	184	240	84	172
Number of Customers Attending Nature Programs	n/a	n/a	5,463	5,300	5,569	5,812	6,830	7,104	7,798	8,556
			n/a	n/a	35,225	30,355	45,808	46,700	37,877	45,248
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	381,779	398,664	418,318	426,493	440,235	459,863	449,007	408,746	390,336	427,854
Number of Indoor Tennis Customers	148,400	145,511	159,869	155,604	140,760	139,839	132,801	58,510	96,103	122,049
Number of Park Facilities Customers	419,357	526,628	358,668	494,563	520,097	496,112	569,315	490,220	422,565	588,464
Number of Conference Center Customers	30,100	31,191	32,301	31,873	37,466	39,153	29,964	30,359	27,729	28,455

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17
continued

Operating Indicators by Function
Last Ten Fiscal Years

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
PRINCE GEORGE'S COUNTY										
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	229	113	157	214	214	163	70	152	50	80
Number of New Zoning Applications	89	98	88	71	76	90	59	53	42	50
Number of Help Desk Requests Completed	1,251	1,309	1,986	2,240	2,030	2,770	2,450	2,900	3,843	3,500
Number of GIS Requests Delivered	153	175	212	212	240	206	200	211	228	210
Number of Transportation Referrals Received	295	414	338	369	303	318	346	282	192	212
Number of Environmental Referrals Received	1,023	1,174	1,441	1,791	1,783	2,355	1,923	1,323	944	900
Number of Walk-in Customers Served	5,707	7,106	n/a	7,165	7,100	10,149	7,000	7,269	6,417	7,500
Number of Telephone Calls Responded to	15,111	11,215	n/a	10,911	10,911	9,645	11,000	8,128	4,440	5,500
Park Operations and Maintenance:										
Number of Nature Education Attendees	20,024	44,968	39,193	91,320	152,817	152,346	167,372	160,799	165,500	n/a
Number of Museum Visitors (College Park Airport)	32,113	42,000	53,000	76,331	77,246	88,019	65,772	60,331	68,000	n/a
Number of Commission Facility Permits Issued	5,300	5,300	5,400	4,676	5,494	4,363	4,521	4,600	4,700	n/a
Number of Historic Property Rentals	630	458	706	663	566	596	609	752	763	779
Acres of Grass Mowed	4,964	5,092	5,582	5,698	6,040	6,450	6,600	7,100	7,550	7,595
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	13,969	22,400	33,718	34,030	42,246	51,155	48,194	47,336	49,000	n/a
Number of Youth Sports Participants	18,000	18,000	18,000	20,000	18,000	15,400	13,000	12,000	12,800	14,933
Total Aquatics Activities Attendance	281,094	298,871	222,835	275,772	271,834	284,844	295,242	290,000	291,000	65,403
Total Community Center Classes Conducted	1,884	1,983	4,000	4,877	4,699	5,078	5,387	6,866	5,650	11,901
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	102,735	110,650	88,561	89,102	91,867	90,556	81,274	84,558	94,000	n/a
Number of Fitness Center Class Participants	n/a	9,000	22,000	22,000	23,500	26,000	26,500	28,000	27,500	10,867
Number of Ice Rink General Admissions	29,250	11,360	11,700	16,800	27,900	27,000	24,355	36,564	31,000	4,753
Number of Attendance (Show Place Arena)	223,010	227,925	216,061	253,446	268,304	277,295	278,147	240,840	226,652	n/a
Number of Attendance (Equestrian Center)	n/a	30,900	41,806	36,941	37,735	38,562	37,122	35,315	27,821	n/a

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

The Maryland-National Capital Park and Planning Commission

TABLE T-18

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

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

(1) Data for 2001-2004 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>	2010			2001		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	39,979	1	8.64 %	28,429	1	6.18 %
Montgomery County Public Schools	20,744	2	4.48	21,744	2	4.72
U.S. Department of Defense	14,709	3	3.18	14,521	3	3.15
Montgomery County Government	8,827	4	1.91	7,592	5	1.65
U.S. Department of Commerce	8,749	5	1.89	7,300	4	1.59
Adventist Healthcare	6,911	6	1.49	6,000	6	1.30
Lockheed Martin	5,025	7	1.09	3,700	10	0.80
Marriott International, Inc. (Headquarters)	3,957	8	0.85	-	-	-
Giant Food Corporation	3,890	9	0.84	4,900	7	1.06
Montgomery College	3,000	10	0.65	-	-	-
Verizon	-	-	-	4,700	8	1.02
Chevy Chase Bank	-	-	-	4,700	8	1.02
Total	115,791		25.02 %	103,586		22.49 %

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2009 (1)			2000 (1)		
	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Private Sector Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
United Parcel Service	4,220	1	0.95 %	2,300	3	0.51 %
Giant Food, Inc.	3,600	2	0.81	4,400	1	0.97
Verizon	2,738	3	0.62	-	-	-
Dimensions Health Corporation	2,500	4	0.56	2,100	4	0.46
Gaylord National Resort and Convention Center	2,000	5	0.45	-	-	-
Shoppers Food Warehouse	1,975	6	0.45	1,975	6	0.44
Chevy Chase Bank	1,456	7	0.33	-	-	-
Target	1,400	8	0.32	-	-	-
Doctor's Community Hospital	1,300	9	0.29	-	-	-
Southern Maryland Hospital Center	1,300	10	0.29	1,300	7	0.29
Safeway Stores, Inc	-	-	-	2,400	2	0.53
Bell Atlantic Corp/Verizon	-	-	-	2,000	5	0.44
Computer Science Corp	-	-	-	1,200	8	0.27
Raytheon Systems Company	-	-	-	1,200	9	0.27
Aetna U.S. Healthcare, Inc.	-	-	-	1,100	10	0.24
Total	22,489		5.07 %	19,975		4.42 %

Note:

(1) In 2010, Information is not yet available. The number of employees in FY 2000 is provided for the ten year comparison.

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, 2010

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	Totals
Operating Revenues	\$ 399,153	\$ 478,950	\$ 3,893,598	\$ 1,491,153	\$ 2,956,590	\$ 9,219,444
Operating Expenses Before Depreciation	613,529	215,178	3,521,284	1,124,124	2,289,961	7,764,076
Operating Income (Loss) Before Depreciation	(214,376)	263,772	372,314	367,029	666,629	1,455,368
Depreciation	33,056	462,472	676,038	41,286	118,926	1,331,778
Operating Income (Loss)	(247,432)	(198,700)	(303,724)	325,743	547,703	123,590
Nonoperating Revenues (Expenses)	-	(74,989)	(125,826)	5,600	6,318	(188,897)
Transfers In (Out)	25,000	-	10,000	-	-	35,000
Net Income (Loss)	\$ (222,432)	\$ (273,689)	\$ (419,550)	\$ 331,343	\$ 554,021	\$ (30,307)

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	\$ 202,195	\$ 1,400,576	\$ 2,465,896	\$ 523,279	\$ 327,957	\$ 1,352,160	\$ 3,160,501	\$ 70,903	\$ 9,503,467
Operating Expenses Before Depreciation	444,396	4,157,306	3,685,715	1,456,961	440,076	1,498,022	7,359,630	386,371	19,428,477
Operating Income (Loss) Before Depreciation	(242,201)	(2,756,730)	(1,219,819)	(933,682)	(112,119)	(145,862)	(4,199,129)	(315,468)	(9,925,010)
Depreciation	165,332	588,546	87,734	147,251	57,470	6,572	1,180,652	(33,709)	2,199,848
Operating Income (Loss)	(407,533)	(3,345,276)	(1,307,553)	(1,080,933)	(169,589)	(152,434)	(5,379,781)	(281,759)	(12,124,858)
Nonoperating Revenues (Expenses)	1,156	4,831	-	-	4,623	-	7,643	4,450	22,703
Capital Contribution	-	-	-	-	-	-	-	-	-
Transfers In (Out)	150,900	2,390,300	922,700	889,000	253,100	74,600	4,203,400	779,900	9,663,900
Net Income (Loss)	\$ (255,477)	\$ (950,145)	\$ (384,853)	\$ (191,933)	\$ 88,134	\$ (77,834)	\$ (1,168,738)	\$ 502,591	\$ (2,438,255)

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:

The Shirley Povich Field in the Cabin John Regional Park hosts local youth ball teams as well as collegiate baseball teams. A player for the Bethesda Big Train team hits a home run.

Page 9:

Participants enjoy climbing the ropes and riding the zipline at the Go Ape Treetop Adventure Park in Rockville, MD...Young boy enjoys jumping on the moon bounce at the Hispanic Festival 2010...Montgomery County Mounted Park Police represents the Commission at the Washington International Horse Show...Prince George's County Seniors participate in a Tai-Chi class...Children at Meadowbrook Maintenance Facility learn gardening and planting tips...Ice performers sit ready for their next scene in Beauty and the Beast on Ice at Wells Ice Rink...A young visitor makes rainbow bubbles from the reflections of the sun light at Children's Day at Brookside Garden...Having fun as a participant in the Therapeutic Recreation Talent Show held at Marlow Heights Community Center.

Photo Credits:

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