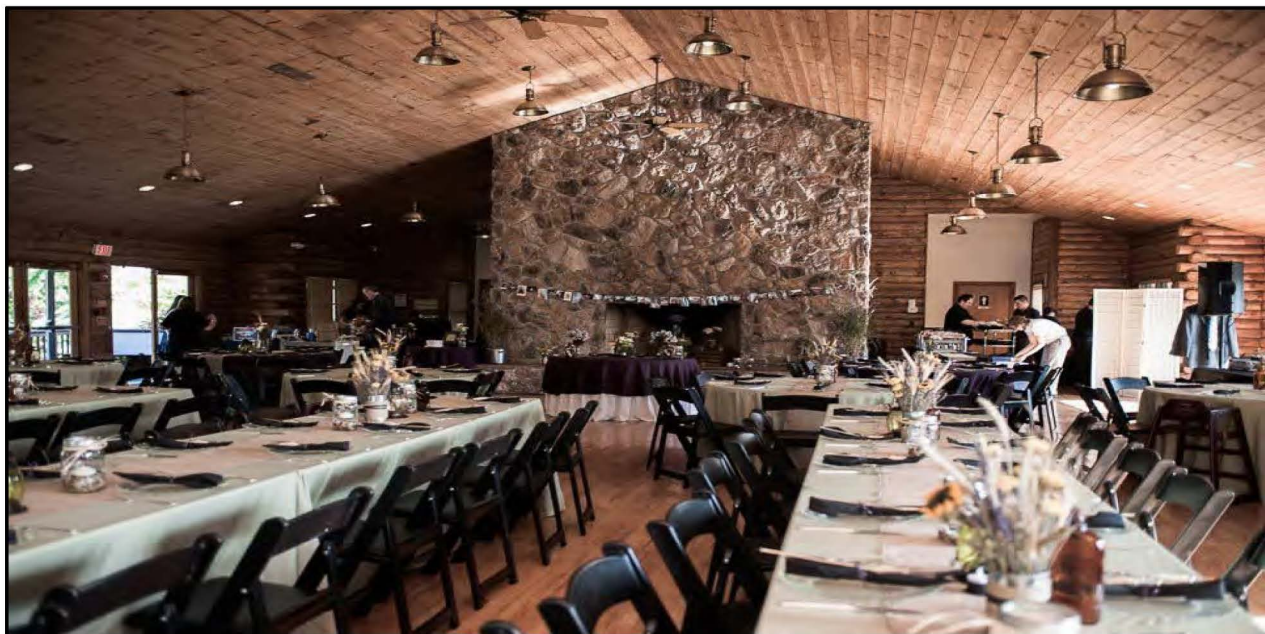


The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
AND ANNUAL REPORT**

Of

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

For the Fiscal Year Ended June 30, 2014

Commissioners

Françoise M. Carrier, Chairman of the Commission
Elizabeth M. Hewlett, Vice-Chairman of the Commission
Casey Anderson
Dorothy F. Bailey
Norman Dreyfuss
Manuel R. Geraldo
Amy Presley
John P. Shoaff
A. Shuanise Washington
Marye Wells-Harley

Officers

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

Department Directors

Gwen Wright, Montgomery County Director of Planning
Mary Bradford, Montgomery County Director of Parks

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

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

Prepared by the Department of Finance

Joseph C. Zimmerman, Secretary-Treasurer

Finance Managers

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

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◆ PART I ◆
INTRODUCTORY SECTION



Historic Riversdale House Museum



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue Riverdale, Maryland 20737

January 14, 2015

Commissioners:

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2014 is hereby submitted. This Report was prepared by the Commission's Finance Department, in accordance with the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. 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 CliftonLarson Allen 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, 2014 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 unmodified opinion that the Commission's financial statements for the fiscal year ended June 30, 2014 are fairly presented in conformance with GAAP. The independent auditor's report is presented as the first component of the Financial Section of this Report.

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

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

The Commission

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

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

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

The Montgomery County Parks Foundation, Inc. is included as a component unit in the accompanying financial statements and is disclosed in the Notes to the Financial Statements. A copy of the independently audited annual financial report is available from the component unit.

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 base in Prince George's County declined in FY 2014, whereas Montgomery County increased 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, 2014, the Commission's General Fund budget basis ending fund balance was \$175.4 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 wealthiest state in the nation, according to the latest U. S. Census data. The state's median household income for 2013 was \$72,483, an increase of about \$1,400 from the previous year and Montgomery County is the 11th wealthiest county in the nation.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2014, the nation's unemployment rate was 6.1 percent, whereas Montgomery and Prince George's rates were 5.0 percent and 6.6 percent, respectively. These counties have a combined population base of 1.9 million people and have almost 1.1 million employed as of fiscal year 2013.

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 FY2014 expenditures was made,

while in Prince George's County this percentage was 5%. In both Counties there are undesignated fund balances, which could also be used to provide funding for unexpected needs.

There are significant unassigned fund balances in Prince George's County (\$122.4 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 2014. 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, 2013. 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.

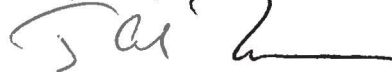
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2014. The Commission has received this award continuously since fiscal year 1987. In order to qualify for the Distinguished Budget Presentation Award, the Commission's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Acknowledgments

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

Respectfully submitted,



Joseph C. Zimmerman, CPA
Secretary-Treasurer



Government Finance Officers Association

**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, 2013

Executive Director/CEO

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. As of October 1, 2012, Article 28 of the Annotated Code of Maryland is recodified under Division II, Land Use Article, Maryland Annotated Code.

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.

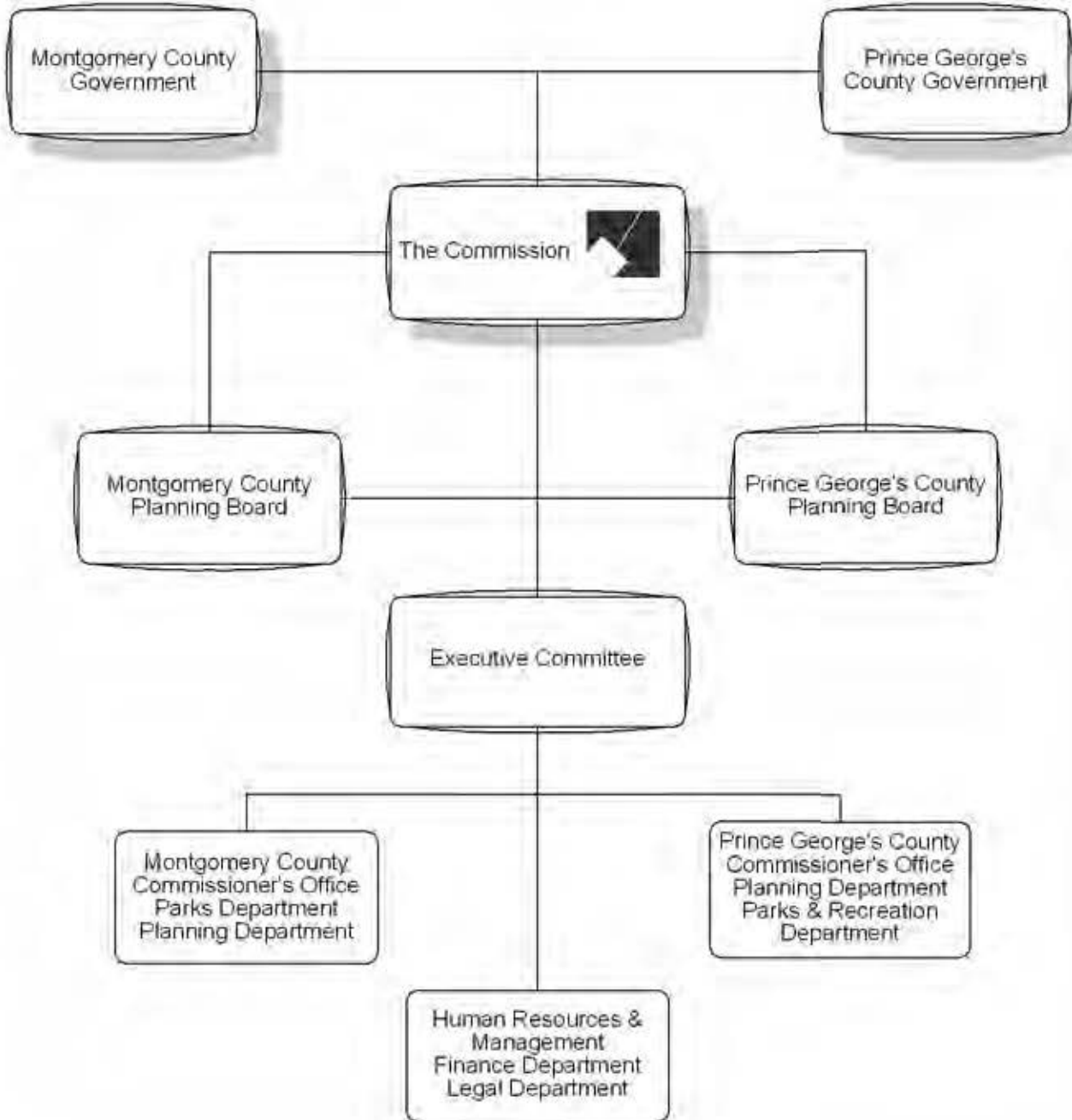
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve 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 64,000 acres. It is composed of stream-valley parks, large regional parks, neighborhood parks and park-school recreational areas. Its staff consists of over 2,000 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately 3,500 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 2014 PROGRAM HIGHLIGHTS

SUMMARY

In FY 14, The Maryland-National Capital Planning Commission (M-NCPPC) continued to carry out its mission to provide top-quality programs and services to the citizens of the bi-county area. The agency's work in planning and parks and recreation continued to receive wide local, state and national recognition, with awards earned from the American Planning Association's regional chapter for outstanding planning projects in both counties, and selection by the National Recreation and Parks Association as a finalist for M-NCPPC's unprecedented sixth national gold medal for excellence in parks and recreation management. The agency also underwent extensive review to earn prestigious national re-accreditation by the Committee on Law Enforcement Agencies (CALEA) and the Commission on Accreditation of Parks and Recreation Agencies (CAPRA).

Community outreach and engagement remained a priority in encouraging public participation in both planning efforts and parks and recreation activities. The Department of Parks and Recreation in Prince George's County launched a Foundation to ensure a bright future for parks and recreation facilities, in line with goals set out in the adopted "Formula: 2040" master plan for parks and recreation. The Montgomery County Planning Department broadened its outreach efforts to engage millennials and other citizens who do not typically participate in the planning process. Social media, happy hours, Spanish-language presentations and interactive tools improved the quality and quantity of public engagement in FY 14. The Montgomery Parks Department completed major construction and renovation projects in Silver Spring and Wheaton, and continued its upgrades to existing parks and trails, efforts to ensure accessibility throughout the park system and restoration of historic sites.

In both counties, the Planning Departments strengthened their missions to promote economic vitality, environmental sustainability, design excellence and quality development. In Montgomery County, the existing Zoning Ordinance was revised along with a comprehensive District Map Amendment to improve the planning and development process. The new law is the most comprehensive update to the county's land use regulations since they were last reviewed in 1977. Changes to the County's development review process were also undertaken to streamline the application process in support of the new Zoning Ordinance. The Prince George's County Planning Department continues to revise the County's existing Zoning Ordinance and subdivision regulations to maximize its transportation infrastructure investments at Metrorail stations, revitalize neighborhoods and create new places where citizens can live, work, shop and play. The new regulations will shorten the time needed to get projects approved, make the process more transparent and allow residents to participate in shaping their communities.

Montgomery County Parks

Park Projects and Acquisitions: In FY14, the Department of Parks successfully completed a number of major projects including the dedication of the new Carroll Knolls Local Park. Additional major renovations were completed at Evans Parkway Neighborhood Park, Martin Luther King, Jr. Recreational Park, and Brookside Gardens' Gude Garden. Projects underway include major upgrades to Brookside Gardens' Visitor Center, Cabin John Ice Rink, and North Four Corners Local Park.

ADA Accessibility Audits & Improvements: In FY14, the Department completed approximately 80% of self-evaluations of park properties and park facilities required per an ADA Settlement Agreement. The Department anticipates that all required audits will be completed ahead of schedule. Accessibility improvements have been made or are underway at several parks, including Seven Locks Local Park, Nolte Local Park, Burning Tree Local Park, Argyle Local Park, Rosemary Hills Local Park, Westmoreland Hills Local Park, Meadowbrook Local Park, and the Little Bennett Group Camping area.

Preserving Natural and Cultural Resources: In FY14, the Department completed the first phase of renovations at the historic Warner Mansion in Kensington, completed the rehabilitation of the 1940s Bussard Barn Kitchen at the Agricultural History Farm Park, began rehabilitation of the historic stone barn at Woodlawn Park, and began exterior construction to stabilize the Jesup Blair House. In addition, Josiah Henson Park was the subject of a national PBS Broadcast called Time Team America which focused on a three-day archaeological excavation on Henson Park and

nearby properties that uncovered evidence and artifacts from Henson's time. A Countywide Parks Trails Plan Amendment has been drafted to more effectively plan future sustainable trail investments on parkland.

Urban Parks Initiative: Montgomery Parks has committed to exploring ways to implement the goals of the Nighttime Economy Task Force, a major initiative of Montgomery County to ensure safe, vibrant public parks that appeal to a range of demographics during daytime and evening hours. Efforts to create urban parks that meet these goals have already begun with a pilot Urban Dog Park at Ellsworth Urban Park in Silver Spring. Planning Board approval of privately-provided urban park facilities in communities including The Blairs, Chevy Chase Lakes and The Gables, and the Montgomery County Council's approval of a new funding source will further help to support Urban Park Elements. Additionally, the Department of Parks has begun construction of Germantown Town Center Urban Park, is working on park and facility designs for Kemp Mill Urban Park, Western Grove Urban Park, and Woodside Urban Park. The Department is also working on the program of requirements and facility plans for urban parks in need of renovation, including Battery Lane Urban Park, Elm Street Urban Park, Caroline Freeland Urban Park, Wall Urban Park and Norwood Local Park.

Volunteers: Volunteers continue to play a critical role in supporting the operation and maintenance of parks, facilities and programs. In FY14 volunteers contributed over 82,000 hours of service in programs, events and projects across the Department. The estimated value of this contribution exceeds \$1.8 million dollars.

Efficiencies: In FY14, the Department of Parks continued work to find alternative funding sources, began work on development of a consolidated registration system that will merge registration systems for the Department of Parks, the Montgomery County Department of Recreation, and the Community Use of Public Facilities, and fully shifted over to the use of ePlans, an electronic project review system, for the review of park and facility projects in design. The Department also received bids for the suitable reuse of several usable but closed Park Activity Buildings in an effort to raise revenues and offset operating expenses, and received approval for a new Corporate Sponsorship Program that will be administered by the Parks Foundation.

Community Input & Involvement: Creating parks, facilities and programs that residents enjoy and that promote a strong sense of community is a critical part of the vision for the Department of Parks. In FY14, the Department hosted a variety of special events and festivals which brought community members out to celebrate nature, history and the outdoors at several parks and facilities throughout the year. As part of the Department's Leadership Development program, staff also initiated a pilot community outreach project, entitled El Carro Rojo/The Red Wagon Project, designed to connect communities, especially ethnic minorities, with their local parks and park facilities by sending staff and information on parks, facilities and programs to various park and community locations. Additionally, the Department worked to engage community members in conversations about the Ovid Hazen Wells Recreational Park Master Plan Update, the renovation of Wheaton-Claridge Local Park, Rockwood Manor Special Park,

Montgomery County Planning Department

Landmark Zoning Rewrite Project and District Map Amendment Approved: At the end of FY14, the Montgomery County Council approved a comprehensive revision to the Zoning Ordinance. At the same time, the County Council approved a comprehensive District Map Amendment that applies new, more flexible zones to most of the properties previously covered by commercial and office zones. This project was led by the Planning Department and has been ongoing since October 2010, when planners began revising the ordinance in order to modernize antiquated, redundant zoning regulations and create new tools to help achieve important goals, such as better mixed-use and sustainable development. The revised code reduces the number of zones, consolidates the use table, revises parking regulations and should greatly improve ease of use.

Planning for Great Communities: A record number of master plans were completed in FY14, including the Chevy Chase Lake, Long Branch, Glenmont, Bethesda Purple Line Station, Clarksburg Ten Mile Creek and Countywide Transit Corridors plans. The White Oak Science Gateway Plan was approved just after the end of the fiscal year. Work on five new plans was undertaken, including Bethesda Downtown, Aspen Hill Minor Master Plan, Sandy Spring Rural Village, Greater Lyttonsville and Westbard. The goal of all these planning efforts is to improve the quality of life in Montgomery County's diverse communities.

Countywide Transit Corridors Plan was Approved: The County Council approved a functional plan that recommends an extensive network of enhanced transit corridors based on a broad analysis of travel patterns countywide. The plan recommends a network of 10 transit corridors with specified rights-of-way and treatments, as well as direction for more extensive transit corridor treatments that may be warranted in the future. Implementation of these transit corridors will facilitate the continuing focus on new planned development in compact, mixed-use areas that reduce the need for driving.

Purple Line Mandatory Referral Completed: The Purple Line project is moving forward to create a light rail line that will connect Bethesda to College Park. Planning Department staff participated in a number of major conferences and meetings to discuss the impact of this new piece of transit infrastructure. In addition, staff undertook a very detailed analysis of the proposal through the Mandatory Referral process. Comments and suggestions were developed regarding the design of the system and its stations, as well as how to enhance pedestrian and bicycle connections to the Purple Line. A major public hearing before the Planning Board was held on the Mandatory Referral and an innovative, interactive map was used to explain recommendations to the public and Board.

Reaching Out to a Wider Audience: One major emphasis for master plans in FY14 was a strong focus on community outreach. In particular, the Bethesda Downtown Plan and the Greater Lyttonsville Sector Plan teams broke new ground in terms of using innovative ways to reach out to community members who may not typically participate in the planning process. In addition, the Sandy Spring Plan used a charrette (an intense period of design or planning activity) format to successfully engage the community. The Department's social media audience is growing every day and online engagement with stakeholders has included surveys, GIS applications and dynamic web pages.

Regulatory Reviews: Throughout the year, the Planning Department processed a number of exciting development applications. In FY14, the Department's Development Application and Regulatory Coordination Division received and assigned more than 730 applications or amendments, forest conservation plans, special protection area plans, special exceptions, development plan amendments, local map amendments and mandatory referrals. Some of the significant projects include Glenmont Metro Center, Saul Centers in White Flint and AVA Wheaton. The Department also worked on ways to improve our Development Review process, including shortening the time for processing of Record Plats and creating opportunities for applicants to consult with staff at the earliest possible point in the evolution of a development project. Work on improving the process will continue in FY15.

MM2: Moving Forward Montgomery Conference: In May, the Planning Department and University of Maryland co-sponsored a major conference on planning trends. A nationally-renowned keynote speaker, Ellen Dunham-Jones, kicked off the conference and 18 fascinating sessions were conducted on everything from affordable housing to urban agriculture. MM2 brought together more than 300 people to discuss cutting-edge planning concepts. The conference demonstrated that our Department is a leader in planning, not only in the immediate area, but in the region and country.

Preserving a Slice of History: Historic Area Work Permits (HAWPS) and support to the Montgomery County Historic Preservation Commission continue to take up much of the Historic Preservation Section's time. However, in FY14, there were also a number of successful designations of new historic sites, including the Parks Resources Amendment (6 sites), Georgia Avenue Baptist Church, a portion of the Flower Theater façade and Naval Ordnance Lab in White Oak. In addition, staff organized a very successful Montgomery Modern Bus Tour in October 2013.

Prince George's County Department of Parks and Recreation

Offering Unique Arts Programs and Facilities: The Arts & Cultural Heritage Division coordinated art exhibits, classical music recitals, jazz festivals, movies, world and teen dance programs, choreography showcases, percussion and writing workshops, children's art exhibits, and a variety of classes and live performances including the popular Shakespeare in the Parks program. A Hallyu summer camp was offered for Korean pop culture fans, and arts staff worked to complete a mural at North Forestville Community Center. This year's Black History Month exhibit focused on the election of Wayne K. Curry as the first African American Prince George's County Executive and included barcode scans to allow visitors to view the exhibit and video at their leisure.

Preserving our Rich History: The Natural and Historical Resources Division's programs were held countywide. A grant from the War of 1812 Bicentennial Commission funded a geo-physical archaeology survey using ground penetrating radar to locate the War's 1814 Encampment in the Town of Nottingham. A popular wildlife program, "On the Water, Ospreys on

the Patuxent” gave more than 300 participants an opportunity to participate in an osprey monitoring project. The Prince George’s County Wine Festival was held at Marietta Historic House and was attended by over 700 visitors. Abraham Hall served as host of the Smithsonian’s Neighborhood Tour of African American Communities, which profiled the history of the benevolent lodge and Muirkirk ironworking community.

Serving All Segments of the Community: The Special Programs Division staff registered 15,000 seniors for a Senior ID which provides free access to community center fitness rooms, senior activity centers and clubs, and a number of amenities at the Prince George’s Sports & Learning Complex. Planning is under way to mark the 40th anniversary of therapeutic recreation and inclusion services program for individuals with disabilities. Youth Services continued to expand existing programs such as Safe Summer, G.E.A.R., Teen Cotillion, Expressions Overnight Camp, Mis Quince Años, After-School Arts, the Get to Know Your Wild Neighbor nature art program, and the S.T.R.I.V.E. step program. New programs included H.A.V.E.N, an all-encompassing and affordable recreational day camp experience held at Bladensburg Community Center for teens & pre-teens, focusing on Health & Wellness, Arts & Culture, Volunteerism & Community Service, Enrichment, and Nature & Conservation. The Youth Summit Forum taught youth to express their opinions using technology.

Focusing on Health and Wellness: The Sports, Health & Wellness Division continued “Make a Splash in School,” a collaborative partnership with Prince George’s County Public Schools, which provided 1,800 second grade students free water safety education and swim lessons utilizing grant funds from the USA Swimming Foundation. The Prince George’s Sports & Learning Complex installed 10 outdoor fitness stations that have been met with great enthusiasm and heavy use. In addition, the Complex recently installed a new outdoor track and field throwing cage and a javelin runway. Free nutrition classes were held countywide in recognition of National Nutrition Month, along with a variety of fitness opportunities in recognition of National Physical Fitness and Sports Month. Through funding received from the Prince George’s County Health Department via a Community Transformation Grant, the Department held Healthy Lifestyles camps and HEAL (Healthy Eating Active Living) programming at 20 summer playgrounds. Tucker Road Health and Wellness Zone was launched to promote active lifestyles through nutrition, sport, and fitness-based activities and use of park amenities. Residents were offered free classes in the new Yoga in the Parks program.

Celebrating our Community: The Festival of Lights, Kinderfest, Beltway BBQ, High School Step Show, Lake Arbor Jazz Festival, and Jug Bay Run for Wildlife continue to be successful events and are coordinated by staff from Northern, Central and Southern Area Operations and the Park Ranger Office

Enhancing Parks and Recreation Holdings: Park Planning and Development purchased 2 acres of new parkland in FY14 and acquired another 22 acres through donation, mandatory dedication or no-cost quit-claim acquisition. In addition, 260 acres were protected through conservation easements associated with the Historic Agricultural Resource Protection Program. The Department opened two new community centers – Fort Washington Forest and North Forestville. Field lighting projects were completed at Tanglewood Park, Holloway Estates Park, Fort Washington Forest Park and Temple Hills Park. Imagination Playgrounds were constructed at Watkins Regional Park, Heurich Park and the Prince George’s County Employee Childcare Center. Other park amenities completed in FY14 included the practice chipping green at Enterprise Golf Course, parking lot expansion at Publick Playhouse, a new boat landing in Anacostia River Stream Valley Park, and a playground and misting pad at Walker Mill Regional Park. Area Operations staff worked with Park Planning and Development, and Maintenance and Development personnel to assess and upgrade fitness center equipment, amenities, and signage at community centers throughout the County.

Maintaining our Assets: The Maintenance and Development Division participated in 28 weather-related events, purchased 53 new vehicles including ten replacement vehicles for Central Area Operations due to vandalism and fire; and completed 3,034 work orders. M&D crews completed a pilot project for energy efficient lighting at the Prince George’s Sports & Learning Complex, converted to LED lights at Fletcher’s Field and Riversdale Mansion, rebuilt the Cart Barn at Henson Creek Golf Course, and completed the Anacostia Basin Dredge project at Bladensburg/Colmar Manor, and the renovation of the Fairland Aquatics filtration and HVAC systems. A new Enterprise Asset Management System is in final testing, with staff training and implementation expected in FY15.

Protecting our Patrons: The Park Police continue to build community value by ensuring safe, clean open spaces and parks and recreational facilities. This is accomplished by community engagement, use of innovative technology, and strategic deployment of public safety resources. More than 1,500 cameras and several emergency call towers situated on

park property help ensure safe parks and facilities. In FY 14, the Park Police sponsored the first countywide community day to improve communication and trust between public safety and community stakeholders.

Interacting With Our Community: The Department implemented Community Connect, an online database of information to track the Department's work with community partners and its support of partner organizations throughout the County. The system features one portal for accepting requests from those organizations. Volunteers remain an extremely valuable resource to the Department. In FY 14, nearly 9,000 registered volunteers donated 461,209 hours of service valued at more than \$10 million. The Department continues to expand its outreach program throughout the County, with a strong focus on under-served populations. The year also saw significant growth in internal and external messaging via the Public Affairs and Marketing Division.

Looking To The Future: The Department of Parks and Recreation is moving aggressively to implement policies in the recently adopted Formula 2040 Master Plan for Parks, Recreation and Open Space. Work began on master facility plans for park trails, maintenance yards and the Commission's four regional parks in Prince George's County. Elements of the facility plans will incorporate key concepts such as cost recovery, partnerships, marketing, and health and wellness initiatives. Planning for one of the nine proposed multi-generational community centers is well under way, with the first located in Brandywine. The Prince George's County Parks and Recreation Foundation was launched to preserve, acquire, protect, and develop park land and recreational programs, and will leverage public funds with private dollars to further enhance the Department's mission to provide quality programs and sustainable facilities throughout the County. The focus will be to offer supporters the opportunity to permanently endow programs, recreational assets, natural areas, and specific historic sites.

Prince George's County Planning Department

General Plan 2035: Plan Prince George's 2035 (General Plan Update) was approved by the District Council on May 6, 2014 with amendments (CR-26-2014). Plan Prince George's 2035 (General Plan Update) builds on the 2002 Prince George's County Approved General Plan and will help the county address existing, changing, and new priorities, such as public safety, sustainability, and transit oriented development.

Planning for Quality Communities: In FY14, 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 accomplishments included completion and approval of the following Plans and Sectional Map Amendments by the Planning Board and District Council: Southern Green Line Station Area Plan; Eastover/Forest Heights/Glassmanor Sector Plan and SMA; Landover Metro Station Area and MD 202 Corridor Sector Plan and SMA; and the Largo Town Center Sector Plan and SMA. The Department was awarded an Office of Economic Adjustment grant by way of the United States Department of Defense to support funding for the Joint Base Andrews Naval Air Facility Joint Land Use Study. In addition, contracts were let for the Architectural Conservation Overlay Zone Project for Mount Rainier and the Prince Gorge's Plaza Transit District Development Plan and Transit District Overlay Zone (TDDP/TDOZ) Update. Approved Plan implementation efforts continued for the Bowie State MARC Station Sector Plan and SMA; Branch Avenue in Bloom Project; Landover Gateway; Subregion 4 Master Plan; Subregion 5 Master Plan; Upper Marlboro Town Action Plan and the Countywide Master Plan of Transportation.

Providing for Public Facilities and Services: Staff members provided public facility technical support for all active master plans. Staff also received and presented nine full mandatory referrals requests to the Prince George's Planning Board and twelve administrative mandatory referrals that were signed by the Planning Director. Staff also assisted in the development and review of the Annual Educational Facilities Master Plan by the Board of Education, and coordinated the Planning Department's analysis for the Water and Sewer Plan Amendment cycles.

Developing Efficient Transportation Systems: In FY14, Staff completed work on user enhancements to the current TransForm Model. Staff coordinated with the Department of Public Works and Transportation (DPW&T), the Department of Permitting, Inspections and Enforcements (DPIE), and the State Highway Administration (SHA) to identify and implement complete streets features where opportunities for roadways improvements were identified. The Department also worked in coordination with the Department of Parks and Recreation in completing the Formula 2040 Plan and advancements of several trail projects towards completion. Staff provided planning advice to the Department of Public Works and Transportation, the Metropolitan Washington Council of Governments and the Bicycle and Trails Advisory Group.

Preserving and Protecting the Environment and Historic Properties: Revisions to the Woodland and Wildlife Habitat Conservation ordinance to clarify the expiration requirements of Tree Conservation Plans were approved by the County Council. Staff began work to update the Environmental Technical Manual. Work continued on the implementation of the environmental regulations approved by the County Council that became effective on September 2010 and February 2012. These regulations included streamlined processes for requesting impacts to regulated environmental features; improved identification of streams and wetlands early in the review process; improved protections for streams and wetlands; and clarification of natural resource inventories submittals. Work continued on a comprehensive update to the 2005 Approved Countywide Green Infrastructure Plan. Staff also supported the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures and recommendations for development review referrals and Historic Area Work Permits.

Information Technology Advancements: The Department embarked on the development of a GIS Mobile Website with technical support from outside contractors. The GIS Section responded to approximately 160 internal and external requests for maps, data reports and technical services. These included digital maps, reports, account numbers for mail-outs and image data. The external customers that benefitted from our services included municipalities, county agencies, council offices, developers, engineers and educational institutions. The Department provided the State Department of Assessments and Taxation with access to cell tower sites by tax account and pictometry online. The Department also completed development of a GIS building address layer and easement layer.

Promoting Responsible Development: Approximately 370 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, and preliminary plans and final plats of subdivision were analyzed for conformance with county plans, policies and development regulations. Approximately 34,700 permits were processed, and the Planning Information Center responded to more than 10,100 inquiries from the general public. Also, several major development proposals were approved, including the detailed site plan for MGM at National Harbor. This detailed site plan was approved for approximately 1.1 million square feet of development. The uses include: entertainment, retail, a 300 room hotel, conference/assembly rooms, a 3,000 square foot performance theater, restaurant spaces and a parking garage. A detailed site plan for umbrella architecture was approved for Westphalia Town Center. This approval will guide the selections for architecture for thousands of dwelling units to be constructed over the next several years. Organization efforts continued on the Zoning/Subdivision Rewrite, a multi-year project designed to simplify these ordinances to make them more responsive to newer planning initiatives related to infill and transit-oriented development, and to improve the development review process.

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 agency through a set of best management practices, recommends and implements policy, and establishes administrative standards for efficient and effective operations. DHRM is responsible for systems and programs that meet regulatory requirements and support the agency. Programs and policies ensure fair and equitable treatment of all employees. DHRM administers a system to create, maintain, and retain a diverse, qualified, healthy, and motivated workforce. The Corporate Budget Office promotes responsible use of public funds through analysis and long-term fiscal planning. DHRM also provides risk management, workplace safety, and insurance programs to protect the Commission's assets, employees and patrons.

Program and Service Improvements: There were a number of notable updates to agency-wide programs and policies to strengthen internal controls and contain costs, address organizational development concerns, promote a workplace of excellence, and enhance public accountability. :

National Recognition for Workplace of Excellence: Achieved again, national recognition for innovative policies and programs, many of which were developed by the department. The Commission received all four prestigious national awards bestowed by the Alliance for Workplace Excellence following rigorous review of programming standards and interviews of staff and employees. The Workplace Excellence Award recognizes exceptional commitment to the overall success of workforce initiatives such as management practices, workplace standards, and comprehensive work/life policies. The Health and Wellness Trailblazer Award is for excellence in workforce health and wellness management. The Diversity Champion Award recognizes commitment to creating a diverse and inclusive workforce. The EcoLeadership Award is for visionary leadership and commitment to environmentally sustainable workplace practices and

efficient use of resources. Recognition for all four awards makes M-NCPPC one of only a handful of agencies across the nation to achieve such a standard.

Workforce Planning: Conducted comprehensive compensation/classification study to support ability to recruit/retain a highly skilled work force; and began implementation of multi-year recommendations. Developed recommendations to address succession planning issues and ensure continued competency of skilled workforce through employment policies. Implemented Initiatives such as Diversity Council and programs supporting the hiring of disabled individuals.

Collective Bargaining: DHRM led the management negotiating team in bargaining with two unions. The focus of the team was on restructuring compensation and benefits to levels which are competitive yet more fiscally sustainable. These savings are explained under Pension and Benefits restructuring. Negotiations included full contract negotiations with the Fraternal Order of Police and a wage reopener with MCGEO.

Pension and Benefits Restructuring/Health Care Reform: Ensured compliance with the Affordable HealthCare Act, implemented plan design reforms, and cost sharing changes to maintain competitive benefits at sustainable funding levels. Achievements included: Over a million dollars in savings from prescription plan design changes and subsidies from the federal government for retiree drug expenses; Application and approval for additional retiree drug subsidies of nearly a half million dollars from the Center for Medicare and Medicaid Services (CMS) through the Medicare Part D (Prescription) Subsidy program; Changes resulting from subsidy also reduce the Other Post-Employment Benefits (OPEB) liability calculation by approximately \$2.6 million in the Annual Required Contribution (ARC) for FY15; Implemented wellness initiatives to promote a healthier workforce and reduce overall health care costs (e.g., preventive health services, waiver of generic co-pays to improve medical management of chronic diseases, flu shots, screening for diabetes/cholesterol/bone density and cancer, etc.).

Fiscal Responsibility and Budget Management: In partnership with the Finance Department, received the Distinguished Budget Presentation Award from GFOA for the 28th consecutive year. The Corporate Budget Office is responsible for salary projections, long range planning, labor cost modeling, and cost allocations and serves as the main point of contact for administration of the agency budgets. Departmental budget activities are streamlined to strengthen tracking, cost containment, and oversight.

Risk Management/Workplace Safety Oversight: this function provides oversight and protection of Commission assets through purchase of insurance, contractual transfer of risk, program and operational analysis, mitigation of insured losses, loss prevention and related program and policy development to minimize risk and loss potential. This Office is also charged with developing and implementing the Commission's safety and health programs to reduce accidents and injuries through extensive training, inspections, testing, and regulatory compliance with state and federal workplace safety laws. Some key accomplishments in FY14 include: conducted 52 safety trainings for over 1200 employees and supervisors to ensure regulatory compliance; and completed 74 safety risk assessments of facilities, programs, and equipment to reduce liability injuries and ensure compliance with workplace safety laws. The agency saw an 11% reduction in liability claims.

Enterprise Resource Planning System (ERP): In partnership with the Department of Finance, DHRM undertook comprehensive replacement of data/operational systems which will integrate multiple functional areas such as Human Resources, Payroll, Budget and other components in order to create efficiencies and provide better information for decision-making purposes. In FY14, the Department led configuration, testing, and design of budget modules and helped implement risk management and other aspects of the Supply Chain Management (procurement) modules. The Department also led the design, data conversion and testing of the Human Capital component which is expected to be implemented in January 2015. The Department continues to identify strategies to help the agency meet its mission through efficiency improvements, cost containment and value-added services and programs.

Corporate Policy/Operational Standards: As part of the ongoing and comprehensive review of agency programs, a number of policies were updated to provide clearer guidance on operating standards and practices, strengthen public accountability, and ensure compliance with evolving regulations. Comprehensive updates to agency-wide risk management and workplace safety policies to ensure compliance with evolving safety regulations; policy affirming equal employment, prohibition against unlawful discrimination, and respectful workplace for use in Commission-wide trainings; policies to ensure internal pay equity and help retain highly skilled employees. Comprehensive review of the overtime program and development of policy that affirmed compliance with federal/state laws, improved consistency in overtime

administration, enhanced internal controls, and reduced reliance on overtime compensation. Recommendations to comply with ADA Standards for public accommodations (standards for mobility devices, service animals, event ticketing, and grievance procedures). In partnership with Legal department, launched comprehensive review of existing ethics standards to ensure clear standards on transparency, conflict of interest, and public accountability

Department of Finance

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

Corporate Financial Management: The Department provided financial guidance to operating departments on proposed and existing public, private partnerships, funding approaches for various projects, and long-term fiscal strategy. In FY14 the Department coordinated the sales of \$14 million for Montgomery County and \$26,565,000 for Prince George's County Park Acquisition and Development Bonds. The proceeds will be used to finance certain capital park acquisition and development projects in both counties.

Automating/Streamlining Efforts: In the spring of 2014 two modules of the Enterprise Resource Planning (ERP) system were implemented. The Enterprise Financial Management (EFM) module covers general ledger, payment inquiry and financial reporting, Accounts Payable, and Cash Management. The Supply Change Management (SCM) module covers processing purchase requisitions, field purchase orders and purchase cards. Training of Commission staff was conducted during this time and over 600 staff members were trained where required on each module. New processing was also implemented for electronic submission of deposit slips and check requests to streamline and reduce manual processing of paperwork.

Information Systems Support: The IT Divisions provides management and support to all departments within Central Administration Services (CAS), management of enterprise applications along with a disaster recovery site located at the Prince George's County Administrative Building. The division provides support to ensure business continuity, PCI compliance; security administration, accountability and maintenance for all CAS information systems and services. Major efforts included: annual recertification of our network, security and general use controls; Annual Controlled Assets inventory; upgrade of IPAD applications to ensure MS office functionality and stronger security; implementation of a scalable high-available storage area network (3PAR); completion of the virtualization of all network servers; completion and documentation of the Lawson Unix ERP production and test environments; implementation of three virtualized training rooms; Phase 1 replacement and implementation of physical desktops to virtualized desktops; upgrade of network floor switches to ensure VoIP integration; upgrade of computer room and floor switch room UPS batteries; configuration and implementation of online training software and hosting; upgrade of ARMS (Automated Record Management System) to enable web access and enhanced functionality; upgrade of EnergyCAP to ensure greater functionality, integration with ERP and future workflow; Phase 1 of SSO (Single Sign on) was implemented for Active Directory, eMail and ERP.

Outreach to Minority, Female and Disabled Vendors: The Department's Purchasing Division continues to expand its outreach efforts in trade and procurement events. These events reflect the increasing diversity of the two Counties. The Commission achieved an MFD utilization rate of 24.3% which equated to \$30,399,823 million of procurement with MFD firms.

Financial Reporting: For the 40th 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 FY12 Comprehensive Annual Financial Report (CAFR), prepared by the Finance Department.

Office of General Counsel

The Office of the General Counsel, (OGC or 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: The beginning of FY14 found the OGC actively involved in 50 court cases (including state and federal courts) that carried-over from FY13. During the fiscal year, the OGC managed 48 new court cases and closed the fiscal year with 42 active court cases. The OGC has also continued its administrative prosecution of site plan and forest conservation enforcement actions in Montgomery County, and stepped up its efforts to contest unfavorable workers compensation awards. Some of the active cases in Prince George's County include actions to institute eminent domain for properties needed to complete the Trolley Trail in Riverdale and College Park.

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, memoranda of understanding, and policies related to the Commission's park and recreation functions. Examples of important projects initiated or completed during FY14 include: negotiation and document preparation to facilitate construction of the Purple Line light rail project in Montgomery and Prince George's Counties; a commercial real estate acquisition to support a new Park Police headquarters and communication facility in Prince George's County; and a complex real estate exchange with the Montgomery County Board of Education needed to support development of the Farquhar Middle School and a new regional planning headquarters in Wheaton.

Legislative Support: In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 81 bills during the 2014 Session of the Maryland General Assembly; 11 of which were local or "bi-county" bills either for Prince George's or Montgomery County.

Office of the Chief Information Officer

The Office of the Chief Information Officer develops the Information Technology architecture and recommends information technology policies for the Commission. Policies are authorized by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide the Commission governance for enterprise-wide project efforts. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

Fiscal year 2014 (FY14) has seen success in policies creation and the support of enterprise projects such as the Lawson Enterprise Resource Planning, Enterprise Asset Management, and Kronos Time Keeping. These efforts have been challenging and have consumed many of the Commission's resources leaving little opportunity to advance other efforts. In FY14, the Prince George's Park Police and the Montgomery County Park Police were successfully migrated to Microsoft Office 365 which aligned them with other members of the Commission improving communication, scheduling, and electronic mail delivery. The Chief Information Officer and each Chief Technology Officer continue to work closely together to optimize the technology within the Commission's portfolio by sharing more information about projects within each department. Efforts have begun to create a more strategic relationship with key vendors and to standardize the portfolio of desktop, mobile, and server equipment. The Chief Information Officer believes the organizational focus continues to improve. Challenges will continue to present themselves.

Office of Internal Audit

The primary focus of the Commission's Office of Internal Audit is to provide the Board and Department Heads with objective information to assist them in determining whether Commission operations are adequately controlled and whether the required high degree of public accountability is maintained over public funds and to improve the efficiency and effectiveness of the Commission. To accomplish this, in fiscal year 2014 more than 41 audits and reviews were performed and a variety of consulting services were provided to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Commission assets and the achievement of program objectives.

Merit System Board

The Merit System Board is an impartial Board, which provides recommendations and decisions regarding the Merit System of the Commission and is the highest level within the Commission for hearing appeals. During FY14, 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 five 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.

ERS Trust Fund assets closed the year with a fair market value in excess of \$796.1 million. For the one, three, and five year period ending June 30, 2014, the ERS posted net of fee returns of 15.2%, 9.6% and 13.0%, respectively. The Board of Trustees actions for the year included engaging an investment manager for a dedicated bank loan mandate; rebalancing the core fixed income portfolio to allow for the bank loan mandate; approving an additional \$10 million to Flag Real Estate Partners III, L.P.; converting the Loomis Sayles high yield fixed income separately managed account to the Loomis Sayles High Yield Discretion Trust. Additional initiatives included approving the reduction of the investment return assumption from 7.4% to 7.3% for the July 1, 2014 actuarial valuation; adopting an open 15-year amortization approach; revising the Statement of Investment Policy; approving a Plan Document restatement effective January 1, 2014; and applying for an IRS Determination Letter. Comprehensive communications to all members continued via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants.

◆ PART II A ◆

FINANCIAL SECTION

Basic Financial Statements



Wheaton Ice Arena in Wheaton, MD is open year-round. The arena offers an assortment of programs and services including lessons and rental time.



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information and 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, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Montgomery County Parks Foundation, Inc., a discretely presented component unit, which represents 100% percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Montgomery County Parks Foundation, Inc., is based solely on the report of the other auditors. 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 from material misstatement. The financial statements of the Montgomery County Parks Foundation, Inc. were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of The Maryland-National Capital Park and Planning Commission as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress as referenced in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

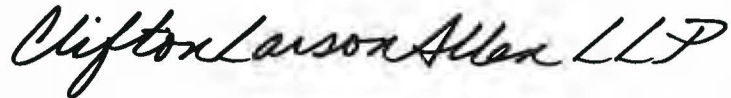
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2015, 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 result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP". The signature is written in black ink and is positioned above the typed address and date.

Calverton, Maryland
January 14, 2015

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, 2014.

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

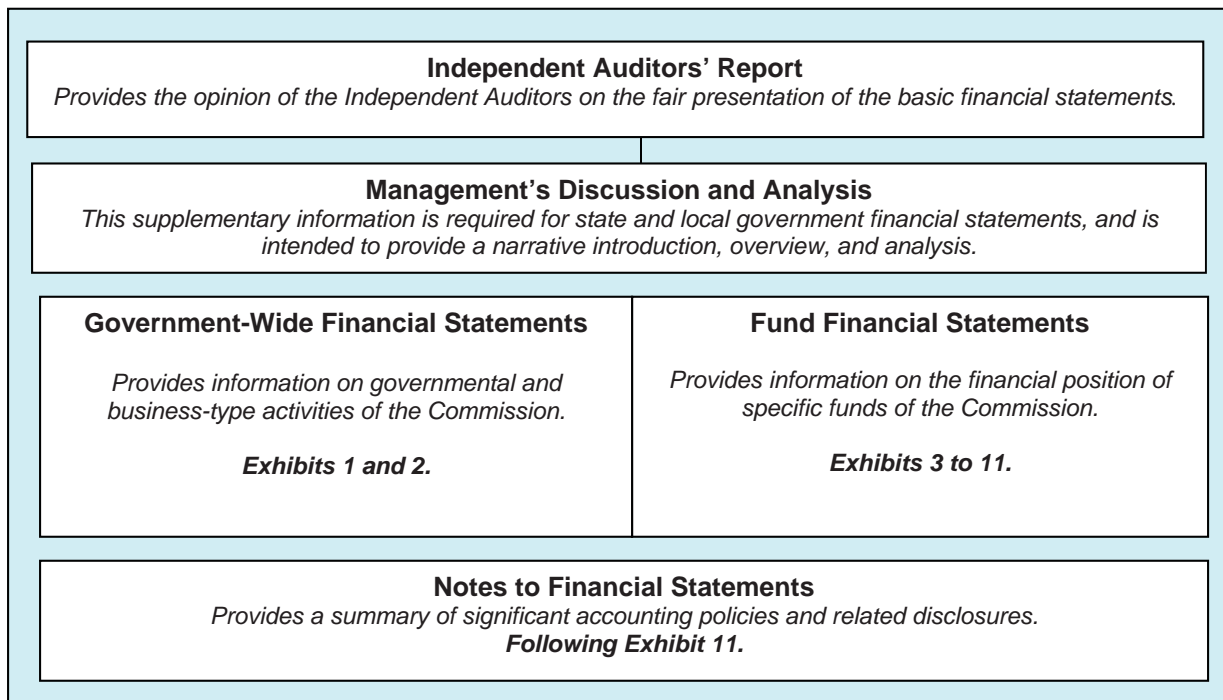
- The assets of the Commission exceeded its liabilities and deferred inflow of resources at June 30, 2014 by \$999.5 million (net position). Of this amount, \$241.4 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$16.9 million during fiscal year 2014. This is largely a result of: an increase in capital assets of \$34.8 million, \$32.7 million of grants and contributions, debt principal payments of \$10.7 million, offset by the increase in the OPEB liability of \$1.4 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 \$68.0 million has been recognized on the Commission's Statement of Net Position, including \$2.9 million in the Business-type activities. For more information, see note 5E of the Notes to the Financial Statements.
- As of June 30, 2014, the Commission's governmental funds reported combined ending fund balances of \$327.9 million, an increase of \$6.0 million. Of this amount, \$110.0 million is unassigned, \$88.9 million is assigned, \$93.1 million is committed and \$35.9 million of fund balance is restricted.
- The Commission's General Fund balance at June 30, 2014 was \$210.0 million, a decrease of \$32.8 million during the year. The unassigned fund balance of \$131.5 million is approximately 35.4% of fiscal year 2014 expenditures and transfers out.

- The Montgomery County Capital Projects Fund balance at June 30, 2014 was \$8.1 million, an increase of \$11.1 million. The unassigned fund deficit of \$21.5 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements by Montgomery County Government or by reimbursable grants.
- The Prince George's County Capital Projects Fund balance at June 30, 2014 was \$96.2 million, an increase of \$27.0 million. The fund balance has increased due to general obligation bonds being issued in the amount of \$26.6 million.
- The assets of the enterprise funds exceeded liabilities by \$70.6 million, a decrease of \$2.3 million. The Prince George's Enterprise Fund had a decrease in net position of \$2.8 million and the Montgomery Enterprise Fund had an increase in net position of \$0.6 million.
- The Commission's bonds and notes payable decreased by \$10.9 million due to scheduled principal payments. Also, the Commission issued general obligation bonds for Montgomery County in the amount of \$14.0 million and Prince George's in the amount of \$26.6 million.

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 include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Organization and Flow of Financial Section Information



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

The statement of net position presents information on all of the Commission's assets and liabilities and deferred inflow of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 include not only the Commission itself (known as the Primary Government), but also a legally separate entity known as a Component Unit. The Montgomery County Parks Foundation, Inc. is the Commission's discretely presented component unit, which is presented as a separate column in the government-wide statements.

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 Recreational and Cultural Facilities in both Montgomery and Prince George's Counties.

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 position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, assets exceeded liabilities by \$999.5 million at the close of the most recent fiscal year. A summary of the Commission's net position follows:

Summary of Net Position (millions)							
June 30, 2014 and 2013							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
<u>Assets</u>							
Current and Other Assets	\$ 433.7	\$ 410.8	\$ 12.5	\$ 11.0	\$ 446.2	\$ 421.8	5.8%
Capital Assets	768.9	730.1	65.0	69.0	833.9	799.1	4.4%
Total Assets	<u>1,202.6</u>	<u>1,140.9</u>	<u>77.5</u>	<u>80.0</u>	<u>1,280.1</u>	<u>1,220.9</u>	<u>4.8%</u>
<u>Liabilities/Deferred Inflows</u>							
Current Portion of Long-term							
Liabilities	26.7	26.4	0.4	0.6	27.1	27.0	0.4%
Long-term Liabilities	194.2	164.0	3.9	3.9	198.1	167.9	18.0%
Other Liabilities/Deferred Inflows	52.8	40.8	2.6	2.6	55.4	43.4	27.6%
Total Liabilities	<u>273.7</u>	<u>231.2</u>	<u>6.9</u>	<u>7.1</u>	<u>280.6</u>	<u>238.3</u>	<u>17.8%</u>
<u>Net Position</u>							
Net investment in Capital							
Assets	693.1	653.8	65.0	68.8	758.1	722.6	4.9%
Unrestricted	235.8	255.9	5.6	4.1	241.4	260.0	-7.2%
Total Net Position	<u>\$ 928.9</u>	<u>\$ 909.7</u>	<u>\$ 70.6</u>	<u>\$ 72.9</u>	<u>\$ 999.5</u>	<u>\$ 982.6</u>	<u>1.7%</u>

Current and other assets increased by 5.8% and long-term liabilities increased by 18.0% both due to bonds being issued during FY14. Changes in other liabilities and deferred inflows were primarily a result of an increase in accounts payable. Changes in net position are discussed later.

By far the largest portion of the Commission's net position 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 \$241.4 million of net position 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 position, 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 position follows:

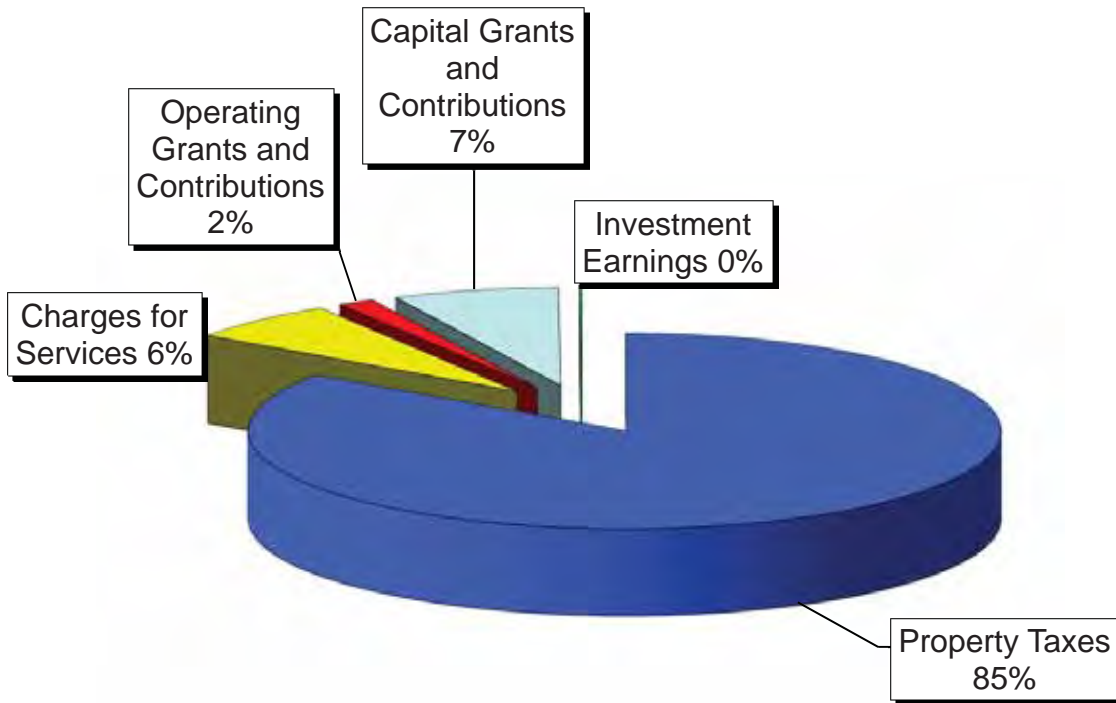
Summary of Changes in Net Position (in millions)
For the Fiscal Years Ended June 30, 2014 and 2013

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2014	2013	2014	2013	2014	2013	2013-2014
Program Revenues:							
Charges for Services	\$ 24.9	\$ 25.1	\$ 19.8	\$ 20.0	\$ 44.7	\$ 45.1	-0.9%
Operating Grants and Contributions	5.8	6.1	0.1	-	5.9	6.1	-3.3%
Capital Grants and Contributions	26.9	21.8	-	-	26.9	21.8	23.4%
General Revenues:							
Property Taxes	320.7	327.6	-	-	320.7	327.6	-2.1%
Investment Earnings	0.9	0.4	-	-	0.9	0.4	125.0%
Total Revenues	<u>379.2</u>	<u>381.0</u>	<u>19.9</u>	<u>20.0</u>	<u>399.1</u>	<u>401.0</u>	<u>-0.5%</u>
Expenses:							
General Government	17.9	16.9	-	-	17.9	16.9	5.9%
County Planning and Zoning	58.6	45.5	-	-	58.6	45.5	28.8%
Park Operations and Maintenance	204.8	199.3	-	-	204.8	199.3	2.8%
Recreation Programs	66.4	55.8	-	-	66.4	55.8	19.0%
Recreational and Cultural Facilities	-	-	31.1	29.5	31.1	29.5	5.4%
Interest on Long-term Debt	3.4	3.1	-	-	3.4	3.1	9.7%
Total Expenses	<u>351.1</u>	<u>320.6</u>	<u>31.1</u>	<u>29.5</u>	<u>382.2</u>	<u>350.1</u>	<u>9.2%</u>
Increase (Decrease) in Net Position Before Transfers	28.1	60.4	(11.2)	(9.5)	16.9	50.9	<u>-66.8%</u>
Transfers	<u>(8.9)</u>	<u>(8.8)</u>	<u>8.9</u>	<u>8.8</u>	<u>-</u>	<u>-</u>	
Increase (Decrease) in Net Position	19.2	51.6	(2.3)	(0.7)	16.9	50.9	
Net Position - beginning	909.7	858.1	72.9	73.6	982.6	931.7	
Net Position - ending	<u>\$ 928.9</u>	<u>\$ 909.7</u>	<u>\$ 70.6</u>	<u>\$ 72.9</u>	<u>\$ 999.5</u>	<u>\$ 982.6</u>	

During the current fiscal year the Commission's net position increased by \$16.9 million. This is largely a result of an increase in capital assets of \$34.8 million, \$32.7 million of grants and contributions, debt principal payments of \$10.7 million, offset by the increase in the OPEB liability of \$1.4 million and the Commission issued general obligation bonds for Montgomery County in the amount of \$14.0 million and Prince George's in the amount of \$26.6 million. Charges for services increased in the Park Operations and Maintenance Activities and for Recreation Programs. Also, the Commission had a reduction in property taxes of \$ 6.9 million.

Governmental activities. Governmental activities increased the Commission's net position by \$19.2 million, thereby accounting for 114% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$26.9 million, added to an excess of ongoing revenues over ongoing expenses of \$1.2 million, which were offset by the transfers to business-type activities of \$8.9 million.

Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 85% of Commission governmental revenues.

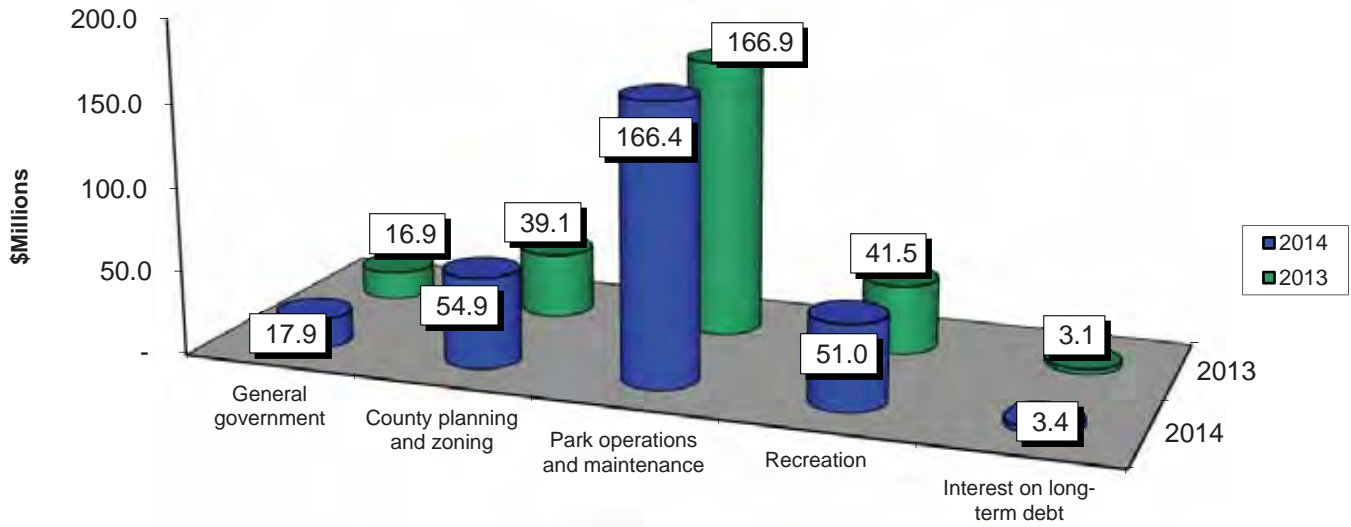
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 8.7% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 9.5% and 9.7% respectively for FY 2014 compared to FY 2013.

Net Cost of Governmental Activities (000's)
For the Fiscal Years Ended June 30, 2014 and 2013

	2014		2013		Percentage Change 2013 - 2014	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 17,923	\$ 17,923	\$ 16,859	\$ 16,859	6.3%	6.3%
County Planning and Zoning	58,570	54,885	45,516	39,088	28.7%	40.4%
Park Operations and Maintenance	204,796	166,365	199,288	166,944	2.8%	-0.3%
Recreation Programs	66,430	50,983	55,800	41,546	19.1%	22.7%
Interest on Long-term Debt	3,413	3,413	3,098	3,098	10.2%	10.2%
Total	\$ 351,132	\$ 293,569	\$ 320,561	\$ 267,535	9.5%	9.7%

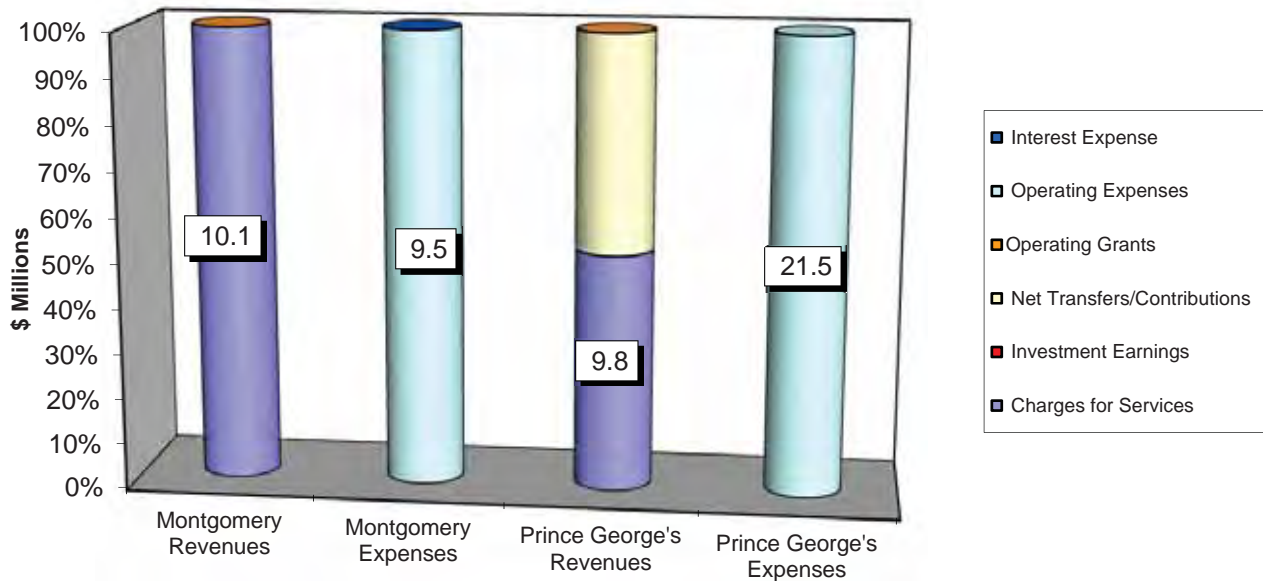
Net Cost by Function - General Government



Business-type Activities. Business-type activities expenses in excess of revenues led to a decrease in the Commission's net position by \$2.3 million.

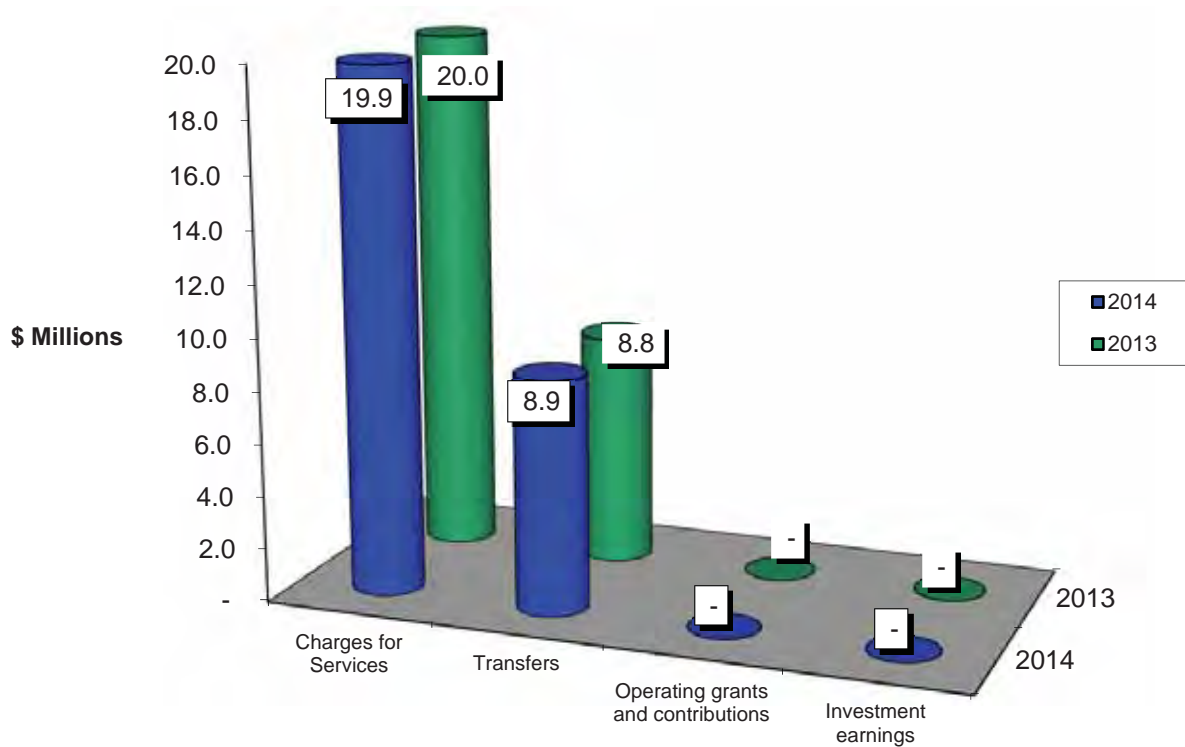
- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$11.2 million.
- Governmental activities contributed \$8.9 million to support the enterprise activities. The funding is primarily for the Prince George's County business-type activities.

Changes in Net Position - 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, Regional Parks, 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 \$327.9 million, an increase of \$6.0 million in comparison with the prior year. Approximately 33.6% of this total amount, or \$110.0 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. \$104.4 million of this balance is in the capital project funds. The remaining fund balances are restricted, committed or assigned to indicate that they are not available for new spending as \$93.1 million has been committed for contracts and purchase orders, \$35.9 million is restricted and \$88.9 million is assigned to fund fiscal year 2015 expenditures.

The General Fund is the primary operating fund of the Commission. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$131.5 million, while total fund balance was \$210.0 million. As a measure of the General Fund’s liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 35.4% of the total general fund expenditures and transfers out, while total fund balance represents 62.7% of the same amount.

The fund balance of the Commission's General Fund has decreased by \$32.8 million during the current fiscal year. Key factors that generated this decrease are as follows:

- A decrease of \$45.5 million was planned in the final budget for fiscal year 2014.
- Receipts from Charges for Services and Rentals and Concessions were \$.9 million higher than anticipated due to a slight increase the general economic conditions.
- Interest revenues were \$.7 million lower than anticipated in the general fund due to lower than budgeted interest rates.
- Control of expenditures generated \$15.6 million savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$8.1 million and Prince George's County has a fund balance of \$96.2 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 an increase of \$11.1 million in Montgomery County, and an increase of \$27.0 million in Prince George's County primarily due to the \$14.0 million general obligation bonds issued for Montgomery County and \$26.6 million general obligation bonds issued for Prince George's County, \$24.3 million transfer from the general fund to the capital projects fund for Prince George's County and construction grants realized of \$16.3 million in Montgomery County and \$3.3 million in Prince George's County. Expenditures for the fiscal year were \$20.8 million in Montgomery County and \$28.7 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 position of the Montgomery County fund at the end of the year amounted to \$4.5 million and those for the Prince George's County fund amounted to \$1.1 million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$0.5 million and a decrease of \$2.8 million in the Prince George's County fund.

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

Financial Operations of the Enterprise Funds (000's) For the Fiscal Years Ended June 30, 2014 and 2013				
	Montgomery County		Prince George's County	
	FY2014	FY2013	FY2014	FY2013
Operating Revenues	\$ 10,079	\$ 9,833	\$ 9,779	\$ 10,122
Operating Expenses, Excluding Depreciation	8,010	8,049	18,437	18,085
Operating Income (Loss), Excluding Depreciation	2,069	1,784	(8,658)	(7,963)
Depreciation	1,495	1,174	3,085	2,192
Operating Income (Loss)	574	610	(11,743)	(10,155)
Nonoperating Revenue (Expense)	14	(21)	(7)	6
Transfers/Contributions	-	-	8,922	8,826
Change in Net Position	\$ 588	\$ 589	\$ (2,828)	\$ (1,323)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2014 and 2013						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2014	FY2013	Change	FY2014	FY2013	Change
Event Centers	\$ 713	\$ 653	\$ 60	\$ 19	\$ (141)	\$ 160
Golf Courses	24	238	(214)	24	76	(52)
Ice Rinks	4,601	4,298	303	1,097	591	506
Indoor Tennis	1,809	1,610	199	510	495	15
Park Facilities	2,932	3,034	(102)	419	763	(344)
Total	\$ 10,079	\$ 9,833	\$ 246	\$ 2,069	\$ 1,784	\$ 285

The Montgomery County Enterprise Fund revenues increased by \$246,000. The Golf Courses received \$24,000 from the Montgomery County Revenue Authority (MCRA). The Department of Parks has a long-term lease agreement with the MCRA for operating three of its golf courses. The Ice Rinks operating revenue rose due to increased participation in group lessons and facility rentals. Whereas the Park Facilities revenue decreased due to limited programs and merchandise sales at Brookside Gardens, because of the parking lot construction reduced the number of parking spaces. Operating income, excluding depreciation, increased by \$285,000. This increase is mainly due to the Ice Rinks cost decreasing due to the final debt service payment of \$227,961 being paid this fiscal year, also administration and chargebacks were lower.

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, 2014 and 2013						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2014	FY2013	Change	FY2014	FY2013	Change
Airport	\$ 204	\$ 249	\$ (45)	\$ (200)	\$ (212)	\$ 12
Equestrian Center/Arena	1,245	1,408	(163)	(1,457)	(1,367)	(90)
Golf Courses	2,190	2,323	(133)	(1,006)	(1,011)	5
Ice Rinks	501	546	(45)	(838)	(707)	(131)
Tennis Bubbles/Administration	355	319	36	(1,133)	(1,077)	(56)
Trap and Skeet Center	1,911	1,919	(8)	42	111	(69)
Sports and Learning Complex	3,249	3,292	(43)	(3,806)	(3,290)	(516)
Bladensburg Marina	124	66	58	(260)	(410)	150
Total	<u>\$ 9,779</u>	<u>\$ 10,122</u>	<u>\$ (343)</u>	<u>\$ (8,658)</u>	<u>\$ (7,963)</u>	<u>\$ (695)</u>

The Prince George's County Enterprise Fund revenues decreased by \$343,000 and the operating loss, excluding depreciation, increased by \$695,000. The major changes occurred in the Equestrian Center, Golf Courses, Ice Rinks and Sports and Learning Complex, which were due to decrease in sales, rentals and event bookings for all facilities. The operating loss increase of \$695,000 is largely due to the Sports and Learning Complex upgrades to broad band, and overall facilities increases of utility cost of \$96,000 and personnel costs increased by \$355,000. By policy, the goal of the Enterprise Fund programs is to provide specialized fee-based recreation facilities and services, managed to control costs to match revenue and/or subsidies and marketed to enhance the County's tourism efforts. Also, 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, 2014		
	Administration Account	Park Account
Favorable property tax collections	\$ 296.0	\$ 789.0
(Unfavorable) Favorable charges for services	(55.0)	487.0
(Unfavorable) intergovernmental revenue	(141.0)	(350.0)
(Unfavorable) investment revenue	(18.0)	(44.0)
Favorable other revenue	-	66.0
Total favorable/(unfavorable) revenue variance	82.0	948.0
Expenditure savings	2,150.0	599.0
Favorable other financing sources (uses)	-	(142.0)
Total favorable budgetary variance	<u>\$ 2,232.0</u>	<u>\$ 1,405.0</u>

Property tax collections were higher than budgeted due to increases in the Real Property assessable base. Charges for Services were down in the Administration Account and up in the Park Account. The Administration Account experienced decreased receipts from Forest Conservation fees which were fewer and smaller than anticipated while the Park Account came in over budget primarily due to increased Ballfield fees from local parks. Unfavorable variances in investment revenue in the Administration and Park Accounts was due to low interest rates applied to cash balances. Intergovernmental revenue was down in both the Administration Account and the Park Account due to fewer grants received but was slightly offset by increased receipts from the County related to the Water Quality Protection Project. Other Revenue was over budget in the Park Account due to higher than budgeted Park Development fees and an increase in tree sales. Expenditure savings for both accounts were primarily a result of delays in filling vacant positions. The Park Account had additional savings from lower than budgeted gasoline expenses.

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 (000's) June 30, 2014		
	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 3,652.5	\$ 469.0
Unassigned	3,332.7	5,844.2
Total Budgetary Fund Balance	<u>\$ 6,985.2</u>	<u>\$ 6,313.2</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, 2014			
	Administration Account	Park Account	Recreation Account
Favorable (unfavorable) property tax collections	\$ (115.0)	\$ 627.0	\$ 142.0
Favorable (unfavorable) charges for services	15.0	168.0	310.0
Favorable (unfavorable) intergovernmental revenue	(81.0)	-	-
(Unfavorable) investment revenue	(100.0)	(457.0)	(111.0)
Favorable (unfavorable) other revenue	(48.0)	29.0	(52.0)
Total (unfavorable) revenue variance	<u>(329.0)</u>	<u>367.0</u>	<u>289.0</u>
Expenditure savings	4,799.0	4,069.0	3,960.0
Favorable other financing sources	-	1,567.0	-
Total favorable budgetary variance	<u>\$ 4,470.0</u>	<u>\$ 6,003.0</u>	<u>\$ 4,249.0</u>

Property tax collections in the Administration Account were below budget due to decreases in the assessable base. Although the assessable base was lower in the Park and Recreation accounts, property tax collections increased, due to the collections of penalties, interest and prior year taxes that were higher than budgeted. Charges for services increased in the Administration Account as a result of increased revenue generated from sales of maps and publications. Charges for Services increased in the Park Account due to increased camp registrations and special event fees. Rentals and Concessions had increased program participation for the agricultural lease program along with overall increased facility bookings in the account. The Recreation Account is higher than budgeted from increased program registrations, bus trip revenue and admission fees. Intergovernmental Revenue decreased in the Administration Account due to lower than anticipated commercial and building permit fees and less revenue collected than anticipated for the County Swim Grant. The unfavorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to low interest rates applied to cash balances. The expenditure savings were primarily the result of vacant positions in all of the Accounts. Additional savings in the Administration Account are the result of savings from professional service contracts.

The Recreation Account also generated expenditure savings from delays in CIP Projects for the Palmer Park Community Center and College Park Aviation Museum, which were deferred until FY15. Savings were also generated from negotiating a contract with lower rates for electricity expenses. Other Financing Sources were favorable in the Park Account due to savings in Debt Service from new bonds budgeted in FY14 but the expenditures will not be incurred until FY15.

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, 2014			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ 6,475.2	\$ 24,557.1	\$ 8,738.4
Unassigned	15,836.9	90,477.4	16,041.4
Total Budgetary Fund Balance	<u>\$ 22,312.1</u>	<u>\$ 115,034.5</u>	<u>\$ 24,779.8</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, 2014 amounts to \$833.9 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 4.4% (a 5.3% increase for governmental activities and a 5.7% decrease for business-type activities). The most significant increase is \$38.7 million for construction in progress for the governmental activities. The only significant capital asset changes in business-type activities consisted of depreciation of existing assets.

Proceeds of general obligation park acquisition and development bonds are accounted for in Capital Projects Funds until the projects are completed. Completed projects and construction in progress at year-end are shown as capital assets in the Government-wide Statement of Net Position. During fiscal year 2014 work continued on many projects, however, none were completed prior to the end of the fiscal year.

Expenditures on Montgomery County projects totaled \$20.8 million in fiscal year 2014, of which \$2.6 million was for land acquisition and \$18.2 million was for development. The land purchases represented the acquisition of about 40 acres of land. Major Park Development expenditures included \$1.8 million in expenditures for ball field initiatives, Germantown Town Center with construction costs to date of \$5.1 million of which \$1.7 million was in fiscal year 2014, \$1.5 million spent during fiscal year 2014 for Evans Parkway Neighborhood Park, and \$0.5 expended for restoration of historic structures. In addition, \$2.9 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled \$28.7 million in fiscal year 2014, of which \$3.7 million was for land acquisition and \$25.0 million was for development. Land Acquisition included \$1.8 million for Land Preservation and \$1.8 million for County-Wide Local Park Acquisitions. Major Park Development expenditures include Improvements for Infrastructure with construction costs to date of \$4.5 million of which \$4.3 million was in fiscal year 2014, Palmer Park Community Center with construction costs to date of \$2.7 million of which \$2.2 million was in fiscal year 2014, Wells-Linson Complex with construction costs to date of \$4.2 million of which \$3.6 million was in fiscal year 2014, Walker Mill Regional Park with \$7.4 million in construction costs to date, of which \$1 million was in fiscal year 2014 and The Southern Regional Technology Recreation Complex with construction costs to date of \$16.1 million of which \$1.5 million was in fiscal year 2014. In addition, expenditures totaling \$2.2 million was spent for Play equipment replacement.

Commission's Capital Assets

Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2014 and 2013

	June 30, 2014			June 30, 2013			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 354,989	\$ 19,364	\$ 374,353	\$ 348,348	\$ 19,364	\$ 367,712	1.8%
Buildings and improvements	70,488	43,184	113,672	78,607	47,282	125,889	-9.7%
Infrastructure	104,715	-	104,715	106,846	-	106,846	-2.0%
Machinery, equip. & intangibles	26,276	2,231	28,507	22,619	2,086	24,705	15.4%
Construction in progress	212,416	247	212,663	173,730	247	173,977	22.2%
Total	\$ 768,884	\$ 65,026	\$ 833,910	\$ 730,150	\$ 68,979	\$ 799,129	4.4%

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 \$113.3 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 \$14.3 million (Montgomery - \$4.2 million; Prince George's - \$10.1 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$113.3 million (Montgomery County - \$46.0 million and Prince George's County - \$67.3 million) at June 30, 2014. Park Bonds debt service expenditures totaled \$14.0 million (Montgomery - \$3.9 million, Prince George's - \$10.1 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.22 cents per \$100 of assessed valuation for real property and 0.55 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.32 cents per \$100 of assessed valuation for real property and 3.30 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, 2014			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aa1	AAA	AA+

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) at June 30, 2014 follow (\$000's):

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

Commission's Outstanding Debt June 30, 2014 and 2013							
	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	\$ 113,326	\$ 80,991	\$ -	\$ -	\$ 113,326	\$ 80,991	39.9%
Revenue bonds and notes	-	-	-	222	-	222	-100.0%
Total	<u>\$ 113,326</u>	<u>\$ 80,991</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 113,326</u>	<u>\$ 81,213</u>	<u>39.5%</u>

Montgomery County Outstanding Debt June 30, 2014 and 2013							
	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	\$ 46,046	\$ 33,905	\$ -	\$ -	\$ 46,046	\$ 33,905	35.8%
Revenue bonds and notes	-	-	-	222	-	222	-100.0%
Total	<u>\$ 46,046</u>	<u>\$ 33,905</u>	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 46,046</u>	<u>\$ 34,127</u>	<u>34.9%</u>

Prince George's County Outstanding Debt June 30, 2014 and 2013							
	Governmental Activities		Business-type Activities		Total		Change
	2014	2013	2014	2013	2014	2013	
General obligation bonds	\$ 67,280	\$ 47,086	\$ -	\$ -	\$ 67,280	\$ 47,086	42.9%
Total	<u>\$ 67,280</u>	<u>\$ 47,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,280</u>	<u>\$ 47,086</u>	<u>42.9%</u>

The Commission's bonds and notes payable decreased by \$10.9 million due to scheduled principal payments. Also, the Commission issued general obligation bonds for Montgomery County in the amount of \$14.0 million and Prince George's in the amount of \$26.6 million.

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 \$1,536.3 million of debt service for Montgomery County and \$892.0 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$44.9 million and \$66.1 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 85% of the Governmental Funds revenues in FY 2014. Strong fiscal policies including fund balance reserves, interim financial reporting to monitor revenues and expenditures, and long-term fiscal plans enabled the Commission to respond to the strategies incorporated by the two County Governments in setting the FY 2015 tax rates and adopting the FY 2015 Budget.

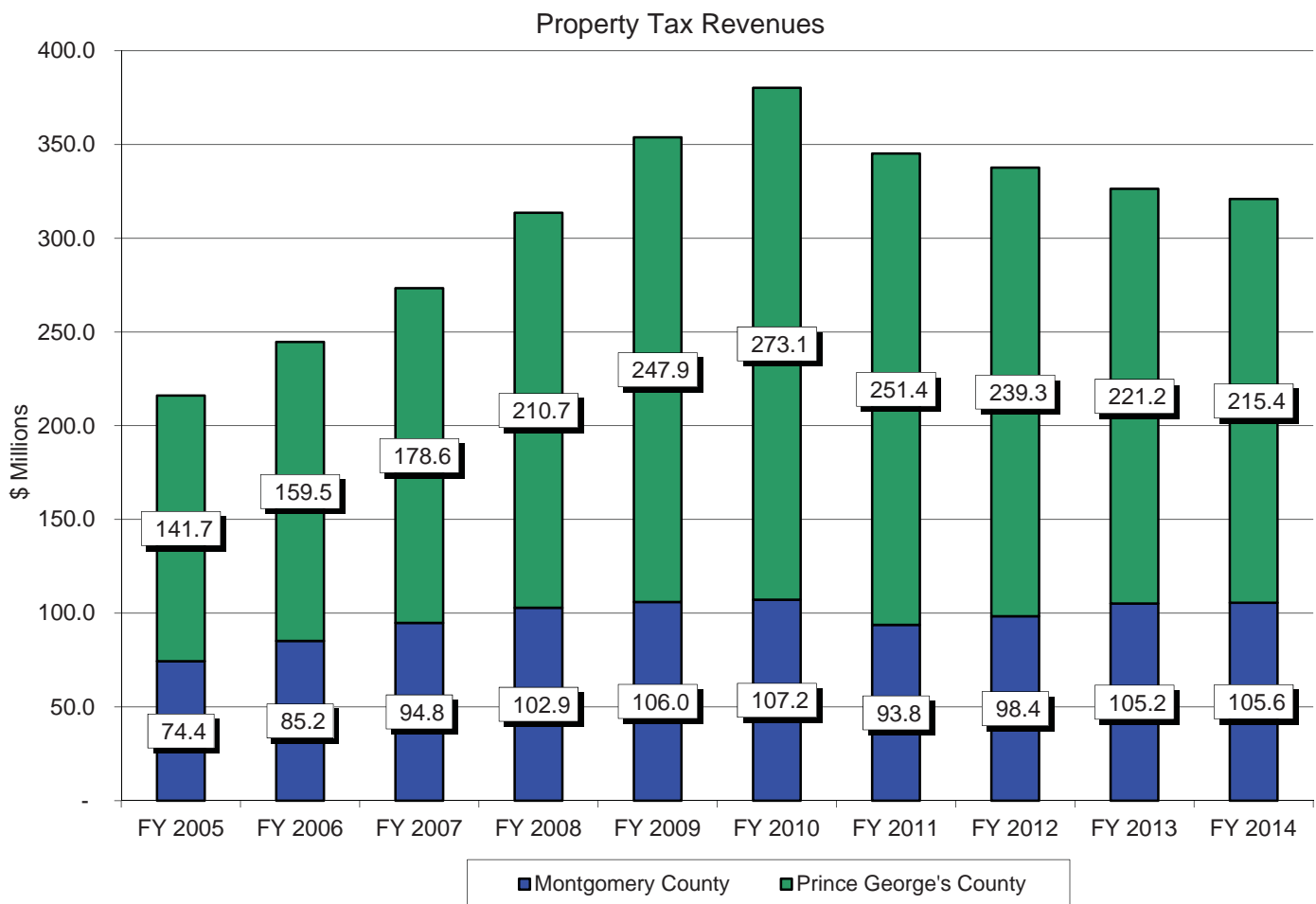
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates. In FY 2015 the Commission's total Montgomery County real property tax rate was increased by 0.30 cents and the personal property tax rate was increased by 0.75 cents and the taxable real property assessable base is projected to increase by 3.78%. Commission property tax revenue is budgeted to increase by 6.4% and budgeted expenditures are budgeted to increase 5.4% in the tax supported funds.

In Prince George's County, tax rates for the Commission remain unchanged between FY 2014 and FY 2015. In FY 2015 the real property assessable base is projected to increase by .84%. With the strong assessable base growth in prior years, 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. These project charges have been decreasing due to a declining assessable base in the county even though overall tax rates for the Commission have been held constant. The project charges decreased from \$17.2 million in FY 2013 to \$14.9 million in FY 2014 and for FY 2015, they are budgeted at \$13.7 million.

One-third of the property in the state of Maryland is inspected and revalued by the State Department of Assessments and Taxation each year so that all real property is inspected and revalued once every three years. The three-year cycle results in a smoothing effect on property tax revenues. In times of slowing or decreasing growth, the assessable base declines at a slower rate which affords the Commission time to adjust its service delivery and spending levels in response to what is economically affordable. When the economy is recovering, the assessments growth rate will lag somewhat.

Property tax revenues over the past 10 years are displayed in the chart below.



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$175.6 million. Of this amount, \$43.9 million is assigned fund balance and \$131.7 million is unassigned as of June 30, 2014. Of the unassigned portion, \$122.4 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 Budget/CAFR).

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

**Statement of Net Position
June 30, 2014**

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 370,852,807	\$ 11,606,335	\$ 382,459,142	\$ 551,487
Receivables - Taxes, net of allowance for uncollectibles	5,995,989	-	5,995,989	-
Receivables - Other	1,657,300	8,014	1,665,314	66,623
Due from County Governments	7,226,163	11,773	7,237,936	-
Due from Other Governments	9,251,546	-	9,251,546	-
Inventories	450,724	891,682	1,342,406	-
Deposits and Other	2,395,671	-	2,395,671	939
Restricted Cash, Cash Equivalents and Investments:				
Unspent Debt Proceeds	35,874,767	-	35,874,767	-
Investments	-	-	-	59,851
Capital Assets:				
Land and Construction in Progress	567,405,110	19,610,635	587,015,745	-
Other Capital Assets, Net of Accumulated Depreciation	201,478,696	45,415,109	246,893,805	2,061
Total Assets	<u>1,202,588,773</u>	<u>77,543,548</u>	<u>1,280,132,321</u>	<u>680,961</u>
LIABILITIES				
Accounts Payable and Other Current Liabilities	45,839,771	1,313,627	47,153,398	19,544
Accrued Interest Payable	725,911	-	725,911	-
Due to Other Governments	90	-	90	-
Deposits and Fees Collected in-Advance	6,187,952	1,315,249	7,503,201	-
Claims Payable:				
Due within One Year	4,535,265	-	4,535,265	-
Due in more than One Year	9,662,704	-	9,662,704	-
Compensated Absences:				
Due within One Year	10,049,297	429,238	10,478,535	-
Due in more than One Year	9,384,978	524,550	9,909,528	-
Bonds and Notes Payable:				
Due within One Year	12,094,850	-	12,094,850	-
Due in more than One Year	101,231,110	-	101,231,110	-
Net Other Post Employment Benefit Obligations				
Due in more than One Year	65,102,768	2,940,912	68,043,680	-
Net Pension Obligations				
Due in more than One Year	8,834,923	397,579	9,232,502	-
Total Liabilities	<u>273,649,619</u>	<u>6,921,155</u>	<u>280,570,774</u>	<u>19,544</u>
DEFERRED INFLOW OF RESOURCES				
Property Taxes Collected in-advance	13,500	-	13,500	-
Total Deferred Inflow of Resources	<u>13,500</u>	<u>-</u>	<u>13,500</u>	<u>-</u>
NET POSITION				
Net Investment in Capital Assets	693,097,777	65,025,744	758,123,521	-
Temporarily Restricted	-	-	-	471,349
Unrestricted	235,827,877	5,596,649	241,424,526	190,068
Total Net Position	<u>\$ 928,925,654</u>	<u>\$ 70,622,393</u>	<u>\$ 999,548,047</u>	<u>\$ 661,417</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, 2014

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 17,923,030	\$ -	\$ -	\$ -	\$ (17,923,030)	\$ -	\$ (17,923,030)	\$ -
County Planning and Zoning	58,569,504	2,798,897	885,853	-	(54,884,754)	-	(54,884,754)	-
Park Operations and Maintenance	204,795,846	7,467,087	4,091,322	26,872,184	(166,365,253)	-	(166,365,253)	-
Recreation Programs	66,430,209	14,624,585	822,918	-	(50,982,706)	-	(50,982,706)	-
Interest on Long-term Debt	3,413,225	-	-	-	(3,413,225)	-	(3,413,225)	-
Total Governmental Activities	351,131,814	24,890,569	5,800,093	26,872,184	(293,568,968)	-	(293,568,968)	-
Business-type Activities:								
Recreational and Cultural Facilities	31,055,261	19,790,531	66,687	-	-	(11,198,043)	(11,198,043)	-
Total Business-type Activities	31,055,261	19,790,531	66,687	-	-	(11,198,043)	(11,198,043)	-
Total Primary Government	\$ 382,187,075	\$ 44,681,100	\$ 5,866,780	\$ 26,872,184	\$ (293,568,968)	\$ (11,198,043)	\$ (304,767,011)	\$ -
Component Unit:								
Park Operations and Maintenance	\$ 517,261	\$ 30	\$ 752,521	\$ -	\$ -	\$ -	\$ -	\$ 235,290
General Revenues:								
Property Taxes					320,703,674	-	320,703,674	-
Unrestricted Investment Earnings					966,672	36,424	1,003,096	-
Transfers					(8,922,220)	8,922,220	-	-
Net General Revenues and Transfers					312,748,126	8,958,644	321,706,770	-
Change in Net Position					19,179,158	(2,239,399)	16,939,759	235,290
Net Position - Beginning					909,746,496	72,861,792	982,608,288	426,127
Net Position - Ending					\$ 928,925,654	\$ 70,622,393	\$ 999,548,047	\$ 661,417

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, 2014

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS					
Equity in Pooled Cash and Investments	\$ 234,724,641	\$ -	\$ 74,776,497	\$ 11,922,200	\$ 321,423,338
Receivables - Taxes (net of allowance for uncollectibles)	5,964,139	-	-	31,850	5,995,989
Receivables - Other (net of allowance for uncollectibles)	368,046	-	-	-	368,046
Due from Other Funds	5,466,476	-	-	-	5,466,476
Due from County Governments	481,192	4,291,379	-	2,453,058	7,225,629
Due from Other Governments	55,021	6,817,759	2,332,217	46,549	9,251,546
Inventories	-	-	-	450,724	450,724
Restricted Cash - Unspent Debt Proceeds	-	8,390,167	27,484,600	-	35,874,767
Other	22,579	-	106,568	-	129,147
Total Assets	\$ 247,082,094	\$ 19,499,305	\$ 104,699,882	\$ 14,904,381	\$ 386,185,662
LIABILITIES					
Liabilities:					
Accounts Payable	\$ 16,427,098	\$ 3,663,752	\$ 6,351,154	\$ 598,646	\$ 27,040,650
Accrued Liabilities	12,685,108	-	-	302,167	12,987,275
Retainage Payable	-	2,248,001	2,102,752	-	4,350,753
Due to Other Funds	-	5,466,476	-	-	5,466,476
Due to County Governments	60	-	-	30	90
Deposits and Fees Collected in-Advance	5,816,182	-	-	371,770	6,187,952
Total Liabilities	34,928,448	11,378,229	8,453,906	1,272,613	56,033,196
DEFERRED INFLOW OF RESOURCES					
Property Taxes Collected in-advance	2,202,079	-	-	13,500	2,215,579
Total Deferred Inflow of Resources	2,202,079	-	-	13,500	2,215,579
FUND BALANCES:					
Restricted for:					
Parks	-	8,390,167	27,484,600	17,145	35,891,912
Committed to:					
Planning	12,985,881	-	-	49,751	13,035,632
Parks	16,431,810	21,268,913	36,118,379	677,027	74,496,129
Recreation	5,109,082	-	-	463,985	5,573,067
Assigned to:					
Planning	10,127,682	-	-	4,570,658	14,698,340
Parks	25,026,135	-	32,642,997	2,005,820	59,674,952
Recreation	8,738,393	-	-	5,833,882	14,572,275
Unassigned:	131,532,584	(21,538,004)	-	-	109,994,580
Total Fund Balances	209,951,567	8,121,076	96,245,976	13,618,268	327,936,887
Total Liabilities and Fund Balances	\$ 247,082,094	\$ 19,499,305	\$ 104,699,882	\$ 14,904,381	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	758,970,009
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,665,164
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 position.	44,963,783
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.	2,202,079
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(206,812,268)
Net Position of Governmental Activities	\$ 928,925,654

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, 2014

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property Taxes	\$ 319,285,321	\$ -	\$ -	\$ 1,705,774	\$ 320,991,095
Intergovernmental -					
Federal	184,462	-	-	-	184,462
State	478,453	7,634,874	3,256,611	2,871	11,372,809
County	2,730,797	8,640,047	-	1,997,996	13,368,840
Charges for Services	9,542,777	-	-	3,148,141	12,690,918
Rentals and Concessions	5,314,010	-	-	5,960,626	11,274,636
Interest	592,913	6,370	211,889	33,860	845,032
Contributions	196,462	699,452	-	209,052	1,104,966
Miscellaneous	415,007	60	410,068	99,880	925,015
Total Revenues	<u>338,740,202</u>	<u>16,980,803</u>	<u>3,878,568</u>	<u>13,158,200</u>	<u>372,757,773</u>
EXPENDITURES					
Current -					
General Government	17,915,857	-	-	-	17,915,857
Planning and Zoning	55,858,863	-	-	3,286,657	59,145,520
Park Operations and Maintenance	188,543,149	-	-	2,471,173	191,014,322
Recreation	61,753,793	-	-	5,284,030	67,037,823
Contributions	-	-	-	1,404,544	1,404,544
Debt Service -					
Principal	-	-	-	10,741,975	10,741,975
Interest	-	-	-	2,984,223	2,984,223
Other Debt Service Costs	-	-	-	539,209	539,209
Capital Outlay -					
Park Acquisition	-	2,616,500	3,714,098	-	6,330,598
Park Development	-	18,168,907	25,014,156	-	43,183,063
Total Expenditures	<u>324,071,662</u>	<u>20,785,407</u>	<u>28,728,254</u>	<u>26,711,811</u>	<u>400,297,134</u>
Excess (Deficiency) of Revenues over Expenditures	<u>14,668,540</u>	<u>(3,804,604)</u>	<u>(24,849,686)</u>	<u>(13,553,611)</u>	<u>(27,539,361)</u>
OTHER FINANCING SOURCES (USES)					
General Obligation Bonds Issued	-	14,000,000	26,565,000	-	40,565,000
Premiums on Bonds Issued	-	623,603	1,247,204	-	1,870,807
Transfers In	218,259	350,000	24,255,000	14,149,247	38,972,506
Transfers Out	(47,846,467)	(6,370)	(211,889)	(30,000)	(47,894,726)
Total Other Financing Sources (Uses)	<u>(47,428,208)</u>	<u>14,967,233</u>	<u>51,855,315</u>	<u>14,119,247</u>	<u>33,513,587</u>
Net Change in Fund Balances	(32,759,668)	11,162,629	27,005,629	565,636	5,974,226
Fund Balances - Beginning	242,711,235	(3,041,553)	69,240,347	13,052,632	321,962,661
Fund Balances - Ending	<u>\$ 209,951,567</u>	<u>\$ 8,121,076</u>	<u>\$ 96,245,976</u>	<u>\$ 13,618,268</u>	<u>\$ 327,936,887</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, 2014**

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) \$ 5,974,226

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	47,008,437	
Depreciation Expense	<u>(14,342,761)</u>	
Net adjustment		32,665,676

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>6,641,200</u>	
Net adjustment		6,641,200

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. (287,421)

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	(42,108,803)	
Repayments of Principal	<u>10,694,483</u>	
Net adjustment		(31,414,320)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. This amount is the unfunded cost of other post employment benefits, pension obligation, compensated absences and other expenses. (1,820,063)

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. (1,199,939)

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 position of certain activities of internal service funds is reported with governmental activities. 8,619,799

Change in net position of governmental activities (Exhibit 2) \$ 19,179,158

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, 2014**

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 317,546,179	\$ 317,546,179	\$ 319,285,321	\$ 1,739,142
Intergovernmental	3,193,262	3,966,380	3,393,712	(572,668)
Charges for Services	9,125,639	9,125,639	9,542,777	417,138
Rentals and Concessions	4,805,900	4,805,900	5,314,010	508,110
Interest	1,323,600	1,323,600	592,913	(730,687)
Miscellaneous	439,500	615,333	611,469	(3,864)
Total Revenues	336,434,080	337,383,031	338,740,202	1,357,171
Expenditures/Encumbrances:				
Current -				
General Government	18,698,950	18,698,950	17,977,824	721,126
County Planning and Zoning	56,988,608	57,202,768	50,975,069	6,227,699
Park Operation and Maintenance	194,983,841	194,998,831	190,331,109	4,667,722
Recreation Programs	62,393,002	63,112,803	59,152,810	3,959,993
Total Expenditures/Encumbrances	333,064,401	334,013,352	318,436,812	15,576,540
Excess of Revenues over Expenditures/Encumbrances	3,369,679	3,369,679	20,303,390	16,933,711
Other Financing Sources (Uses):				
Transfers In	353,400	353,400	218,259	(135,141)
Transfers Out	(49,207,320)	(49,207,320)	(47,646,467)	1,560,853
Total Other Financing Sources (Uses)	(48,853,920)	(48,853,920)	(47,428,208)	1,425,712
Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis	\$ (45,484,241)	\$ (45,484,241)	(27,124,818)	\$ 18,359,423
Fund Balances - Budget Basis, Beginning			202,549,612	
Fund Balances - Budget Basis, Ending			\$ 175,424,794	

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 Position
Proprietary Funds
June 30, 2014**

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$ 7,076,824	\$ 4,529,511	\$ 11,606,335	\$ 49,429,469
Accounts Receivable	7,864	150	8,014	1,289,254
Due from County Government	2,333	9,440	11,773	534
Deposits and Other	-	-	-	601,360
Inventories	146,602	745,080	891,682	-
Total Current Assets	<u>7,233,623</u>	<u>5,284,181</u>	<u>12,517,804</u>	<u>51,320,617</u>
Noncurrent Assets:				
Capital Assets:				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,135,692	72,340,644	99,476,336	2,767,613
Machinery, Equipment and Intangibles	2,167,709	5,827,817	7,995,526	33,316,247
Construction in Progress	247,036	-	247,036	-
	<u>41,134,905</u>	<u>85,947,592</u>	<u>127,082,497</u>	<u>36,832,357</u>
Less - Accumulated Depreciation	<u>(21,467,847)</u>	<u>(40,588,906)</u>	<u>(62,056,753)</u>	<u>(26,918,560)</u>
Total Capital Assets, Net of Depreciation	<u>19,667,058</u>	<u>45,358,686</u>	<u>65,025,744</u>	<u>9,913,797</u>
Total Noncurrent Assets	<u>19,667,058</u>	<u>45,358,686</u>	<u>65,025,744</u>	<u>9,913,797</u>
Total Assets	<u>26,900,681</u>	<u>50,642,867</u>	<u>77,543,548</u>	<u>61,234,414</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	165,419	297,276	462,695	1,412,189
Claims Payable	-	-	-	4,535,265
Accrued Salaries and Benefits	264,740	586,192	850,932	48,904
Compensated Absences	120,706	308,532	429,238	55,498
Deposits and Fees Collected in-Advance	1,277,182	38,067	1,315,249	-
Total Current Liabilities	<u>1,828,047</u>	<u>1,230,067</u>	<u>3,058,114</u>	<u>6,051,856</u>
Noncurrent Liabilities:				
Claims Payable	-	-	-	9,662,704
Compensated Absences	152,326	372,224	524,550	91,933
Net Other Post Employment Benefit Obligations	616,398	2,324,514	2,940,912	464,138
Net Pension Obligation	99,384	298,195	397,579	-
Total Noncurrent Liabilities	<u>868,108</u>	<u>2,994,933</u>	<u>3,863,041</u>	<u>10,218,775</u>
Total Liabilities	<u>2,696,155</u>	<u>4,225,000</u>	<u>6,921,155</u>	<u>16,270,631</u>
NET POSITION				
Net Investment in Capital Assets	19,667,058	45,358,686	65,025,744	9,913,797
Unrestricted	4,537,468	1,059,181	5,596,649	35,049,986
Total Net Position	<u>\$ 24,204,526</u>	<u>\$ 46,417,867</u>	<u>\$ 70,622,393</u>	<u>\$ 44,963,783</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 Position
Proprietary Funds
For the Year Ended June 30, 2014**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Intergovernmental	\$ 66,687	\$ -	\$ 66,687	\$ -
Sales	618,549	2,296,251	2,914,800	-
Charges for Services	6,241,021	4,530,002	10,771,023	42,993,059
Claim Recoveries	-	-	-	775,443
Rentals and Concessions	3,152,468	2,952,240	6,104,708	-
Total Operating Revenues	<u>10,078,725</u>	<u>9,778,493</u>	<u>19,857,218</u>	<u>43,768,502</u>
Operating Expenses:				
Cost of Goods Sold	378,017	1,473,069	1,851,086	-
Personal Services	4,586,570	10,726,799	15,313,369	1,617,791
Supplies and Materials	577,404	1,712,416	2,289,820	103,638
Claims Incurred	-	-	-	19,153,300
Insurance	-	-	-	7,108,876
Communications	37,945	364,095	402,040	-
Utilities	1,004,916	1,816,400	2,821,316	-
Maintenance	409,426	783,219	1,192,645	-
Contractual Services	775,502	924,826	1,700,328	1,032,259
Other Services and Charges	240,035	349,721	589,756	3,888,328
Administrative Services	-	286,300	286,300	-
Depreciation	1,494,953	3,085,036	4,579,989	2,318,075
Total Operating Expenses	<u>9,504,768</u>	<u>21,521,881</u>	<u>31,026,649</u>	<u>35,222,267</u>
Operating Income (Loss)	<u>573,957</u>	<u>(11,743,388)</u>	<u>(11,169,431)</u>	<u>8,546,235</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	18,197	18,227	36,424	121,640
Interest Expense, net of Amortization	(3,825)	-	(3,825)	-
Loss on Disposal of Asset	-	(24,787)	(24,787)	(48,076)
Total Nonoperating Revenue (Expense)	<u>14,372</u>	<u>(6,560)</u>	<u>7,812</u>	<u>73,564</u>
Income (Loss) before Contributions and Transfers	<u>588,329</u>	<u>(11,749,948)</u>	<u>(11,161,619)</u>	<u>8,619,799</u>
Transfers	-	8,922,220	8,922,220	-
Total Contributions and Transfers	<u>-</u>	<u>8,922,220</u>	<u>8,922,220</u>	<u>-</u>
Change in Net Position	<u>588,329</u>	<u>(2,827,728)</u>	<u>(2,239,399)</u>	<u>8,619,799</u>
Total Net Position - Beginning	<u>23,616,197</u>	<u>49,245,595</u>	<u>72,861,792</u>	<u>36,343,984</u>
Total Net Position - Ending	\$ <u>24,204,526</u>	\$ <u>46,417,867</u>	\$ <u>70,622,393</u>	\$ <u>44,963,783</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 9

**Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2014**

	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	\$ 9,994,976	\$ 9,773,176	\$ 19,768,152	\$ 43,665,366
Payments to Suppliers	(2,020,360)	(7,461,463)	(9,481,823)	(33,827,335)
Payments to Employees	(4,260,194)	(10,636,508)	(14,896,702)	(1,621,008)
Payments for Interfund Services Used	(310,800)	-	(310,800)	(751,873)
Payments for Administrative Charges	(1,429,841)	(286,300)	(1,716,141)	-
Net Cash Provided (Used) by Operating Activities	1,973,781	(8,611,095)	(6,637,314)	7,465,150
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	-	8,922,220	8,922,220	-
Transfers Out to Other Funds	-	-	-	-
Net Cash Flows from Noncapital Financing Activities	-	8,922,220	8,922,220	-
Cash Flows from Capital and Related Financing Activities:				
Acquisition and Construction of Capital Assets	(363,948)	(288,044)	(651,992)	(1,793,525)
Principal Paid on Bonds and Notes Payable	(222,228)	-	(222,228)	-
Interest Paid	(3,824)	-	(3,824)	-
Net Cash Used by Capital and Related Financing Activities	(590,000)	(288,044)	(878,044)	(1,793,525)
Cash Flows from Investing Activities:				
Interest on Investments	18,197	18,227	36,424	121,640
Net Increase (Decrease) in Cash and Cash Equivalents	1,401,978	41,308	1,443,286	5,793,265
Cash and Cash Equivalents, July 1	5,674,846	4,488,203	10,163,049	43,636,204
Cash and Cash Equivalents, June 30	\$ 7,076,824	\$ 4,529,511	\$ 11,606,335	\$ 49,429,469

**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)	\$ 573,957	\$ (11,743,388)	\$ (11,169,431)	\$ 8,546,235
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,494,953	3,085,036	4,579,989	2,318,075
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	(7,850)	(150)	(8,000)	(335,078)
Due from Other Government	-	-	-	232,184
Inventories, at Cost	(22,005)	(45,658)	(67,663)	-
Accounts Payable	(3,041)	7,941	4,900	699,884
Claims Payable	-	-	-	(3,745,241)
Accrued Salaries and Benefits	14,963	75,983	90,946	(14,778)
Compensated Absences	570	14,701	15,271	10,662
Interest Payable	(1,910)	-	(1,910)	-
Net Pension Obligation	999	(3,572)	(2,573)	(247,692)
Net Other Post Employment Obligations	(956)	3,179	2,223	899
Revenue Collected in Advance	(75,899)	(5,167)	(81,066)	-
Total Adjustments	<u>1,399,824</u>	<u>3,132,293</u>	<u>4,532,117</u>	<u>(1,081,085)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,973,781</u>	<u>\$ (8,611,095)</u>	<u>\$ (6,637,314)</u>	<u>\$ 7,465,150</u>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 10

**Statement of Net Position
Fiduciary Funds
June 30, 2013**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 468,947	\$ 19,930,141	\$ 2,423,505
Cash	176,766	-	-
Fixed Income Securities	176,929,222	-	-
International Fixed Income Securities	8,978,006	-	-
Venture Capital/Alternative Investments	56,777,040	-	-
Corporate Stock	385,730,896	-	-
International Corporate Stock	90,880,351	-	-
Real Estate Investments	54,261,714	-	-
Short Term Investments	39,539,970	-	-
Mutual Funds	24,772,156	-	-
Collateral for Securities Lending Transactions	47,700,258	-	-
Accounts Receivable	1,351,263	727	-
Land Held for Other Governments	-	61,586,352	-
Other	21,905	-	-
Total Assets	<u>887,588,494</u>	<u>81,517,220</u>	<u>2,423,505</u>
LIABILITIES			
Investment Payable	760,563	-	-
Accounts Payable	1,020,134	13,530	1,464,579
Claims Payable	466,487	-	-
Obligation for Collateral Received under Securities Lending Transactions	48,740,548	-	-
Deposits	-	-	958,926
Total Liabilities	<u>50,987,732</u>	<u>13,530</u>	<u>2,423,505</u>
NET POSITION			
Assets Held in Trust for:			
Land Held for Other Governments	-	61,586,352	-
Pension Benefits	796,135,587	-	-
Other Postemployment Benefits	40,465,175	-	-
Other Purposes	-	19,917,338	-
Total Net Position	<u>\$ 836,600,762</u>	<u>\$ 81,503,690</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 Position
Fiduciary Funds
For the Year Ended June 30, 2014**

	Pension Trust Funds	Private Purpose Trust Funds
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 46,778,834	\$ -
Plan Members	5,413,595	-
Plan Members for Current Benefits	2,067,287	-
Private Donations	-	23,028
Total Contributions	<u>54,259,716</u>	<u>23,028</u>
Receipts from Commission Debt Service Funds	-	1,404,544
Federal Grants - Medicare	449,576	-
Investment Earnings:		
Interest	9,253,244	46,182
Dividends	694,863	-
Net Increase in the Fair Value of Investments	105,136,646	-
Total Investment Earnings	<u>115,084,753</u>	<u>46,182</u>
Less Investment Advisory and Management Fees	<u>(2,875,363)</u>	-
Net Income from Investing Activities	<u>112,209,390</u>	<u>46,182</u>
Securities Lending Activity		
Securities Lending Income	193,474	-
Securities Lending Fees	77,413	-
Net Income from Securities Lending Activity	<u>270,887</u>	-
Total Net Investment Income	<u>112,480,277</u>	<u>46,182</u>
Total Additions and Investment Income	<u>167,189,569</u>	<u>1,473,754</u>
DEDUCTIONS		
Benefits	50,896,048	-
Refunds of Contributions	237,399	-
Administrative Expenses	1,492,340	-
Contribution of Land	-	(78,321)
Other	-	24,334
Total Deductions	<u>52,625,787</u>	<u>(53,987)</u>
Change in Net Position	114,563,782	1,527,741
Net Position - Beginning	722,036,980	79,975,949
Net Position - Ending	\$ <u>836,600,762</u>	\$ <u>81,503,690</u>

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

NOTES TO FINANCIAL STATEMENTS

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THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

(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 the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116. 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 15-115 and 15-116 of the Land Use Article 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 and discretely presented component unit, the Montgomery County Parks Foundation, Inc. (The Foundation). 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. The discretely presented component unit is included in the reporting unit because the Primary Government provides a significant amount of funding to the unit and appoints the governing board.

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.

The Montgomery County Parks Foundation helps fund parks and open space needs in Montgomery County, Maryland. The Foundation works in cooperation with private citizens, business, other foundations, the Commission and the Montgomery County Department of Parks to meet these parks and open space needs. The Foundation has a calendar year of December 31. The completed financial statements can be obtained at 9500 Brunett Avenue, Silver Spring, MD 20901.

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 Position 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 Position – The Statement of Net Position 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 Position and reports depreciation expense – the cost of "using up" capital assets – in the Statement of Activities. Net position is the excess of assets and deferred outflows over liabilities and deferred inflows. The net position of the Commission are presented in three categories – 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The Commission generally first uses restricted net position for expenses incurred for which both restricted and unrestricted net position are

available. The Commission may defer the use of restricted net position based on a review of the specific transaction. The Commission has no restricted net position as of June 30, 2014.

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 and 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 position) in the period in which employee services are performed. Both benefits and refunds paid are recognized as expenses (deductions from net position) in the period in which paid.

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

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

The Commission reports the following major governmental funds:

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

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

The Commission reports the following major enterprise funds:

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

Additionally, the Commission reports the following fund types:

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

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

Building Fund, Prince George's County Employee Benefits Fund, Prince George's County Risk Management Fund, and Commission Wide Initiatives Fund.

The Commission reports the following fiduciary fund types:

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

The Other Postemployment Benefits Fund is used to account for the accumulation of Commission resources for postretirement health care benefits provided by the Commission. The Commission is not required to make additional contributions unless obligated to do so by resolution. In fiscal years 2010 and 2011, the Commission suspended the 8 year phase-in of the actuarially based funding of Other Postemployment Benefits in connection with the implementation of the accounting requirements of GASB Statement No. 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions". The Commission has resumed the phase-in during FY 2012, FY 2013 and FY 2014.

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.

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. The effect of the interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned. Internal Service Funds are used by management to charge to funds using the service 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 Position. 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, Deferred Inflow of Resources and Net Position

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

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

Property Taxes Receivable – All property tax receivables are shown net of an allowance for uncollectible accounts of \$1,272,571 at June 30, 2014. The property tax receivable allowance is based on an aging of receivables, with increasing percentages applied to older receivables. Property taxes are levied and collected for the special taxing districts of the Commission by Montgomery and Prince George’s County Governments, as appropriate. Semiannual tax payment plans are automatic for homeowners living in their properties unless they request an annual payment plan. Under the semiannual payment plan, one-half of the real property taxes are due by September 30 and the remaining one-half is due by December 31. Real property taxes are levied on July 1 each year and become delinquent on October 1 and January 1, at which time interest and penalties commence. Personal property and real property taxes levied for a fraction of a year are due when billed. Tax liens on real property are sold at public auction on the second Monday in June in Montgomery County and on the second Monday in May in Prince George’s County for taxes that are delinquent.

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

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

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

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt

issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

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

Fund balances, presented in the governmental fund financial statements, represent the difference between assets, liabilities and deferred inflow of resources reported in a governmental fund. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", establishes criteria for classifying fund balances into specifically defined classifications based upon the type of restrictions imposed on the use of funds and has classified fund balances into the following five categories:

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

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

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

	Montgomery County		Prince George's County			Total
	Administration	Park	Administration	Park	Recreation	
Committed	\$ 4,102,082	\$ 4,337,676	\$ 8,883,799	\$ 12,094,134	\$ 5,109,082	\$ 34,526,773
Assigned	3,652,516	469,008	6,475,166	24,557,127	8,738,393	43,892,210
Unassigned	3,332,694	5,844,242	15,836,933	90,477,328	16,041,387	131,532,584
Total Fund Balance	\$ 11,087,292	\$ 10,650,926	\$ 31,195,898	\$ 127,128,589	\$ 29,888,862	\$ 209,951,567

Encumbrances

Encumbrance accounting is employed in the general, capital project and special revenue funds. Under this method, purchase orders, contracts, memoranda of understanding and other commitments outstanding at year-end do not constitute expenditures or liabilities. GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions", provides additional guidance on the classification within the fund balances section of amounts that have been encumbered. Encumbrances of balances within the General and Capital Project funds are classified as committed. These encumbrances, along with encumbrances of balances in funds

that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

General Fund - Montgomery County	8,439,758
General Fund - Prince George's County	26,087,015
Capital Projects Fund - Montgomery County	21,268,913
Capital Projects Fund - Prince George's County	36,118,379
Non-Major Governmental Funds	1,190,763

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

The governmental fund balance sheet (Exhibit 3) includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the Statement of Net Position (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	\$ 354,240,901
Buildings and improvements	207,785,191
Infrastructure	241,902,933
Machinery, Equipment and Intangibles	61,688,287
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(319,063,015)
Construction in Progress	212,415,712
Total	<u>\$ 758,970,009</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	\$ 12,094,850
Due in More than One Year	101,231,110
Net Other Post Employment Benefit Obligations	64,638,630
Net Pension Obligations	8,834,923
Compensated Absences	
Due Within One Year	9,993,799
Due in More than One Year	9,293,045
Accrued Interest Payable	725,911
Totals	<u>\$ 206,812,268</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 Fund unencumbered appropriations lapse at year-end. Capital project appropriations do not lapse until the project is completed. The budget plans for the proprietary funds serve as a guide to the Commission and not as legally binding limitations.

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

The actual expenditures in the General Fund Statements of Revenues, Expenditures/Encumbrances, and Changes in Fund Balances - Budget (Non-GAAP Budgetary Basis) and Actual are presented on a basis consistent with The Maryland-National Capital Park and Planning Commission Adopted Annual Budget. All expenditures made during fiscal year 2014 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, 2014, as noted in Note 6 as follows:

	Montgomery County		Prince George's County			Total General Fund
	Administration Account	Park Account	Administration Account	Park Account	Recreation Account	
Adjustment to Expenditures						
To Increase -						
Encumbrances -						
June 30, 2013	\$ 3,764,974	\$ 4,247,753	\$ 14,042,734	\$ 10,396,097	\$ 7,710,065	\$ 40,161,623
To Decrease -						
Encumbrances -						
June 30, 2014	(4,102,082)	(4,337,676)	(8,883,799)	(12,094,134)	(5,109,082)	(34,526,773)
Total Adjustment	(337,108)	(89,923)	5,158,935	(1,698,037)	2,600,983	5,634,850
Net Change in Fund Balance:						
GAAP Basis	1,643,210	(1,874,035)	(5,146,893)	(22,445,749)	(4,936,201)	(32,759,668)
Budget Basis	\$ 1,306,102	\$ (1,963,958)	\$ 12,042	\$ (24,143,786)	\$ (2,335,218)	\$ (27,124,818)

(4) – DETAILED NOTES ON ALL FUNDS

(A) Cash and Investments

The Commission's deposits and investments as of June 30, 2014, totaled \$1,326,902,881. The Commission's unrestricted pool of deposits and investments (\$405,281,735) is available to all funds, except for the Pension Trust Funds.

Commission Cash and Investments

Custodial Credit Risk - Deposits - At year-end, the carrying amount of cash deposits was \$3,048,333 and the bank balance was \$6,462,512. In addition, the Commission held cash at various locations totaling \$273,212. Of the bank balance, \$250,000 was covered by Federal depository insurance and the remainder was collateralized by \$6,212,512 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 \$67,081,418 at June 30, 2014. The certificates, with an average life of 105.97 days, were covered by collateral of \$85,265,346, 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, 2014. 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 \$46,675,822. Of these deposits \$29,623 relates to cash and investments restricted for construction.

Investments - The Annotated Code of Maryland authorizes the Commission to invest in obligations for which the United States has pledged its full faith and credit for the payment of principal and interest, obligations that are issued by a Federal agency, repurchase agreements, bankers' acceptances, commercial paper, money market mutual funds, the State Treasurer's investment pool, and certificates of deposit. Commission bond proceeds may also be invested in municipal bonds and notes. The investment 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 \$35,874,767 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, 2014 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Federal National Mortgage Association Notes	\$ 3,398,479	188.50
Municipal Bonds	6,470,430	5.66
Commercial Paper	14,998,500	28.33
U.S. Treasury Bills	18,380,217	219.83
U.S Treasury Notes	20,029,235	335.00
Federal Agricultural Mortgage Corporation Notes	39,531,253	227.24
Federal Home Loan Mortgage Association Notes	43,615,304	636.98
Federal Farm Credit Bank	45,388,785	443.14
Maryland Local Government Investment Pool (MLGIP)	48,637,970	46.00
Federal Home Loan Bank Notes	83,627,544	373.47
Total Fair Value	\$ 324,077,717	
Portfolio Weighted Average Maturity		315.40

Pooled Investments - The State Legislature created the Maryland Local Government Investment Pool ("MLGIP") with the passage of Article 95 22G, of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by a single Pittsburgh-based financial institution, PNC Bank. The pool has a AAA rating from Standard and Poor's and maintains a \$1.00 per share value. A MLGIP Advisory Committee of current participants was formed to review, on a quarterly basis, the activities of the fund and to provide suggestions to enhance the pool. The fair market value of the pool is the same as the value of the pool shares.

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 \$29,623 (0.08%) 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) **	50
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**	30

* At time of purchase

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

The Commission is currently in compliance with this policy.

Employees' Retirement System (ERS) Cash, Investments and Securities Lending

Cash and Short Term Investments - For short term investments, 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 short term investments at June 30, 2014, was \$39,716,729. Cash deposits that were insured and collateralized in the bank account totaled \$176,759 at June 30, 2014. At June 30, 2014, the ERS held \$39,539,970 of short term investments in its custodial investment accounts.

As of June 30, 2014, the ERS held \$48,047 of short term investments that were exposed to custodial credit risk.

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 the investment consultant selected by the Commission. The Board is authorized to formulate investment policies, develop investment manager guidelines and objectives, and approve the retention of qualified advisors and investment managers.

Trust Fund assets should be invested to obtain an appropriate long-term total return consistent with prudent risk taking. The Trust Fund shall be diversified across investment classes and among investment managers in order to achieve return as compensation for investment risk. The Board established target allocations for each asset class, as well as ranges of expected exposure as follows:

Asset Class	Target Exposure	Expected Range
U.S. Equities	23.0%	18%-28%
International Equities	23.0%	18%-28%
Private Equities	5.0%	0%-8%
Total Equities	51.0%	46%-56%
Core Fixed Income	10.0%	7%-13%
High Yield Fixed Income	7.5%	5%-10%
Global Opportunistic Fixed Income	7.5%	5%-10%
Bank Loans	4.0%	2%-6%
Total Fixed Income	29.0%	24%-34%
Public Real Assets	5.0%	0%-15%
Private Real Assets	15.0%	5%-20%
Total Real Assets	20.0%	10%-25%

The Board approved revisions to the Statement of Investment Policy (“Policy”) on May 6, 2014. The Policy was revised to introduce greater clarity and reestablish the Policy as a broad governance document. Significant revisions included reduction of the core fixed income allocation by 4% to account for a new 4% allocation to bank loans and revision of the long-term assumptions used as a proxy for the return and risk expectations of each asset class.

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. Investment manager assignments may be implemented with pooled vehicles. In such circumstances, the ERS may not have control with respect to the investment guidelines and objectives as they are written broadly for multiple investors. The Trust Fund has guidelines, which apply broadly to each asset class as follows:

Public Equity Guidelines (U.S. and International)

- Under normal conditions no more than 5% of the value of the U.S. and International composites should be held in cash equivalents at any time.
- The U.S. and International equity composites are expected to remain broadly diversified by economic sector, industry and individual securities at all times.
- The composites should match the asset class benchmark in terms of capitalization and growth characteristics; and be similar to the asset class benchmark in terms of risk.

Private Equity Guidelines

- The portfolio is expected to be diversified by geographic location with the following weightings: North America (approximately 50%), Europe (approximately 30%), and the Asia-Pacific region and other emerging markets (approximately 20%).
- The composite is expected to be diversified by the following investment types: buyouts, venture capital, growth equity, distressed, and special situations (private equity-like investments, such as mezzanine debt, asset-intensive assets or royalty streams and other opportunistic funds).
- Secondary fund investments and direct co-investments are permitted on an opportunistic basis with a combined maximum limit of 20%.
- Investments should be diversified by vintage year.
- No single partnership investment is expected to be more than 20% of the private equity composite. This guideline shall not apply during initial funding.

Fixed Income Guidelines

- The fixed income portfolio is structured to include exposures to the following sub-classes: core fixed income, high yield fixed income, global opportunistic fixed income and bank loans.
- The fixed income composite may have up to 20% of its value in cash equivalents at any time.
- Except for securities issued by the US Government and/or its Agencies, any single issuer is not expected to exceed 5% of the market value of the fixed income composite at any time.
- Duration of each fixed income sub-class should typically remain with +/- 1.5 years of the sub-class benchmark.
- Credit quality for each sub-class is expected to be similar to that of the designated sub-class benchmark, as measured by a recognized rating agency (Standard & Poor's or Moody's).
- Build America Bonds issued by Montgomery County and Prince George's County are prohibited.
- Flexible global opportunistic fixed income guidelines allow manager to invest globally, seeking to add value through duration management, yield curve positioning, sector/issue selection, country market selection and currency.

Real Assets Guidelines

- The real assets portfolio includes private real assets and public real assets.
- Any un-invested portion of the private real assets allocation should remain invested in public real assets.

Private Real Assets Guidelines

- Investments will be structured privately in the form of commingled or pooled vehicles such as limited partnerships and diversified among the following investment types: real estate, energy, mining, timber, agriculture, and infrastructure.
- The private real assets portfolio is expected to be diversified by geographic location with a minimum of 50% invested in the United States and no more than 30% invested in emerging markets.
- Investments should also be diversified by vintage year. No single partnership commitment is expected to be more than 20% of the real assets portfolio or more than 20% of the portfolio of a fund-of-funds manager.

Public Real Assets Guidelines

- Investments structured in public real assets include natural resource stocks, real estate securities (including REITs), commodities and inflation indexed bonds that are broadly diversified such that each sub-asset class may contribute to the portfolio's real return and risk profile.

Derivatives Policy Statement- A Derivatives Policy Statement identifies and allows common derivative investments and strategies, which are consistent with the Statement of Investment Policy. 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, 2014, the ERS did not hold any derivatives. Gains and losses are determined based on quoted market values and recorded in the Statement of Changes in Net Position. The objective of Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" is to enhance the usefulness and comparability of derivative instrument information reported by state and local governments.

The following uses of derivatives are prohibited:

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

Typically, investment advisors enter into foreign exchange contracts to make payment for international investments. Foreign exchange contracts are agreements to exchange the currency of one country for the currency of another country at an agreed-upon price and settlement date. The investment advisor uses these contracts primarily for its international investments to settle pending trades. To reduce the risk of counterparty nonperformance, the investment advisors generally enter into these contracts with institutions meeting high standards of credit worthiness. The realized and unrealized gain/loss on contracts is included in the ERS' net position and represents the fair value of the contracts on June 30, 2014. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2014:

Currency	Purchases	Realized Gain/(Loss)	Sells	Realized Gain/(Loss)
Australian dollar	\$ -	\$ -	\$ (16,605)	\$ (6)
Brazilian real	144,253	0	(257,703)	(1415)
British pound sterling	-	-	(1,048,291)	(1,232)
Czech koruna	-	-	(100,219)	(142)
Euro	6,519,039	(2,053)	(6,291,711)	(85,948)
Hong Kong dollar	231,611	24	(1,683,588)	88
Japanese yen	377,137	(2,410)	(360,592)	515
Mexican peso	542,953	3,306	(283,384)	(1,122)
Norwegian krone	504,644	4,232	(262,429)	(620)
South Korean won	1,456,548	(760)	(177,543)	(45)
Swedish krona	-	-	(61,808)	94
Swiss franc	2	-	(147,674)	(178)
Turkish lira	2,241,182	(6,818)	(115,440)	(81)

Foreign Exchange Contracts Pending June 30, 2014:

Currency	Purchases	Unrealized Gain/(Loss)	Sells	Unrealized Gain/(Loss)
British pound sterling	\$ 0	\$ 0	\$ (173,614)	\$ 150
Euro	41,079	315	(236,889)	2,616
Hong Kong dollar	0	0	(40,777)	(4)
Indonesian rupiah	545,973	8,318-	0	0
	-	-		

ERS's investments at June 30, 2014 were as follows:

<u>Investments</u>	<u>Fair Value</u>
Common stock	\$ 472,791,644
Preferred stock	495,819
Convertible equity	364,518
Venture Capital and Private Equity Partnerships	56,777,040
Government bonds	17,060,617
Government agencies	6,401,194
Provincial bonds	1,229,116
Corporate bonds	74,701,119
Corporate convertible bonds	2,952,414
Equity exchange traded fund	0
Unit trust equity	6,852
Government mortgage-backed securities	10,913,824
Government-issued commercial mortgage-backed	59,328
Commercial mortgage-backed	5,718,687
Asset-backed securities	4,114,107
Index linked government bonds	2,079,681
Index linked corporate bonds	0
Fixed income mutual funds	47,926,663
Real estate	54,261,714
Short term investment funds	39,539,970
Securities lending short term collateral investment pool	47,700,258
Total Investments	\$ 845,094,565

Money-Weighted Rate of Return

For the year ended June 30, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.30%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The ERS has investments that are subject to various risks. Among these risks are custodial credit risk, interest rate risk, credit risk, and foreign currency risk. Each one of these risks is discussed in more detail below.

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' \$845.1 million in investments at June 30, 2014, \$47.7 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.

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, 2014, the ERS had the following fixed income investments and short term investments with the following maturities:

	<u>Fair Value</u>	<u>Weighted Average</u>
Asset-backed securities	\$ 4,114,107	5.488222
Commercial mortgage-backed	5,718,687	28.603932
Corporate bonds	74,701,119	10.083925
Corporate convertible bonds	2,952,414	11.000145
Government agencies	6,401,194	5.183715
Government bonds	17,060,617	6.568612
Government mortgage-backed securities	10,913,824	23.114863
Gov't-issued commercial mortgage-backed securities	59,328	6.339000
Index linked government bonds	2,079,681	5.534220
Provincial bonds	1,229,116	12.883457
Fixed income mutual funds	47,926,663	N/A
Short term investment funds	34,173,069	N/A
TOTAL	<u>\$ 207,329,819</u>	<u>10.931997</u>

Collateralized Mortgage Obligations - Collateralized Mortgage Obligations (CMOs) are a type of mortgage-backed security that creates several pools of pass-through rates for different classes of bonds, called tranches. The tranches have their own risk characteristics with varying maturities. 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 no CMOs at June 30, 2014.

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 \$4,114,407 in ABS at June 30, 2014.

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; however, there is no formal policy relating to specific investment-related 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 Statement of Investment Policy.

Credit Quality Ratings as of June 30, 2014:

Credit Quality Distribution for Services		% of Total Portfolio
Agency	AGY	3.318%
Government Agencies	AAA	0.032%
Government Agencies	AA	0.623%
Government Agencies	A	0.038%
Government Agencies	NR	0.064%
Government Bonds	AA	0.014%
Government Bonds	A	0.102%
Government Bonds	NR	0.046%
Government Mortgage Backed Securities	AA	0.002%
Government Mortgage Backed Securities	NR	0.075%
Gov't-issued Commercial Mortgage-Backed	AA	0.007%
Asset Backed Securities	AAA	0.158%
Asset Backed Securities	AA	0.050%
Asset Backed Securities	A	0.024%
Asset Backed Securities	NR	0.254%
Commercial Mortgage-Backed	AAA	0.380%
Commercial Mortgage-Backed	AA	0.032%
Commercial Mortgage-Backed	BBB	0.084%
Commercial Mortgage-Backed	NR	0.180%
Corporate Bonds	AAA	0.035%
Corporate Bonds	AA	0.468%
Corporate Bonds	A	1.491%
Corporate Bonds	BBB	1.502%
Corporate Bonds	BB	0.781%
Corporate Bonds	B	0.660%
Corporate Bonds	CCC	0.235%
Corporate Bonds	D	0.002%
Corporate Bonds	NR	0.098%
Corporate Convertible Bonds	A	0.031%
Corporate Convertible Bonds	BBB	0.051%
Corporate Convertible Bonds	BB	0.170%
Corporate Convertible Bonds	B	0.073%
Corporate Convertible Bonds	NR	0.023%
Municipal/Provincial Bonds	AA	0.076%
Municipal/Provincial Bonds	A	0.049%
Municipal/Provincial Bonds	BBB	0.017%
Municipal/Provincial Bonds	BB	0.005%
Other Fixed Income	NR	0.801%
Funds - Corporate Bond	NR	3.568%
Funds - Other Fixed Income	NR	4.857%
Funds - Short Term Investment	NR	4.044%

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, 2014, was as follows:

<u>Investment Type</u>	<u>Currency</u>	<u>Fair Value</u>
Government Bonds	Mexican peso	\$ 1,092,127
Government Agencies	Brazilian real	397,728
Government Agencies	Chilean peso	146,463
Government Agencies	Philippine peso	322,651
Corporate Bonds	Australian dollar	236,671
Corporate Bonds	Brazilian real	118,075
Corporate Bonds	Euro	33,570
Corporate Bonds	Mexican peso	152,481
Common Stock	Brazilian real	1,266,120
Common Stock	British pound sterling	8,766,593
Common Stock	Czech koruna	1,048,744
Common Stock	Euro	14,198,099
Common Stock	Hong Kong dollar	4,045,327
Common Stock	Indonesian rupiah	866,111
Common Stock	Japanese yen	8,544,183
Common Stock	Norwegian krone	5,709,010
Common Stock	South Korean won	4,606,098
Common Stock	Swedish krona	2,156,864
Common Stock	Swiss franc	2,836,783
Common Stock	Turkish lira	2,861,148
Municipal/Provincial Bonds	Euro	179,529
Cash	Hong Kong dollar	40,777
Cash	Swiss franc	7,271
Total		\$ 59,632,423

Note: These schedules do not agree with the total international obligations and international equities as listed on the Statements of Fiduciary Net Position due to international obligations valued in U.S. dollars but classified as international.

Cash Received as Securities Lending Collateral

The following table details the net income from securities lending for the period ending June 30, 2014:

Securities lending	\$ 193,474
Plus security lending Income	77,413
Net securities lending income	<u>\$ 270,887</u>

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

The Board of Trustees authorized the lending of fixed income securities, which activity is managed by the custodian bank. The Board of Trustees authorized a securities lending loan cap of 30% effective October 6, 2010 with an increase to 50% effective February 1, 2011. There were no violations of legal or contractual provisions, and no borrower or lending agent default losses known to the securities lending agent as of June 30, 2014.

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 Net Position. All securities loans can be terminated on demand by either the lender or the borrower, although the average term of overall loans were approximately 113 days in 2014.

Cash open collateral is invested in a short term investment pool, the Core USA Collateral Section, which had an interest sensitivity of 37 days as of this statement date. Cash collateral may also be invested separately in "term loans", in which case the investments match the loan term. These loans can be terminated on demand by either lender or borrower. There are no dividends or coupon payments owing on the securities lent. Securities lending earnings are credited to the ERS' accounts on approximately the fifteenth day of the following month.

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

The following table presents the fair values of the underlying securities, and the value of the collateral pledged at June 30, 2014:

<u>Securities Lent</u>	<u>Fair Value</u>	<u>Cash Collateral Received*</u>
Fixed income securities	\$ 25,747,270	\$ 26,273,232
Domestic equities	20,342,350	20,768,127
Global equities	1,610,638	1,699,189
Total	\$ 47,700,258	\$ 48,740,548

*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 \$7 in money market funds at June 30, 2014. The trust participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$468,947. Investments in mutual funds totaled \$40,075,048.

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 2014 are as follows:

<u>Asset Class</u>	<u>Maximum</u>
Equity Index Funds	60%
Fixed Income	40%
Cash and Equivalents	10%

The Trust's investments in mutual funds at June 30, 2014 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>
Fixed Income	\$ 24,772,156
Equity Index Fund	15,702,892
Total Investments	\$ 40,475,048

The Trust's fixed income investments at June 30, 2014 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 8,001,695	1.80
Fixed Bond Fund	7,701,197	1.06
Total Fair Value	\$ 15,702,892	
Portfolio Weighted Average Maturity		1.19

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

<u>Statement of Net Position</u>	
Equity in Pooled Cash and Investments	\$ 382,459,142
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	35,874,767
<u>Statement of Net Position - Fiduciary Funds</u>	
Equity in Pooled Cash and Investments - Pension Trust Funds	468,947
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	19,930,141
Equity in Pooled Cash and Investments - Agency Funds	2,423,505
Cash and Marketable Securities - Pension Trust Funds	838,046,121
Collateral for Securities Lending Transactions - Pension Trust Funds	47,700,258
Total	<u>\$ 1,326,902,881</u>
They are composed of:	
Cash in Banks of Commission	\$ 3,048,333
Cash of Employees' Retirement System Pension Trust Fund	176,759
Cash in Other Post Employment Benefits Fund	-
Cash in Other Locations - Commission	273,212
Money Market Deposits of Commission	46,675,822
Money Market Deposits in Other Post Employment Benefits Fund	7
Certificates of Deposit of Commission	67,081,418
Fixed Income Securities In Commission's Investment Pool	324,077,717
Mutual funds in Other Post Employment Benefits Fund	40,475,048
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	476,611,247
Fixed Income Securities	170,204,336
Real Estate	54,261,714
Venture Capital and Partnerships	56,777,040
Cash & Cash Equivalents	39,539,970
Collateral for Securities Lending Transactions	47,700,258
Total	<u>\$ 1,326,902,881</u>

(B) Capital Assets

A summary of governmental activities capital assets at June 30, 2014 is as follows:

	July 1, 2013	Increases	Decreases	Transfers/ Contributions	June 30, 2014
Capital assets not being depreciated					
Land	\$ 348,348,198	\$ 6,641,200	\$ -	\$ -	\$ 354,989,398
Construction in progress	173,729,943	38,685,769	-	-	212,415,712
Total capital assets not being depreciated	<u>522,078,141</u>	<u>45,326,969</u>	<u>-</u>	<u>-</u>	<u>567,405,110</u>
Other capital assets, being depreciated					
Buildings and improvements	214,014,798	-	(688,038)	(2,773,956)	210,552,804
Infrastructure	238,470,117	658,860	-	2,773,956	241,902,933
Machinery, equipment and intangibles	100,942,108	10,891,574	(16,829,148)	-	95,004,534
Total other capital assets	<u>553,427,023</u>	<u>11,550,434</u>	<u>(17,517,186)</u>	<u>-</u>	<u>547,460,271</u>
Less accumulated depreciation for:					
Buildings and improvements	(135,408,100)	(5,076,144)	173,250	245,860	(140,065,134)
Infrastructure	(131,623,798)	(5,317,814)	-	(245,860)	(137,187,472)
Machinery, equipment and intangibles	(78,323,710)	(6,266,878)	15,861,619	-	(68,728,969)
Total accumulated depreciation	<u>(345,355,608)</u>	<u>(16,660,836)</u>	<u>16,034,869</u>	<u>-</u>	<u>(345,981,575)</u>
Total other capital asset, net	<u>208,071,415</u>	<u>(5,110,402)</u>	<u>(1,482,317)</u>	<u>-</u>	<u>201,478,696</u>
Governmental activities capital assets, net	<u>\$ 730,149,556</u>	<u>\$ 40,216,567</u>	<u>\$ (1,482,317)</u>	<u>\$ -</u>	<u>\$ 768,883,806</u>

Summaries of business-type activities capital assets at June 30, 2014, made up of two major enterprise funds, are as follows:

	July 1, 2013	Increases	Decreases	Transfers	June 30, 2014
Montgomery County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 11,584,468	\$ -	\$ -	\$ -	\$ 11,584,468
Construction in progress	247,036	-	-	-	247,036
Total capital assets not being depreciated	11,831,504	-	-	-	11,831,504
Capital assets being depreciated					
Buildings and improvements	27,135,692	-	-	-	27,135,692
Machinery, equipment and intangibles	1,946,813	363,946	(143,050)	-	2,167,709
Total capital assets being depreciated	29,082,505	363,946	(143,050)	-	29,303,401
Less accumulated depreciation for:					
Buildings and improvements	(18,607,200)	(1,328,163)	3	-	(19,935,360)
Machinery, equipment and intangibles	(1,508,745)	(166,792)	143,050	-	(1,532,487)
Total accumulated depreciation	(20,115,945)	(1,494,955)	143,053	-	(21,467,847)
Total capital assets being depreciated, net	8,966,560	(1,131,009)	3	-	7,835,554
Capital assets, net	\$ 20,798,064	\$ (1,131,009)	\$ 3	\$ -	\$ 19,667,058
Prince George's County Enterprise Fund					
Capital assets not being depreciated:					
Land	\$ 7,779,131	\$ -	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:					
Buildings and improvements	72,340,644	-	-	-	72,340,644
Machinery, equipment and intangibles	5,871,787	296,345	(340,315)	-	5,827,817
Total capital assets being depreciated	78,212,431	296,345	(340,315)	-	78,168,461
Less accumulated depreciation for:					
Buildings and improvements	(33,587,055)	(2,770,326)	-	-	(36,357,381)
Machinery, equipment and intangibles	(4,224,044)	(314,708)	307,227	-	(4,231,525)
Total accumulated depreciation	(37,811,099)	(3,085,034)	307,227	-	(40,588,906)
Total capital assets being depreciated, net	40,401,332	(2,788,689)	(33,088)	-	37,579,555
Capital assets, net	\$ 48,180,463	\$ (2,788,689)	\$ (33,088)	\$ -	\$ 45,358,686
Total Business-type activities	\$ 68,978,527	\$ (3,919,698)	\$ (33,085)	\$ -	\$ 65,025,744

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

Governmental Activities:	
General Government	\$ 422,627
County Planning and Zoning	618,513
Park Operations and Maintenance	13,386,117
Recreation Programs	2,233,579
Total depreciation expense - governmental activities	\$ 16,660,836
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	\$ 4,579,989

Construction Commitments - The Commission is committed to \$57,387,292 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, 2014. The Montgomery County Capital Projects Fund has a payable balance of \$5,466,476 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 2014:

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	\$ -	\$ -	\$ -	\$ 30,000	\$ -	\$ 30,000
General Fund - Park Account	-	350,000	24,225,000	14,119,247	-	38,694,247
General Fund - Recreation Account	-	-	-	-	8,922,220	8,922,220
Special Revenue Fund	-	-	30,000	-	-	30,000
Capital Projects	218,259	-	-	-	-	218,259
Total Transfers In	\$ 218,259	\$ 350,000	\$ 24,255,000	\$ 14,149,247	\$ 8,922,220	\$ 47,894,726
Transfers Out						
General Fund - Park Account	\$ -	\$ 6,370	\$ 211,889	\$ -	\$ -	\$ 218,259
Debt Service Fund	13,969,247	-	-	-	-	13,969,247
Capital Projects	24,575,000	-	-	30,000	-	24,605,000
Special Revenue Fund	180,000	-	-	-	-	180,000
Enterprise Fund	8,922,220	-	-	-	-	8,922,220
Total Transfers Out	\$ 47,646,467	\$ 6,370	\$ 211,889	\$ 30,000	\$ -	\$ 47,894,726

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$13,969,247) and current funding for Capital Projects (\$24,575,000)

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund	Total Proprietary Funds
Transfers In		
General Fund - Recreation Account	8,922,220	8,922,220
Total Transfers In	\$ 8,922,220	\$ 8,922,220

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

In addition to the above transfers, tax revenues of \$1,404,544 not needed to pay current debt service were contributed by the Montgomery County Advanced Land Acquisition Debt Service Fund to the Montgomery County Advanced Land Acquisition Account 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 2016. Each agreement provides for termination in the event of nonappropriation of funds.

Future minimum commitments under operating leases at June 30, 2014 are as follows (\$000's):

<u>Year Ending June 30</u>	<u>Operating Leases</u>		
	<u>Total</u>	<u>Montgomery County</u>	<u>Prince George's County</u>
2015	2,967	273	2,694
2016	2,155	273	1,882
2017	2,182	273	1,909
2018	2,209	273	1,936
2019	2,009	273	1,736
Total minimum lease payments	<u>\$ 11,522</u>	<u>\$ 1,365</u>	<u>\$ 10,157</u>

In fiscal year 2014, expenditures in the General Fund included \$1,511,141 relating to the rental of office space and \$1,066,769 relating to rental and other charges for rented equipment.

(E) Long-Term Obligations

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" or "ALA"); 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 the Land Use Article of the Annotated Code of Maryland, Sections 15-115 and 15-116 to be levied in the Metropolitan District in the respective counties for the payment of Park Bond debt service. In 2014, debt service payments approximated 0.22 cents per \$100 of real property and 0.55 cents per \$100 of personal property for Montgomery County and 1.32 cents for real property and 3.30 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
2015	3,295	1,465	4,760	230	51	281
2016	2,745	1,389	4,134	120	45	165
2017	2,815	1,297	4,112	120	40	160
2018	2,925	1,204	4,129	120	36	156
2019	2,990	1,094	4,084	120	31	151
2020-2024	12,055	3,915	15,970	600	87	687
2025-2029	9,395	1,935	11,330	120	3	123
2030-2034	7,205	558	7,763	-	-	-
Totals	<u>\$ 43,425</u>	<u>\$ 12,857</u>	<u>\$ 56,282</u>	<u>\$ 1,430</u>	<u>\$ 293</u>	<u>\$ 1,723</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities			Total Commission General Obligation Bonds Principal & Interest
	Total Park Principal	Total Park Interest	Total Park Payments	
2015	8,570	2,172	10,742	15,783
2016	7,568	2,150	9,718	14,017
2017	7,777	1,856	9,633	13,905
2018	5,681	1,552	7,233	11,518
2019	3,815	1,367	5,182	9,417
2020-2024	15,310	4,730	20,040	36,697
2025-2029	8,615	2,298	10,913	22,366
2030-2034	8,770	895	9,665	17,428
Totals	<u>\$ 66,106</u>	<u>\$ 17,020</u>	<u>\$ 83,126</u>	<u>\$ 141,131</u>

Outstanding General Obligation Bonds - General obligation bonds outstanding at June 30, 2014, 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 2015 Serial Payment</u>	<u>Original Issue</u>	<u>Outstanding at June 30, 2014</u>
<u>Montgomery County</u>						
Park Acquisition and Development Bonds						
Series CC-2 (Note 1)	3.7819	12/01/02	12/01/22	\$ 275	\$ 12,155	\$ 275
Series FF-2	3.8457	11/15/04	12/01/24	160	4,000	880
Series HH-2 Current refunding	3.1807	07/15/05	07/01/14	335	5,445	335
Series II-2	3.9651	03/15/07	04/01/27	185	4,700	3,405
Series LL-2 Advance and Current Refunding	2.4059	05/21/09	11/01/20	900	8,405	5,340
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	4,200
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	605	12,505	12,110
Series MC-2012B	3.5622	04/05/12	12/01/32	125	3,000	2,880
Series MC-2014A	2.8633	06/17/14	12/01/33	500	14,000	14,000
				<u>3,295</u>	<u>69,460</u>	<u>43,425</u>
Advance Land Acquisition Bonds						
ALA Refunding Bonds of 2002, Series DD-2	3.4748	12/01/02	12/01/14	150	1,550	150
ALA Bonds of 2004 Series	3.8457	11/15/04	12/01/24	80	2,000	1,280
				<u>230</u>	<u>3,550</u>	<u>1,430</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,525</u>	<u>\$ 73,010</u>	<u>\$ 44,855</u>
<u>Prince George's County</u>						
Park Acquisition and Development Bonds						
Series EE-2 (Note 1)	3.2824	03/15/04	01/15/24	\$ 2,320	\$ 37,525	\$ 6,940
Series JJ-2	4.3180	05/15/07	05/01/27	355	8,900	6,415
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,770	17,300	7,251
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,205	14,080	9,285
Series PG2012A Advance and Current Refun	1.8735	06/21/12	01/15/24	1,650	11,420	9,650
Series PG2014A	3.0409	05/01/14	01/15/34	1,270	26,565	26,565
Total Prince George's County General Obligation Bonds				<u>\$ 8,570</u>	<u>\$ 115,790</u>	<u>\$ 66,106</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 were paid in full at June 30, 2014, are accounted for in the Montgomery County Enterprise Fund. Debt service expenditures for the revenue bonds and notes totaled \$227,957 for the fiscal year. There were no revenue bonds or revenue notes payable for Prince George's County.

Defeased Debt - In the prior fiscal year, the Commission defeased the callable portion of certain series of general obligation bonds by placing proceeds of new bonds into 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 FF-2	12/01/14	1,680,000	-

Changes in Long-term Liabilities – Changes in long-term liabilities for the year ended June 30, 2014, were as follows:

Governmental activities:	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
General Obligation Park Bonds Payable	\$ 31,970,000	\$ 14,000,000	\$ 2,545,000	\$ 43,425,000	\$ 3,295,000
General Obligation ALA Bonds Payable	1,665,000	-	235,000	1,430,000	230,000
Deferred charges, net of premiums, on General Bonds	269,922	460,035	(460,856)	1,190,813	-
Accrued Compensated Absences	7,819,340	4,744,624	4,648,603	7,915,361	4,649,737
Net Other Post Employment Benefit Obligations	26,806,840	598,619	-	27,405,459	-
Net Pension Obligations	3,853,025	-	59,137	3,793,888	-
Long-term Liabilities	<u>72,384,127</u>	<u>19,803,278</u>	<u>7,026,884</u>	<u>85,160,521</u>	<u>8,174,737</u>
Prince George's County					
General Obligation Park Bonds Payable	47,503,123	26,565,000	7,961,975	66,106,148	8,569,850
Deferred charges, net of premiums, on General Bonds	(417,572)	1,083,768	(507,803)	1,173,999	-
Accrued Compensated Absences	11,064,965	5,854,643	5,400,694	11,518,914	5,399,560
Net Other Post Employment Benefit Obligations	36,866,274	831,035	-	37,697,309	-
Net Pension Obligations	5,121,868	-	80,833	5,041,035	-
Long-term Liabilities	<u>100,138,658</u>	<u>34,334,446</u>	<u>12,935,699</u>	<u>121,537,405</u>	<u>13,969,410</u>
Total Long-term Liabilities	<u>\$ 172,522,785</u>	<u>\$ 54,137,724</u>	<u>\$ 19,962,583</u>	<u>\$ 206,697,926</u>	<u>\$ 22,144,147</u>
Business type activities:					
	Beginning Balance	Additions	Reductions	Ending Balance	Amount Due in One Year
Montgomery County					
Revenue Bonds and Notes Payable	\$ 222,228	\$ -	\$ 222,228	\$ -	\$ -
Accrued Compensated Absences	272,463	121,569	121,000	273,032	120,706
Net Other Post Employment Benefit Obligations	615,399	999	-	616,398	-
Net Pension Obligations	100,340	-	956	99,384	-
Long-term Liabilities	<u>1,210,430</u>	<u>122,568</u>	<u>344,184</u>	<u>988,814</u>	<u>120,706</u>
Prince George's County					
Accrued Compensated Absences	666,054	323,702	309,000	680,756	308,532
Net Other Post Employment Benefit Obligations	2,321,335	3,179	-	2,324,514	-
Net Pension Obligations	301,767	-	3,572	298,195	-
Long-term Liabilities	<u>3,289,156</u>	<u>326,881</u>	<u>312,572</u>	<u>3,303,465</u>	<u>308,532</u>
Total Long-term Liabilities	<u>\$ 4,499,586</u>	<u>\$ 449,449</u>	<u>\$ 656,756</u>	<u>\$ 4,292,279</u>	<u>\$ 429,238</u>

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

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,049,297	\$ 429,238	\$ 10,478,535
Due in more than One Year	9,384,978	524,550	9,909,528
Bonds and Notes Payable:			
Due within One Year	12,094,850	-	12,094,850
Due in more than One Year	101,231,110	-	101,231,110
Net Other Post employment Benefit Obligations			
Due in more than One Year	65,102,768	2,940,912	68,043,680
Net Pension Obligations	8,834,923	397,579	9,232,502
Total Long-term Liabilities	<u>\$ 206,697,926</u>	<u>\$ 4,292,279</u>	<u>\$ 210,990,205</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, compensated absences, net pension obligations and net other post-employment benefits obligations 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 claim settlements in excess of \$250,000 in fiscal years 2012, 2013 or 2014. No insurance coverages were reduced in fiscal year 2014.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission self-insures the following medical plans: two exclusive provider organizations (EPO) which is a Health Maintenance Organization (HMO) without a PCP as a gatekeeper, a point of service (POS), and a Medicare complement plan (retirees only), as well as the prescription drug plan. All other group health insurance plans are fully insured including a dental plan and a vision plan with three coverage options. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2014. 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 2014 totaled \$3,617,181. 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, 2012	\$ 1,362,619	\$ 12,600,441
Incurred Claims, Fiscal Year 2013	18,642,038	7,322,794
Claims Paid, Fiscal Year 2013	<u>(18,765,116)</u>	<u>(3,219,566)</u>
Unpaid Claims, June 30, 2013	1,239,541	16,703,669
Incurred Claims, Fiscal Year 2014	18,892,682	(173,335)
Claims Paid, Fiscal Year 2014	<u>(18,853,619)</u>	<u>(3,610,969)</u>
Unpaid Claims, June 30, 2014	<u>\$ 1,278,604</u>	<u>\$ 12,919,365</u>

The medical column excludes expenses that are fully insured.

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

	Medical	Risk Management	Total
Due within One Year	\$ 1,278,604	\$ 3,256,661	\$ 4,535,265
Due in more than One Year	-	9,662,704	9,662,704
Total	<u>\$ 1,278,604</u>	<u>\$ 12,919,365</u>	<u>\$ 14,197,969</u>

(B) Related Party Transactions

The Commission was involved in the following related party transactions during fiscal year 2014:

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

Reimbursements to County Council for planning, zoning, and audio/visual	\$ 1,137,300
Dept. of Environ. Resources Zoning Enforcement and Inspection	1,761,900
Property Tax Collection Fees (Administration)	78,500
Office Space Rental at the County Administrative Building	795,121
Geographic Information Systems - GIS	340,500
Peoples Zoning Counsel (Stan Derwin Brown)	250,000
Department of Environmental Resources - Water and Sewer Planning	155,300
Economic Development for Enterprise Zone	65,000
EDC - General Plan Goals	316,800
Permits & Inspection for M-NCPPC-DER	1,816,200
Permits & Inspection & Permitting - DPW&T	1,160,000
Redevelopment Authority	844,500
DPW&T - Director's Office	169,800
Property Tax Collection Fees (Parks & Recreation)	344,900
Gorgeous Prince George's - Green to Greatness Day	225,000
Prince George's Community College	1,500,000
Prince George's County - Police Department	36,800
Prince George's County - Library Recreation Program	2,712,770
Total (1)	<u>\$ 13,710,391</u>

(1) Of this amount, \$11,525,919 is in Accounts Payable at June 30, 2014.

(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 6.5% of their base pay. Plan B members contribute 3.5% of their base pay up to the maximum Social Security Wage Base and 6.5% 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. Plan E members contribute 4% of their base pay up to the maximum Social Security Wage Base and 8% in excess of the maximum Social Security Wage Base for the calendar year.

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, 2013 actuarial valuation.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2013. Significant actuarial assumptions used in the valuation include (a) a rate of return on the investment of present and future assets of 7.4% a year compounded annually, (b) projected salary increases of 2.9% a year plus variable merit increases, (c) The assumed post-retirement cost of living adjustment is 3% compounded annually for benefits accrued until July 1, 2012, and 2.5% compounded annually thereafter.

The July 1, 2013 actuarial valuation was performed using the Entry-Age Normal Actuarial Cost Method.

The funded status of the plan as of the most recent actuarial date, July 1, 2013, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$ 690,540
Actuarial Accrued Liability	831,200
Funded Ratio	83.1%
Unfunded Actuarial Accrued Liability	140,660
Annual Covered Payroll	129,134
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	108.9%

The net position available for benefits at June 30, 2014 totaled \$796,135,587.

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

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

Annual required contribution (expense)	\$ 28,750,323
Interest on net Pension obligation	703,302
Adjustment to annual required contribution	<u>(847,800)</u>
Annual Pension cost (Expense)	28,605,825
Contribution made	<u>28,750,323</u>
Decrease in Net Pension obligation	(144,498)
Net Pension obligation, beginning of year	<u>9,377,000</u>
Net Pension obligation, end of year	<u><u>\$ 9,232,502</u></u>

The Commission's annual pension cost (APC) and net pension obligation (NPO) to the System for fiscal years, 2012, 2013 and 2014 are presented below (\$000):

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual Pension Cost (APC)	\$ 32,182	\$ 23,806	\$ 28,750
Percentage of APC Contributed	100%	100%	100%
Net Pension Obligation (NPO)	9,477	9,377	9,233

In FY 2014 the Commission contributed 100% of the adjusted annual required contribution and has an NPO of \$9,232,502 at year-end.

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

Deferred Compensation Plans

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

(E) Other Postemployment Benefits

Plan Description - In addition to the pension benefits provided by the System, the Commission provides postretirement healthcare benefits, a single-employer defined benefit healthcare plan, in accordance with Commission approval, to all full-time and part-time career employees, directors appointed by Montgomery County and Prince George's County Planning Boards, Merit System Board Members, Commissioners, appointed officials and Employees' Retirement System employees who retire under a Commission Retirement Plan or the State of Maryland Retirement Plan at the end of their Commission or System service, and who have been insured under any Commission-sponsored group medical plan during the three years immediately preceding the date of retirement or ability to prove similar coverage in another plan immediately prior to retirement. Currently 942 retirees and survivors are participating in the Commission's medical plans. The Commission contributes 80 percent of the amount of medical, prescription drug, and dental insurance rates and 80 percent of the low coverage option for all three coverage options of vision benefit rates. The System contributes the same percentages for its full-time and part-time employees and retiree Benefits levels are established annually by resolution of the Commission. Separate financial statements are not issued for the Trust.

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

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

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

Annual required contribution (expense)	\$ 18,611
Interest on net OPEB obligation	4,637
Adjustment to annual required contribution	<u>(3,305)</u>
Annual OPEB cost (Expense)	19,943
Contribution made	<u>18,509</u>
Increase in Net OPEB obligation	1,434
Net OPEB obligation, beginning of year	<u>66,610</u>
Net OPEB obligation, end of year	<u><u>\$ 68,044</u></u>

The Commission's annual OPEB cost, the percentage of the annual OPEB cost contributed to the plan, and the net OPEB obligation (NPO) to the System for fiscal years 2012, 2013 and 2014 is presented below (\$000):

	<u>2012</u>	<u>2013</u>	<u>2014</u>
Annual Required Contribution (ARC)	\$ 28,213	\$ 21,429	\$ 19,943
Percentage of ARC Contributed	58%	83%	93%
Net OPEB Obligation	62,927	66,610	68,044

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

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

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

Actuarial Methods for Retiree Health Care Benefits Plan - The actuarial value of assets is the fair value of the investments. This year's asset value is based on the July 1, 2013 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, 2013. 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 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 2014 was estimated at 9% for prescription drugs and medical costs, and 5% for dental and vision. Declining rates of increase were used, with 2022 and later rates at 4.5% for all costs.

The funded status of the plan as of the most recent actuarial date, July 1, 2013, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	28,069
Actuarial Accrued Liability		275,804
Funded Ratio		10.18%
Unfunded Actuarial Accrued Liability		247,735
Annual Covered Payroll		119,966
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		206.5%

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 Position
Pension Trust Funds
June 30, 2014

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ -	\$ 468,947	\$ 468,947
Cash	176,759	7	176,766
Fixed Income Securities	161,226,330	15,702,892	176,929,222
International Fixed Income Securities	8,978,006	-	8,978,006
Venture Capital/Alternative Investments	56,777,040	-	56,777,040
Corporate Stock	385,730,896	-	385,730,896
International Corporate Stock	90,880,351	-	90,880,351
Real Estate Investments	54,261,714	-	54,261,714
Short Term Investments	39,539,970	-	39,539,970
Mutual Funds	-	24,772,156	24,772,156
Collateral for Securities Lending Transactions	47,700,258	-	47,700,258
Accounts Receivable	1,351,263	-	1,351,263
Other	21,905	-	21,905
Total Assets	<u>846,644,492</u>	<u>40,944,002</u>	<u>887,588,494</u>
LIABILITIES			
Investments Payable	760,563	-	760,563
Accounts Payable	1,007,794	12,340	1,020,134
Claims Payable	-	466,487	466,487
Obligation for Collateral Received under Securities Lending Transactions	48,740,548	-	48,740,548
Total Liabilities	<u>50,508,905</u>	<u>478,827</u>	<u>50,987,732</u>
NET POSITION			
Assets Held in Trust for:			
Pension Benefits	796,135,587	-	796,135,587
Other Postemployment Benefits	-	40,465,175	40,465,175
Total Net Position	<u>\$ 796,135,587</u>	<u>\$ 40,465,175</u>	<u>\$ 836,600,762</u>

Combining Schedules of Changes in Net Position
Pension Trust Funds
For the Year Ended June 30, 2014

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 28,750,323	\$ 18,028,511	\$ 46,778,834
Plan Members	5,413,595	-	5,413,595
Plan Members for Current Benefits	-	2,067,287	2,067,287
Total Contributions	<u>34,163,918</u>	<u>20,095,798</u>	<u>54,259,716</u>
Federal Grants - Medicare	-	449,576	449,576
Investment Earnings:			
Interest	9,253,234	10	9,253,244
Dividends	519,833	175,030	694,863
Net increase in the Fair Value of Investments	100,729,204	4,407,442	105,136,646
Total Investment Earnings	<u>110,502,271</u>	<u>4,582,482</u>	<u>115,084,753</u>
Less Investment Advisory and Management Fees	(2,875,363)	-	(2,875,363)
Net Income from Investing Activities	<u>107,626,908</u>	<u>4,582,482</u>	<u>112,209,390</u>
Securities Lending Activity			
Securities Lending Income	193,474	-	193,474
Securities Lending Fees	77,413	-	77,413
Net Income from Securities Lending Activity	<u>270,887</u>	<u>-</u>	<u>270,887</u>
Total Net Investment Earnings	<u>107,897,795</u>	<u>4,582,482</u>	<u>112,480,277</u>
Total Additions and Investment Earnings	<u>142,061,713</u>	<u>25,127,856</u>	<u>167,189,569</u>
DEDUCTIONS:			
Benefits	38,169,674	12,726,374	50,896,048
Refunds of Contributions	237,399	-	237,399
Administrative expenses	1,487,210	5,130	1,492,340
Total Deductions	<u>39,894,283</u>	<u>12,731,504</u>	<u>52,625,787</u>
Change in Net Position	102,167,430	12,396,352	114,563,782
Net Position - Beginning	693,968,157	28,068,823	722,036,980
Net Position - Ending	<u>\$ 796,135,587</u>	<u>\$ 40,465,175</u>	<u>\$ 836,600,762</u>

(6) – COUNTY FINANCIAL DATA

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

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MONTGOMERY COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2014

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
ASSETS						
Equity in Pooled Cash and Investments	\$ 14,244,729	\$ 9,190,134	\$ 23,434,863	\$ -	\$ 5,668,761	\$ 29,103,624
Receivables - Taxes (net of allowance for uncollectibles)	357,409	936,751	1,294,160	-	32,239	1,326,399
Receivables - Other	4,117	95,904	100,021	-	-	100,021
Due from Other Funds	-	5,466,476	5,466,476	-	-	5,466,476
Due from County Government	-	402,162	402,162	4,291,379	879,484	5,573,025
Due from Other Governments	6,104	909	7,013	6,817,759	6,000	6,830,772
Restricted Cash - Unspent Debt Proceeds	-	-	-	8,390,167	-	8,390,167
Other	12,388	-	12,388	-	-	12,388
Total Assets	\$ 14,624,747	\$ 16,092,336	\$ 30,717,083	\$ 19,499,305	\$ 6,586,484	\$ 56,802,872
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 753,276	\$ 1,431,581	\$ 2,184,857	\$ 3,663,752	\$ 316,791	\$ 6,165,400
Accrued Liabilities	1,525,223	3,185,241	4,710,464	-	15,404	4,725,868
Retainage Payable	-	-	-	2,248,001	-	2,248,001
Due to Other Funds	-	-	-	5,466,476	-	5,466,476
Due to County Government	60	-	60	-	30	90
Deposits and Fees Collected in-Advance	1,184,922	714,117	1,899,039	-	347,770	2,246,809
Total Liabilities	3,463,481	5,330,939	8,794,420	11,378,229	679,995	20,852,644
DEFERRED INFLOW OF RESOURCES						
Property Taxes Collected in-advance	73,974	110,471	184,445	-	13,500	197,945
Total Deferred Inflow of Resources	73,974	110,471	184,445	-	13,500	197,945
FUND BALANCES:						
Restricted for:						
Parks	-	-	-	8,390,167	18,739	8,408,906
Committed to:						
Planning	4,102,082	-	4,102,082	-	49,751	4,151,833
Parks	-	4,337,676	4,337,676	21,268,913	630,193	26,236,782
Assigned to:						
Planning	3,652,516	-	3,652,516	-	4,568,002	8,220,518
Parks	-	469,008	469,008	-	626,304	1,095,312
Unassigned:						
	3,332,694	5,844,242	9,176,936	(21,538,004)	-	(12,361,068)
Total Fund Balances	11,087,292	10,650,926	21,738,218	8,121,076	5,892,989	35,752,283
Total Liabilities and Fund Balances	\$ 14,624,747	\$ 16,092,336	\$ 30,717,083	\$ 19,499,305	\$ 6,586,484	\$ 56,802,872

MONTGOMERY COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2014

	General Fund Accounts			Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
REVENUES						
Property Taxes	\$ 26,360,981	\$ 77,558,047	\$ 103,919,028	\$ -	\$ 1,704,476	\$ 105,623,504
Intergovernmental:						
Federal	-	21,510	21,510	-	-	21,510
State	-	28,113	28,113	7,634,874	2,871	7,665,858
County	479,595	2,037,862	2,517,457	8,640,047	958,036	12,115,540
Charges for Services	180,366	1,725,744	1,906,110	-	2,003,053	3,909,163
Rentals and Concessions	-	1,709,802	1,709,802	-	197,530	1,907,332
Interest	35,915	(33,762)	2,153	6,370	16,957	25,480
Contributions	-	-	-	699,452	123,614	823,066
Miscellaneous	-	172,892	172,892	60	49,214	222,166
Total Revenues	<u>27,056,857</u>	<u>83,220,208</u>	<u>110,277,065</u>	<u>16,980,803</u>	<u>5,055,751</u>	<u>132,313,619</u>
EXPENDITURES						
Current:						
General Government	7,965,161	-	7,965,161	-	-	7,965,161
Planning and Zoning	17,448,486	-	17,448,486	-	3,286,657	20,735,143
Park Operations and Maintenance	-	80,718,972	80,718,972	-	1,133,177	81,852,149
Contributions	-	-	-	-	1,404,544	1,404,544
Debt Service:						
Principal	-	-	-	-	2,780,000	2,780,000
Interest	-	-	-	-	1,153,257	1,153,257
Other Debt Service Costs	-	-	-	-	244,544	244,544
Capital Outlay:						
Park Acquisition	-	-	-	2,616,500	-	2,616,500
Park Development	-	-	-	18,168,907	-	18,168,907
Total Expenditures	<u>25,413,647</u>	<u>80,718,972</u>	<u>106,132,619</u>	<u>20,785,407</u>	<u>10,002,179</u>	<u>136,920,205</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,643,210</u>	<u>2,501,236</u>	<u>4,144,446</u>	<u>(3,804,604)</u>	<u>(4,946,428)</u>	<u>(4,606,586)</u>
OTHER FINANCING SOURCES (USES)						
General Obligation Bonds Issued	-	-	-	14,000,000	-	14,000,000
Premiums on Bonds Issued	-	-	-	623,603	-	623,603
Transfers In	-	6,370	6,370	350,000	4,031,641	4,388,011
Transfer Out	-	(4,381,641)	(4,381,641)	(6,370)	-	(4,388,011)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(4,375,271)</u>	<u>(4,375,271)</u>	<u>14,967,233</u>	<u>4,031,641</u>	<u>14,623,603</u>
Net Change in Fund Balances	1,643,210	(1,874,035)	(230,825)	11,162,629	(914,787)	10,017,017
Fund Balances - Beginning	<u>9,444,082</u>	<u>12,524,961</u>	<u>21,969,043</u>	<u>(3,041,553)</u>	<u>6,807,776</u>	<u>25,735,266</u>
Fund Balances - Ending	<u>\$ 11,087,292</u>	<u>\$ 10,650,926</u>	<u>\$ 21,738,218</u>	<u>\$ 8,121,076</u>	<u>\$ 5,892,989</u>	<u>\$ 35,752,283</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, 2014

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 26,065,553	\$ 26,065,553	\$ 26,360,981	\$ 295,428
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	400,400	470,400	479,595	9,195
Charges for Services	235,000	235,000	180,366	(54,634)
Interest	54,000	54,000	35,915	(18,085)
Miscellaneous	-	-	-	-
Total Revenues	<u>26,904,953</u>	<u>26,974,953</u>	<u>27,056,857</u>	<u>81,904</u>
Expenditures/Encumbrances:				
Commissioners' Office	1,142,601	1,142,601	1,092,919	49,682
Central Administrative Services -				
Department of Human Resources and Management	1,911,431	1,911,431	1,729,834	181,597
Department of Finance	2,918,359	2,918,359	2,914,251	4,108
Internal Audit Division	155,839	155,839	153,304	2,535
Legal Department	1,466,216	1,466,216	1,466,192	24
Support Services	559,550	559,550	486,482	73,068
Merit System Board	79,396	79,396	68,761	10,635
Total Central Administrative Services	<u>7,090,791</u>	<u>7,090,791</u>	<u>6,818,824</u>	<u>271,967</u>
Planning Department -				
Office of the Planning Director	1,071,804	1,071,804	1,000,185	71,619
Management and Technology Services	3,756,982	3,780,682	3,552,604	228,078
Functional Planning and Policy	2,746,447	2,749,447	2,691,541	57,906
Area 1	1,690,117	1,549,617	1,291,066	258,551
Area 2	1,997,601	1,997,601	1,812,834	184,767
Area 3	1,968,882	1,968,882	1,745,092	223,790
Dev. Applications and Regulatory Coordination	822,084	822,084	465,524	356,560
Center for Research and Information Systems	1,976,988	2,046,988	1,865,393	181,595
Support Services	1,852,700	1,966,500	1,872,569	93,931
Grants	150,000	150,000	-	150,000
Total Planning Department	<u>18,033,605</u>	<u>18,103,605</u>	<u>16,296,808</u>	<u>1,806,797</u>
Non-Departmental	<u>1,563,997</u>	<u>1,563,997</u>	<u>1,542,204</u>	<u>21,793</u>
Total Expenditures/Encumbrances	<u>27,830,994</u>	<u>27,900,994</u>	<u>25,750,755</u>	<u>2,150,239</u>
Excess of Revenues over Expenditures/Encumbrances	<u>(926,041)</u>	<u>(926,041)</u>	<u>1,306,102</u>	<u>2,232,143</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (926,041)</u>	<u>\$ (926,041)</u>	<u>1,306,102</u>	<u>\$ 2,232,143</u>
Fund Balance - Budget Basis, Beginning			<u>5,679,108</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 6,985,210</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, 2014**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 76,768,661	\$ 76,768,661	\$ 77,558,047	\$ 789,386
Intergovernmental -				
Federal	-	-	21,510	21,510
State	400,000	400,000	28,113	(371,887)
County	2,037,862	2,037,862	2,037,862	-
Charges for Services	1,334,439	1,334,439	1,725,744	391,305
Rentals and Concessions	1,614,500	1,614,500	1,709,802	95,302
Interest	10,600	10,600	(33,762)	(44,362)
Miscellaneous	106,500	106,500	172,892	66,392
Total Revenues	<u>82,272,562</u>	<u>82,272,562</u>	<u>83,220,208</u>	<u>947,646</u>
Expenditures/Encumbrances:				
Director of Montgomery Parks	1,113,426	1,113,426	1,131,047	(17,621)
Management Services	3,526,604	3,526,604	3,394,599	132,005
Facilities Management	10,666,122	10,666,122	11,005,020	(338,898)
Park Planning and Stewardship	3,248,871	3,248,871	3,324,563	(75,692)
Park Development	2,999,984	2,999,984	2,887,465	112,519
Park Police	13,373,460	13,207,760	13,073,713	134,047
Horticultural Resources	7,483,867	7,483,867	7,670,251	(186,384)
Public Affairs and Community Service	2,101,299	2,101,299	2,141,450	(40,151)
Northern Region	8,788,659	8,788,659	8,879,585	(90,926)
Southern Region	12,361,497	12,361,497	12,438,706	(77,209)
Support Services	9,426,980	9,592,680	9,072,077	520,603
Grants	400,000	400,000	53,086	346,914
Property Management	906,458	906,458	872,655	33,803
Non-Departmental	5,010,698	5,010,698	4,864,678	146,020
Total Expenditures/Encumbrances	<u>81,407,925</u>	<u>81,407,925</u>	<u>80,808,895</u>	<u>599,030</u>
Excess of Revenues over Expenditures/Encumbrances	<u>864,637</u>	<u>864,637</u>	<u>2,411,313</u>	<u>1,546,676</u>
Other Financing Sources (Uses):				
Transfers In/Out-				
Capital Projects Funds	3,400	3,400	6,370	2,970
Debt Service Fund	(3,887,100)	(3,887,100)	(3,881,641)	5,459
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	-	-	(150,000)	(150,000)
Total Other Financing Sources (Uses)	<u>(4,233,700)</u>	<u>(4,233,700)</u>	<u>(4,375,271)</u>	<u>(141,571)</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (3,369,063)</u>	<u>\$ (3,369,063)</u>	<u>(1,963,958)</u>	<u>\$ 1,405,105</u>
Fund Balance - Budget Basis, Beginning			<u>8,277,208</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 6,313,250</u>	

PRINCE GEORGE'S COUNTY
Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances
Governmental Funds and Accounts
June 30, 2014

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
ASSETS							
Equity in Pooled Cash and Investments	\$ 38,721,268	\$ 132,068,980	\$ 40,499,530	\$ 211,289,778	\$ 74,776,497	\$ 6,253,439	\$ 292,319,714
Receivables - Taxes (net of allowance for uncollectibles)	910,030	2,274,158	1,485,791	4,669,979	-	(389)	4,669,590
Receivables - Other	101,263	(4,908)	171,670	268,025	-	-	268,025
Due from County Government	79,030	-	-	79,030	-	1,573,574	1,652,604
Due from Other Governments	13,023	10,040	24,945	48,008	2,332,217	40,549	2,420,774
Inventories	-	-	-	-	-	450,724	450,724
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	27,484,600	-	27,484,600
Other	10,191	-	-	10,191	106,568	-	116,759
Total Assets	\$ 39,834,805	\$ 134,348,270	\$ 42,181,936	\$ 216,365,011	\$ 104,699,882	\$ 8,317,897	\$ 329,382,790
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts Payable	\$ 6,652,087	\$ 2,881,684	\$ 4,708,470	\$ 14,242,241	\$ 6,351,154	\$ 281,855	\$ 20,875,250
Accrued Liabilities	1,527,960	3,448,542	2,998,142	7,974,644	-	286,763	8,261,407
Retainage Payable	-	-	-	-	2,102,752	-	2,102,752
Deposits and Fees Collected in-Advance	65,383	76,598	3,775,162	3,917,143	-	24,000	3,941,143
Total Liabilities	8,245,430	6,406,824	11,481,774	26,134,028	8,453,906	592,618	35,180,552
DEFERRED INFLOW OF RESOURCES							
Property Taxes Collected in-advance	393,477	812,857	811,300	2,017,634	-	-	2,017,634
Total Deferred Inflow of Resources	393,477	812,857	811,300	2,017,634	-	-	2,017,634
FUND BALANCES:							
Restricted for::							
Parks	-	-	-	-	27,484,600	(1,594)	27,483,006
Committed to:							
Planning	8,883,799	-	-	8,883,799	-	-	8,883,799
Parks	-	12,094,134	-	12,094,134	36,118,379	46,834	48,259,347
Recreation	-	-	5,109,082	5,109,082	-	463,985	5,573,067
Assigned to:							
Planning	6,475,166	-	-	6,475,166	-	2,656	6,477,822
Parks	-	24,557,127	-	24,557,127	32,642,997	1,379,516	58,579,640
Recreation	-	-	8,738,393	8,738,393	-	5,833,882	14,572,275
Unassigned:	15,836,933	90,477,328	16,041,387	122,355,648	-	-	122,355,648
Total Fund Balances	31,195,898	127,128,589	29,888,862	188,213,349	96,245,976	7,725,279	292,184,604
Total Liabilities and Fund Balances	\$ 39,834,805	\$ 134,348,270	\$ 42,181,936	\$ 216,365,011	\$ 104,699,882	\$ 8,317,897	\$ 329,382,790

PRINCE GEORGE'S COUNTY
Summary of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds and Accounts
For the Year Ended June 30, 2014

	General Fund Accounts				Capital Projects	Other Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
REVENUES							
Property Taxes	\$ 42,195,517	\$ 116,298,076	\$ 56,872,700	\$ 215,366,293	\$ -	\$ 1,298	\$ 215,367,591
Intergovernmental:							
Federal	144,160	14,990	3,802	162,952	-	-	162,952
State	-	-	450,340	450,340	3,256,611	-	3,706,951
County	123,514	-	89,826	213,340	-	1,039,960	1,253,300
Charges for Services	652,574	157,320	6,826,773	7,636,667	-	1,145,088	8,781,755
Rentals and Concessions	-	2,441,780	1,162,428	3,604,208	-	5,763,096	9,367,304
Interest	126,087	343,215	121,458	590,760	211,889	16,903	819,552
Contributions	-	-	196,462	196,462	-	85,438	281,900
Miscellaneous	2,328	223,764	16,023	242,115	410,068	50,666	702,849
Total Revenues	<u>43,244,180</u>	<u>119,479,145</u>	<u>65,739,812</u>	<u>228,463,137</u>	<u>3,878,568</u>	<u>8,102,449</u>	<u>240,444,154</u>
EXPENDITURES							
Current:							
General Government	9,950,696	-	-	9,950,696	-	-	9,950,696
Planning and Zoning	38,410,377	-	-	38,410,377	-	-	38,410,377
Park Operations and Maintenance	-	107,824,177	-	107,824,177	-	1,337,996	109,162,173
Recreation	-	-	61,753,793	61,753,793	-	5,284,030	67,037,823
Debt Service:							
Principal	-	-	-	-	-	7,961,975	7,961,975
Interest	-	-	-	-	-	1,830,966	1,830,966
Other Debt Service Costs	-	-	-	-	-	294,665	294,665
Capital Outlay:							
Park Acquisition	-	-	-	-	3,714,098	-	3,714,098
Park Development	-	-	-	-	25,014,156	-	25,014,156
Total Expenditures	<u>48,361,073</u>	<u>107,824,177</u>	<u>61,753,793</u>	<u>217,939,043</u>	<u>28,728,254</u>	<u>16,709,632</u>	<u>263,376,929</u>
Excess (deficiency) of Revenues over Expenditures	<u>(5,116,893)</u>	<u>11,654,968</u>	<u>3,986,019</u>	<u>10,524,094</u>	<u>(24,849,686)</u>	<u>(8,607,183)</u>	<u>(22,932,775)</u>
OTHER FINANCING SOURCES (USES)							
General Obligation Bonds Issued	-	-	-	-	26,565,000	-	26,565,000
Premiums on Bonds Issued	-	-	-	-	1,247,204	-	1,247,204
Transfers In	-	211,889	-	211,889	24,255,000	10,117,606	34,584,495
Transfer Out	(30,000)	(34,312,606)	(8,922,220)	(43,264,826)	(211,889)	(30,000)	(43,506,715)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(34,100,717)</u>	<u>(8,922,220)</u>	<u>(43,052,937)</u>	<u>51,855,315</u>	<u>10,087,606</u>	<u>18,889,984</u>
Net Change in Fund Balances	(5,146,893)	(22,445,749)	(4,936,201)	(32,528,843)	27,005,629	1,480,423	(4,042,791)
Fund Balances - Beginning	36,342,791	149,574,338	34,825,063	220,742,192	69,240,347	6,244,856	296,227,395
Fund Balances - Ending	<u>\$ 31,195,898</u>	<u>\$ 127,128,589</u>	<u>\$ 29,888,862</u>	<u>\$ 188,213,349</u>	<u>\$ 96,245,976</u>	<u>\$ 7,725,279</u>	<u>\$ 292,184,604</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, 2014**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 42,310,279	\$ 42,310,279	\$ 42,195,517	\$ (114,762)
Intergovernmental -				
Federal	-	144,160	144,160	-
State	-	-	-	-
County	205,000	205,000	123,514	(81,486)
Local	-	-	-	-
Charges for Services	637,000	637,000	652,574	15,574
Interest	226,300	226,300	126,087	(100,213)
Miscellaneous	50,000	50,000	2,328	(47,672)
Total Revenues	<u>43,428,579</u>	<u>43,572,739</u>	<u>43,244,180</u>	<u>(328,559)</u>
Expenditures/Encumbrances:				
Commissioners' Office	3,023,808	3,023,808	2,945,179	78,629
Central Administrative Services -				
Department of Human Resources and Management	2,400,333	2,400,333	2,172,340	227,993
Department of Finance	3,330,906	3,330,906	3,326,115	4,791
Internal Audit Division	264,869	264,869	260,583	4,286
Legal Department	806,696	806,696	806,621	75
Support Services	559,550	559,550	486,482	73,068
Merit System Board	79,396	79,396	68,761	10,635
Total Central Administrative Services	<u>7,441,750</u>	<u>7,441,750</u>	<u>7,120,902</u>	<u>320,848</u>
Planning Department -				
Director's Office	4,484,412	4,484,412	4,318,325	166,087
Development Review	5,794,102	5,794,102	4,973,992	820,110
Community Planning	5,479,757	5,479,757	3,847,056	1,632,701
Community Planning South	-	-	-	-
Information Management	4,752,171	4,752,171	4,271,174	480,997
Countywide Planning	5,960,112	5,960,112	5,415,373	544,739
Support Services	8,770,800	8,770,800	8,236,633	534,167
Grants	138,000	282,160	212,734	69,426
Total Planning Department	<u>35,379,354</u>	<u>35,523,514</u>	<u>31,275,287</u>	<u>4,248,227</u>
Non-Departmental	<u>2,011,652</u>	<u>2,011,652</u>	<u>1,860,770</u>	<u>150,882</u>
Total Expenditures/Encumbrances	<u>47,856,564</u>	<u>48,000,724</u>	<u>43,202,138</u>	<u>4,798,586</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(4,427,985)</u>	<u>(4,427,985)</u>	<u>42,042</u>	<u>4,470,027</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Internal Service Fund - Group Insurance	-	-	-	-
Special Revenue Fund	(30,000)	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (4,457,985)</u>	<u>\$ (4,457,985)</u>	<u>12,042</u>	<u>\$ 4,470,027</u>
Fund Balance - Budget Basis, Beginning			<u>22,300,057</u>	
Fund Balance - Budget Basis, Ending			<u>\$ 22,312,099</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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 115,671,086	\$ 115,671,086	\$ 116,298,076	\$ 626,990
Intergovernmental -				
Federal	-	14,990	14,990	-
Charges for Services	120,800	120,800	157,320	36,520
Rentals and Concessions	2,310,500	2,310,500	2,441,780	131,280
Interest	800,000	800,000	343,215	(456,785)
Miscellaneous	194,500	194,500	223,764	29,264
Total Revenues	<u>119,096,886</u>	<u>119,111,876</u>	<u>119,479,145</u>	<u>367,269</u>
Expenditures/Encumbrances:				
Office of The Director -				
Office of the Director	768,804	768,804	834,218	(65,414)
Park Police	17,963,681	17,963,681	18,106,458	(142,777)
Administration and Development -				
Administrative Services	4,376,540	4,376,540	3,834,161	542,379
Administration and Development	809,864	809,864	912,396	(102,532)
Public Affairs & Marketing	1,955,561	1,955,561	1,655,879	299,682
Support Services	13,386,798	13,386,798	13,927,853	(541,055)
Park Planning and Development	6,356,405	6,356,405	5,764,689	591,716
Info Tech and Communications	6,058,696	6,058,696	6,099,030	(40,334)
Facility Operations -				
Deputy Director	431,496	431,496	350,116	81,380
Maintenance and Development	27,715,666	27,715,666	26,619,949	1,095,717
Natural and Historical Resources	5,838,539	5,838,539	5,417,948	420,591
Arts and Cultural Heritage	1,963,311	1,963,311	1,846,441	116,870
Park Permits and Aquatics Maintenance	-	-	-	-
Total Facility Operations	<u>35,949,012</u>	<u>35,949,012</u>	<u>34,234,454</u>	<u>1,714,558</u>
Area Operations -				
Deputy Director	414,055	414,055	413,596	459
Northern Area Operations	6,289,403	6,289,403	6,238,400	51,003
Central Area Operations	6,716,798	6,716,798	5,903,591	813,207
Southern Area Operations	6,109,899	6,109,899	5,805,601	304,298
Total Area Operations	<u>19,530,155</u>	<u>19,530,155</u>	<u>18,361,188</u>	<u>1,168,967</u>
Grants	-	14,990	14,990	-
Non-Departmental	6,420,400	6,420,400	5,776,898	643,502
Total Expenditures/Encumbrances	<u>113,575,916</u>	<u>113,590,906</u>	<u>109,522,214</u>	<u>4,068,692</u>
Excess of Revenues over Expenditures/Encumbrances	<u>5,520,970</u>	<u>5,520,970</u>	<u>9,956,931</u>	<u>4,435,961</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Capital Projects Funds - Interest	350,000	350,000	211,889	(138,111)
Debt Service - Park Fund	(11,793,000)	(11,793,000)	(10,087,606)	1,705,394
Capital Projects Funds - Development	(24,225,000)	(24,225,000)	(24,225,000)	-
Total Other Financing Sources (Uses)	<u>(35,668,000)</u>	<u>(35,668,000)</u>	<u>(34,100,717)</u>	<u>1,567,283</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (30,147,030)</u>	<u>\$ (30,147,030)</u>	<u>(24,143,786)</u>	<u>\$ 6,003,244</u>
Fund Balance - Budget Basis, Beginning			139,178,241	
Fund Balance - Budget Basis, Ending			<u>\$ 115,034,455</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, 2014

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Property Taxes	\$ 56,730,600	\$ 56,730,600	\$ 56,872,700	\$ 142,100
Intergovernmental -				
Federal	-	3,802	3,802	-
State	-	450,340	450,340	-
County	-	89,826	89,826	-
Other Local Munis/Gov	-	-	-	-
Charges for Services	6,798,400	6,798,400	6,826,773	28,373
Rentals and Concessions	880,900	880,900	1,162,428	281,528
Interest	232,700	232,700	121,458	(111,242)
Miscellaneous	88,500	264,333	212,485	(51,848)
Total Revenues	<u>64,731,100</u>	<u>65,450,901</u>	<u>65,739,812</u>	<u>288,911</u>
Expenditures/Encumbrances:				
Administration and Development-				
Administrative Services	-	-	-	-
Deputy Director	-	-	-	-
Public Affairs & Marketing	899,468	899,468	808,736	90,732
Support Services	7,253,030	7,253,030	6,935,606	317,424
Information Technology Communications	-	-	-	-
Total Director's Office	<u>8,152,498</u>	<u>8,152,498</u>	<u>7,744,342</u>	<u>408,156</u>
Facility Operations:				
Sports, Health and Wellness	10,247,745	10,247,745	10,233,804	13,941
Natural and Historical Resources	1,710,422	1,710,422	1,356,091	354,331
Arts and Cultural Heritage	3,496,595	3,496,595	3,467,134	29,461
Grants	-	719,801	663,593	56,208
Total Facility Operations	<u>15,454,762</u>	<u>16,174,563</u>	<u>15,720,622</u>	<u>453,941</u>
Area Operations:				
Deputy Director	-	-	-	-
Northern Area Operations	6,987,166	6,987,166	6,564,911	422,255
Central Area Operations	7,110,642	7,110,642	6,331,153	779,489
Southern Area Operations	8,382,562	8,382,562	7,461,664	920,898
Special Programs	8,439,398	8,439,398	7,673,072	766,326
Total Area Operations	<u>30,919,768</u>	<u>30,919,768</u>	<u>28,030,800</u>	<u>2,888,968</u>
Non-Departmental	7,865,974	7,865,974	7,657,046	208,928
Total Operating Expenditures/Encumbrances	<u>62,393,002</u>	<u>63,112,803</u>	<u>59,152,810</u>	<u>3,959,993</u>
Excess of Revenues over Expenditures/Encumbrances	<u>2,338,098</u>	<u>2,338,098</u>	<u>6,587,002</u>	<u>4,248,904</u>
Other Financing Sources (Uses):				
Transfers In (Out) -				
Special Revenue Fund	-	-	-	-
Enterprise	(8,922,220)	(8,922,220)	(8,922,220)	-
Total Other Financing Sources (Uses)	<u>(8,922,220)</u>	<u>(8,922,220)</u>	<u>(8,922,220)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ (6,584,122)</u>	<u>\$ (6,584,122)</u>	<u>(2,335,218)</u>	<u>\$ 4,248,904</u>
Fund Balance - Budget Basis, Beginning			27,114,998	
Fund Balance - Budget Basis, Ending			<u>\$ 24,779,780</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, 2011</u>	<u>July 1, 2012</u>	<u>July 1, 2013</u>
Actuarial Valuation of Plan Assets	\$ 659,362	\$ 660,232	\$ 690,540
Actuarial Accrued Liability	761,343	802,077	831,200
Funded Ratio	86.6%	82.3%	83.1%
Actuarial Value of Assets in Excess of Actuarial Accrued Liability	101,981	141,845	140,660
Annual Covered Payroll	132,491	129,912	129,134
Actuarial Value of Assets in Excess of Actuarial Accrued Liability as a Percentage of Covered Payroll	77.0%	109.2%	108.9%

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position 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 and 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 and generally, the smaller the unfunded percentage, the stronger the system.

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

Required Supplementary Information for Other Postemployment Benefits
(Unaudited)

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

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

SCHEDULE OF FUNDING PROGRESS (000'S)			
	<u>July 1, 2011</u>	<u>July 1, 2012</u>	<u>July 1, 2013</u>
Actuarial Valuation of Plan Assets	\$ 11,170	\$ 17,800	\$ 28,069
Actuarial Accrued Liability	333,171	311,710	275,804
Funded Ratio	3.35%	5.71%	10.18%
Unfunded Actuarial Accrued Liability	322,001	293,910	247,735
Annual Covered Payroll	135,062	123,684	119,966
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll	238.4%	237.6%	206.5%

Analysis of the dollar amounts of plan net position, actuarial accrued liability and unfunded actuarial accrued liability in isolation can be misleading. Expressing plan net position 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 and 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 and generally, the smaller the unfunded percentage, the stronger the system.



◆ PART IIB ◆

FINANCIAL SECTION

Combining Statements and Schedules



Bladensburg Waterfront Park Visitors' Center uses photos, artifacts and other media to tell the fascinating story of the people, places and events of the War of 1812 in Prince George's County.

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, 2014

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY						Total Nonmajor Governmental Funds
	Special Revenue Funds			Park Debt Service	Advance Land Acquisition Debt Service	Total	Special Revenue Funds			Park Debt Service	Advance Land Acquisition Debt Service	Total	
	Planning	Parks	Total Special Revenue				Planning	Parks and Recreation	Total Special Revenue				
ASSETS													
Equity in Pooled Cash and Investments	\$ 4,967,945	\$ 651,140	\$ 5,619,085	\$ 49,676	\$ -	\$ 5,668,761	\$ 2,656	\$ 6,176,456	\$ 6,179,112	\$ 75,532	\$ (1,205)	\$ 6,253,439	\$ 11,922,200
Taxes Receivable	-	-	-	-	32,239	32,239	-	-	-	-	(389)	(389)	31,850
Accounts Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Due from County Government	-	879,484	879,484	-	-	879,484	-	1,573,574	1,573,574	-	-	1,573,574	2,453,058
Due from Other Government	6,000	-	6,000	-	-	6,000	-	40,549	40,549	-	-	40,549	46,549
Inventories	-	-	-	-	-	-	-	450,724	450,724	-	-	450,724	450,724
Deposits and Other	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Assets	\$ 4,973,945	\$ 1,530,624	\$ 6,504,569	\$ 49,676	\$ 32,239	\$ 6,586,484	\$ 2,656	\$ 8,241,303	\$ 8,243,959	\$ 75,532	\$ (1,594)	\$ 8,317,897	\$ 14,904,381
LIABILITIES													
Accounts Payable	\$ 18,333	\$ 248,782	\$ 267,115	\$ 49,676	\$ -	\$ 316,791	\$ -	\$ 206,323	\$ 206,323	\$ 75,532	\$ -	\$ 281,855	\$ 598,646
Accrued Liabilities	-	15,404	15,404	-	-	15,404	-	286,763	286,763	-	-	286,763	302,167
Due to County Government	30	-	30	-	-	30	-	-	-	-	-	-	30
Deposits and Fees Collected in-Advance	337,829	9,941	347,770	-	-	347,770	-	24,000	24,000	-	-	24,000	371,770
Total Liabilities	356,192	274,127	630,319	49,676	-	679,995	-	517,086	517,086	75,532	-	592,618	1,272,613
DEFERRED INFLOW OF RESOURCES													
Property Taxes Collected in-advance	-	-	-	-	13,500	13,500	-	-	-	-	-	-	13,500
Total Deferred Inflow of Resources	-	-	-	-	13,500	13,500	-	-	-	-	-	-	13,500
FUND BALANCES													
Fund Balance:													
Restricted for:													
Parks	-	-	-	-	18,739	18,739	-	-	-	-	(1,594)	(1,594)	17,145
Committed to:													
Planning	49,751	-	49,751	-	-	49,751	-	-	-	-	-	-	49,751
Parks	-	630,193	630,193	-	-	630,193	-	46,834	46,834	-	-	46,834	677,027
Recreation	-	-	-	-	-	-	-	463,985	463,985	-	-	463,985	463,985
Assigned to:													
Planning	4,568,002	-	4,568,002	-	-	4,568,002	2,656	-	2,656	-	-	2,656	4,570,658
Parks	-	626,304	626,304	-	-	626,304	-	1,379,516	1,379,516	-	-	1,379,516	2,005,820
Recreation	-	-	-	-	-	-	-	5,833,882	5,833,882	-	-	5,833,882	5,833,882
Total Fund Balances	4,617,753	1,256,497	5,874,250	-	18,739	5,892,989	2,656	7,724,217	7,726,873	-	(1,594)	7,725,279	13,618,268
Total Liabilities and Fund Balances	\$ 4,973,945	\$ 1,530,624	\$ 6,504,569	\$ 49,676	\$ 32,239	\$ 6,586,484	\$ 2,656	\$ 8,241,303	\$ 8,243,959	\$ 75,532	\$ (1,594)	\$ 8,317,897	\$ 14,904,381

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Schedule 2

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2014**

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY						Total Nonmajor Governmental Funds
	Special Revenue Funds			Park Debt Service	Advance Land Acquisition Debt Service	Total	Special Revenue Funds			Park Debt Service	Advance Land Acquisition Debt Service	Total	
	Planning	Parks	Total Special Revenue				Planning	Parks and Recreation	Total Special Revenue				
REVENUES:													
Property Taxes	\$ -	\$ -	\$ -	\$ -	1,704,476	\$ 1,704,476	\$ -	\$ -	\$ -	\$ -	1,298	\$ 1,298	\$ 1,705,774
Intergovernmental - State	-	2,871	2,871	-	-	2,871	-	-	-	-	-	-	2,871
Intergovernmental - County	15,000	943,036	958,036	-	-	958,036	-	1,039,960	1,039,960	-	-	1,039,960	1,997,996
Charges for Services	1,932,618	70,435	2,003,053	-	-	2,003,053	-	1,145,088	1,145,088	-	-	1,145,088	3,148,141
Recreation Activities	-	197,530	197,530	-	-	197,530	-	5,763,096	5,763,096	-	-	5,763,096	5,960,626
Interest	16,019	938	16,957	-	-	16,957	5	16,898	16,903	-	-	16,903	33,860
Contributions	123,584	30	123,614	-	-	123,614	-	85,438	85,438	-	-	85,438	209,052
Miscellaneous	31,011	18,203	49,214	-	-	49,214	-	50,666	50,666	-	-	50,666	99,880
Total Revenues	2,118,232	1,233,043	3,351,275	-	1,704,476	5,055,751	5	8,101,146	8,101,151	-	1,298	8,102,449	13,158,200
EXPENDITURES:													
Principal Retirements	-	-	-	2,545,000	235,000	2,780,000	-	-	-	7,961,975	-	7,961,975	10,741,975
Interest	-	-	-	1,092,097	61,160	1,153,257	-	-	-	1,830,966	-	1,830,966	2,984,223
Other Debt Service Costs	-	-	-	244,544	-	244,544	-	-	-	294,665	-	294,665	539,209
Contributions	-	-	-	-	1,404,544	1,404,544	-	-	-	-	-	-	1,404,544
Planning and Zoning	3,286,657	-	3,286,657	-	-	3,286,657	-	-	-	-	-	-	3,286,657
Park Operations and Maintenance	-	1,133,177	1,133,177	-	-	1,133,177	-	1,337,996	1,337,996	-	-	1,337,996	2,471,173
Recreation	-	-	-	-	-	-	-	5,284,030	5,284,030	-	-	5,284,030	5,284,030
Total Expenditures	3,286,657	1,133,177	4,419,834	3,881,641	1,700,704	10,002,179	-	6,622,026	6,622,026	10,087,606	-	16,709,632	26,711,811
Excess (deficiency) of revenues over expenditures	(1,168,425)	99,866	(1,068,559)	(3,881,641)	3,772	(4,946,428)	5	1,479,120	1,479,125	(10,087,606)	1,298	(8,607,183)	(13,553,611)
OTHER FINANCING SOURCES (USES):													
Transfers In	-	150,000	150,000	3,881,641	-	4,031,641	30,000	-	30,000	10,087,606	-	10,117,606	14,149,247
Transfers Out	-	-	-	-	-	-	(30,000)	-	(30,000)	-	-	(30,000)	(30,000)
Total Other Financing Sources (Uses)	-	150,000	150,000	3,881,641	-	4,031,641	-	-	-	10,087,606	-	10,087,606	14,119,247
Net change in fund balances	(1,168,425)	249,866	(918,559)	-	3,772	(914,787)	5	1,479,120	1,479,125	-	1,298	1,480,423	565,636
Fund Balances - beginning	5,786,178	1,006,631	6,792,809	-	14,967	6,807,776	2,651	6,245,097	6,247,748	-	(2,892)	6,244,856	13,052,632
Fund Balances - ending	\$ 4,617,753	\$ 1,256,497	\$ 5,874,250	\$ -	\$ 18,739	\$ 5,892,989	\$ 2,656	\$ 7,724,217	\$ 7,726,873	\$ -	\$ (1,594)	\$ 7,725,279	\$ 13,618,268

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, 2014**

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 934,484	\$ 934,484	\$ 960,906	\$ 26,422	\$ 375,000	\$ 375,000	\$ 1,039,960	\$ 664,960
Charges for Services	1,914,900	1,914,900	2,003,053	88,153	1,300,700	1,300,700	1,145,087	(155,613)
Recreation Activities	300,925	300,925	197,530	(103,395)	6,251,200	6,251,200	5,763,096	(488,104)
Interest	20,800	20,800	16,958	(3,842)	27,005	27,005	16,903	(10,102)
Contributions	467,651	467,651	123,614	(344,037)	57,100	57,100	85,438	28,338
Miscellaneous	36,000	36,000	49,214	13,214	20,200	20,200	50,667	30,467
Total Revenues	<u>3,674,760</u>	<u>3,674,760</u>	<u>3,351,275</u>	<u>(323,485)</u>	<u>8,031,205</u>	<u>8,031,205</u>	<u>8,101,151</u>	<u>69,946</u>
Expenditures/Encumbrances:								
Current -								
County Planning and Zoning	3,994,581	3,994,581	3,321,159	673,422	-	-	-	-
Park Operations and Maintenance	1,760,090	1,760,090	1,208,573	551,517	877,018	877,018	1,370,710	(493,692)
Recreation	-	-	-	-	7,611,022	7,611,022	5,634,794	1,976,228
Total Expenditures/Encumbrances	<u>5,754,671</u>	<u>5,754,671</u>	<u>4,529,732</u>	<u>1,224,939</u>	<u>8,488,040</u>	<u>8,488,040</u>	<u>7,005,504</u>	<u>1,482,536</u>
Excess (Deficiency) of Revenues over Expenditures/Encumbrances	<u>(2,079,911)</u>	<u>(2,079,911)</u>	<u>(1,178,457)</u>	<u>901,454</u>	<u>(456,835)</u>	<u>(456,835)</u>	<u>1,095,647</u>	<u>1,552,482</u>
Other Financing Sources (Uses):								
Operating Transfers In	-	-	150,000	150,000	30,000	30,000	30,000	-
Transfers Out	-	-	-	-	(30,000)	(30,000)	(30,000)	-
Total Other Financing (Uses)	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis	<u>\$ (2,079,911)</u>	<u>\$ (2,079,911)</u>	<u>(1,028,457)</u>	<u>\$ 1,051,454</u>	<u>\$ (456,835)</u>	<u>\$ (456,835)</u>	<u>1,095,647</u>	<u>\$ 1,552,482</u>
Fund Balances - Budget Basis, July 1			<u>6,222,763</u>				<u>6,120,407</u>	
Fund Balances - Budget Basis, June 30			<u>\$ 5,194,306</u>				<u>\$ 7,216,054</u>	

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



Wheaton Park Musical Carousel has 33 jumping horses, three zebras and two chariots and is located in Wheaton Regional Park.

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 Position
Enterprise Funds
June 30, 2014 and 2013

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments	\$ 7,076,824	\$ 5,674,846	\$ 4,529,511	\$ 4,488,203	\$ 11,606,335	\$ 10,163,049
Restricted Cash, Cash Equivalents and Investments:						
Accounts Receivable	7,864	14	150	-	8,014	14
Due from County Government	2,333	2,333	9,440	9,440	11,773	11,773
Inventories	146,602	124,597	745,080	699,422	891,682	824,019
Total Current Assets	<u>7,233,623</u>	<u>5,801,790</u>	<u>5,284,181</u>	<u>5,197,065</u>	<u>12,517,804</u>	<u>10,998,855</u>
Noncurrent Assets:						
Capital Assets:						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,135,692	27,135,692	72,340,644	72,340,644	99,476,336	99,476,336
Machinery, Equipment and Intangibles	2,167,709	1,946,813	5,827,817	5,871,787	7,995,526	7,818,600
Construction in Progress	247,036	247,036	-	-	247,036	247,036
	41,134,905	40,914,009	85,947,592	85,991,562	127,082,497	126,905,571
Less - Accumulated Depreciation	(21,467,847)	(20,115,945)	(40,588,906)	(37,811,099)	(62,056,753)	(57,927,044)
Total Capital Assets (net of depreciation)	<u>19,667,058</u>	<u>20,798,064</u>	<u>45,358,686</u>	<u>48,180,463</u>	<u>65,025,744</u>	<u>68,978,527</u>
Total Noncurrent Assets	<u>19,667,058</u>	<u>20,798,064</u>	<u>45,358,686</u>	<u>48,180,463</u>	<u>65,025,744</u>	<u>68,978,527</u>
Total Assets	<u>26,900,681</u>	<u>26,599,854</u>	<u>50,642,867</u>	<u>53,377,528</u>	<u>77,543,548</u>	<u>79,977,382</u>
LIABILITIES						
Current Liabilities:						
Accounts Payable	165,419	168,460	297,276	289,334	462,695	457,794
Accrued Salaries and Benefits	264,740	249,777	586,192	510,208	850,932	759,985
Compensated Absences	120,706	107,504	308,532	258,904	429,238	366,408
Interest Payable	-	1,910	-	-	-	1,910
Deposits and Fees Collected in-Advance	1,277,182	1,353,081	38,067	43,234	1,315,249	1,396,315
Current Portion of Revenue Notes Payable	-	222,228	-	-	-	222,228
Total Current Liabilities	<u>1,828,047</u>	<u>2,102,960</u>	<u>1,230,067</u>	<u>1,101,680</u>	<u>3,058,114</u>	<u>3,204,640</u>
Noncurrent Liabilities:						
Compensated Absences	152,326	164,958	372,224	407,151	524,550	572,109
Net Other Post Employment Benefit Obligations	616,398	615,399	2,324,514	2,321,335	2,940,912	2,936,734
Net Pension Obligations	99,384	100,340	298,195	301,767	397,579	402,107
Total Noncurrent Liabilities	<u>868,108</u>	<u>880,697</u>	<u>2,994,933</u>	<u>3,030,253</u>	<u>3,863,041</u>	<u>3,910,950</u>
Total Liabilities	<u>2,696,155</u>	<u>2,983,657</u>	<u>4,225,000</u>	<u>4,131,933</u>	<u>6,921,155</u>	<u>7,115,590</u>
NET POSITION						
Net Investment in Capital Assets	19,667,058	20,575,836	45,358,686	48,180,463	65,025,744	68,756,299
Unrestricted	4,537,468	3,040,361	1,059,181	1,065,132	5,596,649	4,105,493
Total Net Position	<u>\$ 24,204,526</u>	<u>\$ 23,616,197</u>	<u>\$ 46,417,867</u>	<u>\$ 49,245,595</u>	<u>\$ 70,622,393</u>	<u>\$ 72,861,792</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 5

Schedule of Revenues, Expenses, and Changes in Fund Net Position
Enterprise Funds
For the Years Ended June 30, 2014 and 2013

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2014	2013	2014	2013	2014	2013
Operating Revenues:						
Intergovernmental	\$ 66,687	\$ 11,883	\$ -	\$ -	\$ 66,687	\$ 11,883
Sales	618,549	640,199	2,296,251	2,350,479	2,914,800	2,990,678
Charges for Services	6,241,021	6,284,292	4,530,002	4,580,046	10,771,023	10,864,338
Rentals and Concessions	3,152,468	2,896,220	2,952,240	3,191,941	6,104,708	6,088,161
Total Operating Revenues	<u>10,078,725</u>	<u>9,832,594</u>	<u>9,778,493</u>	<u>10,122,466</u>	<u>19,857,218</u>	<u>19,955,060</u>
Operating Expenses:						
Cost of Goods Sold	378,017	437,785	1,473,069	1,586,913	1,851,086	2,024,698
Personal Services	4,586,570	4,617,167	10,726,799	10,497,317	15,313,369	15,114,484
Supplies and Materials	577,404	618,039	1,712,416	1,651,523	2,289,820	2,269,562
Communications	37,945	99,229	364,095	354,609	402,040	453,838
Utilities	1,004,916	977,123	1,816,400	1,720,686	2,821,316	2,697,809
Maintenance	409,426	444,957	783,219	798,222	1,192,645	1,243,179
Contractual Services	775,502	19,021	924,826	822,180	1,700,328	841,201
Other Services and Charges	240,035	835,436	349,721	379,088	589,756	1,214,524
Administrative Services	-	-	286,300	275,000	286,300	275,000
Depreciation	1,494,953	1,173,903	3,085,036	2,192,639	4,579,989	3,366,542
Total Operating Expenses	<u>9,504,768</u>	<u>9,222,660</u>	<u>21,521,881</u>	<u>20,278,177</u>	<u>31,026,649</u>	<u>29,500,837</u>
Operating Income (Loss)	<u>573,957</u>	<u>609,934</u>	<u>(11,743,388)</u>	<u>(10,155,711)</u>	<u>(11,169,431)</u>	<u>(9,545,777)</u>
Nonoperating Revenues (Expenses):						
Investment Earnings	18,197	7,983	18,227	6,207	36,424	14,190
Interest Expense, net of Amortization	(3,825)	(29,082)	-	-	(3,825)	(29,082)
Loss on Disposal of Asset	-	-	(24,787)	-	(24,787)	-
Total Nonoperating Revenue (Expense)	<u>14,372</u>	<u>(21,099)</u>	<u>(6,560)</u>	<u>6,207</u>	<u>7,812</u>	<u>(14,892)</u>
Loss before Transfers	<u>588,329</u>	<u>588,835</u>	<u>(11,749,948)</u>	<u>(10,149,504)</u>	<u>(11,161,619)</u>	<u>(9,560,669)</u>
Transfers In						
Total Contributions and Transfers	-	-	8,922,220	8,825,900	8,922,220	8,825,900
Change in Net Position	<u>588,329</u>	<u>588,835</u>	<u>(2,827,728)</u>	<u>(1,323,604)</u>	<u>(2,239,399)</u>	<u>(734,769)</u>
Total Net Position - Beginning	<u>23,616,197</u>	<u>23,027,362</u>	<u>49,245,595</u>	<u>50,569,199</u>	<u>72,861,792</u>	<u>73,596,561</u>
Total Net Position - Ending	<u>\$ 24,204,526</u>	<u>\$ 23,616,197</u>	<u>\$ 46,417,867</u>	<u>\$ 49,245,595</u>	<u>\$ 70,622,393</u>	<u>\$ 72,861,792</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

**Schedule of Cash Flows - Enterprise Funds
For the Years Ended June 30, 2014 and 2013**

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2014	2013	2014	2013	2014	2013
Cash Flows from Operating Activities:						
Receipts from Customers and Users	\$ 9,994,976	\$ 9,803,124	\$ 9,773,176	\$ 9,931,163	\$ 19,768,152	\$ 19,734,287
Payments to Suppliers	(2,020,360)	(4,876,921)	(7,461,463)	(7,268,896)	(9,481,823)	(12,145,817)
Payments to Employees	(4,260,194)	(1,188,615)	(10,636,508)	(10,423,427)	(14,896,702)	(11,612,042)
Payments for Interfund Services Used	(310,800)	(1,560,893)	-	-	(310,800)	(1,560,893)
Payments for Administrative Charges	(1,429,841)	(399,984)	(286,300)	(275,000)	(1,716,141)	(674,984)
Net Cash Provided (Used) by Operating Activities	<u>1,973,781</u>	<u>1,776,711</u>	<u>(8,611,095)</u>	<u>(8,036,160)</u>	<u>(6,637,314)</u>	<u>(6,259,449)</u>
Cash Flows from Noncapital Financing Activities:						
Transfers In from Other Funds	-	-	8,922,220	8,825,900	8,922,220	8,825,900
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>8,922,220</u>	<u>8,825,900</u>	<u>8,922,220</u>	<u>8,825,900</u>
Cash Flows from Capital and Related Financing Activities:						
Acquisition and Construction of Capital Assets	(363,948)	(173,849)	(288,044)	(345,674)	(651,992)	(519,523)
Principal Paid on Bonds and Notes Payable	(222,228)	(841,874)	-	-	(222,228)	(841,874)
Interest Paid on Revenue Bonds	(3,824)	(29,082)	-	-	(3,824)	(29,082)
Net Cash Used by Capital and Related Financing Activities	<u>(590,000)</u>	<u>(1,044,805)</u>	<u>(288,044)</u>	<u>(345,674)</u>	<u>(878,044)</u>	<u>(1,390,479)</u>
Cash Flows from Investing Activities:						
Interest on Investments	<u>18,197</u>	<u>7,983</u>	<u>18,227</u>	<u>6,207</u>	<u>36,424</u>	<u>14,190</u>
Net Increase in Cash and Cash Equivalents	1,401,978	739,889	41,308	450,273	1,443,286	1,190,162
Cash, Cash Equivalents and Restricted Cash, July 1	<u>5,674,846</u>	<u>4,934,957</u>	<u>4,488,203</u>	<u>4,037,930</u>	<u>10,163,049</u>	<u>8,972,887</u>
Cash, Cash Equivalents and Restricted Cash, June 30	<u>\$ 7,076,824</u>	<u>\$ 5,674,846</u>	<u>\$ 4,529,511</u>	<u>\$ 4,488,203</u>	<u>\$ 11,606,335</u>	<u>\$ 10,163,049</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 573,957	\$ 609,934	\$ (11,743,388)	\$ (10,155,711)	(11,169,431)	\$ (9,545,777)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,494,953	1,173,903	3,085,036	2,192,639	4,579,989	3,366,542
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	(7,850)	-	(150)	614	(8,000)	614
Due from County Government	-	(933)	-	-	-	(933)
Inventories, at Cost	(22,005)	4,959	(45,658)	129,599	(67,663)	134,558
Accounts Payable	(3,041)	28,811	7,941	(85,274)	4,900	(56,463)
Accrued Salaries and Benefits	14,963	3,553	75,983	(21,557)	90,946	(18,004)
Compensated Absences	570	(48,657)	14,701	(32,908)	15,271	(81,565)
Interest Payable	(1,910)	(6,055)	-	-	(1,910)	(6,055)
Net Pension Obligation	999	(2,096)	(3,572)	-	(2,573)	(2,096)
Net Other Post Employment Obligations	(956)	41,836	3,179	128,355	2,223	170,191
Revenue Collected in Advance	(75,899)	(28,544)	(5,167)	(191,917)	(81,066)	(220,461)
Total Adjustments	<u>1,399,824</u>	<u>1,166,777</u>	<u>3,132,293</u>	<u>2,119,551</u>	<u>4,532,117</u>	<u>3,286,328</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,973,781</u>	<u>\$ 1,776,711</u>	<u>\$ (8,611,095)</u>	<u>\$ (8,036,160)</u>	<u>\$ (6,637,314)</u>	<u>\$ (6,259,449)</u>



The Mitchellville South Neighborhood Playground is the first park to be fully accessible to children of all abilities.

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 Position
 For the Year Ended June 30, 2014
 (With Summary and Comparative Totals for 2013)

	MONTGOMERY COUNTY		PRINCE GEORGE'S COUNTY		COMMISSION WIDE INITIATIVE FUNDS			TOTALS	
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	Executive Building	Employee Benefits	Commission Wide IT Initiatives	June 30, 2014	June 30, 2013
ASSETS									
Current Assets:									
Equity in Pooled Cash and Investments	\$ 2,168,630	\$ 11,119,975	\$ 1,309,185	\$ 17,834,953	\$ 1,818,192	\$ 10,846,918	\$ 4,331,616	\$ 49,429,469	\$ 43,636,204
Accounts Receivable	-	-	-	277,990	-	1,011,264	-	1,289,254	954,174
Due from Other Funds	-	-	-	-	-	-	-	-	-
Due from County Government	-	267	-	267	-	-	-	534	232,718
Deposits and Other	-	-	-	-	-	601,360	-	601,360	601,359
Total Current Assets	<u>2,168,630</u>	<u>11,120,242</u>	<u>1,309,185</u>	<u>18,113,210</u>	<u>1,818,192</u>	<u>12,459,542</u>	<u>4,331,616</u>	<u>51,320,617</u>	<u>45,424,455</u>
Noncurrent Assets:									
Capital Assets:									
Land	-	-	-	-	748,497	-	-	748,497	748,497
Buildings and Improvements	81,000	-	36,748	-	2,649,865	-	-	2,767,613	2,767,613
Machinery, Equipment and Intangibles	27,550,503	196,700	1,783,560	811,821	382,211	-	2,591,452	33,316,247	36,600,888
Less-Accumulated Depreciation	(21,155,492)	(190,622)	(1,252,206)	(808,873)	(2,263,221)	-	(1,248,146)	(26,918,560)	(29,630,575)
Total Capital Assets (net of accumulated depreciation)	<u>6,476,011</u>	<u>6,078</u>	<u>568,102</u>	<u>2,948</u>	<u>1,517,352</u>	<u>-</u>	<u>1,343,306</u>	<u>9,913,797</u>	<u>10,486,423</u>
Total Assets	<u>8,644,641</u>	<u>11,126,320</u>	<u>1,877,287</u>	<u>18,116,158</u>	<u>3,335,544</u>	<u>12,459,542</u>	<u>5,674,922</u>	<u>61,234,414</u>	<u>55,910,878</u>
LIABILITIES									
Current Liabilities:									
Accounts Payable	61,283	253,923	35,268	253,924	39,336	78,504	689,951	1,412,189	712,060
Current Portion of Claims Payable	-	1,300,418	-	1,956,243	-	1,278,604	-	4,535,265	5,415,458
Accrued Salaries and Benefits	-	-	-	-	10,508	30,218	8,178	48,904	63,681
Current Portion of Notes Payable	-	-	-	-	-	-	-	-	242
Current Portion of Compensated Absences	-	14,902	-	14,903	4,181	21,512	-	55,498	55,679
Due to County Government	-	-	-	-	-	-	-	-	247,693
Total Current Liabilities	<u>61,283</u>	<u>1,569,243</u>	<u>35,268</u>	<u>2,225,070</u>	<u>54,025</u>	<u>1,408,838</u>	<u>698,129</u>	<u>6,051,856</u>	<u>6,494,813</u>
Noncurrent Liabilities:									
Claims Payable - Net of Current Portion	-	3,847,607	-	5,815,097	-	-	-	9,662,704	12,527,752
Compensated Absences - Net of Current Portion	-	5,208	-	5,209	26,164	55,352	-	91,933	81,090
Net Other Post Employment Benefit Obligations	-	196,997	-	196,998	45,383	9,018	15,742	464,138	463,239
Total Noncurrent Liabilities	<u>-</u>	<u>4,049,812</u>	<u>-</u>	<u>6,017,304</u>	<u>71,547</u>	<u>64,370</u>	<u>15,742</u>	<u>10,218,775</u>	<u>13,072,081</u>
Total Liabilities	<u>61,283</u>	<u>5,619,055</u>	<u>35,268</u>	<u>8,242,374</u>	<u>125,572</u>	<u>1,473,208</u>	<u>713,871</u>	<u>16,270,631</u>	<u>19,566,894</u>
NET POSITION									
Net Investment in Capital Assets	6,476,011	6,078	568,102	2,948	1,517,352	-	1,343,306	9,913,797	10,486,181
Unrestricted	2,107,347	5,501,187	1,273,917	9,870,836	1,692,620	10,986,334	3,617,745	35,049,986	25,857,803
Total Net Position	<u>\$ 8,583,358</u>	<u>\$ 5,507,265</u>	<u>\$ 1,842,019</u>	<u>\$ 9,873,784</u>	<u>\$ 3,209,972</u>	<u>\$ 10,986,334</u>	<u>\$ 4,961,051</u>	<u>\$ 44,963,783</u>	<u>\$ 36,343,984</u>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 8

Internal Service Funds
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 For the Year Ended June 30, 2014
 (With Summary and Comparative Totals for 2013)

	MONTGOMERY COUNTY		PRINCE GEORGE'S COUNTY		COMMISSION WIDE INITIATIVE FUNDS			TOTALS	
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	Executive Building	Employee Benefits	Commission Wide IT Initiatives	June 30, 2014	June 30, 2013
Operating Revenues:									
Charges for Services	\$ 1,651,599	\$ 2,554,100	\$ 61,000	\$ 5,456,600	\$ 1,054,573	\$ 30,748,000	\$ 1,467,187	\$ 42,993,059	\$ 39,987,994
Claim Recoveries	-	257,189	-	518,254	-	-	-	775,443	399,955
Total Operating Revenues	<u>1,651,599</u>	<u>2,811,289</u>	<u>61,000</u>	<u>5,974,854</u>	<u>1,054,573</u>	<u>30,748,000</u>	<u>1,467,187</u>	<u>43,768,502</u>	<u>40,387,949</u>
Operating Expenses:									
Personal Services	-	338,813	-	338,813	192,839	565,216	182,110	1,617,791	1,412,166
Supplies and Materials	6,097	14,480	20,328	14,480	17,704	-	30,549	103,638	1,046,303
Contractual Services - Montgomery County Self Insurance	-	301,160	-	473,030	-	258,069	-	1,032,259	1,171,593
Other Contractual Services	-	(367,637)	-	194,302	-	19,326,635	-	19,153,300	26,623,368
Claims Incurred	-	91,749	-	144,109	-	6,873,018	-	7,108,876	6,721,542
Insurance	429,748	476,222	356,663	607,847	472,968	231,481	1,313,399	3,888,328	4,064,562
Other Services and Charges	1,749,122	7,147	160,629	5,895	133,136	-	262,146	2,318,075	2,315,710
Depreciation	2,184,967	861,934	537,620	1,778,476	816,647	27,254,419	1,788,204	35,222,267	43,355,244
Total Operating Expenses	<u>(533,368)</u>	<u>1,949,355</u>	<u>(476,620)</u>	<u>4,196,378</u>	<u>237,926</u>	<u>3,493,581</u>	<u>(321,017)</u>	<u>8,546,235</u>	<u>(2,967,295)</u>
Operating Income (Loss)									
Nonoperating Revenues (Expenses):									
Interest Income	3,232	27,860	1,764	46,776	6,567	25,512	9,929	121,640	76,190
Loss on Disposal of Asset	(48,076)	-	-	-	-	-	-	(48,076)	-
Total Nonoperating Revenues (Expenses)	<u>(44,844)</u>	<u>27,860</u>	<u>1,764</u>	<u>46,776</u>	<u>6,567</u>	<u>25,512</u>	<u>9,929</u>	<u>73,564</u>	<u>76,190</u>
Income (Loss) Before Contributions and Transfers	<u>(578,212)</u>	<u>1,977,215</u>	<u>(474,856)</u>	<u>4,243,154</u>	<u>244,493</u>	<u>3,519,093</u>	<u>(311,088)</u>	<u>8,619,799</u>	<u>(2,891,105)</u>
Change in Net Position	(578,212)	1,977,215	(474,856)	4,243,154	244,493	3,519,093	(311,088)	8,619,799	(2,891,105)
Total Net Position, July 1	9,161,570	3,530,050	2,316,875	5,630,630	2,965,479	7,467,241	5,272,139	36,343,984	39,235,089
Total Net Position, June 30	<u>\$ 8,583,358</u>	<u>\$ 5,507,265</u>	<u>\$ 1,842,019</u>	<u>\$ 9,873,784</u>	<u>\$ 3,209,972</u>	<u>\$ 10,986,334</u>	<u>\$ 4,961,051</u>	<u>\$ 44,963,783</u>	<u>\$ 36,343,984</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, 2014**

	<u>MONTGOMERY COUNTY</u>		<u>PRINCE GEORGE'S COUNTY</u>		<u>COMMISSION WIDE INITIATIVE FUNDS</u>			
	<u>Capital Equipment</u>	<u>Risk Management</u>	<u>Capital Equipment</u>	<u>Risk Management</u>	<u>Executive Building</u>	<u>Employee Benefits</u>	<u>Commission Wide IT Initiatives</u>	<u>TOTAL</u>
Cash Flows from Operating Activities:								
Receipts from Customers and Users	\$ 1,651,599	\$ 2,879,626	\$ 61,000	\$ 5,860,714	\$ 1,054,331	\$ 30,690,909	\$ 1,467,187	\$ 43,665,366
Payments to Suppliers	(861,133)	(1,922,004)	(326,324)	(3,096,147)	(464,778)	(26,442,403)	(714,546)	(33,827,335)
Payments to Employees	-	(349,032)	-	(356,071)	(187,102)	(548,205)	(180,598)	(1,621,008)
Payments for Interfund Services Used	(28,000)	(238,496)	(15,400)	(238,496)	-	(231,481)	-	(751,873)
Net Cash Provided (Used) by Operating Activities	<u>762,466</u>	<u>370,094</u>	<u>(280,724)</u>	<u>2,170,000</u>	<u>402,451</u>	<u>3,468,820</u>	<u>572,043</u>	<u>7,465,150</u>
Cash Flows from Capital and Related Financing Activities:								
Acquisition of Capital Assets	(1,378,724)	-	(80,816)	-	(255,720)	-	(78,265)	(1,793,525)
Net Cash Used by Capital and Related Financing Activities	<u>(1,378,724)</u>	<u>-</u>	<u>(80,816)</u>	<u>-</u>	<u>(255,720)</u>	<u>-</u>	<u>(78,265)</u>	<u>(1,793,525)</u>
Cash Flows from Investing Activities:								
Interest on Investments	<u>3,232</u>	<u>27,860</u>	<u>1,764</u>	<u>46,776</u>	<u>6,567</u>	<u>25,512</u>	<u>9,929</u>	<u>121,640</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(613,026)	397,954	(359,776)	2,216,776	153,298	3,494,332	503,707	5,793,265
Cash and Cash Equivalents, July 1	<u>2,781,656</u>	<u>10,722,021</u>	<u>1,668,961</u>	<u>15,618,177</u>	<u>1,664,894</u>	<u>7,352,586</u>	<u>3,827,909</u>	<u>43,636,204</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,168,630</u>	<u>\$ 11,119,975</u>	<u>\$ 1,309,185</u>	<u>\$ 17,834,953</u>	<u>\$ 1,818,192</u>	<u>\$ 10,846,918</u>	<u>\$ 4,331,616</u>	<u>\$ 49,429,469</u>
Operating Income (Loss)	\$ (533,368)	\$ 1,949,355	\$ (476,620)	4,196,378	\$ 237,926	\$ 3,493,581	\$ (321,017)	\$ 8,546,235
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:								
Depreciation	1,749,122	7,147	160,629	5,895	133,136	-	262,146	2,318,075
Effect of Changes in Assets and Liabilities in:								
Accounts Receivable	-	-	-	(277,987)	-	(57,091)	-	(335,078)
Due from County Government	-	68,337	-	163,847	-	-	-	232,184
Accounts Payable	(453,288)	248,105	35,267	238,490	25,652	(23,744)	629,402	699,884
Claims Payable	-	(1,768,786)	-	(2,015,518)	-	39,063	-	(3,745,241)
Accrued Salaries and Benefits	-	(14,772)	-	(14,773)	1,925	11,422	1,420	(14,778)
Compensated Absences	-	813	-	815	3,700	5,334	-	10,662
Net Other Post Employment Obligations	-	3,740	-	(3,300)	112	255	92	899
Due to County Government	-	(123,845)	-	(123,847)	-	-	-	(247,692)
Total Adjustments	<u>1,295,834</u>	<u>(1,579,261)</u>	<u>195,896</u>	<u>(2,026,378)</u>	<u>164,525</u>	<u>(24,761)</u>	<u>893,060</u>	<u>(1,081,085)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 762,466</u>	<u>\$ 370,094</u>	<u>\$ (280,724)</u>	<u>2,170,000</u>	<u>\$ 402,451</u>	<u>\$ 3,468,820</u>	<u>\$ 572,043</u>	<u>\$ 7,465,150</u>



Rockwood Manor's overnight lodgings makes it an ideal location for destination weddings, multi-day business retreats or training sessions, family reunions, and workshops.

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 Position
Fiduciary Fund Types
June 30, 2014

	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	\$ -	\$ 468,947	\$ 468,947	\$ 10,601,085	\$ 9,329,056	\$ 19,930,141	\$ 1,464,579	\$ 957,494	\$ 1,432	\$ 2,423,505
Cash	176,759	7	176,766	-	-	-	-	-	-	-
Fixed Income Securities	161,226,330	15,702,892	176,929,222	-	-	-	-	-	-	-
International Fixed Income Securities	8,978,006	-	8,978,006	-	-	-	-	-	-	-
Venture Capital/Alternative Investments	56,777,040	-	56,777,040	-	-	-	-	-	-	-
Corporate Stock	385,730,896	-	385,730,896	-	-	-	-	-	-	-
International Corporate Stock	90,880,351	-	90,880,351	-	-	-	-	-	-	-
Real Estate Investments	54,261,714	-	54,261,714	-	-	-	-	-	-	-
Short Term Investments	39,539,970	-	39,539,970	-	-	-	-	-	-	-
Mutual Funds	-	24,772,156	24,772,156	-	-	-	-	-	-	-
Collateral for Securities Lending Transactions	47,700,258	-	47,700,258	-	-	-	-	-	-	-
Accounts Receivable	1,351,263	-	1,351,263	500	227	727	-	-	-	-
Land Held for Other Governments	-	-	-	43,749,010	17,837,342	61,586,352	-	-	-	-
Other	21,905	-	21,905	-	-	-	-	-	-	-
Total Assets	<u>846,644,492</u>	<u>40,944,002</u>	<u>887,588,494</u>	<u>54,350,595</u>	<u>27,166,625</u>	<u>81,517,220</u>	<u>1,464,579</u>	<u>957,494</u>	<u>1,432</u>	<u>2,423,505</u>
LIABILITIES										
Investments Payable	760,563	-	760,563	-	-	-	-	-	-	-
Accounts Payable	1,007,794	12,340	1,020,134	13,491	39	13,530	1,464,579	-	-	1,464,579
Claims Payable	-	466,487	466,487	-	-	-	-	-	-	-
Obligation for Collateral Received under Securities Lending Transactions	48,740,548	-	48,740,548	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	957,494	1,432	958,926
Total Liabilities	<u>50,508,905</u>	<u>478,827</u>	<u>50,987,732</u>	<u>13,491</u>	<u>39</u>	<u>13,530</u>	<u>1,464,579</u>	<u>957,494</u>	<u>1,432</u>	<u>2,423,505</u>
NET POSITION										
Assets Held in Trust for:										
Land Held for Transfer	-	-	-	43,749,010	17,837,342	61,586,352	-	-	-	-
Pension Benefits	796,135,587	-	796,135,587	-	-	-	-	-	-	-
Other Postemployment Benefits	-	40,465,175	40,465,175	-	-	-	-	-	-	-
Other Purposes	-	-	-	10,588,094	9,329,244	19,917,338	-	-	-	-
Total Net Position	<u>\$ 796,135,587</u>	<u>\$ 40,465,175</u>	<u>\$ 836,600,762</u>	<u>\$ 54,337,104</u>	<u>\$ 27,166,586</u>	<u>\$ 81,503,690</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 Position
Fiduciary Fund Types
For the Year Ended June 30, 2014

	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	\$ 28,750,323	\$ 18,028,511	\$ 46,778,834	\$ -	\$ -	\$ -
Plan Members	5,413,595	-	5,413,595	-	-	-
Plan Members for Current Benefits	-	2,067,287	2,067,287	-	-	-
Private Donations	-	-	-	4,626	18,402	23,028
Total Contributions	<u>34,163,918</u>	<u>20,095,798</u>	<u>54,259,716</u>	<u>4,626</u>	<u>18,402</u>	<u>23,028</u>
Contributions from Commission Debt Service Funds	-	-	-	1,404,544	-	1,404,544
Federal Grants - Medicare	-	449,576	449,576	-	-	-
Investment Earnings:						
Interest	9,253,234	10	9,253,244	23,107	23,075	46,182
Dividends	519,833	175,030	694,863	-	-	-
Net increase in the Fair Value of Investments	100,729,204	4,407,442	105,136,646	-	-	-
Total Investment Earnings	<u>110,502,271</u>	<u>4,582,482</u>	<u>115,084,753</u>	<u>23,107</u>	<u>23,075</u>	<u>46,182</u>
Less Investment Advisory and Management Fees	(2,875,363)	-	(2,875,363)	-	-	-
Net Income from Investing Activities	<u>107,626,908</u>	<u>4,582,482</u>	<u>112,209,390</u>	<u>23,107</u>	<u>23,075</u>	<u>46,182</u>
Securities Lending Activity						
Securities Lending Income	193,474	-	193,474	-	-	-
Securities Lending Fees	77,413	-	77,413	-	-	-
Net Income from Securities Lending Activity	<u>270,887</u>	<u>-</u>	<u>270,887</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Net Investment Income	<u>107,897,795</u>	<u>4,582,482</u>	<u>112,480,277</u>	<u>23,107</u>	<u>23,075</u>	<u>46,182</u>
Total Additions and Investment Income	<u>142,061,713</u>	<u>25,127,856</u>	<u>167,189,569</u>	<u>1,432,277</u>	<u>41,477</u>	<u>1,473,754</u>
DEDUCTIONS:						
Benefits	38,169,674	12,726,374	50,896,048	-	-	-
Refunds of Contributions	237,399	-	237,399	-	-	-
Administrative expenses	1,487,210	5,130	1,492,340	-	-	-
Contribution of Land	-	-	-	(78,321)	-	(78,321)
Other	-	-	-	10,273	14,061	24,334
Total Deductions	<u>39,894,283</u>	<u>12,731,504</u>	<u>52,625,787</u>	<u>(68,048)</u>	<u>14,061</u>	<u>(53,987)</u>
Change in Net Position	<u>102,167,430</u>	<u>12,396,352</u>	<u>114,563,782</u>	<u>1,500,325</u>	<u>27,416</u>	<u>1,527,741</u>
Net Position - Beginning	693,968,157	28,068,823	722,036,980	52,836,779	27,139,170	79,975,949
Net Position - Ending	<u>\$ 796,135,587</u>	<u>\$ 40,465,175</u>	<u>\$ 836,600,762</u>	<u>\$ 54,337,104</u>	<u>\$ 27,166,586</u>	<u>\$ 81,503,690</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, 2014

	July 1, 2013	Additions	Deductions	June 30, 2014
MARYLAND STATE RETIREMENT SYSTEM FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 1,658,443	\$ 206,563	\$ 400,427	\$ 1,464,579
Total Current Assets	<u>\$ 1,658,443</u>	<u>\$ 206,563</u>	<u>\$ 400,427</u>	<u>\$ 1,464,579</u>
LIABILITIES				
Accounts Payable	\$ 1,658,443	\$ 206,563	\$ 400,427	\$ 1,464,579
Total Current Liabilities	<u>\$ 1,658,443</u>	<u>\$ 206,563</u>	<u>\$ 400,427</u>	<u>\$ 1,464,579</u>
MONTGOMERY COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 724,178	\$ 233,316	\$ -	\$ 957,494
Total Current Assets	<u>\$ 724,178</u>	<u>\$ 233,316</u>	<u>\$ -</u>	<u>\$ 957,494</u>
LIABILITIES				
Deposits	\$ 724,178	\$ 233,316	\$ -	\$ 957,494
Total Current Liabilities	<u>\$ 724,178</u>	<u>\$ 233,316</u>	<u>\$ -</u>	<u>\$ 957,494</u>
PRINCE GEORGE'S COUNTY FUND				
ASSETS				
Equity in Pooled Cash and Investments	\$ 871	\$ 2,143	\$ 1,582	\$ 1,432
Total Current Assets	<u>\$ 871</u>	<u>\$ 2,143</u>	<u>\$ 1,582</u>	<u>\$ 1,432</u>
LIABILITIES				
Deposits	\$ 871	\$ 2,143	\$ 1,582	\$ 1,432
Total Current Liabilities	<u>\$ 871</u>	<u>\$ 2,143</u>	<u>\$ 1,582</u>	<u>\$ 1,432</u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash and Investments	\$ 2,383,492	\$ 442,022	\$ 402,009	\$ 2,423,505
Total Current Assets	<u>\$ 2,383,492</u>	<u>\$ 442,022</u>	<u>\$ 402,009</u>	<u>\$ 2,423,505</u>
LIABILITIES				
Accounts Payable	\$ 1,658,443	\$ 206,563	\$ 400,427	\$ 1,464,579
Deposits	725,049	235,459	1,582	958,926
Total Current Liabilities	<u>\$ 2,383,492</u>	<u>\$ 442,022</u>	<u>\$ 402,009</u>	<u>\$ 2,423,505</u>

◆ PART III ◆
STATISTICAL SECTION



The Show Place Arena is a 5,800-seat multi-purpose arena which is used for sporting events, concerts, boxing and professional wrestling events, consumer shows, trade shows, religious services, graduations and other events.

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	121
<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>	
Revenue Capacity	126
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	
Debt Capacity	130
<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>	
Demographic and Economic Information	135
<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>	
Operating Information	138
<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>	

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

TABLE T-1

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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 370,469,274	\$ 383,457,023	\$ 416,140,797	\$ 456,767,669	\$ 492,930,779	\$ 536,147,424	\$ 569,890,944	\$ 611,517,276	\$ 653,877,083	\$ 693,097,777
Unrestricted	126,681,153	159,962,347	201,822,613	253,129,079	282,047,368	282,484,768	257,331,391	246,549,209	255,869,413	235,827,877
Subtotal Governmental Activities Net Position	497,150,427	543,419,370	617,963,410	709,896,748	774,978,147	818,632,192	827,222,335	858,066,485	909,746,496	928,925,654
Business-type Activities:										
Net Investment in Capital Assets	83,421,966	84,318,532	81,455,721	79,384,327	77,400,952	75,033,816	72,823,330	70,761,443	68,756,299	65,025,744
Unrestricted	2,334,180	2,101,083	3,881,454	2,763,707	1,855,610	1,754,184	1,781,166	2,835,118	4,105,493	5,596,649
Subtotal Business-type Activities Net Position	85,756,146	86,419,615	85,337,175	82,148,034	79,256,562	76,788,000	74,604,496	73,596,561	72,861,792	70,622,393
Primary Government:										
Net Investment in Capital Assets	453,891,240	467,775,555	497,596,518	536,151,996	570,331,731	611,181,240	642,714,274	682,278,719	722,633,382	758,123,521
Unrestricted	129,015,333	162,063,430	205,704,067	255,892,786	283,902,978	284,238,952	259,112,557	249,384,327	259,974,906	241,424,526
Total Government Net Position	\$ 582,906,573	\$ 629,838,985	\$ 703,300,585	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288	\$ 999,548,047

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSIO

TABLE T-2

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental Activities:										
General Government	\$ 13,365,605	\$ 14,110,350	\$ 15,062,982	\$ 17,397,550	\$ 18,875,258	\$ 19,765,804	\$ 18,965,709	\$ 18,141,138	\$ 16,859,031	\$ 17,923,030
County Planning and Zoning	31,089,512	35,931,600	39,150,300	48,649,825	60,370,641	58,695,074	55,915,753	56,148,279	45,516,295	58,569,504
Park Operations and Maintenance	117,420,745	140,378,771	145,957,331	165,753,521	181,359,243	224,848,872	232,698,656	200,435,112	199,288,578	204,795,846
Recreation Programs	42,175,861	43,058,594	46,907,997	52,688,859	68,011,470	68,427,714	68,827,893	65,883,047	55,799,559	66,430,209
Interest on Long-term Debt	6,396,948	6,045,652	5,693,542	5,902,190	5,211,728	4,295,266	3,830,828	3,403,501	3,097,948	3,413,225
Subtotal Governmental Activities	210,448,671	239,524,967	252,772,152	290,391,945	333,828,340	376,032,730	380,238,839	344,011,077	320,561,411	351,131,814
Business-type Activities:										
Recreational and Cultural Facilities	31,635,252	32,957,080	28,861,349	30,626,723	30,899,133	30,924,994	30,999,452	31,821,425	29,529,919	31,055,261
Total Government Expenses	242,083,923	272,482,047	281,633,501	321,018,668	364,727,473	406,957,724	411,238,291	375,832,502	350,091,330	382,187,075
Program Revenues										
Governmental Activities:										
County Planning and Zoning	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750
Park Operations and Maintenance	23,359,117	23,763,315	29,883,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593
Recreation Programs	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503
Subtotal Governmental Activities	39,818,300	42,065,483	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846
Business-type Activities:										
Recreational and Cultural Facilities	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218
Total Government Program Revenues	63,140,031	68,505,853	68,486,379	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064
Net Government Expenses	(178,943,892)	(203,976,194)	(213,147,122)	(238,985,035)	(301,429,885)	(341,013,761)	(341,137,598)	(308,502,637)	(277,110,035)	(304,767,011)
General Revenues and Other Changes in Net Position										
Governmental Activities	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126
Business-type Activities	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644
Total Primary Government	217,171,747	250,908,606	286,608,722	327,709,232	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770
Change in Net Position	40,554,308	46,268,943	74,544,040	91,933,338	65,081,399	43,654,045	8,590,142	30,844,149	51,680,011	19,179,158
Governmental Activities	(2,326,453)	663,469	(1,082,440)	(3,189,141)	(2,891,472)	(2,468,562)	(2,183,504)	(1,007,935)	(734,769)	(2,239,399)
Business-type Activities	38,227,855	46,932,412	73,461,600	88,744,197	62,189,927	41,185,483	6,406,638	29,836,214	50,945,242	16,939,759
Total Primary Government	\$ 35,901,208	\$ 47,463,821	\$ 72,379,160	\$ 85,555,094	\$ 69,298,450	\$ 48,713,681	\$ 4,923,176	\$ 28,831,224	\$ 49,940,473	\$ 14,709,410

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION
 Government Wide Revenues
 Last ten Fiscal Years
 Entity-wide Basis

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Program Revenues										
Governmental Activities:										
County Planning and Zoning										
Charges for services	\$ 3,523,763	\$ 4,535,128	\$ 5,703,337	\$ 3,612,794	\$ 3,257,841	\$ 2,851,449	\$ 3,127,500	\$ 5,283,065	\$ 4,684,322	\$ 2,798,897
Operating grants and contributions	1,013,503	1,020,755	749,283	1,124,883	1,419,179	638,868	890,692	1,437,007	1,743,452	885,853
Total County Planning and Zoning	4,537,266	5,555,883	6,452,620	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750
Park Operations and Maintenance										
Charges for services	6,544,420	5,498,642	5,553,868	5,473,310	5,381,156	5,048,728	5,830,735	6,475,293	6,627,653	7,467,087
Operating grants and contributions	645,795	1,106,888	1,122,332	1,272,686	891,923	1,894,538	1,288,151	2,469,032	3,891,896	4,091,322
Capital grants and contributions	16,168,902	17,157,775	23,207,055	40,038,962	20,544,003	23,662,201	26,190,310	16,656,522	21,825,501	26,872,184
Total Park Operations and Maintenance	23,359,117	23,763,315	29,883,255	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593
Recreation Programs										
Charges for services	11,641,554	12,294,579	12,052,358	11,916,298	12,725,930	12,819,668	13,388,956	14,035,495	13,807,912	14,624,585
Operating grants and contributions	280,363	451,706	392,770	536,073	808,008	305,610	389,580	357,912	445,499	822,918
Total Recreation Programs	11,921,917	12,746,285	12,445,128	12,452,371	13,533,938	13,125,278	13,778,536	14,393,407	14,253,411	15,447,503
Total Governmental Activities	39,816,300	42,065,483	48,781,003	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846
Business-type Activities:										
Recreational and Cultural Facilities										
Charges for services	23,321,731	22,969,521	19,286,008	17,926,991	18,177,611	18,572,911	18,992,169	20,284,112	19,943,177	19,790,531
Operating grants and contributions	-	-	146,596	151,636	91,937	150,000	2,600	-	11,883	66,687
Capital grants and contributions	-	3,470,849	272,772	-	-	-	-	331,427	-	-
Total Recreational and Cultural Facilities	23,321,731	26,440,370	19,705,376	18,078,627	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218
Total Government Program Revenues	\$ 63,140,031	\$ 68,505,853	\$ 68,486,379	\$ 82,053,633	\$ 63,297,588	\$ 65,943,963	\$ 70,100,693	\$ 67,329,865	\$ 72,981,295	\$ 77,420,064
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes	\$ 213,178,802	\$ 241,784,351	\$ 272,827,451	\$ 313,813,140	\$ 354,329,523	\$ 380,067,118	\$ 345,841,894	\$ 336,318,601	\$ 327,652,882	\$ 320,703,674
Unrestricted Investment Earnings	3,908,309	8,870,876	13,361,838	13,601,237	9,152,076	2,097,505	1,670,713	1,971,299	388,205	966,672
Gain/Loss on Disposal of Land	-	-	-	-	-	-	-	-	-	-
Transfers	(5,902,432)	(6,926,800)	(7,754,100)	(9,064,100)	(9,599,900)	(9,698,900)	(9,789,550)	(10,149,000)	(8,825,900)	(8,922,220)
Total Governmental Activities	211,184,679	243,728,427	278,535,189	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126
Business-type Activities										
Unrestricted Investment Earnings	84,636	253,379	319,433	294,855	138,213	34,621	31,629	48,951	14,190	36,424
Transfers	5,902,432	6,926,800	7,754,100	9,064,100	9,599,900	9,698,900	9,789,550	10,149,000	8,825,900	8,922,220
Total Business-type Activities	5,987,068	7,180,179	8,073,533	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644
Total Primary Government	\$ 217,171,747	\$ 250,908,606	\$ 286,608,722	\$ 327,709,232	\$ 363,619,812	\$ 382,199,244	\$ 347,544,236	\$ 338,338,851	\$ 328,055,277	\$ 321,706,770

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)

	2005	2006	2007	2008	2009
General Fund Reserved	\$ 11,340,789	\$ 15,766,495	\$ 19,064,712	\$ 21,618,725	\$ 31,406,415
Unreserved, reported in:					
Montgomery Administration Account	1,406,864	1,587,630	2,870,039	2,149,543	3,133,034
Montgomery Park Account	3,419,516	3,662,593	7,240,864	10,702,580	7,548,971
Prince George's Administration Account	10,120,856	12,568,819	15,888,797	18,658,565	14,420,070
Prince George's Park Account	36,850,247	50,284,754	54,213,314	64,078,004	56,642,003
Prince George's Recreation Account	10,997,196	16,987,850	23,875,520	33,487,704	30,404,917
Total General Fund	74,135,468	100,858,141	123,153,246	150,695,121	143,555,410
All Other Governmental Funds Reserved	16,239,896	30,979,446	27,311,293	25,013,746	29,845,493
Unreserved (deficit), reported in:					
Special Revenue Funds	7,088,718	8,358,389	9,421,909	6,992,786	5,340,039
Capital Projects Funds	27,292,889	15,279,284	40,535,220	69,407,232	110,264,080
Total All Other Governmental Funds	50,621,503	54,617,119	77,268,422	101,413,764	145,449,612
Total All Governmental Funds	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022
General Fund Committed	\$ 20,087,780	\$ 24,964,873	\$ 22,569,621	\$ 40,161,623	\$ 34,526,773
Assigned	16,343,650	19,271,830	4,539,255	45,483,383	43,892,210
Unassigned	99,092,516	92,831,681	135,512,477	157,066,229	131,532,584
Total General Fund	135,523,946	137,068,384	162,621,353	242,711,235	209,951,567
All Other Governmental Funds Restricted	23,712	6,372,978	4,721,415	3,012,510	35,891,912
Committed	46,032,175	47,780,344	41,712,327	44,051,299	58,578,055
Assigned	131,465,297	129,601,078	121,437,924	53,920,956	45,053,357
Unassigned	(11,055,627)	(17,525,176)	(20,735,656)	(21,738,490)	(21,538,004)
Total All Other Governmental Funds	166,465,557	166,229,224	147,136,010	79,246,275	117,985,320
Total All Governmental Funds	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363	\$ 321,957,510	\$ 327,936,887

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)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Property Taxes	\$ 216,047,629	\$ 244,607,360	\$ 273,443,221	\$ 313,628,421	\$ 353,966,263	\$ 380,292,455	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203	\$ 320,991,095
Intergovernmental	13,475,196	13,728,507	20,395,468	38,609,800	17,411,704	20,281,231	27,617,494	18,129,050	23,361,183	24,926,111
Charges for Services	10,905,923	12,170,203	13,302,886	11,457,379	11,024,346	11,024,346	11,614,064	14,395,378	13,876,989	12,690,918
Rentals and Concessions	8,119,786	8,883,464	8,872,522	8,977,209	9,017,218	8,929,134	9,759,475	10,102,872	10,381,093	11,274,636
Interest	2,996,567	6,934,901	10,582,784	10,996,141	7,565,096	1,816,538	1,421,095	1,723,915	312,015	845,032
Miscellaneous	3,278,902	2,312,925	2,004,402	1,749,098	3,666,197	3,260,261	1,321,762	2,239,456	1,665,051	2,029,981
Total Revenues	254,824,003	288,637,360	328,601,283	385,418,248	403,198,697	425,603,965	396,988,653	384,282,119	376,028,534	372,757,773
Expenditures										
General Government	13,814,296	14,989,960	15,307,979	16,809,827	18,355,098	18,760,282	16,900,334	17,286,400	16,888,747	17,915,857
Planning and Zoning	32,024,402	35,660,252	39,453,463	47,993,136	57,139,743	56,761,092	51,677,578	53,490,374	45,431,143	59,145,520
Park Operations and Maintenance	109,838,327	118,469,005	131,788,561	148,113,743	162,800,732	201,163,727	185,124,386	168,990,977	176,450,186	191,014,322
Recreation	40,419,313	41,484,461	46,249,016	50,361,564	65,009,956	64,896,624	62,922,303	62,419,928	53,751,623	67,037,823
Contributions	-	-	486,993	1,545,894	1,860,781	2,187,475	2,100,896	1,425,741	1,366,819	1,404,544
Debt Service										
Principal	11,290,000	11,820,000	11,630,000	13,131,800	13,705,849	13,181,597	14,172,757	11,999,335	11,719,539	10,741,975
Interest	5,812,572	5,986,849	5,321,528	5,504,890	5,065,685	4,223,697	3,888,860	3,361,761	3,218,877	2,984,223
Other Debt Service Costs	188,317	282,491	258,155	87,937	178,835	113,412	(95,874)	427,602	10,860	539,209
Capital Projects	23,212,160	22,269,358	39,382,789	40,868,140	37,968,742	41,632,678	49,199,758	59,679,383	46,159,542	49,513,661
Total Expenditures	236,599,387	250,942,376	289,878,484	324,416,931	362,088,421	402,920,584	385,890,998	379,081,501	354,997,336	400,297,134
Other Financing Sources (Uses)										
Proceeds from General Obligation Bonds	4,002,020	-	13,600,000	17,300,000	5,250,000	-	-	10,500,000	-	40,565,000
Refunding Bonds Issued	-	19,130,000	-	(17,300,000)	8,405,000	14,080,000	-	16,425,000	-	-
Loan Issued	-	-	284,000	-	-	-	-	-	-	-
Premiums on Bonds Issued	-	88,405	93,709	-	381,617	769,574	-	2,614,073	-	1,870,807
Payment to Refunding Bond Escrow Account	-	(19,018,300)	-	-	(8,650,856)	(14,849,574)	-	(18,130,936)	-	-
Payment from Private Purpose Trust Funds	-	-	-	-	-	-	-	-	-	-
Contribution to Private Purpose Trust Funds	-	-	-	-	-	-	-	-	-	-
Transfers In	31,727,099	31,327,417	46,882,822	54,409,188	84,117,596	62,185,114	41,616,423	28,262,071	66,307,473	38,972,506
Transfers Out	(33,355,950)	(38,504,217)	(54,636,922)	(63,723,288)	(93,717,496)	(71,884,014)	(51,405,973)	(38,411,071)	(75,133,373)	(47,894,726)
Total Other Financing Sources (Uses)	2,373,169	(6,976,695)	6,223,609	(9,314,100)	(4,214,139)	(9,698,900)	(9,789,550)	1,259,137	(8,825,900)	33,513,587
Net Change in Fund Balances	20,597,785	30,718,289	44,946,408	51,687,217	36,896,137	12,984,481	1,308,105	6,459,755	12,205,298	5,974,226
Beginning Fund Balance	104,159,186	124,756,971	155,475,260	200,421,668	252,108,885	289,005,022	301,989,503	303,297,608	309,757,363	321,962,661
Ending Fund Balance	\$ 124,756,971	\$ 155,475,260	\$ 200,421,668	\$ 252,108,885	\$ 289,005,022	\$ 301,989,503	\$ 303,297,608	\$ 309,757,363	\$ 321,962,661	\$ 327,936,887
Debt Service as a Percentage of Noncapital Expenditures	8.09%	7.62%	6.77%	6.56%	5.86%	4.84%	5.20%	4.72%	4.79%	3.89%

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-6

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

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property		Personal Property (1)		Total (2)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	
2005	\$ 98,281,725	\$ 105,339,469	0.994	0.994	\$ 102,184,337	\$ 109,242,081	93.54 %
2006	110,529,249	118,593,615	0.952	0.952	114,360,878	122,425,244	93.41
2007	125,710,776	131,634,320	0.902	0.902	129,659,726	135,583,270	95.63
2008	142,306,436	145,210,649	0.902	0.902	146,276,983	149,181,196	98.05
2009	158,133,491	164,038,892	0.902	0.902	162,053,662	167,959,063	96.48
2010	167,096,844	168,676,000	0.904	0.904	171,220,841	172,799,997	99.09
2011	167,790,793	189,808,589	0.904	0.904	171,646,985	193,664,781	88.63
2012	162,197,150	174,593,272	0.947	0.947	165,916,096	178,312,218	93.05
2013	158,272,831	170,369,032	0.981	0.981	161,877,310	173,973,511	93.05
2014	159,891,865	174,554,438	1.008	1.008	163,601,193	178,263,766	91.77

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property		Personal Property (1)		Total (2)		Ratio of Total Assessed Value To Total Estimated Actual Value
	Assessed Value	Estimated Actual Value	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	
2005	\$ 46,612,629	\$ 49,379,361	0.978	0.978	\$ 49,441,014	\$ 52,207,746	94.70 %
2006	52,277,305	58,874,924	0.980	0.980	55,100,674	61,698,293	89.31
2007	60,716,650	69,500,205	0.924	0.924	63,544,195	72,327,750	87.86
2008	72,840,584	82,244,050	0.915	0.915	75,728,883	85,132,349	88.95
2009	85,649,437	99,986,181	0.907	0.907	88,636,874	102,973,618	86.08
2010	95,749,759	102,512,190	0.900	0.900	98,521,803	105,284,234	93.58
2011	88,129,040	96,199,089	0.900	0.900	90,863,504	98,933,553	91.84
2012	81,798,606	83,404,281	0.905	0.905	84,542,285	86,147,960	98.14
2013	75,777,582	76,633,200	0.903	0.903	78,518,921	79,374,539	98.92
2014	73,012,715	74,563,618	0.897	0.897	75,744,055	77,294,958	97.99

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-7

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

M-NCPPC TAXES

MONTGOMERY COUNTY

Fiscal Year	Administration		Park Operations		Advance Land Acquisition	Total	County-wide Property Taxes Within County	Total				
2005	(1) \$	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
2011		0.015/0.038		0.0450/0.1120		0.0010/0.0030		0.0610/0.1530		0.843/2.094		0.904/2.247
2012		0.017/0.043		0.0480/0.1200		0.0010/0.0030		0.0660/0.1660		0.881/2.191		0.947/2.357
2013		0.018/0.045		0.0540/0.1350		0.0010/0.0030		0.0730/0.1830		0.917/2.258		0.990/2.463
2014		0.018/0.045		0.0530/0.1330		0.0010/0.0030		0.0720/0.1810		0.936/2.328		1.008/2.509

PRINCE GEORGE'S COUNTY

Fiscal Year	Administration		Park Operations		Recreation	Advance Land Acquisition	Total	County-wide Property Taxes Within County	Total					
2005	(1) \$	0.0466/0.1165	\$	0.1719/0.4298	\$	0.0592/0.1480	\$	0.0013/0.0032	\$	0.2790/0.6975	\$	1.1357/2.8390	\$	1.4147/3.5365
2006		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.1381/2.8437		1.4171/3.5412
2007		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.1165/2.7916		1.3955/3.4891
2008		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.1069/2.8069		1.3859/3.5044
2009		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.0986/2.7740		1.3776/3.4715
2010		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.0915/2.7524		1.3705/3.4499
2011		0.0466/0.1165		0.1719/0.4298		0.0592/0.1480		0.0013/0.0032		0.2790/0.6975		1.0918/2.4800		1.3708/3.1775
2012		0.0466/0.1165		0.1719/0.4298		0.0605/0.1512		0.0000/0.0000		0.2790/0.6975		1.0974/2.4800		1.3764/3.1775
2013		0.0541/0.1353		0.1544/0.3860		0.0705/0.1762		0.0000/0.0000		0.2790/0.6975		1.0948/2.7630		1.3738/3.4605
2014		0.0541/0.1353		0.1544/0.3860		0.0705/0.1762		0.0000/0.0000		0.2790/0.6975		1.0891/2.7484		1.3681/3.4459

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

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Taxpayer</u>	2014			2005		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Potomac Electric Power Company	\$ 793,656,503	1	0.49 %	\$ 729,757,190	1	0.71 %
Verizon Maryland INC	497,508,170	2	0.30	624,939,880	2	0.61
Montgomery Mall LLC	281,850,410	3	0.17	227,088,280	3	0.22
Washington Gas Light Company	269,380,950	4	0.16	215,907,220	5	0.21
Washington Metropolitan Area Transit Authority	260,060,067	5	0.16	-	-	-
Federal Realty Investment Trust	254,587,797	6	0.16	-	-	-
Street Retail Inc.	234,690,865	7	0.14	-	-	-
Wheaton Plaza Reg Shopping Center	218,636,043	8	0.13	-	-	-
Chevy Chase Land Co	207,660,900	9	0.13	-	-	-
7501 Wisconsin Avenue LLC	200,181,660	10	0.12	155,000,000	7	0.15
Democracy Associates	-	-	-	137,200,000	9	0.13
Mirant Mid-Atlantic LLC	-	-	-	222,288,330	4	0.22
Bethesda ARC LLC	-	-	-	130,405,710	10	0.13
Bryant F. Foulger, Trustee	-	-	-	161,269,999	6	0.16
Camalier, Anne D et al, Trustee	-	-	-	141,546,032	8	0.14
Total	\$ 3,218,213,365		1.96 %	\$ 2,745,402,641		2.68 %
Total Assessable Base	\$ 163,601,192,842		100.00 %	\$ 102,184,336,833		100.00 %

PRINCE GEORGE'S COUNTY

<u>Taxpayer</u>	2014			2005		
	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>	<u>Total Assessment</u>	<u>Rank</u>	<u>Percentage of Total Assessed Valuation</u>
Gaylord National, LLC	\$ 556,000,000	1	0.73 %	\$ -	-	- %
Potomac Electric Power Company	392,665,550	2	0.52	-	-	-
Verizon Maryland	329,449,630	3	0.43	393,900,710	2	0.80
Washington Gas Light Company	249,385,550	4	0.33	188,515,540	3	0.38
Greenbelt Homes, Incorporated	175,737,127	7	0.23	83,958,310	8	0.17
JKC Stadium (FedEx Field)	208,927,300	6	0.27	188,312,360	4	0.38
Empirian Village of Maryland, LLC	237,773,734	5	0.31	-	-	-
Baltimore Gas and Electric Company	150,718,210	9	0.20	111,499,760	5	0.23
Genon Chalk Point LLC (1)	159,244,300	8	0.21	-	-	-
Silver Oaks Campus LLC	143,317,300	10	0.19	-	-	-
Samuel Zell Trs	-	-	-	72,988,615	9	0.15
Mirant Peaker LLC	-	-	-	65,432,520	10	0.13
Mirant Chalk Point LLC	-	-	-	436,176,180	1	0.88
Safeway Stores, Inc.	-	-	-	88,615,932	7	0.18
Summerfield Housing LTD Partnership	-	-	-	99,274,000	6	0.20
Total	\$ 2,603,218,701		3.42 %	\$ 1,728,673,927		3.50 %
Total Assessable Base	\$ 76,180,764,654		100.00 %	\$ 49,441,014,340		100.00 %

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-9

Property Tax Levies and Collections
Last Ten Fiscal Years

MONTGOMERY COUNTY

Fiscal Year	Total Tax Levy	Current Tax Collections	Percent of Levy Collected	Collections in Subsequent Years	Total Collections	Percent of Total Collections to Tax Levy
2005	\$ 74,428,353	\$ 74,232,900	99.7 %	\$ 195,453	74,428,353	100.0 %
2006	87,277,546	84,587,921	96.9	125,859	84,713,780	97.1
2007	91,903,957	91,347,333	99.4	556,624	91,903,957	100.0
2008	102,981,734	102,582,155	99.6	(20,994)	102,561,161	99.6
2009	106,450,471	105,976,302	99.6	(148,086)	105,828,216	99.4
2010	106,745,211	106,602,322	99.9	142,889	106,745,211	100.0
2011	94,042,259	93,678,737	99.6	(571,787)	93,106,950	99.0
2012	98,068,320	98,064,266	100.0	4,054	98,068,320	100.0
2013	106,088,181	105,178,075	99.1	206,748	105,384,823	99.3
2014	105,671,395	105,042,397	99.4	-	105,042,397	99.4

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
2005	\$ 141,452,179	\$ 140,621,685	99.4 %	\$ 318,400	140,940,085	99.6 %
2006	156,005,194	155,091,912	99.4	392,566	155,484,478	99.7
2007	178,448,928	177,139,126	99.3	571,135	177,710,261	99.6
2008	210,271,715	208,168,095	99.0	1,065,977	209,234,072	99.5
2009	247,780,995	244,957,183	98.9	387,786	245,344,969	99.0
2010	275,536,417	271,182,300	98.4	2,197,893	273,380,193	99.2
2011	254,998,038	250,411,969	98.2	2,539,249	252,951,218	99.2
2012	237,755,078	234,227,123	98.5	2,765,609	236,992,732	99.7
2013	220,093,844	218,774,290	99.4	1,319,554	220,093,844	100.0
2014	219,461,895	211,642,952	96.4	-	211,642,952	96.4

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-10

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Notes Payable	Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable			Percentage Of Personal Income	Outstanding Debt Per Capita		Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2005	\$ 31,760	\$ 5,256	\$ 8,825	\$ 114	\$ 114	45,955	0.08	%	\$ 5,390	0.09	%
2006	29,555	3,711	7,780	54	54	41,100	0.07		4,845	0.08	
2007	32,025	5,259	6,715	27	27	44,026	0.07		4,290	0.08	
2008	29,465	3,522	5,630	-	-	38,617	0.06		3,745	0.06	
2009	32,290	2,301	4,523	-	-	39,114	0.06		3,210	0.07	
2010	29,680	1,041	3,393	-	-	34,114	0.05		2,680	0.06	
2011	26,710	368	2,241	-	-	29,319	0.04		2,145	0.05	
2012	34,590	-	1,064	-	-	35,654	0.05		1,905	0.05	
2013	32,240	-	222	-	-	32,462	0.04		1,665	0.04	
2014	44,616	-	-	-	-	44,616	0.06		1,430	0.06	

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Notes Payable	Total Primary Government(1)	Ratios		Advance Land Acquisition General Obligation Bonds(1)	Ratios	
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable			Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)		Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)
2005	\$ 113,480	\$ 1,714	\$ -	\$ -	\$ -	115,194	0.39	%	\$ 1,825	0.40	%
2006	105,030	1,496	-	-	-	106,526	0.35		1,505	0.36	
2007	105,400	1,806	-	-	-	107,206	0.34		1,190	0.34	
2008	95,735	1,438	-	-	-	97,173	0.29		885	0.30	
2009	85,501	1,054	-	-	-	86,555	0.26		585	0.26	
2010	76,246	653	-	-	-	76,899	0.22		290	0.23	
2011	65,925	369	-	-	-	66,294	0.19		-	0.19	
2012	56,363	120	-	-	-	56,483	0.15		-	0.15	
2013	47,086	-	-	-	-	47,086	na		-	na	
2014	67,280	-	-	-	-	67,280	na		-	na	

Notes: (1) 000's omitted and general obligation bonds presented net of original issuance discounts and premiums.

(2) See Table 15 for personal income and population data. Data are not available for Prince George's County for FY 2013 and FY 2014.

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 (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value
2005	930,286	\$ 88,294,369	\$ 40,585	0.05 %	\$ 102,184,337	\$ 5,390	0.01 %
2006	936,070	99,136,692	37,335	0.04	114,360,878	4,845	0.00
2007	941,491	112,335,704	38,740	0.03	129,659,726	4,290	0.00
2008	949,591	126,613,148	35,095	0.03	146,276,983	3,745	0.00
2009	957,760	140,254,264	36,813	0.03	162,053,662	3,210	0.00
2010	966,000	149,161,911	33,073	0.02	171,220,841	2,680	0.00
2011	979,551	149,284,865	28,951	0.02	171,646,984	2,145	0.00
2012	989,540	143,754,415	35,654	0.02	165,916,424	1,905	0.00
2013	999,247	140,577,467	32,462	0.02	161,877,310	1,665	0.00
2014	1,018,355	141,899,535	44,616	0.03	163,601,193	1,430	0.00

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds		
		Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value	Assessed Value (2)	General Bonded Debt Outstanding (1)	Ratio of Net Bonded Debt to Assessed Value
2005	840,513	\$ 45,981,392	\$ 113,480	0.25 %	\$ 49,441,014	\$ 1,825	0.00 %
2006	836,644	55,083,907	105,030	0.19	55,100,674	1,505	0.00
2007	832,699	59,177,385	105,400	0.18	63,544,195	1,190	0.00
2008	830,514	70,615,992	95,735	0.14	75,728,883	885	0.00
2009	834,560	82,671,572	85,501	0.10	88,636,874	585	0.00
2010	865,705	91,889,365	76,246	0.08	98,521,803	290	0.00
2011	874,045	84,718,780	65,925	0.08	90,863,504	-	0.00
2012	881,138	79,043,657	56,363	0.07	84,542,585	-	0.00
2013	890,081	73,123,809	47,086	0.06	78,518,921	-	0.00
2014	n.a.	70,551,044	67,280	0.10	75,744,055	-	0.00

Notes: (1) 000's omitted and this is the general bonded debt of both governmental and business-type activities, net of the original issuance discounts and premiums
(2) Metropolitan District only

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Table T-12

Direct and Overlapping Governmental Activities Debt

June 30, 2014

	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	\$ 3,350,345,246	100.00%	\$ 3,350,345,246	\$ -	\$ 3,350,345,246
MCPS - capital leases	50,009,122	100.00%	50,009,122	-	50,009,122
MCC - capital leases	55,957,052	100.00%	55,957,052	-	55,957,052
Kingsview Village Center - bonds	1,570,000	100.00%	1,570,000	-	1,570,000
West Germantown - bonds	13,505,000	100.00%	13,505,000	-	13,505,000
Towns, Cities and Villages	142,656,981	100.00%	142,656,981	-	142,656,981
Prince George's County:					
Prince George's County Direct Debt	1,433,201,837	100.00%	-	1,433,201,837	1,433,201,837
IDA of Prince George's County - lease revenue bonds	55,845,000	100.00%	-	55,845,000	55,845,000
Towns, Cities and Villages (2)	47,785,345	100.00%	-	47,785,345	47,785,345
Total Overlapping Debt			<u>3,614,043,401</u>	<u>1,536,832,182</u>	<u>5,150,875,583</u>
M-NCPPC Direct Debt Outstanding (1)			<u>46,045,813</u>	<u>67,280,147</u>	<u>113,325,960</u>
Total Direct and Overlapping Debt			<u>\$ 3,660,089,214</u>	<u>\$ 1,604,112,329</u>	<u>\$ 5,264,201,543</u>

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2014 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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Computation of Legal Debt Margin										
Park Acquisition and Development Bonds										
Last Ten Fiscal Years										
Park Acquisition and Development Bonds										
Guaranteed by Montgomery County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 85,115,950,105	\$ 96,008,277,404	\$ 109,087,997,868	\$ 123,349,223,504	\$ 137,037,338,727	\$ 145,753,018,621	\$ 146,152,672,587	\$ 140,655,277,104	\$ 137,631,593,595	\$ 138,896,759,800
Personal Property	3,178,419,240	3,128,415,230	3,247,705,861	3,263,924,271	3,216,925,627	3,408,892,008	3,132,192,188	3,014,605,290	2,945,872,990	3,002,675,420
Total Assessed Value	88,294,369,345	99,136,692,634	112,335,703,729	126,613,147,775	140,254,264,354	149,161,910,629	149,284,864,775	143,669,882,394	140,577,466,585	141,899,435,220
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)	30,641,742	34,562,980	39,271,679	44,405,720	49,333,442	52,471,087	52,614,862	50,635,900	49,547,374	50,002,834
Personal Property at 9 cents	2,860,577	2,815,574	2,922,935	2,937,532	2,895,233	3,068,003	2,818,973	2,713,145	2,651,286	2,702,408
Personal Property at 9 cents	33,502,319	37,378,554	42,194,614	47,343,252	52,228,675	55,539,090	55,433,835	53,348,045	52,198,660	52,705,242
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	1,005,069,570	1,121,356,620	1,265,838,420	1,420,287,560	1,566,860,250	1,666,172,700	1,663,018,050	1,600,471,350	1,565,959,800	1,581,157,280
Debt Service Applicable to Limit	42,224,115	38,393,681	41,883,976	38,059,329	40,869,590	37,198,245	33,237,288	44,791,154	37,422,603	44,855,000
Legal Debt Margin	\$ 962,845,455	\$ 1,082,962,939	\$ 1,223,954,444	\$ 1,382,228,231	\$ 1,525,990,660	\$ 1,628,974,455	\$ 1,629,780,762	\$ 1,555,680,196	\$ 1,528,537,197	\$ 1,536,302,280
Debt Service Applicable to Limit as a Percentage of the Limit	4.20%	3.42%	3.31%	2.68%	2.61%	2.23%	2.00%	2.80%	2.39%	2.84%
Park Acquisition and Development Bonds										
Guaranteed by Prince George's County										
Assessed Valuation - Metropolitan District										
Real Property	\$ 43,332,058,449	\$ 52,272,039,269	\$ 56,538,661,869	\$ 67,906,380,950	\$ 79,863,728,005	\$ 89,287,524,163	\$ 82,153,036,056	\$ 76,465,608,181	\$ 70,552,234,135	\$ 67,989,278,067
Personal Property	2,649,333,133	2,811,867,582	2,638,722,757	2,709,610,652	2,807,843,667	2,601,841,179	2,565,743,870	2,578,049,126	2,571,574,560	2,561,766,520
Total Assessed Value	45,981,391,582	55,083,906,851	59,177,384,646	70,615,991,602	82,671,571,672	91,889,365,342	84,718,779,926	79,043,657,307	73,123,808,695	70,551,044,587
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)	17,332,823	20,908,816	22,615,465	27,162,552	31,945,491	35,715,010	32,861,214	30,586,243	28,220,894	27,195,711
Personal Property at 10 cents	2,649,333	2,811,868	2,638,723	2,709,611	2,807,844	2,601,841	2,565,744	2,578,049	2,571,575	2,561,767
Personal Property at 10 cents	19,982,156	23,720,684	25,254,188	29,872,163	34,753,335	38,316,851	35,426,958	33,164,292	30,792,469	29,757,478
Revenue available from mandatory park tax over next thirty years - Legal Debt Limit	589,464,680	711,620,520	757,625,640	896,164,890	1,042,600,050	1,149,505,530	1,062,808,740	994,928,760	923,774,070	892,724,340
Debt Service Applicable to Limit	146,418,484	136,076,320	135,698,883	119,846,031	105,933,668	92,328,755	79,212,624	56,362,662	47,503,123	66,106,000
Legal Debt Margin	\$ 453,046,196	\$ 575,544,200	\$ 621,926,757	\$ 776,318,859	\$ 936,666,382	\$ 1,057,176,775	\$ 983,596,116	\$ 938,566,098	\$ 876,270,947	\$ 826,618,340
Debt Service Applicable to Limit as a Percentage of the Limit	24.42%	19.12%	17.91%	13.37%	10.16%	8.03%	7.45%	5.66%	5.14%	7.40%

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	
2005	\$ 1,407,434	\$ 1,571,068	\$ (163,634)	\$ 314,634	\$ 122,975	(0.37)
2006	999,416	1,303,515	(304,099)	315,137	120,699	(0.70)
2007	213,804	3,194	210,610	325,757	109,811	0.48
2008	301,059	159,104	141,955	336,735	98,587	0.33
2009	300,000	70,385	229,615	348,083	86,983	0.53
2010	450,000	208,925	241,075	359,813	74,989	0.55
2011	300,131	57,474	242,657	371,939	32,617	0.60
2012	300,000	-	300,000	384,473	19,872	0.74
2013	13,400	1,322	12,078	384,030	4,239	0.03
2014	-	-	-	-	-	-

Wheaton Ice Rink Revenue Bonds						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2005	\$ 1,017,062	\$ 1,112,823	\$ (95,761)	\$ 275,622	\$ 83,433	(0.27)
2006	1,248,187	1,375,948	(127,761)	284,910	72,748	(0.36)
2007	1,129,298	1,329,107	(199,809)	294,512	63,144	(0.56)
2008	981,681	1,262,416	(280,735)	304,437	53,165	(0.79)
2009	969,600	1,360,638	(391,038)	314,696	42,846	(1.09)
2010	967,805	1,205,865	(238,060)	325,301	32,182	(0.67)
2011	993,678	1,136,389	(142,711)	336,264	23,046	(0.40)
2012	1,061,049	1,152,529	(91,480)	347,596	11,714	(0.25)
2013	1,003,491	1,204,661	(201,170)	-	-	-
2014	1,088,991	1,127,803	(38,812)	-	-	-

Cabin John Ice Rink Revenue Notes						
Year	Gross Revenues (2)	Less: Operating Expenses (3)	Net Available Revenue (4)	Debt Service		Coverage
				Principal	Interest	
2005	\$ 3,066,518	\$ 2,608,814	\$ 457,704	\$ 444,444	\$ 208,311	0.70
2006	3,384,115	3,066,518	317,597	444,444	185,378	0.50
2007	3,006,568	2,604,061	402,507	444,444	162,444	0.66
2008	2,505,663	2,204,101	301,562	444,444	139,512	0.52
2009	2,724,698	2,399,913	324,785	444,444	116,578	0.58
2010	2,906,570	2,293,433	613,137	444,444	93,645	1.14
2011	3,268,960	2,255,172	1,013,788	444,444	74,534	1.95
2012	3,315,806	2,416,083	899,723	444,444	51,600	1.81
2013	3,256,992	2,391,626	865,366	444,444	28,667	1.83
2014	3,336,286	2,304,034	1,032,252	222,228	3,824	4.57

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

Source: The Maryland-National Capital Park and Planning Commission

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-15

Demographic Statistics
Last Ten Fiscal Years

MONTGOMERY COUNTY

<u>Year</u>	<u>Population (1)</u>	<u>Total Personal Income 000's omitted (2,3)</u>	<u>Per Capita Income (4)</u>	<u>Labor Force (5)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (7)</u>
2005	921,531	\$ 57,950,289	\$ 62,885	508,251	3.1 %	139,337
2006	926,492	62,251,585	67,191	518,142	2.8	139,387
2007	931,694	64,472,203	69,199	512,934	2.6	137,798
2008	942,748	67,379,333	71,471	519,330	3.2	137,745
2009	959,013	65,965,060	68,784	522,704	5.6	137,763
2010	976,006	67,991,412	69,663	525,908	5.8	140,500
2011	991,645	71,716,065	72,320	530,699	5.4	143,309
2012	1,004,709	73,551,167	73,206	535,371	5.2	146,497
2013	1,016,677	74,840,000	73,612	535,271	5.1	149,018
2014	1,018,355	78,420,000	77,007	529,482	4.3	151,289

PRINCE GEORGE'S COUNTY

<u>Year</u>	<u>Population (8)</u>	<u>Total Personal Income 000's omitted (2)</u>	<u>Per Capita Income (2) (4)</u>	<u>Labor Force (9)</u>	<u>Unemployment Rate (6)</u>	<u>Registered Pupils (10)</u>
2005	840,513	\$ 29,434,782	\$ 34,496	445,124	4.5 %	136,095
2006	836,644	30,306,871	35,567	446,366	4.1	133,325
2007	832,699	31,753,583	37,361	448,144	3.7	131,014
2008	830,514	33,026,742	38,847	454,201	4.5	129,752
2009	834,560	33,227,622	38,810	452,754	7.1	127,977
2010	865,705	34,302,938	39,647	462,138	7.7	127,039
2011	874,045	35,036,640	40,215	466,787	7.2	126,671
2012	881,138	38,481,250	43,672	469,150	6.8	123,833
2013	890,081	n. a.	n. a.	467,318	6.9	123,737
2014	n. a.	n. a.	n. a.	469,359	6.2	125,136

Notes: n.a.--not available

- (1) Source: Data for 2005-2009 from the U.S. Bureau of the Census, data for 2010-2014 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2013-2014 is not currently available)
- (3) Source: Data for 2010 - 2014 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: Data for 2010-2013 are estimates derived by the Prince George's County Department of Finance and data for 2005-2009 by the 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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
MONTGOMERY COUNTY										
Governmental Activities										
General Government:	75.99	81.00	81.00	83.45	78.75	76.35	74.05	67.55	64.00	62.55
County Planning and Zoning:										
Office of the Planning Director	2.50	2.50	3.30	3.77	3.82	3.00	3.00	6.00	6.00	6.00
Management Services	11.30	11.10	9.30	7.60	25.57	28.35	29.02	22.39	21.60	21.65
Functional Planning and Policy	-	-	-	-	-	-	-	14.50	14.40	15.18
Area 1	-	-	-	-	-	-	-	11.49	12.75	11.95
Area 2	-	-	-	-	-	-	-	15.49	16.25	16.15
Area 3	-	-	-	-	-	-	-	16.19	15.50	15.95
Strategic Planning	4.50	4.40	3.30	4.30	-	-	-	-	-	-
Community-Based Planning	43.70	39.00	38.00	38.77	22.22	24.17	21.20	-	-	-
County-Wide Planning	40.20	40.10	41.00	48.57	-	-	-	-	-	-
Environmental Planning	-	-	-	-	23.67	23.67	22.43	-	-	-
Transportation Planning	-	-	-	-	17.89	18.15	13.29	-	-	-
Urban Design	-	-	-	-	17.01	16.99	15.20	-	-	-
Development Review	24.60	28.50	35.60	35.00	32.32	31.48	15.60	-	-	-
Development Applications and Regulatory Coordination	-	-	-	-	-	-	-	12.60	10.85	10.10
Center for Research and Information Systems	26.80	26.30	26.90	31.30	28.55	24.84	23.18	12.64	13.95	15.00
Total County Planning and Zoning	153.60	151.90	157.40	169.31	171.05	170.65	142.92	111.30	111.30	111.98
Park Operations and Maintenance:										
Director of Parks	4.00	3.90	24.20	23.65	21.57	5.55	5.55	5.00	6.00	7.80
Superintendent of Parks	19.00	19.00	-	-	-	6.00	6.00	-	-	-
Special Programs	-	-	-	-	-	10.30	10.30	18.00	18.20	19.10
Park Information and Customer Service	-	-	-	-	7.13	7.67	7.50	20.60	20.10	20.20
Management Services	-	-	-	7.22	7.13	6.00	6.00	-	-	-
Facilities Management	-	-	-	6.90	6.83	6.00	6.00	-	-	-
Technology Center	7.70	8.90	10.10	11.50	10.74	10.90	11.15	-	-	-
Park Planning and Stewardship	18.95	20.50	18.85	29.88	33.43	31.96	31.62	25.70	24.80	26.60
Park Development	27.00	27.70	26.50	28.50	28.43	28.50	28.55	24.80	23.80	23.80
Park Police	112.50	111.20	117.50	112.85	114.72	115.56	115.61	104.90	109.40	109.40
Horticultural Resources	65.05	67.30	65.65	62.65	63.84	63.40	63.50	73.20	79.40	80.60
Facilities Management (formerly Central Maintenance)	98.30	106.80	101.30	102.77	104.76	102.90	102.65	91.10	89.80	89.80
Northern Region	113.90	118.00	115.10	114.71	116.25	116.52	116.52	101.00	100.00	103.20
Southern Region	175.00	181.50	174.22	179.11	180.51	182.14	181.84	153.90	151.20	153.50
Support Services	-	-	-	-	-	1.10	1.10	1.10	2.90	1.10
Property Management	3.10	3.00	3.00	3.50	3.50	3.50	3.50	2.50	5.00	6.00
Total Park Operations and Maintenance	644.50	667.80	656.42	683.24	691.71	692.00	691.39	621.80	630.60	641.10
Business-Type Activities										
Recreational and Cultural Facilities	215.40	204.70	109.70	110.30	104.60	113.10	110.90	117.20	118.90	116.00
Total Workyears	1,089.49	1,105.40	1,004.52	1,046.30	1,046.11	1,052.10	1,019.26	917.85	924.80	931.63

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Total Government Employees by Function
Last Ten Fiscal Years

continued

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government:	75.70	77.20	79.35	82.65	86.90	85.40	83.75	81.55	77.65	81.60
County Planning and Zoning:										
Director's Office	13.00	15.00	14.00	14.00	16.00	27.00	28.00	28.00	28.50	32.50
Development Review	43.60	46.60	48.40	49.70	52.70	60.00	59.00	56.00	53.00	53.00
Information Permit Review	-	-	-	-	-	-	-	-	-	-
Community Planning	24.13	26.88	33.63	45.80	43.80	43.60	43.60	42.60	39.60	37.75
Redevelopment Authority	-	-	-	-	-	-	-	-	-	-
Information Management	22.00	23.00	23.50	24.60	25.60	27.60	27.80	28.00	28.00	28.00
County-Wide Planning	32.00	34.00	35.50	42.00	39.50	46.00	46.00	45.00	40.00	40.00
Information Center	22.00	22.00	23.50	25.00	27.00	-	-	-	-	-
Total County Planning and Zoning	156.73	167.48	178.53	201.10	204.60	204.20	204.40	199.60	189.10	191.25
Park Operations and Maintenance:										
Office of the Director	39.70	39.70	39.70	25.10	27.50	4.00	4.00	3.00	3.00	3.00
Administrative Services	-	-	-	-	-	16.10	15.10	15.50	38.50	38.50
Administration and Development	-	-	-	-	-	-	-	2.00	6.00	6.00
Public Affairs and Marketing	-	-	-	-	-	12.00	15.00	14.00	14.00	14.00
IT & Communications	-	-	-	15.20	16.20	16.20	27.20	29.20	28.20	30.20
Park Police	124.20	129.80	130.80	137.60	143.50	146.50	151.50	146.50	146.50	150.50
Park Planning and Development	47.00	48.00	51.00	52.00	61.00	61.00	61.00	56.50	55.00	55.00
Facility Operations	235.50	243.50	243.50	250.50	271.60	269.50	266.50	291.90	285.60	293.10
Area Operations	204.10	219.60	219.60	228.10	240.10	240.10	249.10	241.50	247.50	255.50
Total Park Operations and Maintenance	650.50	680.60	684.60	708.50	759.90	765.40	789.40	800.10	824.30	845.80
Recreation Programs:										
Director's Office	8.00	8.00	9.50	9.50	19.50	-	-	-	-	-
Administrative Services	-	-	-	-	-	20.50	18.50	18.00	-	-
Public Affairs and Marketing	-	-	-	-	-	3.00	2.00	2.00	2.00	3.00
Administration and Development	-	-	-	-	2.00	2.00	2.00	3.00	-	-
IT & Communications	-	-	-	-	9.00	9.00	-	-	-	-
Facility Operations	157.60	159.10	161.10	160.70	164.70	217.30	226.50	179.40	212.40	215.40
Area Operations	622.40	644.10	654.60	670.60	718.30	700.30	733.30	723.70	689.20	713.20
Total Recreation Programs	788.00	811.20	825.20	849.80	913.50	952.10	982.30	926.10	903.60	931.60
Business-Type Activities										
Recreational and Cultural Facilities	209.50	207.50	215.50	218.00	213.00	202.00	200.50	193.00	188.00	180.00
Total Workyears	1,880.43	1,943.98	1,983.18	2,060.05	2,177.90	2,209.10	2,260.35	2,200.35	2,182.65	2,230.25

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17

Operating Indicators by Function
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
General Government, Commission-Wide:										
Number of Positions Advertised	362	325	400	350	376	109	60	147	109	109
Number of Vendors in Directory	17,014	17,741	18,481	19,514	20,593	14,048	14,974	15,926	10,226	10,552
Number of MFD Vendors in Directory	2,551	2,818	3,028	3,383	3,747	3,830	4,182	4,547	4,957	5,238
County Planning and Zoning:										
Number of Master & Sectional Map Amendment Plans Completed	12	6	7	-	4	4	2	3	2	8
Number of Regulatory Planning Reviews	35	35	38	120	124	220	254	352	284	294
Number of Transportation Studies	56	52	40	39	40	26	29	47	40	23
Number of Site Plan and Project Plans Reviews	142	109	160	na	na	na	76	81	99	85
Number of Daily Website Visits	2,000	2,800	3,000	3,080	3,624	3,439	4,190	3,225	5,521	4,181
Number of GIS Updates	1,805	2,140	2,400	5,697	14,576	23,602	18,537	69,237	22,017	93,116
Park Operations and Maintenance:										
Number of Park Permits Issued	9,475	9,475	9,547	9,882	9,014	8,003	8,753	8,330	9,034	8,159
Number of Playground Renovations Completed	16	6	6	10	12	10	6	8	7	5
Total Acres of Parkland Acquired	407	310	480	297	140	877	59	355	75	665
Trees Planted for Reforestation Projects	1,300	1,512	1,295	1,100	1,581	1,642	1,797	6,300	34,942	2,076
Major Maintenance Requests Completed	33	146	184	240	84	172	85	98	94	87
Service Requests Completed	5,569	5,812	6,830	7,104	7,798	8,556	6,432	6,453	6,801	6,583
Number of Customers Attending Nature Programs	35,225	30,355	45,808	46,700	37,877	45,248	34,533	27,274	32,183	39,157
Business-Type Activities										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	440,235	459,863	449,007	408,746	390,336	424,638	427,854	402,438	432,154	375,912
Number of Indoor Tennis Customers	140,760	139,839	132,801	58,510	96,103	121,715	122,049	106,435	110,826	124,713
Number of Park Facilities Customers	520,097	496,112	569,315	490,220	422,565	500,679	588,464	626,243	519,704	333,689
Number of Conference Center Customers	37,466	39,153	29,964	30,359	27,729	31,834	28,455	40,943	50,509	47,347

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-17
continued

Operating Indicators by Function
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	214	163	70	152	50	90	98	120	120	120
Number of New Zoning Applications	76	90	59	53	42	54	34	61	60	60
Number of Help Desk Requests Completed	2,030	2,770	2,450	2,900	3,843	3,714	3,213	4,332	4,000	3,700
Number of GIS Requests Delivered	240	206	200	211	228	213	200	200	210	210
Number of Transportation Referrals Received	303	318	346	282	192	151	107	113	128	136
Number of Environmental Referrals Received	1,783	2,355	1,923	1,323	944	550	359	342	350	350
Number of Walk-in Customers Served	7,100	10,149	7,000	7,269	6,417	7,000	5,256	4,580	5,000	5,000
Number of Telephone Calls Responded to	10,911	9,645	11,000	8,128	4,440	5,000	4,162	4,562	5,000	5,000
Park Operations and Maintenance:										
Number of Nature Education Attendees	152,817	152,346	167,372	160,799	165,500	n/a	n/a	n/a	n/a	n/a
Number of Museum Visitors (College Park Airport)	77,246	88,019	65,772	60,331	68,000	n/a	n/a	n/a	n/a	n/a
Number of Commission Facility Permits Issued	5,494	4,363	4,521	4,600	4,700	n/a	n/a	n/a	n/a	n/a
Number of activities for fee assistance clients	n/a	n/a	n/a	1,400	1,750	2,000	2,150	n/a	n/a	n/a
Acres of Grass Mowed	6,040	6,450	6,600	7,100	7,550	7,595	n/a	n/a	n/a	n/a
Number of Park acres	n/a	n/a	n/a	26,776	26,998	27,188	27,528	27,628	27,000	27,900
Number of completed Capital Improvement projects	n/a	n/a	n/a	36	32	49	34	30	45	50
Number of picnic shelters rentals	n/a	n/a	n/a	972	936	928	924	929	992	1,014
Number of ADA Accommodations	n/a	n/a	n/a	1,400	1,500	1,600	2,600	2,800	3,100	2,600
Number of Community Sponsored Events	n/a	n/a	n/a	112	131	262	313	322	312	447
Number of Historic Property Rentals	566	596	609	752	763	798	780	780	780	780
Recreation Programs:										
Number of Museum Visitors (Historic Sites)	42,246	51,155	48,194	47,336	49,000	n/a	n/a	n/a	n/a	n/a
Number of Youth Sports Participants	18,000	15,400	13,000	12,000	12,800	14,933	n/a	n/a	n/a	n/a
Total Aquatics Activities Attendance	271,834	284,844	295,242	290,000	291,000	65,403	n/a	n/a	n/a	n/a
Total Community Center Classes Conducted	4,699	5,078	5,387	6,866	5,650	11,901	n/a	n/a	n/a	n/a
Number of Art class registrants	n/a	n/a	n/a	2,400	2,500	2,900	3,100	7,000	7,100	7,800
Total Youth registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	214,422	214,400	205,999	205,999
Total Seniors registered for recreation programs	n/a	n/a	n/a	n/a	n/a	n/a	90,662	90,000	125,382	125,382
Number of program youth volunteers	n/a	n/a	n/a	1,400	1,500	2,900	7,800	1,500	1,500	1,900
Number of Art classes	n/a	n/a	n/a	n/a	2,700	2,900	6,900	7,000	7,000	7,800
Number of Therapeutic Recreation programs	n/a	n/a	n/a	362	375	425	408	405	405	452
Business-Type Activities										
Recreational and Cultural Facilities										
Number of Rounds of Golf	91,867	90,556	81,274	84,558	94,000	n/a	n/a	n/a	n/a	n/a
Number of Fitness Center Class Participants	23,500	26,000	26,500	28,000	27,500	10,867	n/a	n/a	n/a	n/a
Number of Ice Rink General Admissions	27,900	27,000	24,355	36,564	31,000	4,753	n/a	n/a	n/a	n/a
Number of Attendance (Show Place Arena)	268,304	277,295	278,147	240,840	226,652	n/a	n/a	n/a	n/a	n/a
Number of Attendance (Equestrian Center)	37,735	38,562	37,122	35,315	27,821	n/a	n/a	n/a	n/a	n/a
Number of Fitness center memberships	n/a	n/a	n/a	3,725	4,046	4,000	5,198	5,600	5,800	n/a
Number of swimming classes	n/a	n/a	n/a	12,843	13,700	14,385	16,188	17,806	18,500	17,100
Number of event days at Show Place Arena	n/a	n/a	n/a	204	175	184	222	208	206	210

Source: The Park and Planning Commission Proposed Annual Budget, various years - FY 14 estimated data
n/a - not available

Capital Asset Statistics by Function
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<u>COMMISSION-WIDE</u>										
Governmental Activities										
General Government:										
Office Building	1	1	1	1	1	1	1	1	1	1
<u>MONTGOMERY COUNTY</u>										
Governmental Activities										
County Planning and Zoning:										
Office Building	1	1	1	1	1	1	1	1	1	1
Park Operations and Maintenance:										
Athletic Fields	356	356	360	361	359	363	363	347	350	350
Basketball Courts	159	173	173	208	208	207	207	207	207	207
Campsites	102	102	102	102	102	102	102	108	107	107
Dog Parks	-	3	4	4	4	4	5	5	5	5
Historic Buildings	27	27	27	27	27	27	45	43	117	117
Office Building	13	13	13	13	13	13	13	13	13	13
Picnic Shelters	131	131	190	191	194	193	132	129	130	130
Playgrounds	249	255	284	290	291	291	291	290	291	291
Recreation Buildings	32	32	32	32	31	31	31	29	25	25
Rental Buildings	61	61	61	61	61	61	49	49	53	53
Skateboard Park	-	-	1	1	1	1	1	2	3	3
Tennis Courts	139	153	153	305	305	305	305	317	315	315
Business-Type Activities										
Recreational and Cultural Facilities:										
Antique Carousel	1	1	1	1	1	1	1	1	1	1
Conference Centers	3	3	3	3	3	3	5	5	5	5
Equestrian Centers	5	5	5	5	5	5	5	6	6	6
Golf Courses (1)	4	4	-	-	-	-	-	-	-	-
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Indoor Tennis Facilities	2	2	2	2	2	2	2	2	2	2
Miniature Trains	2	2	2	2	2	2	2	2	2	2
Miniature Golf Course	-	1	1	1	1	2	1	1	1	1
Splash Park	-	1	1	1	1	1	1	1	1	1
<u>PRINCE GEORGE'S COUNTY</u>										
Governmental Activities										
Park Operations and Maintenance:										
Office Building	14	14	14	14	14	14	14	14	14	14
Recreation Buildings	24	24	24	25	25	25	26	28	34	34
Picnic Shelters	86	86	87	88	88	88	88	88	88	88
Playgrounds	209	209	223	227	227	227	228	229	240	240
Athletic Fields	380	380	383	389	390	390	390	390	392	392
Tennis Courts	160	160	161	163	163	163	163	163	163	163
Basketball Courts	211	211	211	213	214	214	214	214	215	215
Recreation Programs:										
Historic Buildings	15	15	15	15	15	15	15	15	15	15
Community Centers	29	29	30	30	30	30	31	31	31	31
Swimming Pools	10	10	10	10	10	10	11	11	11	11
Business-Type Activities										
Recreational and Cultural Facilities:										
Ice Rinks	2	2	2	2	2	2	2	2	2	2
Golf Courses	3	3	3	3	3	3	3	3	3	3
Tennis Bubbles	2	2	2	2	2	2	2	2	2	2
Equestrian Center	1	1	1	1	1	1	1	1	1	1
Sports and Learning Complex	1	1	1	1	1	1	1	1	1	1
Trap and Skeet Range	1	1	1	1	1	1	1	2	2	2
Marina	1	1	1	1	1	1	1	1	1	1
Airport	1	1	1	1	1	1	1	1	1	1

(1) 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>	2014			2005		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
U.S. Department of Health and Human Services	28,500	1	6.31 %	38,800	1	8.58 %
Montgomery County Public Schools	25,429	2	5.63	20,987	2	4.64
U.S. Department of Defense	12,000	3	2.66	13,800	3	3.05
Montgomery County Government	10,815	4	2.39	8,272	4	1.83
U.S. Department of Commerce	5,500	5	1.22	6,200	5	1.37
Adventist Healthcare	4,900	6	1.08	6,000	6	1.33
Marriott International, Inc (Headquarters)	4,700	7	1.04	-	-	-
Lockheed Martin	4,000	8	0.89	3,900	10	0.86
Montgomery College	3,632	9	0.80	-	8	-
Holy Cross Hospital of Silver Spring	3,400	10	0.75	-	7	-
Giant Food Corporation	-	-	-	4,900	7	1.08
Verizon	-	-	-	4,700	8	1.04
Chevy Chase Bank	-	-	-	4,700	8	1.04
Total	<u>102,876</u>		<u>22.77 %</u>	<u>112,259</u>		<u>24.82 %</u>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	2013 (1)			2004 (1)		
	Private Sector Employees	Rank	Percentage of Total County Employment	Private Sector Employees	Rank	Percentage of Total County Employment
United Parcel Service	4,220	1	0.90 %	2,300	6	0.48 %
Giant Food, Inc.	3,000	2	0.64	8,394	1	1.91
Verizon	2,738	3	0.59	-	-	-
Dimensions Health Corporation	2,500	4	0.53	3,000	3	0.68
Marriott International	2,430	5	-	-	-	-
Shoppers Food Warehouse	1,975	6	0.42	3,700	2	0.84
Safeway Stores, Inc	1,605	7	0.34	2,400	5	0.54
Target	1,400	8	0.30	-	-	-
Doctor's Community Hospital	1,300	9	0.28	-	-	-
Medstar Health (Southern MD Hospital Center)	1,242	10	0.27	-	-	-
Honeywell Technology Solutions	-	-	-	900	9	0.20
Digex, Inc.	-	-	-	700	10	0.16
Computer Science Corp	-	-	-	1,200	8	0.27
Raytheon Systems Company	-	-	-	1,300	7	0.03
Bell Atlantic Corp/Verizon	-	-	-	2,700	4	0.42
Total	<u>22,410</u>		<u>4.27 %</u>	<u>26,594</u>		<u>5.53 %</u>

Note:

(1) In 2014, Information is not yet available. The number of employees in FY 2004 is provided for the nine 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, 2014

Recreational Facilities

MONTGOMERY COUNTY

	Conference Centers	Golf Courses	Ice Rinks	Indoor Tennis	Park Facilities	MC Ent Admin	Totals
Operating Revenues	\$ 712,557	\$ 24,038	\$ 4,600,917	\$ 1,809,204	\$ 2,930,902	\$ 1,107	\$ 10,078,725
Operating Expenses Before Depreciation	694,078	-	3,503,959	1,298,966	2,326,101	186,711	8,009,815
Operating Income (Loss)	18,479	24,038	1,096,958	510,238	604,801	(185,604)	2,068,910
Before Depreciation	177,672	360,745	778,433	52,898	116,847	8,358	1,494,953
Depreciation	(159,193)	(336,707)	318,525	457,340	487,954	(193,962)	573,957
Operating Income (Loss)	174	-	(3,824)	8,569	9,453	-	14,372
Nonoperating Revenues (Expenses)							
Net Income (Loss)	\$ (159,019)	\$ (336,707)	\$ 314,701	\$ 465,909	\$ 497,407	\$ (193,962)	\$ 588,329

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	\$ 204,111	\$ 1,245,129	\$ 2,189,866	\$ 501,567	\$ 354,681	\$ 1,910,747	\$ 3,248,856	\$ 123,536	\$ 9,778,493
Operating Expenses Before Depreciation	403,370	2,701,757	3,196,235	1,339,510	1,488,063	1,869,445	7,055,132	383,333	18,436,845
Operating Income (Loss)	(199,259)	(1,456,628)	(1,006,369)	(837,943)	(1,133,382)	41,302	(3,806,276)	(259,797)	(8,658,352)
Before Depreciation	581,279	745,142	195,815	120,795	43,965	25,587	1,196,057	176,396	3,085,036
Depreciation	(780,538)	(2,201,770)	(1,202,184)	(958,738)	(1,177,347)	15,715	(5,002,333)	(436,193)	(11,743,388)
Operating Income (Loss)	834	4,510	(12,027)	(2,845)	2,587	451	(2,048)	1,978	(6,560)
Nonoperating Revenues (Expenses)									
Transfers In (Out)	237,183	2,168,966	803,325	796,398	1,100,830	15,781	3,567,433	232,304	8,922,220
Net Income (Loss)	\$ (542,521)	\$ (28,294)	\$ (410,886)	\$ (165,185)	\$ (73,930)	\$ 31,947	\$ (1,436,948)	\$ (201,911)	\$ (2,827,728)

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:

Barbara A. Walsh
David B. Rowland
and
Milly Chung
Andrea G. Davey
Harion R. Davis
Tanya R. Hankton
Abbigail Irelan
John Ji
Sheila Joynes
Marquia L. Lewis
Gwendolyn Lindsay
Dianna Napier
Latisha A. Parker
Anita Pesses
Abbey Rodman
Claudia Stalker
Anjali Sood
Elaine Stookey
Bridget Schwiesow
Dolente Thomas
Mary L. Williford

Photo Index

Cover:

The Lodge at Little Seneca Creek, Boyds, MD: exterior and interior views. Surrounded by 26 acres of wooded park land, The Lodge at Little Seneca Creek is the natural setting for all types of social gatherings as well as business meetings. Seneca Lodge is a handsome log cabin featuring a towering stone fireplace, cathedral ceilings and a panoramic view. It is a popular wedding venue.

Page 9: Collage

Kids going “Batty” at Bats Camp at Locust Grove Nature Center; Prince George’s County Park Police at community event; Young hockey players at the Cabin John Ice rink; Dancers performing at the annual Hispanic Festival; Young violinists performing in a recital in Takoma Park; Active Seniors working out at Bladensburg Waterfront Park; Holiday lights show at Brookside Nature Gardens; TKO football clinic for the handicap.

Photo Credits:

Francine Bethea and various staff members (Montgomery County): Cover, pages 8, 18, 107, and 115.
Cassi Hayden (Prince George’s County): pages 1, 8, 103, 111, and 119.