

# The Maryland-National Capital Park and Planning Commission



**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2017**



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT**

**Of**

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

**For the Fiscal Year Ended June 30, 2017**

**Commissioners**

Elizabeth M. Hewlett, Chair of the Commission  
Casey Anderson, Vice-Chair of the Commission  
Dorothy F. Bailey  
Gerald R. Cichy  
William M. Doerner  
Norman Dreyfuss  
Manuel R. Geraldo  
Natali Fani-Gonzalez  
A. Shuanise Washington  
Marye Wells-Harley

**Officers**

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

**Department Directors**

M. Andree Green Checkley, Prince George's County Director of Planning  
Ronnie Gathers, Prince George's County Director of Parks and Recreation

Gwen Wright, Montgomery County Director of Planning  
Mike Riley, Montgomery County Director of Parks

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

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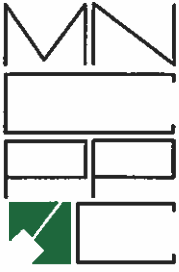
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◆ PART I ◆  
INTRODUCTORY SECTION

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**Piedmont Fort and Slides located in Greenbriar Park which offers an excellent blend of green space and recreational opportunities.**



# THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

October 12, 2017

## **Commissioners:**

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission ("the Commission") for the fiscal year ended June 30, 2017 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 SB & Company, LLC. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2017 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 public accountants 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, 2017 are fairly presented in conformance with GAAP. The independent public accountants 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 U.S. Office of Management and Budget Uniform Administrative Requirements, Cost Principles and Audit Requirements for the Federal Awards. 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. and Prince George's County Parks and Recreation Foundation, Inc. are included as component units in the accompanying financial statements and are disclosed in the Notes to the Financial Statements. A copy of the independently audited annual financial report is available from the component units.

### **Factors Affecting Financial Condition**

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both Prince George's and Montgomery Counties increased in FY 2017, and collections, including interest and penalties as a percent of the levy, are consistently 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. As of June 30, 2017, the Commission's General Fund budget basis ending fund balance was \$211.4 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 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 2015 was \$75,847, an increase of about \$1,900 from the previous year.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 2017, the nation's unemployment rate was 4.4 percent, whereas Montgomery and Prince George's rates were 3.4 percent and 4.3 percent, respectively. These counties have a combined population base of 2.0 million people and have over 1.0 million employed as of fiscal year 2017.

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 FY2017 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 (\$194.7 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 2017. 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, 2016. 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.

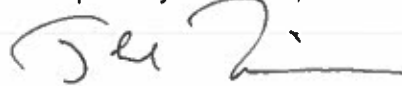
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2017. 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, 2016**

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.

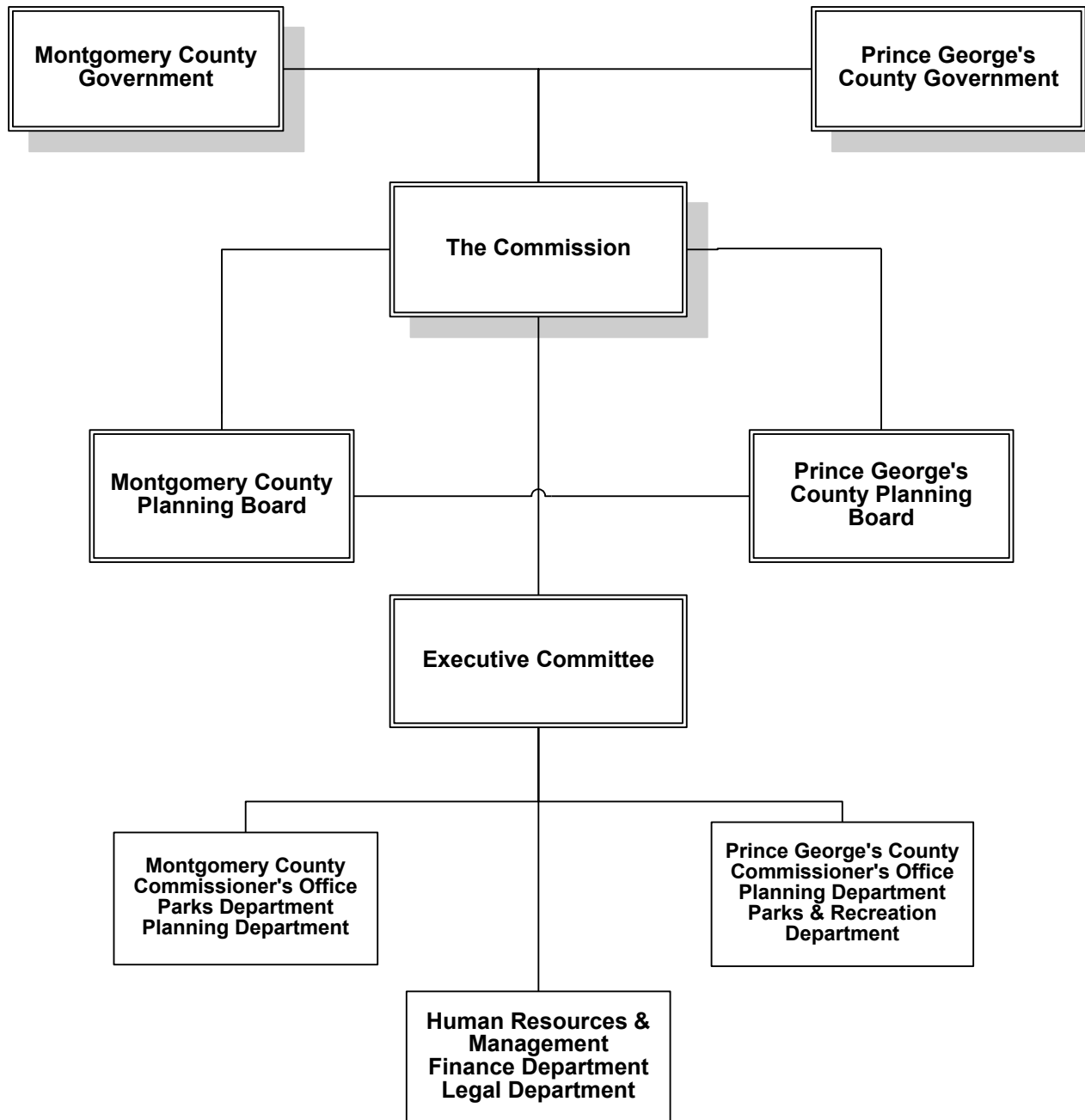
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve 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. At June 30, its staff consisted of over 2,000 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately over 5,000 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 2017 PROGRAM HIGHLIGHTS

## SUMMARY

During 2017, The Maryland-National Capital Park and Planning Commission celebrated its 90th Anniversary - "90 Years of Excellence" in delivering award-winning land use planning, parks and recreation services in Prince George's and Montgomery Counties through progressive, innovative leadership and strong commitment to the community and the environment. Logos and marketing materials were produced, and a number of internal and external special events were held to mark this most important milestone. Events included a Speaker Series launched by Montgomery County Planning that focused on the Department's 90 years of planning achievements in preserving farmland and creating public open spaces and zoning for affordable housing, and a community appreciation day of free celebratory activities offered at Prince George's Department of Parks and Recreation sites and facilities. In keeping with its long-time record of excellence, M-NCPPC continued to earn national, regional and statewide recognition for outstanding performance, projects and programs. The Montgomery County Planning Department was the sole recipient of the American Planning Association (APA) national Planning Landmark Award for its long-standing efforts toward establishing and preserving the County's Agricultural Reserve, and received the Gold National Planning Award for Transportation Planning for the digital Bicycle Stress Map, which also garnered an award from APA's National Capital Area chapter. The Prince George's County Planning Department was recognized by APA's Sustainable Communities Division with a national award for "Plan Prince George's 2035", the update of the County's General Plan. Commission employees were proud to accept recognition from the Maryland Recreation and Parks Association for a variety of programming, publications and professional accomplishments. And, the Commission once again earned Government Finance Officers Association awards for excellence in budget and annual reporting. Finally, new parks and parks and recreation projects to enhance the Commission's commitment to meeting our customers' and communities' needs were completed, including the new Kentland Community Center, the College Park Airport Operations Building, and the Ellsworth Urban Dog Park.

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

**Bringing Art to the Community.** The Department continued its efforts to expand art offerings in the community with new partnerships and events including, offering classes and concerts at the Bowie State University Fine and Performing Arts Center and working with the Oscar Hawkins Ballet Arts Academy to offer ballet classes at the Arts/Harmony Hall Regional Center. These collaborations provided new and high quality performing arts experiences for the community, as well as provided opportunities for the Department to reach a broader arts audience. The Junior Academy for the Performing Arts expanded its programming into the summer, offering two 4-week intensives for youth and teen participants and performing two Broadway-like productions for family and friends.

**Promoting Health and Wellness in the Community.** In FY 2017, the Department joined the national Park Prescription Initiative (Park Rx). Park Rx is a national initiative dedicated to using and strengthening the connection between health care, parks, and public lands to improve physical and mental health among individuals and communities. The partnership will allow health professionals to connect their patients with our parks to encourage overall behavioral change, improve health outcomes and foster new stewards and advocates for public lands.

**Festivals and Special Events in the Community.** An array of special events drew thousands of residents and visitors to the Winter Festival of Lights, summer concerts in the parks and outdoor movie nights, the Lake Arbor Jazz Festival, the 35<sup>th</sup> Annual Hispanic Festival, the Beltway BBQ, the Jug Bay Run for Wildlife, and summer wine and jazz festivals. The Department also experienced increased attendance at our annual Juneteenth Festival, held 11 Shakespeare in the Parks performances, and sponsored the Fairwood Music Festival offering arts activities, several music performances, and food and art vendors for all to enjoy. New events received record attendance and are expected to become community staples in the years to come.

**Summer Camp and Volunteers in the Community.** In FY 2017, there were more than 19,880 registrations for children and youth for summer day camps and playgrounds, as well as winter and spring break camps. Nearly 215 individuals volunteered with 68 summer day camps and summer playgrounds. Volunteers in nature, arts, sports, senior programs, special events and projects, donated time valued at \$509,063 in FY17.

**Conserving the Environment for the Community.** The Department kicked off its Pollinator Project with an aim to create more than 100-acres in native wild flowers over the next five years. In addition, the initiative will encourage local residents to foster backyard habitats – extending the effort and impact. The Department continued its commitment to

recycling by installing recycling containers at all 111 indoor facilities, resulting in an annual collection of 267,532,000 million pounds. Additionally, a \$250,000 grant for storm water stewardship projects was secured from the Chesapeake Bay Trust to fund reforestation projects, rain gardens, pollinator gardens, and staffing for Conservation Job Corps initiatives, environmental educational programs and outreach efforts.

**Investing in Infrastructure in the Community.** In FY 2017, the Department invested significant funding into more than 400 major maintenance and infrastructure renovation projects totaling \$12,600,000. Some of these projects included ADA accessible walkways, bridge replacement/repair, interior/site and parking lot lights, conversion to LED lighting and roof repair and replacement.

**Expanding Services to the Community.** The Department was a major provider of nutrition for youth at eligible afterschool programs (78,143 meals) and various summer programs (75,305 meals) in partnership with the Prince George's County Public Schools and Capital Area Food Bank. We also expanded opportunities for seniors, including the Centenarian Celebration which hosted 335 attendees at the 20<sup>th</sup> Annual celebration to honor our elders. The Department held 23 Therapeutic Recreation Summer Camps serving over 215 participants with disabilities - including a new Therapeutic Recreation Outdoor Education Teen Camp for teens of all abilities. Inclusion support services were also provided to another 800 patrons.

**Connecting with the Community.** Social media enabled the Department to provide 24/7 customer service, as well as create large-scale campaigns to seek community input on Master Plan development and community forums. In FY17, a television and digital ad campaign, "Play Faces," launched to connect the Department's programs, services and brand with potential patrons. The campaign broadcast to Prince George's County and surrounding counties. The ads were viewed 7,058,059 times. The campaigns reached 91% of Prince George's County households, and more than 760K households in the surrounding counties. The Department also created the History Lives! campaign to promote our historic sites to a wider audience. A new multi-purpose brochure serves as a guide to our entire portfolio of accessible historic properties. Additionally, the Department continues to increase the use of its multi-language interpretive services. This initiative ensures that we are reaching the community and providing information on programs, activities and services in customers' native languages. We also continue to provide free Wi-Fi and technology labs at most of our facilities.

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

**Modernizing Zoning and Subdivision Ordinances.** Working with our consultants, staff completed a draft of the County's new Zoning Ordinance and Subdivision Regulations and presented recommendations at numerous County Council work sessions. More than 75 stakeholder meetings were held to discuss the project, consultant findings and recommendations, and a multi-faceted outreach strategy was implemented to engage 900,000 residents and interested parties.

**Planning for Quality Communities.** In FY17, work continued on a variety of projects including a Transit District Development Plan, two Sector Plans, two overlay zones, implementation activities and Planning Assistance to Municipalities and Communities (PAMC) projects. Community Planning's accomplishments included the approval of the Prince George's Plaza Transit District Development Plan and Transit District Overlay Zone, the Military Installation Overlay Zoning Map Amendment, and minor amendments to the Largo Town Center, Prince George's County Gateway Arts District, and Central Annapolis Road Sector Plans and their associated development district overlay zones. The Division also completed the City of Bowie Sustainability Plan, continued work on the East Riverdale-Beacon Heights and Greater Cheverly Sector Plans, and continued partnerships with the Economic Development Corporation on Prince George's Plaza branding, the Department of the Environment on stormwater management in the Anacostia watershed, and the Town of Upper Marlboro on pedestrian improvements. The Division continued to staff and support the Transforming Neighborhoods Initiative and provided critical support to existing and potential state-recognized Sustainable Communities, including leading the application process to secure Sustainable Community designation for the Greater Chillum community. The Division continued to work with key partners and stakeholders to develop the Subregion 4 Employment Area Action Plan.

**Providing Planning Support for Public Facilities and Services and Developing Efficient Transportation Systems.** Staff members provided public facility technical support for all active master plans and completed 23 mandatory referral reviews of government and public utility construction projects. Staff also assisted in the development and review of the Board of Education's Annual Educational Facilities Master Plan and the Department of the Environment's Water and Sewer Plan, and coordinated the Planning Department's analysis of water and sewer category changes. Staff members continued work toward replacing the current traffic forecasting model with a new model that meets national best practice standards.

**Preserving and Protecting the Environment and Historic Properties.** The Woodland and Wildlife Habitat Conservation ordinance was implemented by requiring forest conservation and reforestation in all new development. Staff supported the work of the Historic Preservation Commission, including the issuance of grants to rehabilitate historic structures, and recommendations for development review referrals and Historic Area Work Permits. The County Council approved a Resource Conservation Plan that establishes new policies for environmental, historic and rural character preservation.

**Supporting Economic Growth.** Staff completed an in-depth study of the County's retail sector, including an assessment of nearly 250 shopping center properties. Working with the Economic Development Corporation, staff completed the Competitive Retail Market Strategic Action Plan which outlines ways to attract high-quality retail, improve existing shopping centers, and repurpose failing centers. To facilitate mixed-use development on Route 1 and growth at the University of Maryland, staff created a database to expedite aviation safety reviews for development near the College Park Airport.

**Advancing Information Technology.** The Department continued to expand its IT Infrastructure. A new Storage Area Network System (SAN) and a Security Awareness program were implemented. Staff also worked with consultants on requirements analysis and system design projects for a new server room and phone system in anticipation of the Department's office move in 2018. Cloud based enterprise software was also implemented for office collaboration and document publishing and design. The Department continued its maintenance, product enhancement and delivery of over 250 GIS layers in multiple digital formats. Twenty additional single use applications were developed which range from highlighting pending development, to showing enterprise and revitalization zones and resident associations. Major data development efforts were initiated that produced a detailed land use map, a multifamily property map and the creation of a new construction map. The GIS Section responded to approximately 100 internal and external requests for digital maps, data reports, account numbers for mail-outs, image data, and technical services. Over 300 maps were provided to support legislative analysis related to cannabis growing, processing, and distribution.

**Promoting Responsible Development.** Approximately 463 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, departures, alternative compliance and preliminary plans and final plats of subdivision were analyzed for conformance with County plans, policies and development regulations. Approximately 12,602 permits were processed and the Planning Information Center responded to more than 10,000 inquiries from the public. Several major development proposals were evaluated for conformance to adopted and approved public plans and policies. The evaluations were documented in technical staff reports and the Planning Board conducted public hearings for many cases. Major applications approved included the following: Greenbelt Town Center, The Brickyard, and Riverside (M-Square). The Greenbelt Town Center application was for an expedited transit oriented development (ETOD) detailed site plan for a 121.48-acre property in the M-X-T/D-D-O Zones. This infrastructure-only plan, located at the southeast corner of the intersection of Cherrywood Lane and the Capital Beltway (I 95/495), proposes to grade and develop infrastructure including the location and design of public roadways, an eight-story Washington Metropolitan Area Transit Authority (WMATA) parking garage, WMATA 'Kiss and Ride' and bus loop, event bus layover area, proposed pipes and trails on the subject property to prepare for a future multiphase mixed-use development, to include a possible location for the Federal Bureau of Investigation (FBI). The Brickyard application involves a detailed site plan to convert a 12-acre property previously approved for multifamily development to townhouses. This section is part of a MARC Planned Community, and is located on the east side of Muirkirk Road, northeast of its intersection with Baltimore Avenue (US 1). The development includes 188 townhouse units to replace the previously approved 433 multifamily dwelling units. The Riverside (M-Square) application was for a preliminary plan of subdivision for the Riverside (M-Square) project, including 5 parcels for existing and proposed research and development offices within the existing M-Square campus, on the north side of River Road in College Park.

## **Montgomery County Department of Parks**

As land becomes scarcer in Montgomery County, and residents seek walkable, vibrant neighborhoods, park planners are developing alternatives to auto-oriented sprawl. Our approach, called new suburbanism, embraces infill development, mixed uses, active parks and streets shared by cars, bicycles and pedestrians. This approach is improving communities and public spaces throughout the County.

**The Energized Public Spaces Functional Master Plan:** This plan applies innovative methodologies to identify locations with the highest need for parks and open spaces in areas with the highest population density, and recommends opportunities to increase the number of parks and open spaces in those communities.

**PROS Update:** The 2017 Park, Recreation, and Open Space (PROS) Plan serves as the primary policy for parks and recreation in Montgomery County to the year 2030 and beyond. The focus of the 2017 PROS Plan is on equitably

providing activated, central community spaces while meeting recreational needs and protecting and managing natural and cultural resources for future generations.

**Wall Park Plan:** the long-standing vision of transforming the surface parking lots serving the Shriver Aquatic Center into a green, vibrant community park for White Flint will be realized. A public / private partnership will deliver public parking for the Shriver Center and park as part of an adjoining development, and an interim park with a large central lawn, looped recreation trail, and attractive landscaping. A subsequent phase will deliver additional active recreational amenities.

**PEPCO Trail Plan:** The Department of Parks partnered with the Potomac Electric Power Company (Pepco) to implement a Pilot Natural Surface Trail Project. Phase one of the project is a five-mile section that will begin near Quince Orchard Road and end at Shaeffer Road, adjacent to South Germantown Recreational Park. The project will extend 13 miles from Cabin John to South Germantown and include both natural surface and paved trails and will be open to hikers, equestrians and cyclists. The Department has been working closely with Pepco, Montgomery County Department of Transportation and local non-profit organizations to finalize the design and coordinate the necessary permitting. Construction is expected to begin in fall 2017.

**Other Park Master Plans and Facility Plans:** Concept and facility plans were completed for renovations to Dewey Local Park, Long Branch-Wayne Local Park and Wheaton Regional Park's Shorefield area. Concept plans are underway for renovations to Acorn Urban Park, Edith Throckmorton Neighborhood Park and Capital Crescent Trail connections from Arlington Road to the Little Falls Trail. Upcoming projects include Carroll Knolls Local Park, renovations to Columbia Local Park and hard surface trail extension from Wheaton Regional Park to the Matthew Henson Trail.

**Park Projects:** Final designs for renovations to Woodside Urban Park, Pinecrest Local Park and Seneca Store were completed. Final designs for renovations to Dewey Local Park and Hillandale Local Park are underway. Designs for playground renovations include Long Branch Wayne, General Getty, Hillandale, Newport Mills, Sundown, Centerway and Damascus Regional. Upcoming projects include: Carroll Knolls Local Park; renovations to Columbia Local Park and hard surface trail extension from Wheaton Regional Park to the Matthew Henson Trail; renovation of two playgrounds at Southeast Olney Local Park and West Fairland Local Park; construction of Kemp Mill Urban Park in Wheaton; renovation of Pine Lake Trail, sections of the Rock Creek Hiker-Biker Trail and reconstruction of the trail connector at Olney Family Neighborhood Park; and a stream restoration project at Little Falls as part of the stream bank protection program. Construction continues at the greenhouse at Brookside Gardens, Laytonia Recreational Park, Rock Creek Maintenance Yard, Parklawn North Trail and Western Grove Park. Completion of nine ADA projects and construction of five ADA projects are currently underway; nine ADA improvements were completed as part of other larger park projects.

**Emerald Ash Borer Update:** The Department continues to remove high-risk ash trees on parkland to improve public safety. The paved trail systems, parkways and trees adjacent to private residences were a priority for ash removal over the past year and will continue to be so during the next fiscal years. In FY 2017, ash removals were focused on Sligo Creek Parkway and trail, Little Falls Parkway and Rock Creek Trail.

**Communication Initiatives:** More than one third of Montgomery County's residents are foreign-born and approximately 14 percent have limited English proficiency. We face marketing and outreach challenges like language, culture, geographic location, economic status, values and perceptions. Our goal is to improve long-term engagement through cost-efficient, effective and sustainable strategies that will over time better serve underrepresented populations in Montgomery County.

**Accessibility:** The American with Disabilities Act (ADA) Final Transition Plan is currently underway. The plan addresses our ADA compliance, including physical and program access, communications, website compliance, employee training, public outreach and policies. It identifies and outlines the procedures, priorities, timelines and anticipated costs to bring the park system into compliance. We removed more than 1,200 barriers, completed more than 80 projects, established an ADA Access Team to provide oversight, and established intra-divisional coordination.

**Special Events:** We host hundreds of permitted public and private events, such as the Friendship Picnic, MoCo Epic, Persian Festival and Parks Half Marathon. We hosted Total Eclipse in the Park to celebrate the solar event, which brought in thousands of visitors. Parks is planning to expand its presence in the community by providing more special events throughout the County such as this one.

**Park Activation:** More people are getting out into parks, thanks to Pop Up Parks. The program is designed to bring people into parks to relax and reconnect with their communities. With a full schedule of fun outdoor activities, there are plenty of opportunities to discover or rediscover a local park.

## Montgomery County Planning Department

**Planning for Great Communities:** The Department received Planning Board approval for a Design Advisory Panel to review and provide feedback on significant development proposals in Downtown Bethesda that are requesting additional density. Design guidelines for Downtown Bethesda, approved by the Planning Board in July 2017, will help steer the design of these projects so that both the pedestrian and the skyline are considered. Work on major plans was substantially completed, encompassing Downtown Bethesda, Greater Lyttonsville, Rock Spring, White Flint 2, Grosvenor-Strathmore Metro Station area and MARC-served station areas of Boyds and Germantown. Planning efforts for the Veirs Mill Corridor area, stretching from Wheaton to Rockville, continue with community meetings held to gain public feedback and support. The goal of these planning efforts is to improve the quality of life in Montgomery County's diverse communities through recommendations for public spaces, transportation, environment, new development and more.

**Studying Trends in Rental Housing:** Rental housing accounts for about 30 percent of the housing supply in Montgomery County and is concentrated around Metro lines and employment centers, as shown in a report which was presented to the County Council in July 2017. Most of the rental housing stock consists of older units, with only 14 percent of rental units constructed later than 2000. Research shows the rental market is short about 20,000 units for households earning less than 30 percent of the area median income, but a surplus of units is available for households earning 50 percent to 100 percent of area median income. The report includes recommendations for changing the moderately priced dwelling unit requirements to meet the growing need for affordable rentals in the County. Revisions to this inclusionary zoning policy will be considered by the County Council in fall 2017.

**Examining Retail Trends:** As large chain stores close and more people shop online, retail is undergoing fundamental changes. This comprehensive countywide study finds that stores in the County are generally well balanced in terms of types with 19.7 million square feet of occupied retail, amounting to 24 square feet of retail per person. The study, which will be reviewed by the Planning Board in fall 2017, includes detailed submarket analyses and recommendations as to how to enhance the retail environment, now and in the future, to serve the County.

**Planning for Public Facilities:** Planners have been working closely with the County Executive's office and a Director's Oversight Committee of senior staff from a range of agencies to research and develop new tools to enhance colocation of the county's public facilities, including schools and government buildings. The study, due to be completed in fall 2017, includes a survey of national colocation policies and practices.

**Tracking Employment Opportunities:** A study of employment trends is being undertaken in fall 2017 to increase the understanding of changes in the labor market and firm location preferences that impact land use planning. The study will assess tools and strategies that support a range of employment opportunities.

**Winning National and Local Planning Awards:** In May 2017, the Planning Department won two national awards from the American Planning Association (APA), honoring the Agricultural Reserve and the Bicycle Stress Map. The Department also won an award for the Bicycle Stress Map from the National Capital Area Chapter of APA. In addition, the Department was honored with four 2017 Communicator Awards from the New York-based Academy of Interactive & Visual Arts. As part of Montgomery County's Recycling Awareness Week in May 2017, the Department of Environmental Protection's Division of Solid Waste Services recognized outstanding achievements in waste reduction, reuse and recycling. The Planning Department was honored in the Business Awards category with the 2017 Silver Award for outstanding programs to increase overall awareness and participation with recycling. The third annual Design Excellence Award competition was launched in spring 2017, building on the first award program in 2015 by expanding the winning categories to landscape architecture as well as buildings.

**Improving Regulatory Reviews:** In FY17, the Department's Development Application and Regulatory Coordination Division processed 451 total regulatory plans and 37 non-regulatory plans. These plans included 64 forest conservation plans approved by the Planning Board and staff, 92 forest conservation exemptions, 5 zoning applications, 108 record plats, 57 pre-preliminary plans, 62 subdivision plans, 60 project plans, site plans and sketch plans, and 15 mandatory referrals. Among the most significant proposals are the new Marriott headquarters and the 7272 Wisconsin Avenue complex in Bethesda, the 244-home community of Bradford's Landing and 309-home development on the former site of Bethesda's WMAL radio tower. Work on improving the development review process is continuing and the time it takes for plat processing has decreased significantly. This efficiency has been achieved through ePlans and efforts to better coordinate the review tasks of the Planning Department and the Department of Permitting Services.

**Investing in Historic Preservation:** As part of its work to support the county's Historic Preservation Commission, the Historic Preservation Office processed 225 historic area work permits in FY17, a 25 percent increase from FY16 (168 permits). Staff also received 121 historic preservation tax credit applications, representing more than \$2 million in investments in historic properties across Montgomery County.

## 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 several new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, promote a workplace of excellence, and enhance public accountability.

**National Recognition for Workplace of Excellence:** Once again, achieved national recognition for innovative policies and programs, awarded by the Alliance for Workplace Excellence. Following a rigorous review by a panel of industry leaders, the M-NCPPC became one of only a handful of organizations which earned all four awards for outstanding and innovative policies and programs: Workplace Excellence Award for exceptional commitment to the overall success of its workforce initiatives such as management practices, workplace standards, and comprehensive work/life policies; Health and Wellness Trailblazer Award; Diversity Champion Award; and EcoLeadership Award for visionary leadership and commitment to environmentally sustainable workplace practices.

**Workforce Planning/Development:** Continued implementing multi-year recommendations from comprehensive compensation/classification study to support the ability to recruit/retain a highly skilled work force. Agency-wide language and literacy proficiency program was very successful and offered for a second year. Implemented current strategic plan and programs to encourage agency-wide support of diversity initiatives with the Diversity Council.

**Collective Bargaining/Labor Relations:** Led the management bargaining team in collective bargaining with the Fraternal Order of Police Lodge # 30 (FOP) to obtain a three (3) year agreement effective for the period of February 1, 2017 and January 3, 2020. Also, lead the team in negotiation of a wage reopener with the Municipal and County Government Employees Organization/UFCWU Local 1994 (MCGEO) Union for FY18. Other activities included advising departments on complex labor issues, conducting special investigations, responding to grievances, and began a full review of medical standards for the employment of Park Police Officers.

**Benefits Restructuring/Health Care Reform:** Continued compliance under the Affordable HealthCare Act (ACA) including medical health benefits for eligible seasonal employees and dissemination of required tax forms to participants. Obtained Employer Group Waiver Plan Medicare Part D (Prescription) direct subsidy payments of \$507,498. As a result of Collective Bargaining with MCGEO, the Group Insurance Fund Reserve was adjusted from 8.0% to 8.5%. Introduced a new Wellness Platform and implemented additional initiatives to improve employee and family health.

**Fiscal Responsibility and Budget Management:** Received the Distinguished Budget Presentation Award from the Government Finance Officers' Association (GFOA) for the 31st consecutive year. The Corporate Budget Office is responsible for salary projections, long range fiscal 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, oversight, and increase transparency. Updated the FY18–FY23 long-term fiscal plan for both Montgomery and Prince George's operations (for Prince George's, the plan was built upon the FY17 major revisions).

**Risk Management/Workplace Safety:** This function provides oversight and protection of M-NCPPC assets through insurance, transfer of risk, program and operational analysis, and loss prevention. This Office also is charged with developing and implementing the agency'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. Completed initiatives include: comprehensive review of risk management and workplace safety policies; on-site emergency preparedness plan assessments for more than 150 facilities; 74 facility inspections with enhanced reporting and 100% follow up on corrective actions; monthly claim audits of worker's compensation and liability claims; environmental investigation to assess indoor air quality; enhancements in insurance to protect agency assets against flood and cyber exposures; Occupational Safety and Health Administration (OSHA)-based certification training for maintenance/construction supervisors; emergency protocols to prepare for mosquito/tick exposures; and safety compliance and awareness training for more than 1,300 participants.



**Enterprise Resource Planning System (ERP):** In partnership with the Department of Finance, DHRM continued implementation of the Human Resources Information System to include an Employee Self-Services Benefits Enrollment Pilot Program for all employees at the Executive Office Building, revamping of internal processes, and addressing system issues. ERP allows integration of multiple functions such as Human Resources, Payroll, Budget and other components to create greater data consistency, greater efficiencies, and provide better information for decision making purposes. Enhanced field departments' access to system information by providing designated Human Resource Managers and Coordinators system access to all employee data, except SSN's, HIPAA Protected Data, Birth Date, and Home Address. This access improved efficiency of personnel action processing in the field.

**Corporate Policy/Operational Standards:** Team conducts management studies, analyzes, and develops recommendations for organizational policies/programs to address operational concerns, enhance efficiencies, strengthen internal controls, and address regulatory changes. Examples of policy/program analysis completed during this fiscal period include: comprehensive update of employment regulations pertaining to contract employees; ethics and internal controls in areas such as use of agency resources, handling of public information act inquiries, outside employment, gifts, and authorized business expenses; responsibilities for handling and protecting employment records; and work/life policies which promote a preferred workplace, including nursing mother and flextime policies.

## 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; central purchasing; 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. During FY17, the Department coordinated the sale of an \$8,000,000 million bond issue for Montgomery County Park Acquisition and Development Bonds. The proceeds will be used to finance certain capital park acquisition and development projects in the county.

**Automating/Streamlining Efforts:** Efforts continue on the Enterprise Resource Planning (ERP) system with focus on moving to the Cloud and upgrading to Infor v10, which will take significant effort the last half of FY18 and into FY19.

**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 \$26 million of procurement with MFD firms.

**Financial Reporting:** For the 43rd 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 FY 2016 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 almost 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:** During FY 2017, the OGC handled 23 new cases and closed 38 cases – ending the Fiscal Year with 22 cases still pending in the state and federal courts. This litigation workload included conventional disputes involving various tort claims, workers compensation laws or judicial review of Commission land use decisions in both Montgomery and Prince George's counties. For this year, the OGC chalked-up a perfect record protecting Planning Board land use decisions, winning affirmation of every case taken up for review in either county circuit court or the Maryland Court of Special Appeals. The Legal Department also defended several more atypical cases, including the federal lawsuit seeking the destruction or removal of the Bladensburg Peace Cross historic monument, a challenge to the Commission's wildlife management initiatives, and judicial review involving the transportation mitigation components of Prince George's County's adequate public facilities law.

**Proactive Legal Support for Commission Policy Makers:** The Legal Department continued its tradition of delivering real-time, preventive counsel to support sound business and public policy decisions. During FY 2017, this included assisting with the ongoing development of a new zoning ordinance in Prince George's County and the development of updated Subdivision Regulations in Montgomery County, including regulations for administering a variety of regulatory cases to assure consistency with the Zoning Ordinance adopted in 2014. The Legal Department also consulted with the National Capital Park and Planning Commission for several projects, including an effort to compile data for a searchable database of Commission properties acquired under the federal Capper-Cramton Act. Additionally, both OGC Land Use teams helped staff manage several politically-charged development projects, such as the expansion of the National Cancer Institute in Montgomery County and the New Carrollton Metro project and its public/private components in Prince George's County.

**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. An example of important projects initiated or completed during FY 2017 include completing the total rewrite of the Park Rules and Regulations governing the use of the Park Facilities in Montgomery and Prince George's Counties. Other projects ongoing or completed during the year include: agreements related to construction of the new Brookside Gardens Greenhouse; a new Dog Park at Ellsworth; construction of solar photo voltaic projects on parkland in both counties; and, various technology agreements for upgrading the Commission's enterprise resource planning technology systems.

**Legislative Support:** In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 250 bills during the 2017 Session of the Maryland General Assembly; 18 of which either were local or "bi-county" bills 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 CIO is responsible for strategic planning for the enterprise-wide IT systems in collaboration with departments to meet business needs. The CIO also functions as the Commission's Chief Technology Security Officer. The Bi-County Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

**During fiscal year 2017 (FY17),** the Information Technology division transitioned from the Finance department to the Office of the Chief Information Officer. Two Project Managers were added to the department along with the establishment of a Project Management Office (PMO) charter. Additional accomplishments during the year were: successful negotiations of the Infor SaaS agreement; review of the Microsoft agreement with modifications to cultivate more benefits for the Commission; structured the Adobe license agreement into a Commission-wide agreement and negotiated licenses for all Commission users which resulted in cost savings; completed the automation of the Accounting Online System (for processing check requests online) adding online signature authorization; and began the process to upgrade Kronos from the current Version 5 to Version 8.

**Fiscal year 2017** has seen continued success in identifying required policy enhancements in the face of increased information technology security threats and breaches. The OCIO launched Security Awareness Training for all Commission staff. This initiative will help reduce IT security risks. The OCIO and the IT Council worked diligently to develop a comprehensive IT Governance and Vision policy statements.

**The OCIO** worked closely with the Office of Internal Audit to review of our information technology environment and the policies that govern it, identified gaps and made recommendations. The focus of the department is to ensure that the integrity and confidentiality of Commission's data is protected under all circumstances. A comprehensive security assessment would be carried out and recommendations will be promptly implemented to ensure that the Commission's environment is able to face and mitigate all types of threats in the increasingly changing technology environment. Additionally, the OCIO will continue to work with the Information Technology Council to set project priorities and to ensure that projects are aligned with Commissions goals and objectives.

## **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 2017 more than 52 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 FY17, the Board continued to maintain its caseload on a current and timely basis.

## **Employees' Retirement System**

The Employee's 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 \$868 million. For the one year ending June 30, 2017 the ERS posted 14.7 % net of fee return, and for the three and five years ended June 30, 2017, the ERS posted net of fee return of 4.8% and 8.2%, respectively. The Board of Trustees actions for the year included approval of a portfolio restructuring to add an 8% allocation to low volatility equities; reduce U.S and international equity allocations from 23% to 19%; and added a global infrastructure allocation under public real assets. Due to this action, the Board changed Blackrock Institutional Trust Company's mandate from an S&P 500 Index Fund to an MSCI ACWI Low Volatility Index Fund; added a global infrastructure allocation to the State Street Global Advisors custom real assets strategy; and reduced equity allocations for legacy managers. Additional initiatives included, a \$90 million real assets strategy with Grosvenor Capital Management; selection of Wilshire Associates as investment consultant and Boomershine Consulting Group as actuary; and a successful upgrade of the ERS' pension software. The ERS has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and educational on-site workshops and counseling for participants



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# ◆ PART IIA ◆

## FINANCIAL SECTION

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### Basic Financial Statements



**Oxon Hill Manor constructed in 1928, sits high on a hill with a picturesque view of the Potomac River.**



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## **REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS**

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 units, each major fund, and the aggregate remaining fund information of the Maryland-National Capital Park and Planning Commission (the Commission), as of and for the year ended June 30, 2017, 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***

The Commission's 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.

### ***Auditor's 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 Foundations, Inc. and Prince George's County Parks & Recreation Foundation, Inc., which are both discretely presented component units. The Montgomery County Parks Foundations, Inc. and Prince George's County Parks & Recreation Foundation, Inc. were audited by other auditors whose report have been furnished to us. Our opinions, insofar as they relate to the amounts included for the Montgomery County Parks Foundations, Inc. and Prince George's County Parks & Recreation Foundation, Inc. are based on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 entity'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 entity'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, based on the our audit and the reports of other auditors, 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 Commission, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof 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, the schedules of required supplementary information for defined benefit pension plans, the schedules required supplementary information for Other Postemployment Benefits, 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 as listed in the accompanying 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 supplementary data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Hunt Valley, Maryland  
October 12, 2017

*SB & Company, LLC*

## 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, 2017.

The 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

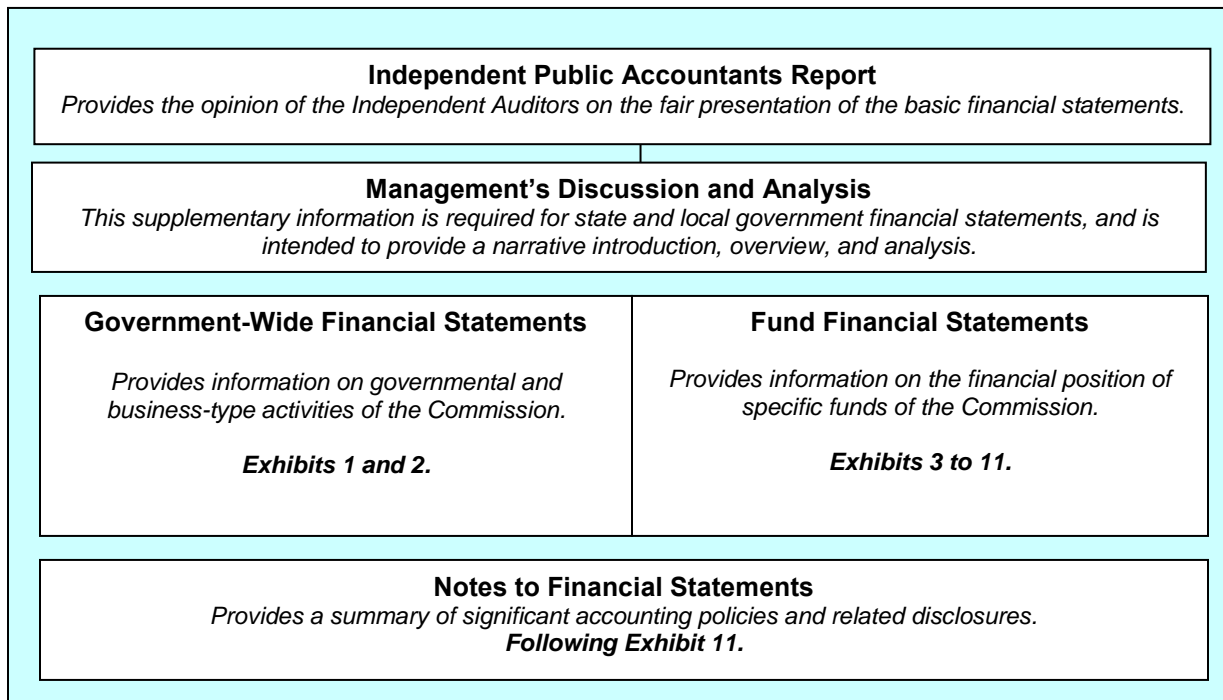
- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$1,032.2 million (net position). Of this amount, \$175.0 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$36.6 million during fiscal year 2017. This is largely a result of an increase in capital assets of \$31.4 million and a decrease in accounts payable of \$12.6 million. These are offset by debt principal payments of \$11.1 million and an increase in the OPEB liability of \$4.8 million.
- As of June 30, 2017, the Commission's governmental funds reported combined ending fund balances of \$326.0 million, an increase of \$20.4 million. Of this amount, \$178.1 million is unassigned, \$18.9 million is assigned, \$124.2 million is committed, \$4.1 million of fund balance is restricted and \$0.7 million is non-spendable.
- The Commission's General Fund balance at June 30, 2017, is \$259.2 million, an increase of \$34.2 million during the year. The unassigned fund balance of \$205.7 million is approximately 57.1% of fiscal year 2017 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance as of June 30, 2017 is \$8.7 million, a decrease of \$0.7 million. The unassigned fund deficit of \$7.2 million results from a committed fund balance for long-term contracts, many of which will be funded when expended by reimbursements from Montgomery County Government or by reimbursable grants.
- The Prince George's County Capital Projects Fund balance as of June 30, 2017, is \$42.2 million, a decrease of \$14.0 million.

- The assets plus deferred outflows of the enterprise funds exceeded liabilities and deferred inflows by \$65.6 million, a decrease of \$1.7 million. The Prince George’s Enterprise Fund had a decrease in net position of \$2.6 million and the Montgomery Enterprise Fund had an increase in net position of \$0.9 million.
- The Commission’s bonds and notes payable decreased by \$11.1 million due to scheduled principal payments. These payments were offset by the issued general obligation bonds for Montgomery County in the amount of \$8 million for a net decrease of \$3.1 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 inflows and outflows 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 legally separate entities known as Component Units. The Montgomery County Parks Foundation, Inc. and Prince George's County Parks and Recreation Foundation, Inc. are the Commission's discretely presented component units, which are presented as separate columns 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 certain 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 and Risk Management, Prince George's County's Capital Equipment and Risk Management, Central Administrative Services Capital Equipment, Executive Office Building, Employee Benefits, 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 postemployment 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 \$1,032.2 million at the close of the most recent fiscal year.

A summary of the Commission's net position follows:

Summary of Net Position (in millions) June 30, 2017 and 2016							
	Governmental Activities		Business-type Activities		Total		Total Percentage Change 2016-2017
	2017	2016	2017	2016	2017	2016	
<u>Assets</u>							
Current and Other Assets	\$ 436.7	\$ 423.5	\$ 14.3	\$ 14.6	\$ 451.0	\$ 438.1	2.9%
Capital Assets	913.4	879.9	60.6	62.8	974.0	942.7	3.3%
Total Assets	<u>1,350.1</u>	<u>1,303.4</u>	<u>74.9</u>	<u>77.4</u>	<u>1,425.0</u>	<u>1,380.8</u>	<u>3.2%</u>
Deferred Outflows	<u>92.6</u>	<u>87.3</u>	<u>3.3</u>	<u>3.2</u>	<u>95.9</u>	<u>90.5</u>	<u>6.0%</u>
<u>Liabilities/Deferred Inflows</u>							
Current Portion of Long-term							
Liabilities	26.0	27.4	0.4	0.3	26.4	27.7	-4.7%
Long-term Liabilities	332.1	352.8	8.4	9.1	340.5	361.9	-5.9%
Other Liabilities/Deferred Inflows	<u>117.9</u>	<u>82.1</u>	<u>3.9</u>	<u>4.0</u>	<u>121.8</u>	<u>86.1</u>	<u>41.5%</u>
Total Liabilities/Deferred Inflows	<u>476.0</u>	<u>462.3</u>	<u>12.7</u>	<u>13.4</u>	<u>488.7</u>	<u>475.7</u>	<u>2.7%</u>
<u>Net Position</u>							
Net Investment in Capital							
Assets	796.6	768.3	60.6	62.8	857.2	831.1	3.1%
Unrestricted	<u>170.1</u>	<u>160.1</u>	<u>4.9</u>	<u>4.4</u>	<u>175.0</u>	<u>164.5</u>	<u>6.4%</u>
Total Net Position	<u>\$ 966.7</u>	<u>\$ 928.4</u>	<u>\$ 65.5</u>	<u>\$ 67.2</u>	<u>\$ 1,032.2</u>	<u>\$ 995.6</u>	<u>3.7%</u>

Current and other assets increased by 2.9% mainly due to the issuance of general obligation bonds. Also, long-term liabilities decreased by 5.9% due to the reduction of the net pension liability and other liabilities/deferred inflows increased by 41.5%, which is mainly due to increases in changes in pension plan assumptions, the difference between projected and actual earnings and the difference between expected and actual experience. 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 \$175.0 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, 2017 and 2016

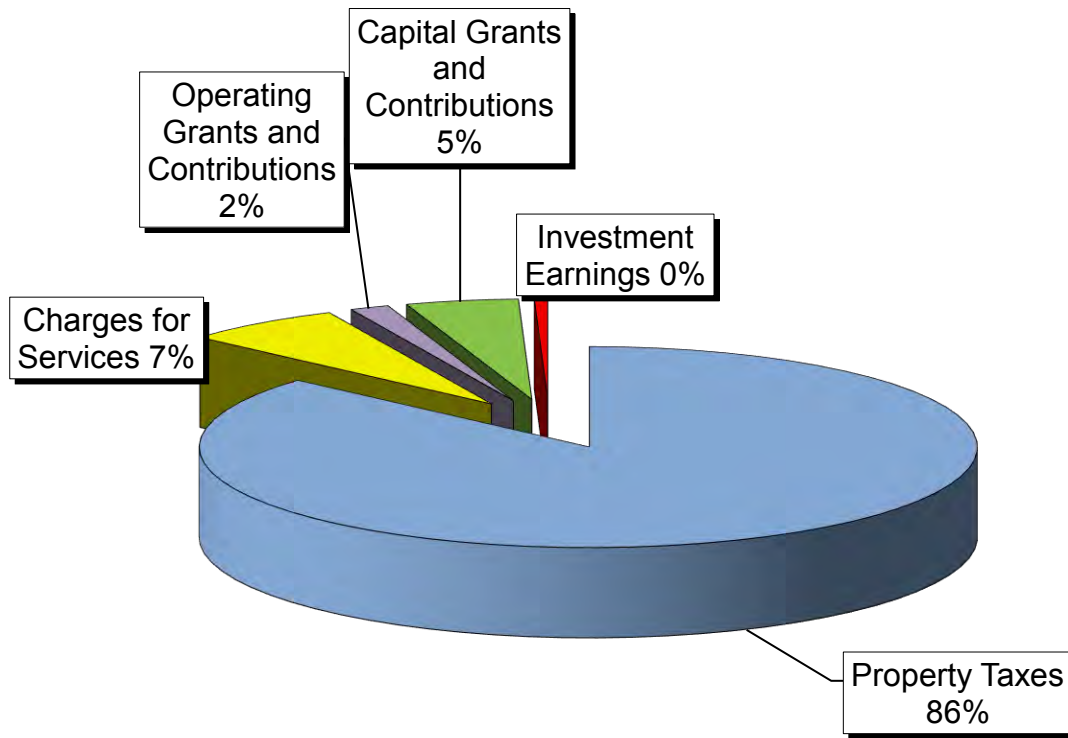
	Governmental		Business-type		Total		Total Percentage Change 2016-2017
	Activities		Activities				
	2017	2016	2017	2016	2017	2016	
Program Revenues:							
Charges for Services	\$ 28.4	\$ 26.9	\$ 19.9	\$ 20.0	\$ 48.3	\$ 46.9	3.0%
Operating Grants and Contributions	6.9	6.0	-	-	6.9	6.0	15.0%
Capital Grants and Contributions	20.0	37.2	-	1.9	20.0	39.1	-48.8%
General Revenues:							
Property Taxes	371.5	352.3	-	-	371.5	352.3	5.4%
Investment Earnings	2.4	1.2	0.2	0.1	2.6	1.3	100.0%
Total Revenues	<u>429.2</u>	<u>423.6</u>	<u>20.1</u>	<u>22.0</u>	<u>449.3</u>	<u>445.6</u>	<u>0.8%</u>
Expenses:							
General Government	18.2	18.9	-	-	18.2	18.9	-3.7%
County Planning and Zoning	57.3	57.3	-	-	57.3	57.3	0.0%
Park Operations and Maintenance	231.4	243.0	-	-	231.4	243.0	-4.8%
Recreation Programs	71.2	50.3	-	-	71.2	50.3	41.6%
Recreational and Cultural Facilities	-	-	30.9	30.5	30.9	30.5	1.3%
Interest on Long-term Debt	3.7	4.0	-	-	3.7	4.0	-7.5%
Total Expenses	<u>381.8</u>	<u>373.5</u>	<u>30.9</u>	<u>30.5</u>	<u>412.7</u>	<u>404.0</u>	<u>2.2%</u>
Increase (Decrease) in Net Position Before Transfers	47.4	50.1	(10.8)	(8.5)	36.6	41.6	<u>-12.0%</u>
Transfers	(9.1)	(9.1)	9.1	9.1	-	-	
Increase (Decrease) in Net Position	38.3	41.0	(1.7)	0.6	36.6	41.6	
Net Position - beginning	928.4	887.4	67.2	66.6	995.6	954.0	
Net Position - ending	<u>\$ 966.7</u>	<u>\$ 928.4</u>	<u>\$ 65.5</u>	<u>\$ 67.2</u>	<u>\$ 1,032.2</u>	<u>\$ 995.6</u>	

During the current fiscal year the Commission's net position increased by \$36.6 million. This is largely a result of an increase in capital assets of \$31.4 million, the issuance of bonds in the amount of \$8.0 million and decrease in accounts payable of \$12.6 million. These are offset by debt principal payments of \$11.1 million, an increase in the OPEB liability of \$4.8 million.

**Governmental activities.** Governmental activities increased the Commission's net position by \$38.3 million, thereby accounting for over 100.0% of the total growth in the net position of the Commission. This increase is primarily attributable to capital grants receipts of \$20.0 million, offset by a surplus of ongoing revenues over ongoing expenses of \$27.4 million and by the transfers to business-type activities of \$9.1 million.



## Revenues by Source - Governmental Activities



As the above diagram shows, property taxes make up 86% of Commission governmental revenues.

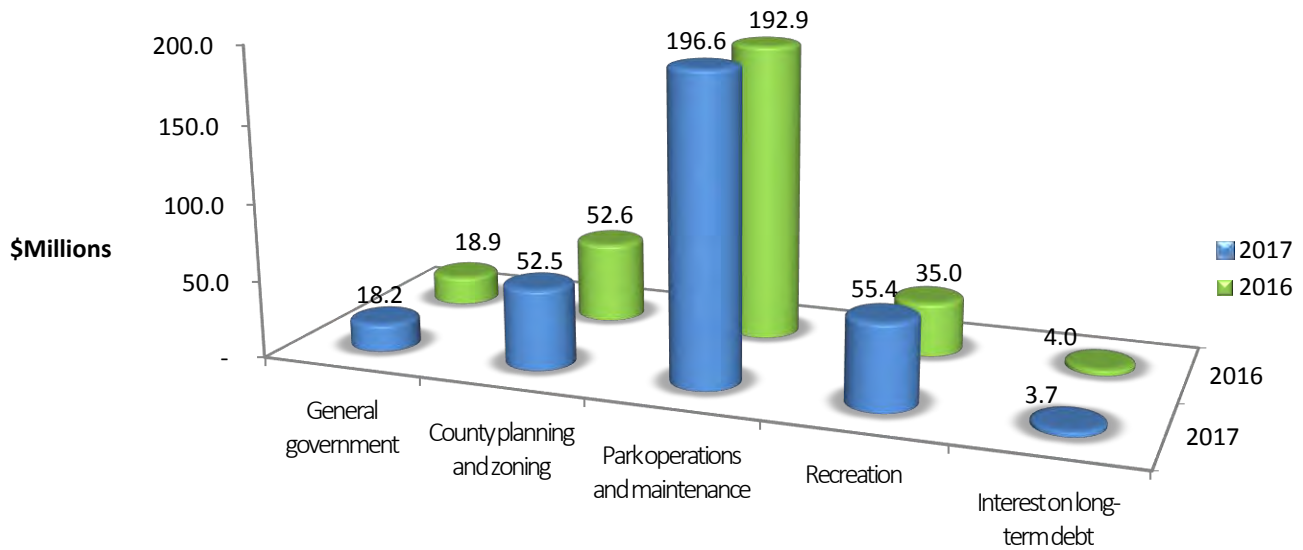
As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 9.3% of governmental activities expenses.

The overall total cost of services and net cost of services increased by 2.2% and 7.6% for FY 2017 compared to FY 2016, respectively.

Net Cost of Governmental Activities (000's)  
For the Fiscal Years Ended June 30, 2017 and 2016

	2017		2016		Percentage Change 2016 - 2017	
	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services	Total Cost Of Services	Net Cost Of Services
General Government	\$ 18,211	\$ 18,211	\$ 18,944	\$ 18,944	-3.9%	-3.9%
County Planning and Zoning	57,302	52,547	57,309	52,643	0.0%	-0.2%
Park Operations and Maintenance	231,399	196,635	243,036	192,906	-4.8%	1.9%
Recreation Programs	71,198	55,360	50,263	34,955	41.7%	58.4%
Interest on Long-term Debt	3,688	3,688	4,048	4,048	-8.9%	-8.9%
<b>Total</b>	<b>\$ 381,798</b>	<b>\$ 326,441</b>	<b>\$ 373,600</b>	<b>\$ 303,496</b>	<b>2.2%</b>	<b>7.6%</b>

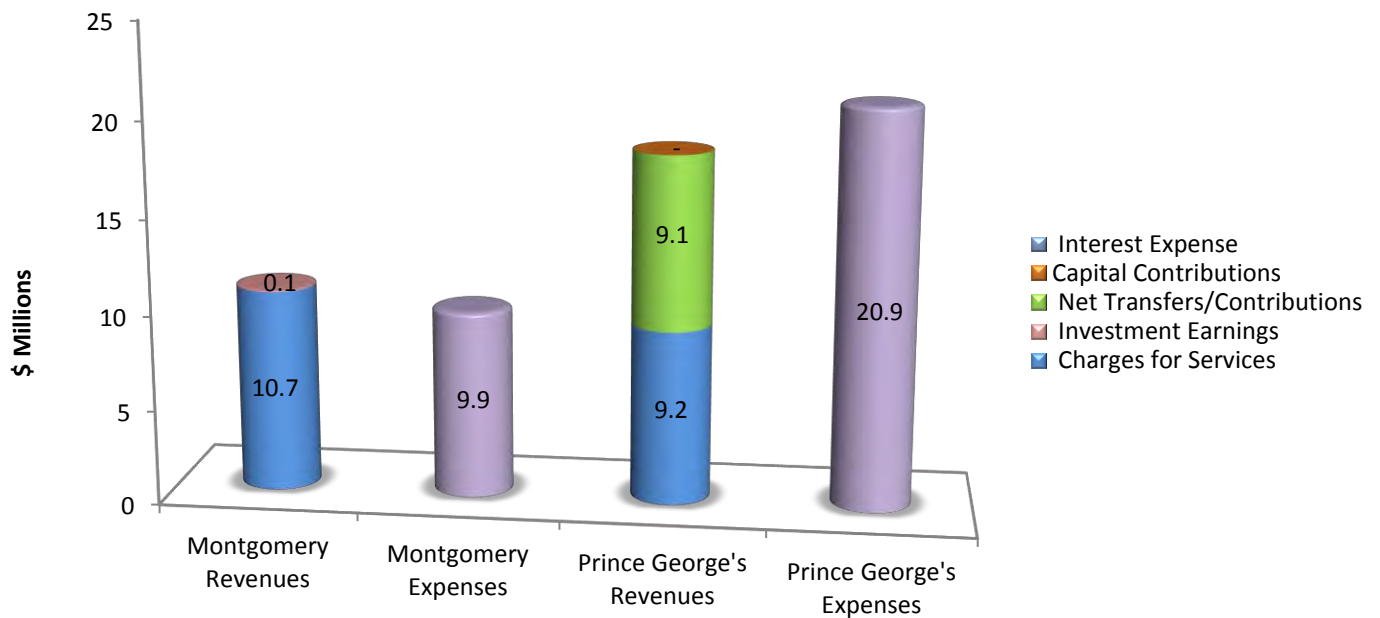
## Net Cost by Function - General Government



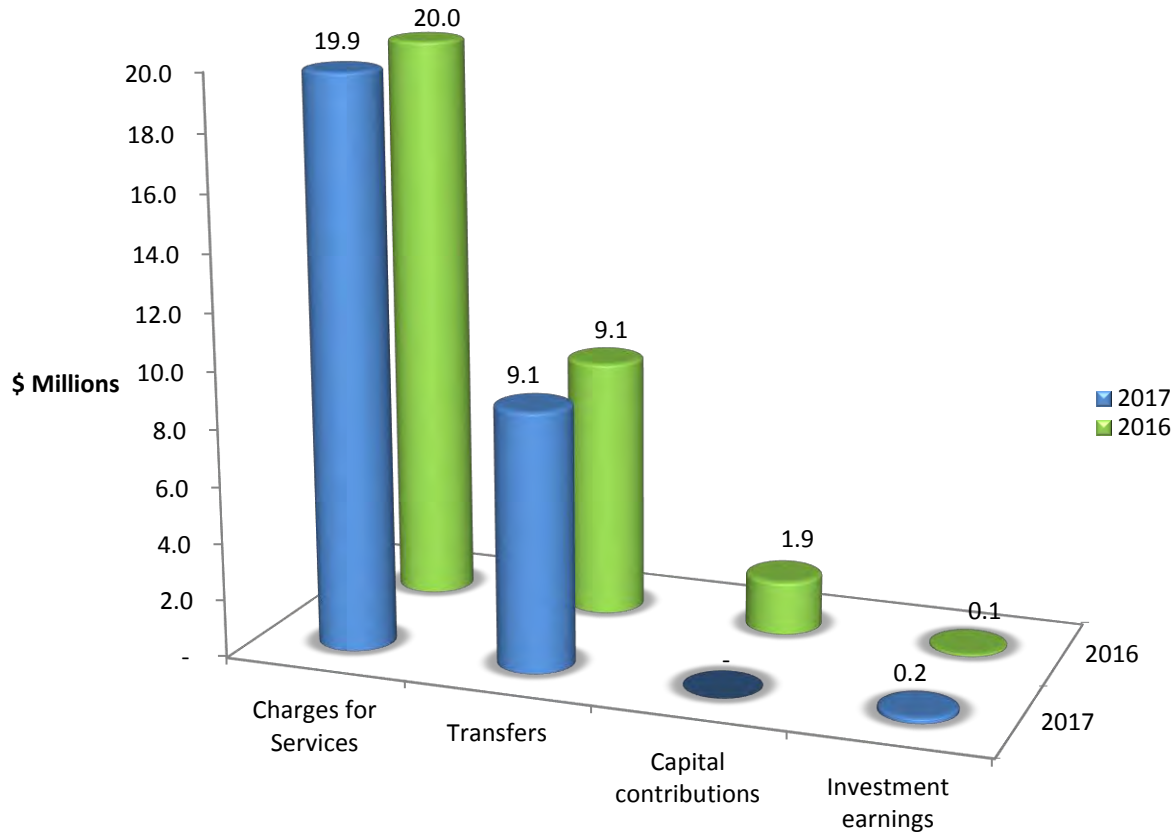
**Business-type Activities.** Business-type activities expenses in excess of revenues led to an decrease in the Commission's net position of \$1.7 million.

- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$10.8 million.
- Governmental activities contributed \$9.1 million to support the enterprise activities. The funding is for the Prince George's County business-type activities.

## Changes in Net Position - Business-type Activities



## Revenues by Source - Business-type Activities



More detail regarding these funds is provided later in the Proprietary Funds discussion.

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 \$326.0 million, an increase of \$20.4 million in comparison with the prior year. Approximately 54.6% of this total amount, or \$178.1 million, constitutes unassigned fund balance, which is available for spending in future years and provides reserves for unforeseen expenditure needs. The remaining fund balances are non-spendable, restricted, committed or assigned to indicate that they are not available for new spending as \$0.7 million is non-spendable, \$124.2 million has been committed for contracts and purchase orders, \$4.1 million is restricted and \$18.9 million is assigned to fund fiscal year 2018 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 \$205.7 million, while total fund balance was \$259.2 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 57.1% of the total general fund expenditures and transfers out, while total fund balance represents 72.0% of the same amount.

The fund balance of the Commission's General Fund has increased by \$34.2 million during the current fiscal year. Key factors that generated this increase are as follows:

- Savings of \$0.7 million due to delaying of the bond issues until later in the fiscal year.
- Property tax revenues were \$10.5 million higher than budgeted.
- Control of expenditures generated \$20.7 million in savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$8.7 million and Prince George's County has a fund balance of \$42.2 million, both of which represents authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds were a decrease of \$0.7 million in Montgomery County, and a decrease of \$14.0 million in Prince George's County, primarily due to the transfer of \$0.3 million to the Prince George's County Park Account, offset by the \$6.7 million transfer from the general fund to the capital projects fund for Prince George's County, construction grants realized of \$14.8 million in Montgomery County and \$1.1 million in Prince George's County and the issuance of General Obligation Bonds in the amount of \$8.0 million in Montgomery County. This is all offset by expenditures for the fiscal year which were \$26.0 million in Montgomery County and \$24.5 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 a 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, the 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 \$6.1 million and the unrestricted net position for the Prince George's County fund amounted to \$(1.2) million. The total changes in net position for the funds were an increase in the Montgomery County fund of \$0.9 million and a decrease of \$2.6 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, 2017 and 2016				
	Montgomery County		Prince George's County	
	FY2017	FY2016	FY2017	FY2016
Operating Revenues	\$ 10,671	\$ 10,411	\$ 9,228	\$ 9,607
Operating Expenses, Excluding Depreciation	8,796	8,605	18,974	18,746
Operating Income (Loss), Excluding Depreciation	1,875	1,806	(9,746)	(9,139)
Depreciation	1,110	1,154	1,970	1,924
Operating Income (Loss)	765	652	(11,716)	(11,063)
Nonoperating Revenue (Expense)	117	64	48	1,935
Transfers/Contributions	-	-	9,071	9,071
Change in Net Position	\$ 882	\$ 716	\$ (2,597)	\$ (57)

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's) For the Fiscal Years Ended June 30, 2017 and 2016						
	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2017	FY2016	Change	FY2017	FY2016	Change
Event Centers	\$ 524	\$ 633	\$ (109)	\$ (194)	\$ (75)	\$ (119)
Golf Courses	54	13	41	49	12	37
Ice Rinks	4,831	4,600	231	908	640	268
Indoor Tennis	1,778	1,688	90	431	362	69
Park Facilities	3,484	3,477	7	681	867	(186)
Total	\$ 10,671	\$ 10,411	\$ 260	\$ 1,875	\$ 1,806	\$ 69

The Montgomery County Enterprise Fund revenues increased by \$260,000 and operating income increased by \$69,000. Operating revenues and income were down at the Event Centers mainly due to decreased revenue rental as a result of fewer events at Rockwood Manor. Revenues were up at the Ice Rinks and Indoor Tennis facilities due to increases in group lessons and camps and, additionally, the Golf Courses received a higher lease payment than in previous years. Park Facility revenues were also up due to a donation from the Parks Foundation to Brookside Gardens. In addition, revenues increased due to more special events at Cabin John and Wheaton Trains. Park Facilities operating income was down as a result of higher seasonal costs and an increase in personnel services related to vacancy fillings at Little Bennett Park.

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, 2017 and 2016

	Operating Revenues			Operating Income (Loss) Excluding Depreciation		
	FY2017	FY2016	Change	FY2017	FY2016	Change
Airport	\$ 236	\$ 196	\$ 40	\$ (194)	\$ (176)	\$ (18)
Equestrian Center/ShowplaceArena	1,273	1,369	(96)	(1,576)	(1,502)	(74)
Golf Courses	2,083	2,199	(116)	(1,854)	(1,527)	(327)
Ice Rinks	424	559	(135)	(684)	(711)	27
Tennis Bubbles/Administration	397	344	53	(530)	(654)	124
Trap and Skeet Center	1,583	1,633	(50)	(19)	(26)	7
Sports and Learning Complex	3,069	3,167	(98)	(4,773)	(4,459)	(314)
Bladensburg Marina	163	140	23	(116)	(84)	(32)
Total	<u>\$ 9,228</u>	<u>\$ 9,607</u>	<u>\$ (379)</u>	<u>\$ (9,746)</u>	<u>\$ (9,139)</u>	<u>\$ (607)</u>

The Prince George's County Enterprise Fund revenues decreased by \$379,000 and the operating loss, excluding depreciation, decreased by \$607,000. There was an increase in sales at College Park Airport; however, expenditures also increased due to the purchase of a flight simulator in FY2017. The Equestrian Center decline in revenue is due to lower food sales and event cancellations, while personnel services increased due to an increased use of intermittent staff vs. outside contractors. The decrease in operating income at the Golf Courses is due to slower sales and user fees in addition to increased use of seasonal staff. The increased operating income for the Ice Rinks is due to the fire and closure of Tucker Road Ice Rink causing savings in personnel services. Increased revenue at the Tennis Bubbles is due to a higher collection in fees and rental concessions due to the new club house. The increase in operating income for the Trap and Skeet Center is due to a decrease in personnel services due to vacancies. The Sports and Learning Complex operating loss is due to a water main break causing facility closures.

**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, 2017

	Administration Account	Park Account
(Unfavorable) property tax collections	\$ (279.5)	\$ (913.5)
Favorable charges for services	250.5	52.8
(Unfavorable) intergovernmental revenue	(164.7)	(288.6)
Favorable investment revenue	46.5	44.9
Favorable other revenue	6.9	94.4
Total (unfavorable) revenue variance	<u>(140.3)</u>	<u>(1,010.0)</u>
Expenditure savings	2,638.8	2,112.6
Favorable other financing sources (uses)	-	2.6
Total favorable budgetary variance	<u>\$ 2,498.5</u>	<u>\$ 1,105.2</u>

Property tax collections were lower than budgeted due to a lower than projected actual assessable base. Charges for Services exceeded the budget for both the Administration and Park Accounts. The Administration Account had higher than anticipated forest conservation plan submissions and the Park Account had higher than expected ball field rentals. Intergovernmental Revenue was down in both the Administration and Park Accounts due to fewer grants than anticipated. Investment Revenue fluctuates as the interest revenue is allocated based upon account balances. Other Revenues for

both funds was up due to higher than anticipated collections of donations, fines and other miscellaneous revenue. Expenditure savings for both funds was primarily a result of delays in filling vacant positions. Debt service payments were slightly less than budget.

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, 2017		
	Administration Account	Park Account
<u>Fund balance, budget basis</u>		
Assigned	\$ 1,880.3	\$ 807.5
Unassigned	3,928.5	7,073.0
Total Budgetary Fund Balance	<u>\$ 5,808.8</u>	<u>\$ 7,880.5</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, 2017			
	Administration Account	Park Account	Recreation Account
Favorable property tax collections	\$ 2,192.3	\$ 6,464.4	\$ 3,064.0
Favorable (unfavorable) charges for services	203.9	164.9	189.5
(Unfavorable) intergovernmental revenue	(32.0)	-	-
Favorable (unfavorable) investment revenue	200.2	395.8	144.1
Favorable other revenue	2.8	206.5	100.0
Total (unfavorable) revenue variance	<u>2,567.2</u>	<u>7,231.6</u>	<u>3,497.6</u>
Expenditure savings	7,547.6	4,122.8	4,328.6
Favorable other financing sources	-	907.4	-
Total favorable budgetary variance	<u>\$ 10,114.8</u>	<u>\$ 12,261.8</u>	<u>\$ 7,826.2</u>

Property tax collections in the Administration, Park and Recreation Accounts were higher than budgeted due to higher than anticipated assessable base growth and prior year tax collections. Charges for services increased in the Administration Account as a result of higher than anticipated revenues generated from urban design site plan fees. Charges for Services increased in the Park Account primarily due to increased fees collected at the festival of lights and increased tent rentals. Revenue in the Recreation Account is higher mainly due to higher than budgeted collections from aquatic programs, sports clinics and tournaments in Sports, Health & Wellness. Intergovernmental Revenue decreased in the Administration Account due to lower than anticipated collections from commercial and residential building permits. The favorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to higher than anticipated interest than budgeted. Other Revenue in the Park Account was due to insurance claim recoveries and increased collections from fees and citations. The Recreation Account had higher than anticipated Other Revenue from increased donations and contributions. The expenditure savings were mostly the result of vacant positions in all Accounts. All Accounts generated savings in Non-Departmental expenditures resulting from prior year purchase order cancellations and post-employment benefits. Additional savings in the Administration Account were the result of savings in the Director's Office, Development Review, Community Planning, Information Management and Countywide Planning Divisions for Other Services & Charges and Supplies and Materials. Additional Park Account savings were the result of lower utility costs and savings from contractual services. The Recreation Account also generated expenditure savings from lower than budgeted expenditures for utility costs in Support Services and lower expenditures in Area Operations. Additional savings in Area Operations for the Recreation Account was the result of delayed facility openings resulting in decreased program offerings in Trips & Excursions in the Central and Southern Areas. The Park Account had additional savings in Other Services and Charges as a result of decreased contract services for recreation programs and general services. In the Park Account, savings from other financing sources was the result of higher than anticipated budgeted interest income from the CIP Fund to the Park Account. Additional savings in other financing sources are the result of a delayed bond sale.



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, 2017			
	Administration Account	Park Account	Recreation Account
<u>Fund balance, budget basis</u>			
Assigned	\$ -	\$ 3,011.0	\$ -
Unassigned	32,940.9	124,635.8	37,089.8
Total Budgetary Fund Balance	<u>\$ 32,940.9</u>	<u>\$ 127,646.8</u>	<u>\$ 37,089.8</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, 2017 amounts to \$974.0 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment and intangibles, park facilities, and roads. The total increase in the Commission's investment in capital assets for the current fiscal year was 3.3% (a 3.8% increase for governmental activities and a 3.5% decrease for business-type activities). The most significant increase is \$21.8 million for construction in progress for the governmental activities. The only significant capital asset change 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 2017, projects totaling \$26 million were completed.

Expenditures on Montgomery County projects totaled \$26 million in fiscal year 2017, of which \$.7 million was for land acquisition and \$25.3 million was for development. The land purchases represented the acquisition of about 0.7 acres of land. Major Park Development expenditures included \$3.6 million for the Kemp Mill Urban Park, \$3.5 million for Laytonia Regional Park, \$2.5 million for Rock Creek Maintenance Facility upgrades, and \$1.6 million for Brookside Master Plan Improvements. In addition, \$2.5 million was expended for play equipment and minor park renovations.

Prince George's County projects totaled \$24.4 million in fiscal year 2017, of which \$1.4 million was for land acquisition and \$23.0 million was for development. Land acquisition included \$1.4 million in Regional Park acquisitions. Major park development expenditures include improvements for infrastructure with construction costs to date of \$21.5 million of which \$9.9 million was in fiscal year 2017, College Park Airport with construction costs to date of \$5.8 million of which \$350 thousand was in fiscal year 2017, Largo Town Center with construction costs to date of \$1.8 million, of which \$400 thousand was in fiscal year 2017, Compton Bassett Historic Restoration Site with construction costs to date of \$1.4 million, of which \$1.2 million was in fiscal year 2017, Westphalia Neighborhood Park with construction costs to date of \$5.9 million of which \$1.0 million was in fiscal year 2017, William Beanes Community Center with construction costs to date of \$5.3 million of which \$400 thousand was in fiscal year 2017. Southern Area Aquatic and Recreation Complex with construction costs to date of \$4.3 million of which \$3.0 million was in fiscal year 2017, Synthetic Turf Fields with total construction costs of \$2.8 million. Recreation Facility Planning with total construction costs to date of \$510 thousand. In addition, expenditures totaling \$2.0 million was spent for Play equipment replacement and in The Public Safety Fund.

## Commission's Capital Assets

### Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2017 and 2016

	June 30, 2017			June 30, 2016			Percent Change Total
	Governmental Activities	Business- type Activities	Total	Governmental Activities	Business- type Activities	Total	
Land	\$ 380,150	\$ 19,364	\$ 399,514	\$ 378,645	\$ 19,364	\$ 398,009	0.4%
Buildings and improvements	90,925	36,400	127,325	81,109	39,132	120,241	5.9%
Infrastructure	111,847	161	112,008	111,862	169	112,031	0.0%
Machinery, equip. & intangibles	32,979	2,061	35,040	32,482	1,970	34,452	1.7%
Construction in progress	297,538	2,604	300,142	275,743	2,198	277,941	8.0%
Total	<u>\$ 913,439</u>	<u>\$ 60,590</u>	<u>\$ 974,029</u>	<u>\$ 879,841</u>	<u>\$ 62,833</u>	<u>\$ 942,674</u>	<u>3.3%</u>

Additional information on the Commission's capital assets can be found in Note 4B of the Notes to the 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 \$116.2 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 \$15.6 million (Montgomery - \$4.8 million; Prince George's - \$10.8 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$115.2 million (Montgomery County - \$54.1 million and Prince George's County - \$61.1 million) at June 30, 2017. Park Bonds debt service expenditures totaled \$15.5 million (Montgomery - \$4.7 million, Prince George's - \$10.8 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.29 cents per \$100 of assessed valuation for real property and .73 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.30 cents per \$100 of assessed valuation for real property and 3.25 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:

<b>Commission General Obligation Bond Ratings June 30, 2017</b>			
	Moody's Investor Services Inc.	Standard & Poor's Rating Services	Fitch Ratings
Montgomery County	Aaa	AAA	AAA
Prince George's County	Aaa	AAA	AAA

Details of the Commission's outstanding debt (net of unamortized discounts and premiums) as of June 30, 2017, are as follows (\$000's):

<b>Commission's Outstanding Debt June 30, 2017 and 2016</b>			
	Governmental Activities		Change
	2017	2016	
General obligation bonds	\$ 122,506	\$ 124,658	-1.7%
Total	\$ 122,506	\$ 124,658	-1.7%
<b>Montgomery County Outstanding Debt June 30, 2017 and 2016</b>			
	Governmental Activities		Change
	2017	2016	
General obligation bonds	\$ 57,973	\$ 52,474	10.5%
Sub-Total	\$ 57,973	\$ 52,474	10.5%
<b>Prince George's County Outstanding Debt June 30, 2017 and 2016</b>			
	Governmental Activities		Change
	2017	2016	
General obligation bonds	\$ 64,533	\$ 72,184	-10.6%
Sub-Total	\$ 64,533	\$ 72,184	-10.6%

The Commission's bonds and notes payable decreased by \$2.1 million for the fiscal year due to the issuance of general obligation bonds in the amount of \$8.0 million offset by scheduled principal payments. 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 \$1,685.3 million of debt service for Montgomery County and \$916.8 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$68.5 million and \$79.2 million, respectively, over the 30 year period.

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

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

The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 86.7% of the Governmental Funds revenues in FY 2017. 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 2018 tax rates and adopting the FY 2018 Budget.

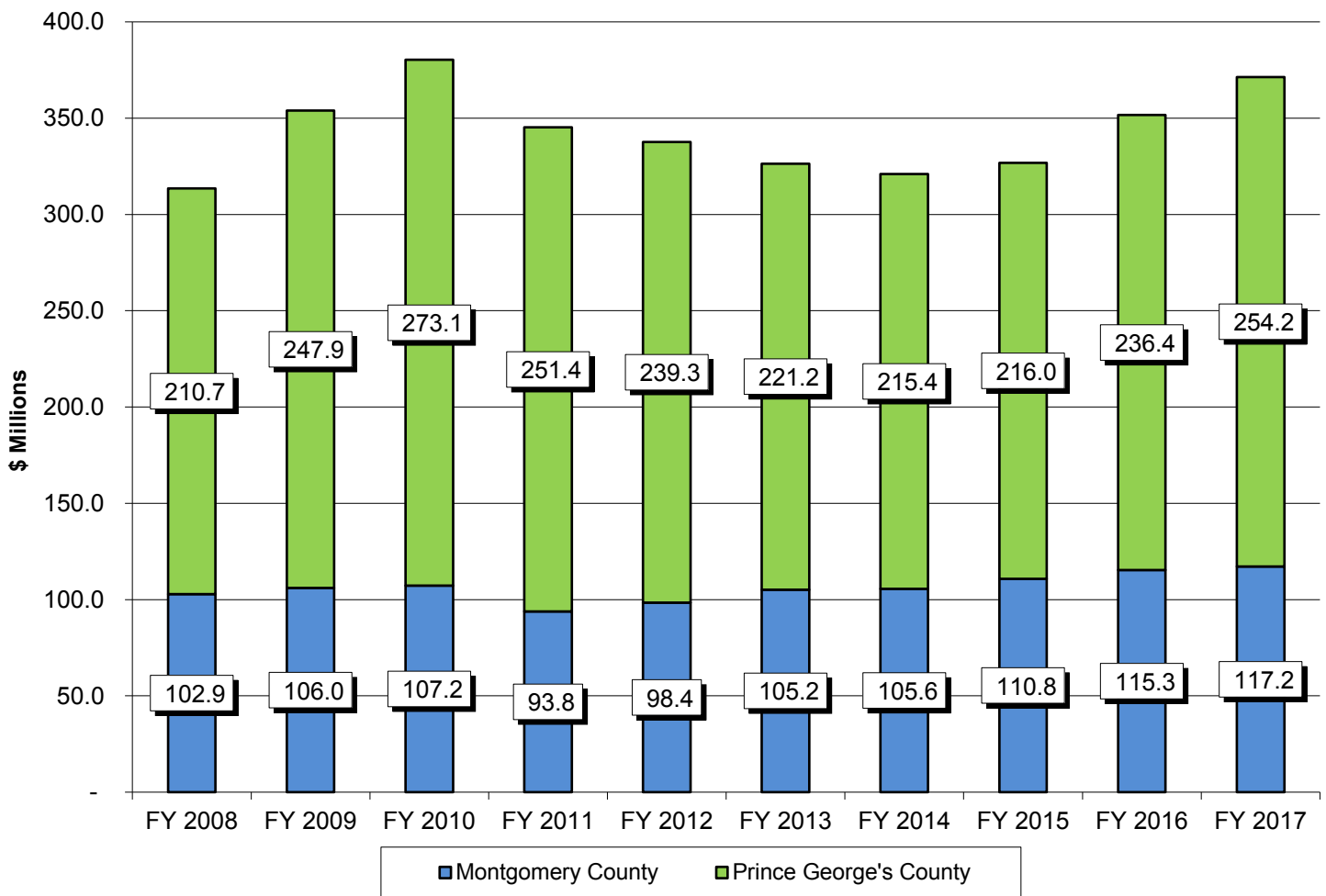
The Commission's property tax rates in the two counties are set based on different fiscal strategies. In Montgomery County, the Commission's property tax rates are set in conjunction with the Montgomery County Government property tax rates. In FY 2018 the Commission's total Montgomery County real property tax rate was decreased by 0.08 cents and the personal property tax rate was decreased by 0.20 cents and the taxable real property assessable base is projected to increase by 3.45%. Commission property tax revenue is budgeted to increase by 5.1% and budgeted expenditures are budgeted to increase 4.37% in the tax supported funds.

In Prince George’s County, there was no change to the real property and the personal property tax rates in FY 2018. In FY 2018, the real property assessable base is projected to increase by 7.4%. 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. The project charges decreased slightly from \$14.5 million in FY 2016 to \$14.1 million in FY 2017, and for FY 2018, they are budgeted at \$13.0 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.

### Property Tax Revenues



At year-end, the Commission had a budget basis fund unreserved balance in the General Fund of \$211.4 million. Of this amount, \$5.7 million is assigned fund balance and \$205.7 million is unassigned as of June 30, 2017. Of the unassigned portion, \$194.7 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 Commission's website, <http://www.mncppc.org> (See Budget/CAFR).

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

Statement of Net Position  
June 30, 2017

	Primary Government			Component Units		
	Governmental	Business-type	Total	Montgomery County	Prince George's	Total
	Activities	Activities		Parks	County Parks & Recreation	
			Foundation, Inc.	Foundation, Inc.		
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 414,461,119	\$ 13,224,742	\$ 427,685,861	\$ 1,066,408	\$ 103,705	\$ 1,170,113
Receivables - Taxes, net of allowance for uncollectibles	2,673,823	-	2,673,823	-	-	-
Receivables - Other	1,348,266	1,515	1,349,781	109,000	-	109,000
Due from County Governments	6,490,616	227,989	6,718,605	-	-	-
Due from Other Governments	4,831,452	-	4,831,452	-	-	-
Inventories	684,987	882,032	1,567,019	-	-	-
Deposits and Other	2,027,526	-	2,027,526	969	1,617	2,586
Restricted Cash, Cash Equivalents and Investments:						
Investments	-	-	-	171,886	-	171,886
Unspent Debt Proceeds	4,142,830	-	4,142,830	-	-	-
Capital Assets:						
Land and Construction in Progress	677,687,632	21,988,160	699,655,792	-	-	-
Other Capital Assets, Net of Accumulated Depreciation	235,751,918	38,621,423	274,373,241	-	-	-
<b>Total Assets</b>	<b>1,350,100,069</b>	<b>74,925,861</b>	<b>1,425,025,930</b>	<b>1,348,263</b>	<b>105,322</b>	<b>1,453,585</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred loss on refunding of debt	1,113,856	-	1,113,856	-	-	-
Changes in pension plan assumptions	33,464,608	1,201,620	34,666,228	-	-	-
Difference between projected and actual earnings on pension plan investments	57,706,544	2,171,357	59,877,901	-	-	-
Difference between expected and actual experience	336,667	12,366	349,033	-	-	-
<b>Total Deferred Outflows of Resources</b>	<b>92,641,675</b>	<b>3,385,343</b>	<b>96,027,018</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>LIABILITIES</b>						
Accounts Payable and Other Current Liabilities	30,951,876	1,069,246	32,021,122	195,377	-	195,377
Accrued Interest Payable	1,212,137	-	1,212,137	-	-	-
Due to Other Governments	90	-	90	-	-	-
Deposits and Fees Collected in Advance	10,099,239	70,474	10,169,713	-	-	-
Claims Payable:						
Due within One Year	5,734,681	-	5,734,681	-	-	-
Due in more than One Year	13,002,052	-	13,002,052	-	-	-
Compensated Absences:						
Due within One Year	10,341,598	350,678	10,692,276	-	-	-
Due in more than One Year	10,538,175	648,473	11,186,648	-	-	-
Bonds and Notes Payable:						
Due within One Year	10,026,180	-	10,026,180	-	-	-
Due in more than One Year	112,460,197	-	112,460,197	-	-	-
Net Other Post Employment Benefit Obligations						
Due in more than One Year	76,463,636	3,410,903	79,874,539	-	-	-
Net Pension Liability						
Due in more than One Year	119,576,314	4,443,322	124,019,636	-	-	-
<b>Total Liabilities</b>	<b>400,424,175</b>	<b>9,993,096</b>	<b>410,417,271</b>	<b>195,377</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Changes in pension plan assumptions	9,510,045	360,400	9,870,445	-	-	-
Difference between projected and actual earnings on pension plan investments	44,274,910	1,582,208	45,857,118	-	-	-
Difference between expected and actual experience	21,871,533	812,380	22,683,913	-	-	-
<b>Total Deferred Inflow of Resources</b>	<b>75,656,488</b>	<b>2,754,988</b>	<b>78,411,476</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET POSITION</b>						
Net Investment in Capital Assets	796,599,317	60,588,583	857,188,900	-	-	-
Temporarily Restricted	-	-	-	924,337	63,703	988,040
Unrestricted	170,061,764	4,973,537	175,035,301	228,549	41,619	270,168
<b>Total Net Position</b>	<b>\$ 966,661,081</b>	<b>\$ 65,563,120</b>	<b>\$ 1,032,224,201</b>	<b>\$ 1,152,866</b>	<b>\$ 105,322</b>	<b>\$ 1,258,208</b>

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, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Montgomery County Parks Foundation, Inc.	Prince George's County Parks & Recreation Foundation, Inc.	Total
					Governmental Activities	Business-type Activities			
<b>Primary Government:</b>									
<b>Governmental Activities:</b>									
General Government	\$ 18,210,634	\$ -	\$ -	\$ -	\$ (18,210,634)	\$ -	\$ -	\$ -	\$ -
County Planning and Zoning	57,302,000	3,850,889	904,323	-	(52,546,788)	-	-	-	-
Park Operations and Maintenance	231,398,938	9,268,553	5,480,518	20,013,891	(196,634,976)	-	-	-	-
Recreation Programs	71,188,082	15,277,082	560,610	-	(55,360,390)	-	-	-	-
Interest on Long-term Debt	3,688,429	-	-	-	(3,688,429)	-	-	-	-
Total Governmental Activities	381,798,063	28,397,504	6,945,451	20,013,891	(326,441,217)	-	-	-	-
<b>Business-type Activities:</b>									
Recreational and Cultural Facilities	30,874,630	19,899,293	-	-	-	(10,975,337)	-	-	-
Total Business-type Activities	30,874,630	19,899,293	-	-	-	(10,975,337)	-	-	-
<b>Total Primary Government</b>	<b>\$ 412,672,693</b>	<b>\$ 48,296,797</b>	<b>\$ 6,945,451</b>	<b>\$ 20,013,891</b>	<b>\$ (326,441,217)</b>	<b>\$ (10,975,337)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Component Units:</b>									
Montgomery County Foundation	\$ 2,018,784	\$ -	\$ 988,070	\$ -	\$ -	\$ -	\$ (1,050,724)	\$ -	\$ (1,050,724)
Prince George's County Foundation	407,410	-	442,644	-	-	-	-	35,234	35,234
Total Component Units	\$ 2,426,204	\$ -	\$ 1,410,714	\$ -	\$ -	\$ -	\$ (1,050,724)	\$ 35,234	\$ (1,015,490)
<b>General Revenues:</b>									
Property Taxes					371,471,118				
Unrestricted Investment Earnings					2,362,429	189,626			15,689
Transfers					(9,070,347)	9,070,347		15,629	70
Net General Revenues and Transfers					364,763,200	9,259,973		15,629	70
Change in Net Position					36,321,983	(1,715,384)		(1,035,095)	35,304
Net Position - Beginning					928,339,098	67,278,484		2,187,981	70,018
Net Position - Ending					966,661,081	65,563,120		1,152,886	105,322

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, 2017

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Equity in Pooled Cash and Investments	\$ 285,452,841	\$ -	\$ 48,083,814	\$ 16,071,713	\$ 349,608,168
Receivables - Taxes (net of allowance for uncollectibles)	2,855,982	-	-	17,841	2,873,823
Receivables - Other (net of allowance for uncollectibles)	163,573	-	-	10,650	174,223
Due from Other Funds	62,545	-	-	-	62,545
Due from County Governments	96,947	5,824,111	-	69,558	5,990,616
Due from Other Governments	305,008	4,346,387	112,489	67,568	4,831,452
Inventories	-	-	-	684,987	684,987
Restricted Cash - Unspent Debt Proceeds	-	4,142,830	-	-	4,142,830
Other	22,580	-	-	-	22,580
<b>Total Assets</b>	<b>\$ 288,759,278</b>	<b>\$ 14,313,328</b>	<b>\$ 48,196,303</b>	<b>\$ 16,922,317</b>	<b>\$ 388,191,224</b>
<b>LIABILITIES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 9,887,343	\$ 3,438,649	\$ 3,159,074	\$ 388,182	\$ 16,873,248
Accrued Liabilities	9,158,681	-	-	449,083	9,605,764
Retainage Payable	-	2,094,400	1,149,966	-	3,244,366
Due to Other Funds	-	62,545	-	-	62,545
Due to County Governments	60	-	-	30	90
Deposits and Fees Collected in-Advance	8,219,569	-	1,669,372	202,255	10,091,196
<b>Total Liabilities</b>	<b>27,083,653</b>	<b>5,595,594</b>	<b>5,978,412</b>	<b>1,039,550</b>	<b>39,677,209</b>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable Property Tax Revenue	2,445,249	-	-	-	2,445,249
<b>Total Deferred Inflow of Resources</b>	<b>2,445,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,445,249</b>
<b>Fund Balance:</b>					
<b>Nonspendable to:</b>					
Recreation	-	-	-	684,987	684,987
Restricted for:					
Parks	-	4,142,830	-	25	4,142,855
<b>Committed to:</b>					
Planning	21,080,594	-	-	266,484	21,347,078
Parks	20,287,878	11,777,135	62,539,132	873,698	95,477,843
Recreation	6,515,221	-	-	824,414	7,339,635
<b>Assigned to:</b>					
Planning	1,880,281	-	-	4,239,193	6,119,474
Parks	3,818,563	-	-	2,553,281	6,371,844
Recreation	-	-	-	6,440,685	6,440,685
<b>Unassigned:</b>					
	205,668,037	(7,202,231)	(20,321,241)	-	178,144,565
<b>Total Fund Balances</b>	<b>259,250,374</b>	<b>8,717,734</b>	<b>42,217,891</b>	<b>15,882,767</b>	<b>326,068,766</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 288,759,278</b>	<b>\$ 14,313,328</b>	<b>\$ 48,196,303</b>	<b>\$ 16,922,317</b>	

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.	899,602,810
Deferred outflows of resources related to pensions and refunding of debt are applicable to future periods and, therefore, are not reported in the funds.	92,641,675
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	1,523,414
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.	58,429,694
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.	2,445,249
Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.	(75,658,488)
Long-term liabilities, including bonds payable, net pension liability and net other post employment benefits obligations are not due and payable in the current period and therefore are not reported in the funds.	(338,394,039)
<b>Net Position of Governmental Activities</b>	<b>\$ 966,661,081</b>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property Taxes	\$ 369,613,659	\$ -	\$ -	\$ 1,859,617	\$ 371,473,276
Intergovernmental -					
Federal	40,791	-	-	-	40,791
State	1,580,863	2,602,436	1,107,128	-	5,290,427
County	3,389,135	11,923,680	-	1,284,439	16,597,254
Local	-	282,247	-	-	282,247
Charges for Services	10,939,957	-	-	3,975,248	14,915,205
Rentals and Concessions	5,996,941	-	-	6,146,391	12,143,332
Interest	1,535,464	22,171	348,587	78,964	1,985,186
Contributions	170,809	1,497,840	2,324,725	224,202	4,217,576
Miscellaneous	730,424	98,241	370,738	139,564	1,338,967
Total Revenues	<u>393,998,043</u>	<u>16,426,615</u>	<u>4,151,178</u>	<u>13,708,425</u>	<u>428,284,261</u>
<b>EXPENDITURES</b>					
Current -					
General Government	16,965,608	-	-	-	16,965,608
Planning and Zoning	50,973,328	-	-	3,458,475	54,429,803
Park Operations and Maintenance	198,983,007	-	-	2,090,465	201,073,472
Recreation	60,949,379	-	-	5,924,384	66,873,763
Contributions	-	-	-	1,786,021	1,786,021
Debt Service -					
Principal	-	-	-	11,126,946	11,126,946
Interest	-	-	-	4,459,106	4,459,106
Other Debt Service Costs	-	-	-	159,718	159,718
Capital Outlay -					
Park Acquisition	-	697,500	1,455,891	-	2,153,391
Park Development	-	25,309,804	22,998,654	-	48,308,458
Total Expenditures	<u>327,871,322</u>	<u>26,007,304</u>	<u>24,454,545</u>	<u>29,003,115</u>	<u>407,336,286</u>
Excess (Deficiency) of Revenues over Expenditures	<u>66,126,721</u>	<u>(9,580,689)</u>	<u>(20,303,367)</u>	<u>(15,294,690)</u>	<u>20,947,975</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
General Obligation Bonds Issued	-	8,000,000	-	-	8,000,000
Premiums on Bonds Issued	-	514,748	-	-	514,748
Transfers In	370,756	350,000	6,691,000	16,202,263	23,614,019
Transfers Out	(32,283,610)	(22,169)	(348,587)	(30,000)	(32,684,366)
Total Other Financing Sources (Uses)	<u>(31,912,854)</u>	<u>8,642,579</u>	<u>6,342,413</u>	<u>16,172,263</u>	<u>(555,599)</u>
Net Change in Fund Balances	34,213,867	(738,110)	(13,960,954)	877,573	20,392,376
Fund Balances - Beginning	225,036,507	9,455,844	56,178,845	15,005,194	305,676,390
Fund Balances - Ending	\$ <u>259,250,374</u>	\$ <u>8,717,734</u>	\$ <u>42,217,891</u>	\$ <u>15,882,767</u>	\$ <u>326,068,766</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, 2017**

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)	\$	20,392,376
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capitalized expenditures exceeded depreciation in the current period.

Capitalized Expenditures	48,802,436	
Depreciation Expense	<u>(15,393,252)</u>	
Net adjustment		33,409,184

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>275,835</u>	
Net adjustment		275,835

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

(2,158)

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	(8,514,748)	
Repayments of Principal	<u>11,126,946</u>	
Net adjustment		2,612,198

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 liability, compensated absences and other expenses.

(21,936,909)

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.

276,870

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.

Change in net position of governmental activities (Exhibit 2)	\$	<u><u>3,294,587</u></u>
		<u><u>38,321,983</u></u>

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

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

Exhibit 6

**Statement of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance  
Budget (Non-GAAP Budgetary Basis) and Actual - General Fund  
For the Year Ended June 30, 2017**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 359,085,900	\$ 359,085,900	\$ 369,613,659	\$ 10,527,759
Intergovernmental	3,981,613	5,496,134	5,010,789	(485,345)
Charges for Services	10,325,268	10,325,268	10,939,957	614,689
Rentals and Concessions	5,750,075	5,750,075	5,996,941	246,866
Interest	704,000	704,000	1,535,464	831,464
Miscellaneous	490,500	490,500	901,233	410,733
<b>Total Revenues</b>	<b>380,337,356</b>	<b>381,851,877</b>	<b>393,998,043</b>	<b>12,146,166</b>
<b>Expenditures/Encumbrances:</b>				
Current -				
General Government	20,562,949	20,562,949	19,332,455	1,230,494
County Planning and Zoning	58,187,149	58,391,777	49,435,838	8,955,939
Park Operation and Maintenance	209,451,736	210,425,834	204,233,524	6,192,310
Recreation Programs	62,725,153	63,060,948	58,732,315	4,328,633
<b>Total Expenditures/Encumbrances</b>	<b>350,926,987</b>	<b>352,441,508</b>	<b>331,734,132</b>	<b>20,707,376</b>
<b>Excess of Revenues over Expenditures/Encumbrances</b>	<b>29,410,369</b>	<b>29,410,369</b>	<b>62,263,911</b>	<b>32,853,542</b>
<b>Other Financing Sources (Uses):</b>				
Transfers In	175,000	175,000	370,756	195,756
Transfers Out	(32,997,887)	(32,997,887)	(32,283,610)	714,277
<b>Total Other Financing Sources (Uses)</b>	<b>(32,822,887)</b>	<b>(32,822,887)</b>	<b>(31,912,854)</b>	<b>910,033</b>
<b>Excess of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Uses - Budget Basis</b>	<b>\$ (3,412,518)</b>	<b>\$ (3,412,518)</b>	<b>30,351,057</b>	<b>\$ 33,763,575</b>
<b>Fund Balances - Budget Basis, Beginning</b>			<b>181,015,824</b>	
<b>Fund Balances - Budget Basis, Ending</b>			<b>\$ 211,366,881</b>	

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, 2017

	Business-type Activities - Enterprise Funds			Governmental
	Recreational and Cultural Activities			Activities-
	Montgomery County	Prince George's County	Totals	Internal Service Funds
<b>ASSETS</b>				
<b>Current Assets:</b>				
Equity in Pooled Cash and Investments	\$ 8,408,670	\$ 4,816,072	\$ 13,224,742	\$ 64,038,843
Accounts Receivable	1,361	154	1,515	1,174,043
Due from County Government	227,989	-	227,989	500,000
Deposits and Other	-	-	-	481,532
Inventories	191,255	690,777	882,032	-
<b>Total Current Assets</b>	<b>8,829,275</b>	<b>5,507,003</b>	<b>14,336,278</b>	<b>66,194,418</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets:</b>				
Land	11,584,468	7,779,131	19,363,599	748,497
Buildings and Improvements	27,216,080	73,637,174	100,853,254	3,299,192
Infrastructure	35,510	134,686	170,196	15,657
Machinery, Equipment and Intangibles	2,631,818	4,516,918	7,148,736	40,338,276
Construction in Progress	2,604,561	-	2,604,561	-
	44,072,437	86,067,909	130,140,346	44,401,622
Less - Accumulated Depreciation	(24,631,541)	(44,919,222)	(69,550,763)	(30,564,983)
<b>Total Capital Assets, Net of Depreciation</b>	<b>19,440,896</b>	<b>41,148,687</b>	<b>60,589,583</b>	<b>13,836,639</b>
<b>Total Noncurrent Assets</b>	<b>19,440,896</b>	<b>41,148,687</b>	<b>60,589,583</b>	<b>13,836,639</b>
<b>Total Assets</b>	<b>28,270,171</b>	<b>46,655,690</b>	<b>74,925,861</b>	<b>80,031,057</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Changes in pension plan assumptions	402,387	799,233	1,201,620	276,826
Difference between projected and actual earnings on pension plan investments	716,959	1,454,398	2,171,357	407,528
Difference between expected and actual experience	3,793	8,573	12,366	2,230
<b>Total Deferred Outflows of Resources</b>	<b>1,123,139</b>	<b>2,262,204</b>	<b>3,385,343</b>	<b>686,584</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	107,800	109,192	216,992	1,364,015
Claims Payable	-	-	-	5,734,681
Accrued Salaries and Benefits	255,321	596,933	852,254	64,483
Compensated Absences	117,953	232,725	350,678	47,399
Revenue Collected in Advance	43,037	27,437	70,474	8,043
<b>Total Current Liabilities</b>	<b>524,111</b>	<b>966,287</b>	<b>1,490,398</b>	<b>7,218,621</b>
<b>Noncurrent Liabilities:</b>				
Claims Payable	-	-	-	13,002,052
Compensated Absences	186,255	462,218	648,473	51,111
Net Other Post Employment Benefit Obligations	743,133	2,667,770	3,410,903	570,581
Net Pension Liability	1,391,215	3,052,107	4,443,322	758,999
<b>Total Noncurrent Liabilities</b>	<b>2,320,603</b>	<b>6,182,095</b>	<b>8,502,698</b>	<b>14,382,743</b>
<b>Total Liabilities</b>	<b>2,844,714</b>	<b>7,148,382</b>	<b>9,993,096</b>	<b>21,601,364</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Changes in pension plan assumptions	125,971	234,429	360,400	73,464
Difference between projected and actual earnings on pension plan investments	537,927	1,044,281	1,582,208	378,930
Difference between expected and actual experience	281,348	531,032	812,380	175,318
<b>Total Deferred Inflows of Resources</b>	<b>945,246</b>	<b>1,809,742</b>	<b>2,754,988</b>	<b>627,712</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	19,440,896	41,148,687	60,589,583	13,836,639
Unrestricted	6,162,454	(1,188,917)	4,973,537	44,651,926
<b>Total Net Position</b>	<b>\$ 25,603,350</b>	<b>\$ 39,959,770</b>	<b>\$ 65,563,120</b>	<b>\$ 58,488,565</b>

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, 2017**

	Business-type Activities - Enterprise Funds			Governmental Activities- Internal Service Funds
	Recreational and Cultural Activities			
	Montgomery County	Prince George's County	Totals	
Operating Revenues:				
Sales	\$ 602,961	\$ 2,021,208	\$ 2,624,169	\$ -
Charges for Services	6,890,177	4,339,989	11,230,166	47,352,933
Claim Recoveries	-	-	-	1,031,849
Rentals and Concessions	3,177,740	2,867,218	6,044,958	-
Total Operating Revenues	<u>10,670,878</u>	<u>9,228,415</u>	<u>19,899,293</u>	<u>48,384,782</u>
Operating Expenses:				
Cost of Goods Sold	293,684	1,112,214	1,405,898	-
Personal Services	5,424,138	11,914,177	17,338,315	2,247,550
Supplies and Materials	693,294	1,693,908	2,387,202	1,221,438
Claims Incurred	-	-	-	27,610,404
Insurance	-	-	-	7,824,301
Communications	64,210	387,410	451,620	-
Utilities	1,009,407	1,651,941	2,661,348	-
Maintenance	304,547	955,591	1,260,138	-
Contractual Services	585,791	652,477	1,238,268	934,610
Other Services and Charges	420,642	280,829	701,471	2,219,799
Administrative Services	-	325,403	325,403	-
Depreciation	1,110,259	1,969,791	3,080,050	3,409,593
Total Operating Expenses	<u>9,905,972</u>	<u>20,943,741</u>	<u>30,849,713</u>	<u>45,467,695</u>
Operating Income (Loss)	<u>764,906</u>	<u>(11,715,326)</u>	<u>(10,950,420)</u>	<u>2,917,087</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	108,741	80,885	189,626	377,243
Loss on Disposal of Asset	7,947	(32,864)	(24,917)	256
Total Nonoperating Revenue (Expense)	<u>116,688</u>	<u>48,021</u>	<u>164,709</u>	<u>377,499</u>
Income (Loss) before Contributions and Transfers	<u>881,594</u>	<u>(11,667,305)</u>	<u>(10,785,711)</u>	<u>3,294,586</u>
Transfers In	-	9,070,347	9,070,347	-
Total Contributions and Transfers	-	9,070,347	9,070,347	-
Change in Net Position	881,594	(2,596,958)	(1,715,364)	3,294,586
Total Net Position - Beginning	24,721,756	42,556,728	67,278,484	55,193,979
Total Net Position - Ending	<u>\$ 25,603,350</u>	<u>\$ 39,959,770</u>	<u>\$ 65,563,120</u>	<u>\$ 58,488,565</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, 2017**

	<u>Business-type Activities- Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Recreational and Cultural Activities</u>			
	<u>Montgomery County</u>	<u>Prince George's County</u>	<u>Totals</u>	
<b>Cash Flows from Operating Activities:</b>				
Receipts from Customers and Users	\$ 9,679,824	\$ 9,243,434	\$ 18,923,258	\$ 48,533,729
Payments to Suppliers	(1,823,769)	(7,009,201)	(8,832,970)	(38,767,563)
Payments to Employees	(5,018,416)	(11,445,619)	(16,464,035)	(2,013,025)
Payments for Interfund Services Used	(205,443)	-	(205,443)	(834,652)
Payments for Administrative Charges	(1,749,249)	(325,403)	(2,074,652)	-
Net Cash Provided (Used) by Operating Activities	<u>882,947</u>	<u>(9,536,789)</u>	<u>(8,653,842)</u>	<u>6,918,489</u>
<b>Cash Flows from Noncapital Financing Activities:</b>				
Transfers In from Other Funds	-	9,070,347	9,070,347	-
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>9,070,347</u>	<u>9,070,347</u>	<u>-</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and Construction of Capital Assets	(664,010)	(198,030)	(862,040)	(2,971,353)
Net Cash Used by Capital and Related Financing Activities	<u>(664,010)</u>	<u>(198,030)</u>	<u>(862,040)</u>	<u>(2,971,353)</u>
<b>Cash Flows from Investing Activities:</b>				
Interest on Investments	108,741	80,885	189,626	377,243
Net Increase (Decrease) in Cash and Cash Equivalents	327,678	(583,587)	(255,909)	4,324,379
Cash and Cash Equivalents, July 1	<u>8,080,992</u>	<u>5,399,659</u>	<u>13,480,651</u>	<u>59,714,464</u>
Cash and Cash Equivalents, June 30	<u>\$ 8,408,670</u>	<u>\$ 4,816,072</u>	<u>\$ 13,224,742</u>	<u>\$ 64,038,843</u>

**Exhibit 9  
continued**

	<u>Business-type Activities- Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>Recreational and Cultural Activities</u>			
	<u>Montgomery County</u>	<u>Prince George's County</u>	<u>Totals</u>	
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating Income (Loss)	\$ 764,906	\$ (11,715,326)	\$ (10,950,420)	\$ 2,917,087
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	1,110,259	1,969,791	3,080,050	3,409,593
Effect of Changes in Operating Assets and Liabilities in:				
Accounts Receivable	(1,047)	1,215	168	29,118
Due from Other Government	(18,581)	9,440	(9,141)	-
Inventories, at Cost	(16,106)	46,174	30,068	-
Deposits and Other	-	-	-	119,828
Accounts Payable	(185,337)	(321,005)	(506,342)	75,658
Claims Payable	-	-	-	132,680
Accrued Salaries and Benefits	(94,094)	(116,140)	(210,234)	14,826
Compensated Absences	14,550	13,943	28,493	19,391
Net Pension Obligation	223,647	434,164	657,811	155,890
Net Other Post Employment Obligations	56,176	136,591	192,767	44,418
Revenue Collected in Advance	(971,426)	4,364	(967,062)	-
Total Adjustments	<u>118,041</u>	<u>2,178,537</u>	<u>2,296,578</u>	<u>4,001,402</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 882,947</u>	<u>\$ (9,536,789)</u>	<u>\$ (8,653,842)</u>	<u>\$ 6,918,489</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, 2017**

	Pension Trust Funds	Private Purpose Trust Funds	Agency Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 643,708	\$ 12,075,963	\$ 2,191,978
Cash	53,189	-	-
Fixed Income Securities	220,359,467	-	-
International Fixed Income Securities	4,087,352	-	-
Venture Capital/Alternative Investments	99,602,371	-	-
Corporate Stock	381,674,975	-	-
International Corporate Stock	78,907,068	-	-
Real Estate Investments	78,765,306	-	-
Short Term Investments	24,314,068	-	-
Mutual Funds	43,897,803	-	-
Collateral for Securities Lending Transactions	37,514,301	-	-
Accounts Receivable	40,823	-	-
Accrued Income on Investments	733,881	-	-
Land Held for Other Governments	-	74,493,496	-
Other	14,902	-	-
<b>Total Assets</b>	<u>970,609,214</u>	<u>86,569,459</u>	<u>2,191,978</u>
<b>LIABILITIES</b>			
Investment Payable	619,681	-	-
Accounts Payable	1,514,962	537	-
Claims Payable	518,406	-	-
Obligation for Collateral Received under Securities Lending Transactions	38,457,569	-	-
Deposits	-	-	2,191,978
<b>Total Liabilities</b>	<u>41,110,618</u>	<u>537</u>	<u>2,191,978</u>
<b>NET POSITION</b>			
Assets Held in Trust for:			
Land Held for Other Governments	-	74,493,496	-
Pension Benefits	868,155,816	-	-
Other Postemployment Benefits	61,342,780	-	-
Other Purposes	-	12,075,426	-
<b>Total Net Position</b>	<u>\$ 929,498,596</u>	<u>\$ 86,568,922</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, 2017**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Funds</u>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 34,979,469	\$ -
Plan Members	6,751,196	-
Plan Members for Current Benefits	2,685,917	-
Private Donations	-	37,366
<b>Total Contributions</b>	<u>44,416,582</u>	<u>37,366</u>
Receipts from Commission Debt Service Funds	-	1,786,021
Federal Grants - Medicare	1,396,311	-
Investment Earnings:		
Interest	9,707,262	62,360
Dividends	789,250	-
Net decrease in the Fair Value of Investments	113,449,327	-
<b>Total Investment Earnings</b>	<u>123,945,839</u>	<u>62,360</u>
Less Investment Advisory and Management Fees	(3,675,541)	-
<b>Net Income from Investing Activities</b>	<u>120,270,298</u>	<u>62,360</u>
Securities Lending Activity		
Securities Lending Income	444,450	-
Securities Lending Fees	(278,524)	-
<b>Net Income from Securities Lending Activity</b>	<u>165,926</u>	<u>-</u>
<b>Total Net Investment Income</b>	<u>120,436,224</u>	<u>62,360</u>
<b>Total Additions and Investment Income</b>	<u>166,249,117</u>	<u>1,885,747</u>
<b>DEDUCTIONS</b>		
Benefits	58,417,036	-
Refunds of Contributions	561,120	-
Administrative Expenses	2,085,218	-
Other	-	19,254
<b>Total Deductions</b>	<u>61,063,374</u>	<u>19,254</u>
<b>Change in Net Position</b>	<u>105,185,743</u>	<u>1,866,493</u>
Net Position - Beginning	824,312,853	84,702,429
Net Position - Ending	\$ <u>929,498,596</u>	\$ <u>86,568,922</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, 2017

### (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 – planning and general administration; Montgomery County park tax - park operations and debt service for park acquisition and development bonds; Prince George's County administration tax – planning and general administration; 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 Employee Retirement System (ERS) and the 115 Trust and discretely presented component units, the Montgomery County Parks Foundation, Inc. and the Prince George's County Parks and Recreation Foundation, Inc. (the Foundations). 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 units are included in the reporting unit because the Primary Government provides a significant amount of funding to the units and appoints the governing board.

ERS is 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.

The Prince George's County Parks and Recreation Foundation helps fund parks and open space needs in Prince George's County, Maryland. The Foundation works in cooperation with private citizens, business, other foundations, the Commission and the Prince George's County Department of Parks and Department of Recreation to meet these parks, recreation programs and open space needs. The Foundation has a calendar year of December 31. The completed financial statements can be obtained at 7833 Walker Drive, Suite 210 Greenbelt, MD 20770.

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:

**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 is 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, 2017.

**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 Risk Management Fund, Prince George’s County Capital Equipment Fund, Prince George’s County Risk Management Fund, Central Administrative Services Capital Equipment Fund, Executive Office Building Fund, Employee Benefits 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.

**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 certain deposits held by the Commission.

In the process of aggregating data for the Government-wide financial statements, some amounts reported as inter-fund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of inter-fund activity has been eliminated from the Government-wide financial statements. The effect of the inter-fund 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 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 non-operating 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 non-operating revenues and expenses.

**(D) Assets, Liabilities, Deferred Outflows/Inflows 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 \$1,634,751 as of June 30, 2017. 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 \$10,000 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



**Deferred Outflows/Inflows of Resources** – A deferred outflow of resources represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditures) until the future period. The Commission recognizes deferred outflows for the difference between the projected and actual investment earnings related to pensions. The Commission also recognizes deferred outflows for changes in assumption as well as for the difference between expected and actual experience.

A deferred inflow of resources represents an acquisition of net position that applies to a future period so will not be recognized as an inflow of resources (revenue) until the future period. The Commission recognizes deferred inflows for property taxes collected in advance.

**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.

**Pensions** – For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about fiduciary net position of The Maryland-National Capital Park and Planning Commission Employee's Retirement System (the System) and additions to /deductions from the System's fiduciary net pension have been determined on the same basis as they are reported in the System's financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**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 are 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	\$ 5,050,982	\$ 4,502,898	\$ 16,029,612	\$ 15,784,780	\$ 6,515,221	\$ 47,883,493
Assigned	1,880,281	807,542	-	3,011,021	-	5,698,844
Unassigned	3,928,553	7,072,968	32,940,901	124,635,790	37,089,825	205,668,037
Total Fund Balance	<u>\$ 10,859,816</u>	<u>\$ 12,383,408</u>	<u>\$ 48,970,513</u>	<u>\$ 143,431,591</u>	<u>\$ 43,605,046</u>	<u>\$ 259,250,374</u>

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

**(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	\$ 379,401,366
Buildings and improvements	240,005,618
Infrastructure	263,901,378
Machinery, Equipment and Intangibles	61,758,365
Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles	(343,001,686)
Construction in Progress	297,537,769
Total	<u>\$ 899,602,810</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	\$ 10,026,180
Due in More than One Year	112,480,197
Net Other Post Employment Benefit	
Obligations	75,893,055
Net Pension Obligations	118,817,815
Compensated Absences	
Due Within One Year	10,294,200
Due in More than One Year	10,485,063
Accrued Interest Payable	1,212,137
Totals	<u>\$ 339,208,647</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 2017 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, 2017, 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, 2017	\$ 4,840,083	\$ 3,939,706	\$ 15,411,154	\$ 11,097,455	\$ 8,732,285	\$ 44,020,683
To Decrease -						
Encumbrances -						
June 30, 2017	(5,050,982)	(4,502,898)	(16,029,612)	(15,784,780)	(6,515,221)	(47,883,493)
Total Adjustment	(210,899)	(563,192)	(618,458)	(4,687,325)	2,217,064	(3,862,810)
Net Change in Fund Balance:						
GAAP Basis	615,649	214,967	10,031,774	13,537,249	9,814,228	34,213,867
Budget Basis	\$ 404,750	\$ (348,225)	\$ 9,413,316	\$ 8,849,924	\$ 12,031,292	\$ 30,351,057

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

##### (A) Cash and Investments

The Commission's deposits and investments as of June 30, 2017, totaled \$1,415,916,240. The Commission's unrestricted pool of deposits and investments of \$442,597,510 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 is \$2,469,237, and the bank balance is \$5,462,960. In addition, the Commission held cash at various locations totaling \$232,208. Of the bank balance, \$250,000 is covered by Federal depository insurance, and the remainder is collateralized by \$5,212,959 of securities held by a member of the Federal Reserve banking system in the name of the Commission and the Commission's bank.

The Commission requires collateral for the 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, 2017. 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 \$47,573,664. Of these deposits, \$20,313 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 \$4,142,830 of unspent bonds and note proceeds restricted to pay construction costs for various projects.

**Custodial Credit Risk - Investments** - 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, 2017 were as follows:

Investment Type	Fair Value	Weighted Average Maturity (Days)
Municipal Bonds	\$ 1,192,828	3.70
Federal National Mortgage Association Notes	19,946,400	94.00
Federal Farm Credit Bank	39,935,145	331.00
Commercial Paper	42,733,180	179.18
U.S. Treasury Bills	44,843,954	393.71
Maryland Local Government Investment Pool (MLGIP)	48,045,285	46.00
Federal Agricultural Mortgage Corporation Notes	49,830,061	192.30
Federal Home Loan Bank Notes	59,928,205	406.91
Federal Home Loan Mortgage Association Notes	90,010,173	301.00
Total Fair Value	<b>\$ 396,465,231</b>	
Portfolio Weighted Average Maturity		261.52

**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 AAAM 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 semi-annual 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 \$20,313 (0.49%) 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:

Diversification by Investment Type	Maximum Percent of Portfolio*
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.

The amount of ERS's total cash and short-term investments at June 30, 2017 is \$24,367,257. Cash deposits that were insured and collateralized in the bank account totaled \$53,189 at June 30, 2017. At June 30, 2017, the ERS held \$24,314,068 of short-term investments in its custodial investment accounts.

As of June 30, 2017, the ERS held \$86,133 of short-term investments that were exposed to custodial credit risk.

**Investments** - The Board of Trustees (the 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:

<u>Asset Class</u>	<u>Target Exposure</u>	<u>Expected Range</u>
U.S. Equities	19.00%	14%-24%
International Equities	19.00%	14%-24%
Low Volatility Equities	8.00%	4%-12%
Private Equities	5.00%	0%-8%
<b>Total Equities</b>	<b>51.00%</b>	<b>46%-56%</b>
Core Fixed Income	10.00%	7%-13%
High Yield Fixed Income	7.50%	5%-10%
Global Opportunistic Fixed Income	7.50%	5%-10%
Bank Loans	4.00%	2%-6%
<b>Total Fixed Income</b>	<b>29.00%</b>	<b>24%-34%</b>
Public Real Assets	5.00%	0%-15%
Private Real Assets	15.00%	5%-20%
<b>Total Real Assets</b>	<b>20.00%</b>	<b>10%-25%</b>

The Board approved revisions to the Statement of Investment Policy (the Policy) on April 4, 2017. The Policy was amended to add an 8% allocation to global low volatility equities; reduce U.S. and international equities from 23% to 19%; and add a global infrastructure allocation to public real assets.

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 within +/- 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, inflation indexed bonds, and global infrastructure 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, 2017, 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 payments 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, 2017. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2017:

<u>Currency</u>	<u>Purchases</u>	<u>Realized Gain/(Loss)</u>	<u>Sells</u>	<u>Realized Gain/(Loss)</u>
Brazilian real	\$ 78,809	\$ -	\$ (1,075,667)	\$ 3
British pound sterling	5,576,132	(3,001)	(3,573,754)	(7,409)
Canadian dollar	103,874	(1,049)	(388,821)	1,553
Czech koruna	70,074	159	(269,035)	1,479
Euro	6,175,490	(3,826)	(8,384,737)	15,821
Hong Kong dollar	1,054,672	(77)	(880,674)	87
Indonesian rupiah	70,784	-	(242,825)	(248)
Japanese yen	969,873	(315)	(2,299,036)	2,365
Mexican peso	348,523	1,069	(471,257)	(6,710)
New Taiwan dollar	1,028,504	(7)	(1,844,311)	2,864
Norwegian krone	237,222	771	(1,118,971)	3,049
Singapore dollar	55,744	(424)	(376,346)	(102)
South Korean won	225,133	-	(874,965)	(547)
Swedish krona	139,903	212	(416,410)	3,666
Swiss franc	207,634	(264)	(700,711)	447
Turkish lira	125,191	403	(364,408)	(1,174)

Foreign Exchange Contracts Pending as of June 30, 2017:

<u>Currency</u>	<u>Purchases</u>	<u>Unrealized Gain/(Loss)</u>	<u>Sells</u>	<u>Unrealized Gain/(Loss)</u>
Japanese yen	\$ 289,245	\$ (222)	\$ -	\$ -
Mexican peso	50,731	-	(50,858)	(127)

**Fair Value Measurements** - The fair value of all invested assets, based on the fair value hierarchy, and categorized based upon the lowest level of input that was significant to the fair value measurement, were as follows:

**Investments and Derivative Instruments Measured at Fair Value**

(\$ in thousands)

	Fair Value Measurements Using				
	Fair Value 6/30/2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Undetermined
<b>Investments by fair value level</b>					
Cash and invested cash	\$ 2,437	\$ 2,437	\$ -	\$ -	\$ -
Short-term investment funds	2,482	2,482	-	-	-
Debt securities					
Asset backed securities	5,073	-	5,073	-	-
Commercial mortgage-backed	2,393	-	2,393	-	-
Corporate bonds	24,509	-	24,509	-	-
Government agencies	2,919	-	2,919	-	-
Government bonds	17,804	-	17,804	-	-
Government mortgage-backed securities	15,454	-	15,454	-	-
Other fixed income-funds	3,790	-	3,790	-	-
Index linked government bonds	2,315	-	2,315	-	-
Provincial Bonds	481	-	481	-	-
Total debt securities	<u>74,738</u>	<u>-</u>	<u>74,738</u>	<u>-</u>	<u>-</u>
Equity investments					
Common stock	95,575	95,572	3	-	-
Funds-common stock	17,439	-	17,439	-	-
Equity exchange traded fund	-	-	-	-	-
Total equity investments	<u>113,014</u>	<u>95,572</u>	<u>17,442</u>	<u>-</u>	<u>-</u>
Securities lending short term collateral investment pool	37,514	37,514	-	-	-
Total investments by fair value level	<u>\$ 230,185</u>	<u>\$ 138,005</u>	<u>\$ 92,180</u>	<u>\$ -</u>	<u>\$ -</u>

Level 1 - Unadjusted quoted prices for identical instruments in active markets for identical assets or liabilities. Fair values of stocks are determined by utilizing quoted market prices.

Level 2 - Reflects measurements based on other observable inputs. Quoted prices for similar instruments in active markets; identical or similar instruments in markets that are not active; and models in which all significant inputs are observable.

Level 3 - Valuations are based on methods in which significant inputs are unobservable.

The carrying value of cash equivalents and short-term investments approximates fair value due to the short maturities of these investments.



ERS's investments at June 30, 2017 were as follows:

**Investments Measured at the NAV**

(\$ in thousands)

	2017	Unfunded	Redemption Frequency	Redemption Notice
	Fair Value	Commitments	(If Currently Eligible)	Period
Short-term investment funds	\$ 19,395	None	Monthly	1-6 days
Funds-corporate bonds	33,354	None	Monthly	7-15 days
Other fixed income-funds	103,821	None	Monthly	7-15 days
Funds-common stock	347,568	None	Monthly	7-15 days
Venture capital and partnerships	99,602	None	Monthly, Quarterly	Frequent Changes
Real estate	73,845	None	Monthly	1-15 days
<b>Total investments measured at NAV</b>	<b>\$ 677,585</b>			

**Money-Weighted Rate of Return** - For the year ended June 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 14.62%. 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' \$907.8 million in investments at June 30, 2017, \$37.5 million was cash collateral reinvestment securities acquired by the custodian, who 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, 2017, the ERS had the following fixed income investments and short-term investments with the following maturities:

<b>Investment Type</b>	<b>Fair Value</b>	<b>Weighted Average Maturity-Years</b>
Asset-backed securities	\$ 5,072,642	5.068466
Commercial mortgage-backed	2,392,629	26.739867
Corporate bonds	24,508,934	8.761937
Government agencies	2,919,452	6.854436
Government bonds	17,804,090	9.976094
Government mortgage-backed securities	15,453,446	24.568417
Index linked government bonds	2,315,317	11.033408
Provincial bonds	480,857	18.599925
Fixed income mutual funds	107,610,837	N/A
Short-term investment funds	21,876,871	N/A
<b>TOTAL</b>	<b>\$ 200,435,075</b>	<b>12.445681</b>

**Asset-backed Securities** – Asset-backed securities (ABS) are bonds or notes backed by loan paper or accounts receivable originated by banks, credit card companies, or other providers of credit. The originator of the loan or accounts receivable paper sells it to a specially created trust, which repackages it as securities. Brokerage firms underwrite the securities and reoffer them to the public. ERS held \$5,072,642 in ABS at June 30, 2017.

**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 the 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, 2017:

<b>Credit Quality Distribution for Services</b>		<b>% of Total Portfolio</b>
Agency	AGY	3.80%
Government Agencies	AA	0.30%
Government Agencies	BBB	0.02%
Government Bonds	A	0.01%
Government Bonds	NR	0.03%
Government Mortgage Backed Securities	NR	0.08%
Asset Backed Securities	AAA	0.28%
Asset Backed Securities	AA	0.06%
Asset Backed Securities	BBB	0.04%
Asset Backed Securities	NR	0.18%
Commercial Mortgage-Backed	AAA	0.06%
Commercial Mortgage-Backed	NR	0.21%
Corporate Bonds	AAA	0.06%
Corporate Bonds	AA	0.27%
Corporate Bonds	A	1.04%
Corporate Bonds	BBB	1.34%
Provincial Bonds	AA	0.04%
Provincial Bonds	A	0.01%
Other Fixed Income	NR	0.42%
Funds - Corporate Bond	NR	3.67%
Funds - Other Fixed Income	NR	11.44%
Funds - Short Term Investment	NR	2.41%

**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, 2017, was as follows:

<b>Investment Type</b>	<b>Currency</b>	<b>Fair Value</b>
Common stock	British pound sterling	\$ 10,161,857
Common stock	Canadian dollar	1,298,811
Common stock	Czech koruna	695,296
Common stock	Euro	17,094,017
Common stock	Hong Kong dollar	2,223,578
Common stock	Indonesian rupiah	753,561
Common stock	Japanese yen	5,508,997
Common stock	Mexican peso	1,450,364
Common stock	New Taiwan dollar	5,217,836
Common stock	Norwegian krone	3,256,884
Common stock	Singapore dollar	1,340,640
Common stock	South Korean won	2,701,503
Common stock	Swedish krona	1,223,473
Common stock	Swiss franc	1,848,489
Common stock	Turkish lira	1,058,916
Cash	Mexican peso	50,858
Cash	Euro	22,657
Cash	Norwegian krone	12,619
<b>Total</b>		<b>\$ 55,920,356</b>

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

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

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 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, 2017.

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 was approximately 145 days in 2017.

Cash open collateral is invested in a short-term investment pool, the Northern Trust Collective Securities Lending Core Short-Term Investment Fund, which had an interest sensitivity of 33 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 custodial 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, 2017:

<b>Securities Lent</b>	<b>Fair Value</b>	<b>Cash Collateral Received*</b>
Fixed income securities	\$ 16,878,951	\$ 17,278,541
Domestic equities	18,559,037	18,988,537
Global equities	2,076,313	2,190,491
<b>Total</b>	<b>\$ 37,514,301</b>	<b>\$ 38,457,569</b>

\*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 participates in the Commission's pooled cash for payment of benefits, and had equity in pooled cash balance of \$643,708. Investments in mutual funds totaled \$61,352,360.

**Investments** - The Board of Trustees of the Trust (the 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 2017 are as follows:

<b><u>Asset Class</u></b>	<b><u>Maximum</u></b>
Equity Index Funds	70%
Fixed Income	10%
Diversified Assets	10%
Real Estate	10%
Cash and Equivalents	10%

The Trust's investments at June 30, 2017 were as follows:

<b><u>Investment Type</u></b>	<b><u>Fair Value</u></b>
Equity Index Fund	\$ 43,897,803
Fixed Income	12,534,689
Real Estate	4,919,868
<b>Total Investments</b>	<b>\$ 61,352,360</b>

The Trust's fixed income investments at June 30, 2017 were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Duration)</u>
Fixed Allocation Funds	\$ 5,843,712	1.79
Fixed Bond Fund	6,690,977	0.66
Total Fair Value	<u>\$ 12,534,689</u>	
Portfolio Weighted Average Maturity		0.54

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

<u>Statement of Net Position</u>	
Equity in Pooled Cash and Investments	\$ 427,685,861
Restricted Cash, Cash Equivalents and Investments - Unspent Bonds Proceeds	4,142,830
<u>Statement of Net Position - Fiduciary Funds</u>	
Equity in Pooled Cash and Investments - Pension Trust Funds	643,708
Equity in Pooled Cash and Investments - Private Purpose Trust Funds	12,075,963
Equity in Pooled Cash and Investments - Agency Funds	2,191,978
Cash and Marketable Securities - Pension Trust Funds	931,661,599
Collateral for Securities Lending Transactions - Pension Trust Funds	37,514,301
Total	<u>\$ 1,415,916,240</u>

They are composed of:

Cash in Banks of Commission	\$ 2,469,237
Cash of Employees' Retirement System Pension Trust Fund	53,189
Cash in Other Locations - Commission	232,208
Money Market Deposits of Commission	47,561,730
Money Market Deposits in Other Post Employment Benefits Fund	11,934
Fixed Income Securities In Commission's Investment Pool *	396,465,231
Mutual funds in Other Post Employment Benefits Fund *	61,352,360
Investments of Employees' Retirement System Pension Trust Fund	
Equity Investments	460,582,043
Fixed Income Securities	211,912,130
Real Estate	73,845,438
Venture Capital and Partnerships	99,602,371
Cash & Cash Equivalents	24,314,068
Collateral for Securities Lending Transactions	37,514,301
Total	<u>\$ 1,415,916,240</u>

\* The fair value measurement of the fixed income securities of the Commission, and the mutual funds in the Trust, are at Level 1 categories.

**(B) Capital Assets**

A summary of governmental activities capital assets at June 30, 2017 is as follows:

	July 1, 2016	Increases	Decreases	Transfers/ Contributions	June 30, 2017
Capital assets not being depreciated					
Land	\$ 378,645,487	\$ 1,504,376	\$ -	\$ -	\$ 380,149,863
Construction in progress	275,742,700	21,795,069	-	-	297,537,769
Total capital assets not being depreciated	<u>654,388,187</u>	<u>23,299,445</u>	<u>-</u>	<u>-</u>	<u>677,687,632</u>
Other capital assets, being depreciated					
Buildings and improvements	229,214,827	14,920,013	(830,029)	-	243,304,811
Infrastructure	259,254,324	5,180,713	(518,002)	-	263,917,035
Machinery, equipment and intangibles	102,350,247	9,001,447	(9,255,053)	-	102,096,641
Total other capital assets	<u>590,819,398</u>	<u>29,102,173</u>	<u>(10,603,084)</u>	<u>-</u>	<u>609,318,487</u>
Less accumulated depreciation for:					
Buildings and improvements	(148,106,374)	(5,103,117)	830,029	-	(152,379,462)
Infrastructure	(147,391,497)	(5,196,182)	518,002	-	(152,069,677)
Machinery, equipment and intangibles	(69,869,037)	(8,503,546)	9,255,053	-	(69,117,530)
Total accumulated depreciation	<u>(365,366,908)</u>	<u>(18,802,845)</u>	<u>10,603,084</u>	<u>-</u>	<u>(373,566,669)</u>
Total other capital asset, net	<u>225,452,490</u>	<u>10,299,328</u>	<u>-</u>	<u>-</u>	<u>235,751,818</u>
Governmental activities capital assets, net	<u>\$ 879,840,677</u>	<u>\$ 33,598,773</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,439,450</u>



Summaries of business-type activities capital assets at June 30, 2017, made up of two major enterprise funds, are as follows:

	<u>July 1, 2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>June 30, 2017</u>
<b>Montgomery County Enterprise Fund</b>					
Capital assets not being depreciated:					
Land	\$ 11,584,468	\$ -	\$ -	\$ -	\$ 11,584,468
Construction in progress	2,197,686	406,875	-	-	2,604,561
Total capital assets not being depreciated	<u>13,782,154</u>	<u>406,875</u>	<u>-</u>	<u>-</u>	<u>14,189,029</u>
Capital assets being depreciated					
Buildings and improvements	27,216,081	-	(1)	-	27,216,080
Infrastructure	35,510	-	-	-	35,510
Machinery, equipment and intangibles	2,610,895	265,081	(244,158)	-	2,631,818
Total capital assets being depreciated	<u>29,862,486</u>	<u>265,081</u>	<u>(244,159)</u>	<u>-</u>	<u>29,883,408</u>
Less accumulated depreciation for:					
Buildings and improvements	(22,081,934)	(947,700)	-	-	(23,029,634)
Infrastructure	(1,864)	(1,776)	-	-	(3,640)
Machinery, equipment and intangibles	(1,681,643)	(160,783)	244,159	-	(1,598,267)
Total accumulated depreciation	<u>(23,765,441)</u>	<u>(1,110,259)</u>	<u>244,159</u>	<u>-</u>	<u>(24,631,541)</u>
Total capital assets being depreciated, net	<u>6,097,045</u>	<u>(845,178)</u>	<u>-</u>	<u>-</u>	<u>5,251,867</u>
Capital assets, net	<u>\$ 19,879,199</u>	<u>\$ (438,303)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,440,896</u>
<b>Prince George's County Enterprise Fund</b>					
Capital assets not being depreciated:					
Land	\$ 7,779,131	\$ -	\$ -	\$ -	\$ 7,779,131
Capital assets being depreciated:					
Buildings and improvements	74,108,617	-	(471,443)	-	73,637,174
Infrastructure	134,686	-	-	-	134,686
Machinery, equipment and intangibles	4,718,533	198,030	(399,645)	-	4,516,918
Total capital assets being depreciated	<u>78,961,836</u>	<u>198,030</u>	<u>(871,088)</u>	<u>-</u>	<u>78,288,778</u>
Less accumulated depreciation for:					
Buildings and improvements	(40,110,923)	(1,751,355)	438,581	-	(41,423,697)
Infrastructure	-	(6,734)	-	-	(6,734)
Machinery, equipment and intangibles	(3,676,732)	(211,702)	399,643	-	(3,488,791)
Total accumulated depreciation	<u>(43,787,655)</u>	<u>(1,969,791)</u>	<u>838,224</u>	<u>-</u>	<u>(44,919,222)</u>
Total capital assets being depreciated, net	<u>35,174,181</u>	<u>(1,771,761)</u>	<u>(32,864)</u>	<u>-</u>	<u>33,369,556</u>
Capital assets, net	<u>\$ 42,953,312</u>	<u>\$ (1,771,761)</u>	<u>\$ (32,864)</u>	<u>\$ -</u>	<u>\$ 41,148,687</u>
Total Business-type activities	<u>\$ 62,832,511</u>	<u>\$ (2,210,064)</u>	<u>\$ (32,864)</u>	<u>\$ -</u>	<u>\$ 60,589,583</u>

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

Governmental Activities:	
General Government	\$ 368,707
County Planning and Zoning	591,553
Park Operations and Maintenance	15,794,795
Recreation Programs	2,047,790
Total depreciation expense - governmental activities	<u>\$ 18,802,845</u>
Total depreciation expense - business-type activities:	
Recreational and Cultural Facilities	<u>\$ 3,080,050</u>

**Construction Commitments** - The Commission is committed to \$74,316,267 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, 2017. The Montgomery County Capital Projects Fund has a payable balance of \$62,545 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 2017:

Interfund Transfers:	General	Montgomery County Capital Projects	Prince George's County Capital Projects	Non-major Governmental Funds	Proprietary Funds	Total
<b>Transfers In</b>						
General Fund - Administration Account	\$ -	\$ -	\$ -	\$ 530,000	\$ -	\$ 530,000
General Fund - Park Account	-	350,000	6,661,000	15,672,263	-	22,683,263
General Fund - Recreation Account	-	-	-	-	9,070,347	9,070,347
Special Revenue Fund	-	-	30,000	-	-	30,000
Capital Projects	370,756	-	-	-	-	370,756
<b>Total Transfers In</b>	<b>\$ 370,756</b>	<b>\$ 350,000</b>	<b>\$ 6,691,000</b>	<b>\$ 16,202,263</b>	<b>\$ 9,070,347</b>	<b>\$ 32,684,366</b>
<b>Transfers Out</b>						
General Fund - Park Account	\$ -	\$ 22,169	\$ 348,587	\$ -	\$ -	\$ 370,756
Debt Service Fund	15,669,641	-	-	-	-	15,669,641
Capital Projects	7,011,000	-	-	30,000	-	7,041,000
Special Revenue Fund	532,622	-	-	-	-	532,622
Enterprise Fund	9,070,347	-	-	-	-	9,070,347
<b>Total Transfers Out</b>	<b>\$ 32,283,610</b>	<b>\$ 22,169</b>	<b>\$ 348,587</b>	<b>\$ 30,000</b>	<b>\$ -</b>	<b>\$ 32,684,366</b>

A majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$15,669,641) and current funding for Capital Projects (\$7,011,000).

Proprietary fund transfers are made up of the following:

Interfund Transfers:	Prince George's County Enterprise Fund
<b>Transfers In</b>	
General Fund - Recreation Account	\$ 9,070,347
<b>Total Transfers In</b>	<b>\$ 9,070,347</b>

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

In addition to the above transfers, tax revenues of \$1,785,591 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 and \$430 was contributed by the Prince George's County Advanced Land Acquisition Debt Service Fund to the Prince George's 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 2021. Each agreement provides for termination in the event of non-appropriation of funds.

Future minimum commitments under operating leases at June 30, 2017 are as follows (\$000's):

Year Ending June 30,	Operating Leases		
	Total	Montgomery County	Prince George's County
2018	\$ 3,541	\$ 340	\$ 3,201
2019	2,581	340	2,241
2020	1,287	340	947
2021	1,277	340	937
2022	1,215	340	875
Total minimum lease payments	\$ 9,901	\$ 1,700	\$ 8,201

In fiscal year 2017, expenditures in the General Fund included \$2,052,018 relating to the rental of office space and \$1,481,469 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 2017, debt service payments approximated 0.29 cents per \$100 of real property and 0.73 cents per \$100 of personal property for Montgomery County and 1.30 cents for real property and 3.25 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
2018	\$ 3,660	\$ 1,763	\$ 5,423	\$ 135	\$ 19	\$ 154
2019	3,855	1,631	5,486	135	16	151
2020	3,535	1,488	5,023	130	14	144
2021	3,600	1,354	4,954	130	11	141
2022	3,260	1,226	4,486	125	9	134
2023-2027	15,260	4,358	19,618	365	11	376
2028-2032	13,375	2,137	15,512	-	-	-
2033-2037	7,560	404	7,964	-	-	-
Totals	<u>\$ 54,105</u>	<u>\$ 14,361</u>	<u>\$ 68,466</u>	<u>\$ 1,020</u>	<u>\$ 80</u>	<u>\$ 1,100</u>

Prince George's County General Obligation Bonds

Fiscal Year	Governmental Activities			Total Commission General Obligation Bonds Principal & Interest
	Total Park	Total Park	Total Park	
	Principal	Interest	Payments	
2018	\$ 6,231	\$ 2,280	\$ 8,511	\$ 14,088
2019	4,500	2,068	6,568	12,205
2020	4,530	1,884	6,414	11,581
2021	4,575	1,692	6,267	11,362
2022	3,320	1,500	4,820	9,440
2023-2027	15,490	5,317	20,807	40,801
2028-2032	13,600	2,819	16,419	31,931
2033-2037	8,815	642	9,457	17,421
Totals	<u>\$ 61,061</u>	<u>\$ 18,202</u>	<u>\$ 79,263</u>	<u>\$ 148,829</u>

**Outstanding General Obligation Bonds** - General obligation bonds outstanding as of June 30, 2017, consist of the following individual issues (000's):

Series	Effective Interest Rate at Date of Sale	Dated	Final Maturity Date	FY 2018 Serial Payment	Original Issue	Outstanding as of June 30, 2017
<b>Montgomery County</b>						
<b>Park Acquisition and Development Bonds</b>						
Series LL-2 Advance and Current Refund	2.4059	05/21/09	11/01/20	\$ 915	\$ 8,405	\$ 2,625
Series MM-2	3.4803	05/21/09	11/01/28	210	5,250	735
Series MC-2012A (Note 1)	2.8695	04/05/12	12/01/32	860	12,505	10,045
Series MC-2012B	3.5622	04/05/12	12/01/32	130	3,000	2,505
Series MC-2014A	2.8633	06/17/14	12/01/33	525	14,000	12,495
Series MC-2016A	2.3634	04/14/16	11/01/35	440	12,000	11,580
Series MC-2016B Advance Refunding	1.6866	04/14/16	11/01/28	180	6,120	6,120
Series MC-2017A	2.6860	04/20/17	11/20/36	400	8,000	8,000
				<u>3,660</u>	<u>69,280</u>	<u>54,105</u>
<b>Advance Land Acquisition Bonds</b>						
MC 2016C- Advanced Land Acquisition	1.2475	04/14/16	11/01/24	135	1,075	1,020
				<u>135</u>	<u>1,075</u>	<u>1,020</u>
Total Montgomery County General Obligation Bonds				<u>\$ 3,795</u>	<u>\$ 70,355</u>	<u>\$ 55,125</u>
<b>Prince George's County</b>						
<b>Park Acquisition and Development Bonds</b>						
Series KK-2 Current Refunding	3.2004	04/10/08	05/01/18	1,856	17,300	1,856
Series NN-2 Advance Refunding	2.4212	03/04/10	05/01/21	1,395	14,080	5,465
Series PGC-2012A Advance and Current	1.8735	06/21/12	01/15/24	910	11,420	6,135
Series PGC-2014A	3.0409	05/01/14	01/15/34	985	26,565	23,385
Series PGC-2015A (Note 1)	2.7254	10/15/15	01/15/36	1,085	24,820	24,220
Total Prince George's County General Obligation Bonds				<u>\$ 6,231</u>	<u>\$ 94,185</u>	<u>\$ 61,061</u>

Notes: (1) The MC-2012A and PGC-2015A Bonds include Advance Refunding and Park Acquisition and Development Project Bonds.

**New Bond Issues** – On April 20, 2017, the Commission issued \$8,000,000 of Montgomery County Park Acquisition and Development General Obligation Project Bonds Series MC-2017A. These proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until November 1, 2035 at a net interest cost of 2.685595 %.

**Defeased Debt** – In prior fiscal years, 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:

Series	Redemption Date	Montgomery County
Series MM-2	11/01/19	\$ 2,835,000

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2017, were as follows: Long-term obligations are shown in the Statement of Net Position as follows:

Governmental activities:	Beginning	Additions	Reductions	Ending	Amount Due in One Year
	Balance			Balance	
<u>Montgomery County</u>					
General Obligation Park Bonds Payable	\$ 49,155,000	\$ 8,000,000	\$ 3,050,000	\$ 54,105,000	\$ 3,660,000
General Obligation ALA Bonds Payable	1,075,000	-	55,000	1,020,000	135,000
Premiums on Bonds Issued	2,701,769	514,748	368,764	2,847,753	-
Accrued Compensated Absences	8,623,708	4,842,892	4,748,542	8,718,058	4,748,542
Net Other Post Employment Benefit Obligations	30,282,219	2,004,459	-	32,286,678	-
Net Pension Liability	61,852,521	-	10,700,190	51,152,331	-
Long-term Liabilities	153,690,217	15,362,099	18,922,496	150,129,820	8,543,542
<u>Prince George's County</u>					
General Obligation Park Bonds Payable	69,083,127	-	8,021,946	61,061,181	6,231,180
Premiums on Bonds Issued	4,246,310	-	773,867	3,472,443	-
Accrued Compensated Absences	11,897,356	5,855,415	5,593,056	12,159,715	5,593,056
Net Other Post Employment Benefit Obligations	41,572,775	2,604,183	-	44,176,958	-
Net Pension Liability	82,662,919	-	14,238,936	68,423,983	-
Long-term Liabilities	209,462,487	8,459,598	28,627,805	189,294,280	11,824,236
Total Long-term Liabilities	\$ 363,152,704	\$ 23,821,697	\$ 47,550,301	\$ 339,424,100	\$ 20,367,778
<b>Business-type activities:</b>					
	Beginning	Additions	Reductions	Ending	Amount Due in One Year
	Balance			Balance	
<u>Montgomery County</u>					
Accrued Compensated Absences	\$ 289,659	\$ 132,502	\$ 117,953	\$ 304,208	\$ 117,953
Net Other Post Employment Benefit Obligations	686,957	56,176	-	743,133	-
Net Pension Liability	1,688,586	-	297,371	1,391,215	-
Long-term Liabilities	2,665,202	188,678	415,324	2,438,556	117,953
<u>Prince George's County</u>					
Accrued Compensated Absences	681,000	246,668	232,725	694,943	232,725
Net Other Post Employment Benefit Obligations	2,531,179	136,591	-	2,667,770	-
Net Pension Liability	3,629,395	-	577,288	3,052,107	-
Long-term Liabilities	6,841,574	383,259	810,013	6,414,820	232,725
Total Long-term Liabilities	\$ 9,506,776	\$ 571,937	\$ 1,225,337	\$ 8,853,376	\$ 350,678

	Governmental Activities	Business Type Activities	Total
Compensated Absences:			
Due within One Year	\$ 10,341,598	\$ 350,678	\$ 10,692,276
Due in more than One Year	10,536,175	648,473	11,184,648
Bonds and Notes Payable:			
Due within One Year	10,026,180	-	10,026,180
Due in more than One Year	112,480,197	-	112,480,197
Net Other Post employment Benefit Obligations			
Due in more than One Year	76,463,636	3,410,903	79,874,539
Net Pension Liability	119,576,314	4,443,322	124,019,636
Total Long-term Liabilities	\$ 339,424,100	\$ 8,853,376	\$ 348,277,476

Internal service funds predominantly serve the governmental funds. Accordingly, internal service fund long-term liabilities 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 subject to various risk exposures related to property damage and destruction of assets; errors and omissions, injuries to employees and tort liability. The Commission protects against unforeseen losses through a combination of self-insurance and commercial insurance products. 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), professional liability, and property and fire damage (up to \$250,000). Commercial insurance policies are obtained for: property and fire damage above \$250,000, excess liability and commercial crime coverages. The Commission is responsible for reimbursing the Program up to the self-insured amount of \$250,000. Outside the "Program", the Commission also carries Public Official bonds, airport liability and airport museum policies, national flood protection and cyber insurance protections. The Commission did not pay any claim settlements in excess of \$250,000 in fiscal years 2015, 2016 or 2017. No insurance coverages were reduced in fiscal year 2017.

The Commission's employees and retirees have various options in their selection of health insurance benefits. The Commission partially-insures the following medical plans: one traditional HMO, one exclusive provider organization (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 and employees on long-term disability with Medicare 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 2017. 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 2017 totaled \$4,676,316. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Changes in the balances of claims liabilities during the past two years are as follows:

	<u>Medical</u>	<u>Risk Management</u>
Unpaid Claims, June 30, 2015	\$ 1,586,810	\$ 15,483,628
Incurred Claims, Fiscal Year 2016	22,768,631	4,899,542
Claims Paid, Fiscal Year 2016	<u>(22,289,612)</u>	<u>(3,844,943)</u>
Unpaid Claims, June 30, 2016	2,065,829	16,538,227
Incurred Claims, Fiscal Year 2017	21,781,030	5,486,769
Claims Paid, Fiscal Year 2017	<u>(22,446,200)</u>	<u>(4,688,925)</u>
Unpaid Claims, June 30, 2017	<u>\$ 1,400,659</u>	<u>\$ 17,336,071</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	\$ 1,400,663	\$ 4,334,020	\$ 5,734,683
Due in more than One Year	-	13,002,051	13,002,051
Total	<u>\$ 1,400,663</u>	<u>\$ 17,336,071</u>	<u>\$ 18,736,734</u>

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

The Commission was involved in the following related party transactions during fiscal year 2017:

**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 (Comm. Ofc)	\$ 1,137,300
Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct.	1,761,900
Property Tax Collection Fees	78,500
Office Space Rental at the County Administrative Building	890,463
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	929,800
Redevelopment Authority	844,500
Property Tax Collection Fees (Parks & Recreation)	344,900
Clean Up, Green Up Program {Green to Greatness}- Tree Planting	225,000
Prince George's Community College -Park Police Security	300,000
Prince George's Community College -Outreach Facilities	300,000
Prince George's Community College -Team Building Program	100,000
Prince George's County - Police Department	36,800
Prince George's County - Library Recreation Program	2,212,770
Total (1)	<u>\$ 12,105,733</u>

(1) Of this amount, \$9,313,047 is in Accounts Payable at June 30, 2017.

### **(C) Contingencies**

**Grant Program** – The Commission, as grantee or sub-grantee, 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**

#### **General Information about the 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 five 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.

**Benefits Provided** – Benefit payments for Plans A, B, C, and D are determined by the application of a benefit formula considering the average of an employee's annual base pay during the three consecutive years that produce the highest total earnings prior to retirement, and the number of years of credited service, up to 40 years for members of Plan A, 35 years for members of Plan B, 30 years for members of Plan C and 32 years for members of Plan D. Benefit payments in Plan E are determined by application of a benefit formula considering the average of an employee's annual base pay during the five consecutive years that produce the highest total earnings prior to retirement and credited service up to 35 years. Under certain conditions, participants may elect to take early retirement at a reduced benefit level. Joint and survivor options are also available under all the plans.

Prior to August 1, 1982, disability benefits were available under the plans. Effective August 1, 1982, applications for disability retirement benefits were discontinued. All members who were receiving disability benefits, or who applied for disability benefits prior to August 1, 1982, continue to be covered under the terms of Plans A, B, and C. All applications for disability benefits subsequent to August 1, 1982, are covered under the Commission's Long-Term Disability Insurance Plan, which is not part of the System.

On July 1 of each year, retirement income for participants retired at least six months is adjusted for changes in the cost-of-living as determined by the Consumer Price Index-All Items Annual Average, Urban Index for Major U. S. Cities (CPI). Plans A, B, C and D provide COLAS at 100% of the change in the CPI up to 3%, plus half of the change in the CPI in excess of 3%, up to a 5% maximum COLA for the portion of a member's benefit attributable to credited service earned prior to July 1, 2012, including earned and unused sick leave prior to January 1, 2013. The portion of a member's benefit attributable to credited service earned after July 1, 2012, including earned and unused sick leave on and after January 1, 2013, will be subject to a maximum COLA of 2.5%. Plan E provides COLAs at 100% of the change in the CPI up to a maximum COLA of 2.5%.

Effective July 9, 1986, the plans were amended to provide a \$10,000 post-retirement death benefit to beneficiaries of current and future retired members.

Effective September 1, 1988, the plans were amended to permit members to use up to a maximum of 301 days of earned and unused sick leave to meet the length of service requirements for retirement qualification.

Although the Commission has not expressed any intent to terminate the Plans, it may do so at any time. In the event that the Plans are terminated, beneficiaries receiving benefits at the date of termination shall be entitled to an allocation of the remaining assets based upon the relationship of each individual's actuarial reserve to total actuarial reserves, the balance to be allocated (pro rata) to the remaining members or beneficiaries.

**Employees Covered by Benefit Terms** – As of July 1, 2016, membership in the System was as follows:

Active	2,073
Retired	1,396
Terminated Vested	<u>263</u>
Total Participants	<u>3,732</u>

**Contributions** – The Commission has agreed to make actuarially determined periodic contributions sufficient to provide the ERS with assets for payment of pension benefits. The rate for the Commission's employee group as a whole is expected to remain level as a percentage of annual covered payroll. The contribution rate is based on current service cost plus amortization of the unfunded actuarial accrued liability.

Active plan members in Plan A are required to contribute 7% of their base pay. Plan B members contribute 4% of their base pay up to the maximum Social Security Wage Base and 7% in excess of the maximum Social Security Wage Base for the calendar year. Plan C members contribute 9% of their base pay and Plan D members contribute 8% 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.

### **Net Pension Liability**

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016.

**Actuarial Assumptions** – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation: 2.50%
- Salary Increases: 2.50% plus service based increases
- Investment Return: 7.00%, net of investment expense and including inflation

Mortality rates were based on the RP-2000 Healthy Mortality table with Male rates set forward 1 year and Female rates set forward 2 years, with generational adjustments for mortality improvements based on Scale BB factors. An alternative table was used for the valuation of disabled members.

A Post Retirement Cost of Living Adjustment of 2.40% was made for benefits based on credited service accrued until July 1, 2012, and sick leave accrued until January 1, 2013; a 2.0% adjustment was assumed for benefits accrued thereafter.

The total pension liability as of June 30, 2017 is equal to the July 1, 2016 Entry Age actuarial accrued liability, adjusted for total normal cost, one year of interest, and reduced by benefits paid during the year, adjusted by one half year of interest.

The following changes in actuarial assumptions were made since the prior valuation based on the results of an Experience Study conducted in 2016:

1. The investment return assumption was changed from 7.25% to 7.00% with a corresponding decrease in the salary scale assumption by 25%.
2. The post retirement cost of living adjustment was changed from 2.75% to 2.40% for benefits based on credited service accrued until July 1, 2012 and sick leave accrued as of January 1, 2013, and for post 2012 benefits from 2.50% to 2.00%.
3. The mortality assumption was changed from the RP-2000 (Scale AA generational) to the RP-2000 (Scale BB generational).
4. Rates of retirement, disability and withdrawal along with credit of future sick leave assumptions were also changed.

Employer contributions are determined annually, based on an annual valuation of the System. The Entry Age cost method is used for this purpose, with a 15 year open amortization of the unfunded actuarial liability, and a five year smoothing of investment gains and losses.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class, based on inputs from a survey of investment professionals. These allocations are combined to produce a long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which returns are simulated over a 30 year period, and a risk adjustment is applied to the baseline expected return. This method accounts for not only expected returns, but adjusts for volatility of returns by asset class as well as correlations between the different classes.

Best estimates of long-term real rates of return for each major asset class included in the System's target asset allocation and the final investment return assumption, are summarized in the table below.

<b>Asset Class</b>	<b>Long-Term Expected Real Return - Portfolio</b>	<b>Target Allocation</b>
Domestic Equity, including low volatility	5.75%	27.00%
International Equity	5.95%	19.00%
Fixed Income & Bank Loans - U.S.	2.25%	14.00%
Fixed Income - U.S. High Yield	4.50%	7.50%
Fixed Income - International	2.50%	7.50%
Public Real Assets	2.55%	5.00%
Private Equity	8.00%	5.00%
Private Real Assets	4.45%	15.00%
Cash	0.85%	0.00%
<b>Total Weighted Average Real Return</b>	<b>4.67%</b>	<b>100.00%</b>
Plus Inflation	2.50%	
Total Return without Adjustment	7.17%	
Risk Adjustment	-0.17%	
Total Expected Investment Return	7.00%	

**Discount Rate** – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

### Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at June 30, 2016	\$ 924,173,913	\$ 776,338,424	147,835,489
Changes for the year:			
Service cost	20,196,060	-	20,196,060
Interest	66,311,451	-	66,311,451
Changes in benefit terms*	(6,233)	-	(6,233)
Differences between expected and actual experience	(9,213,536)	-	(9,213,536)
Changes in assumptions	34,368,804	-	34,368,804
Benefit Payment, including refunds	(45,189,395)	(45,189,395)	-
Contributions - Employer	-	20,268,189	(20,268,189)
Contributions - Employee	-	6,751,196	(6,751,196)
Net Investment Income	-	111,662,056	(111,662,056)
Administrative expenses	-	(1,674,654)	1,674,654
Net changes	66,467,151	91,817,392	(25,350,241)
Balances at June 30, 2017	<u>\$ 990,641,064</u>	<u>\$ 868,155,816</u>	<u>\$ 122,485,248</u>

\* Effective January 1, 2016, employee contributions for Plan C were changed from 8.50% of base pay to 9% of base pay and for Plan D were changed from 7.50% of base pay to 8.00% of base pay.

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following table presents the net pension liability of the Commission, calculated using the discount rate of 7.00%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 250,610,168	\$ 122,485,248	\$ 8,324,008

### **Pension Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to Pensions**

– For the year ended June 30, 2017, the Commission recognized pension expense of \$39,333,479. As of June 30, 2017, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 59,877,901	\$ (45,857,118)
Differences between expected and actual experience	349,033	(22,683,913)
Changes in assumptions	34,686,228	(9,870,445)
	<u>\$ 94,913,162</u>	<u>\$ (78,411,476)</u>

**Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:**

Year Ended June 30	Net Amount of Outflow/(Inflow)
2018	\$ 12,249,401
2019	12,249,401
2020	1,155,078
2021	(11,408,003)
2022	(1,337,799)
After 2022	3,593,608

**Maryland State Retirement and Pension System**

Certain employees/retirees of the Commission elected to remain in the Maryland State Retirement and Pension System (MSRS) which is a cost-sharing employer public employee retirement system. The Commission entered into an agreement to reimburse the State for the unfunded present value of benefits as of June 30, 1985 over a period of 35 years. The Commission made its contractually required contribution of \$463,544 in FY 2017. The balance due to the State as of June 30, 2017 is \$1,534,388 of which \$814,108 of cash is reflected in Exhibit 1. The final payment is scheduled to be made in fiscal year 2020.

**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**

**Plan Administration** - The Commission administers the Post-Retirement Insurance Benefits Program (the Plan), which is a single-employer defined benefit healthcare plan. In accordance with Commission approval, the plan provides post-retirement healthcare benefits 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. Benefit provisions and obligations to contribute to the Plan and all other requirements have been established by a Trust Agreement (the Trust) between the Commission and the Maryland-National Capital Park and Planning Commission Section 115 Trust Board of Trustees (the Board) which has been periodically amended since the Trust was established July 1, 1999. The Board consists of 5 individual trustees. The Commission appoints one trustee from the Montgomery County Planning Board and one trustee from the Prince George's County Planning Board. The remaining trustees consist of the Commission's Executive Director, Secretary-Treasurer and Human Resources Director. Separate financial statements are not issued for the Trust and the Trust's financial records are not maintained on a separate county basis.

**Employees Covered by Benefit Terms** – As of July 1, 2016, membership consisted of the following:

Inactive plan members currently receiving benefits	1,137
Inactive plan members entitled to but not yet receiving benefit payments	58
Active plan members	<u>1,871</u>
Total	<u>3,066</u>

**Benefits Provided** – The Plan provides pre- and post-Medicare healthcare, prescription (provided through the EGWP program for post 65 retirees), and dental and vision benefits to retired employees and their dependents.



**Contributions** - 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. Retirees are responsible for the remaining 20 percent. Retiree benefits levels are established annually by resolution of the Commission.

**Investments**

**Investment Policy** – The Board has the responsibility of establishing and maintaining policies governing management of the Trust’s financial assets including: setting of investment policy, choosing an asset allocation to balance risk and return, selecting and evaluating professionals to manage those assets, communicating guidelines to those professionals and monitoring performance of the plan. The following is the Board’s adopted asset allocation policy as of June 30, 2017:

<u>Asset Class</u>	<u>Target Allocation</u>
Tactical Asset Allocation	10%
Domestic Large Cap Equity	20%
Domestic SMID Cap Equity	20%
Foreign Developed Market Equity	20%
Foreign Emerging Market Equity	10%
Real Estate	10%
Fixed Income and Cash	10%

**Rate of Return** – For the year ended June 30, 2017, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 16.8%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability -**

The components of the net OPEB Liability as of June 30, 2017, are as follows:

Total OPEB Liability	\$ 311,738,794
Plan Fiduciary Net Position	<u>61,342,780</u>
Net OPEB Liability	<u>\$ 250,396,014</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	19.7%

**Actuarial Assumptions** – The total OPEB liability was determined by an actuarial valuation as of July 1, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 7.00%, net of investment expense and including inflation.

Healthcare Trend: 6.25% initially, grading down to 4.00% ultimate for medical and pharmacy benefits; 4.00% for dental; 3.5% for vision.

Mortality Rates-

Healthy: RP-2000 with male rates set forward 1 year and female rates set forward 2 years with generational method applied using Scale BB factors.

Disabled: RP-2000 Disabled with male rates set forward 1 year and female rates set forward 2 years with generational method applied using Scale BB factors.

The Entry Age method is used for accounting purposes. Actuarial determined contributions are also based on the Entry Age method, with a 30 year level dollar amortization of the unfunded liability.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.



Best estimates of real rates of return for each major asset class included in the OPEB plan's target asset allocation as of June 30, 2017, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Return - Portfolio	Target Allocation
Domestic Equity	5.75%	40.00%
International Funds	6.00%	30.00%
Fixed Income/Cash - U.S.	2.65%	10.00%
Tactical Asset Allocation	3.00%	10.00%
Real Assets	4.45%	10.00%
<b>Total Weighted Average Real Return</b>	<b>5.11%</b>	<b>100.00%</b>
Plus Inflation	2.50%	
Total Return without Adjustment	7.61%	
Risk Adjustment	-0.61%	
Total Expected Investment Return	7.00%	

**Discount Rate** - The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that Commission contributions will be made equal to the actuarially determined contribution each year. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected benefit payments of current plan members. Therefore, the long-term expected rates of return on OPEB trust investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the Commission, calculated using the discount rate of 7.00%, as well as what the Commission's net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<b>1% Decrease 6.00%</b>	<b>Current Discount Rate 7.00%</b>	<b>1% Increase 8.00%</b>
Net OPEB Liability	\$ 291,586,304	\$ 250,396,014	\$ 216,560,469
Ratio of Plan Net Position to Total OPEB Liability	17.00%	20.00%	22.00%

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of the Commission calculated using the medical trend rate of from 6.25% to an ultimate rate of 4.00% (dental = 4.00%, vision = 3.5%), as well as what the Commission's net OPEB liability would be if it were calculated using trend rates for each year that are 1.00% lower or 1.00% higher than the current rates:

	<b>1% Decrease 3.00%/2.50%</b>	<b>Current Discount Rate 4.00%/3.50%</b>	<b>1% Increase 5.00%/4.00%</b>
Net OPEB Liability	\$ 201,384,020	\$ 250,396,014	\$ 311,235,868
Ratio of Plan Net Position to Total OPEB Liability	23.00%	20.00%	16.00%

**Actuarial Methods and Assumptions under GASB Statement 45**

**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)	\$ 20,037
Interest on net OPEB obligation	5,108
Adjustment to annual required contribution	<u>(4,236)</u>
Annual OPEB cost (Expense)	20,909
Contribution made	<u>16,107</u>
Increase in Net OPEB obligation	4,802
Net OPEB obligation, beginning of year	<u>75,073</u>
Net OPEB obligation, end of year	<u><u>\$ 79,875</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 2015, 2016 and 2017 is presented below (\$000):

	<u>2015</u>	<u>2016</u>	<u>2017</u>
Annual OPEB Cost	\$ 20,585	\$ 19,192	\$ 20,909
Percentage of Annual OPEB Cost Contributed	77%	88%	77%
Net OPEB Obligation	\$ 72,728	\$ 75,073	\$ 79,875

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, 2016 actuarial valuation.

The entry age method is used.

The actuarial accrued liability was estimated as part of an actuarial valuation performed as of July 1, 2016. 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 7.00% a year compounded annually.

**Salary Increases** - Salary increases of 2.50% per year are projected for calculating the level percentage of pay.

**Healthcare Cost Trend Rates** – The expected rate of increase for healthcare costs in 2017 was estimated at 6.25% for prescription drugs and medical costs, 4.00% for dental and 3.50% for vision. Declining rates of increase were used for prescription drugs and medical, with 2022 and later rates at 4.00%.

The funded status of the plan as of the most recent actuarial date, July 1, 2016, is as follows (\$000's):

Actuarial Valuation of Plan Assets	\$	47,974
Actuarial Accrued Liability		302,296
Funded Ratio		15.87%
Unfunded Actuarial Accrued Liability		254,321
Annual Covered Payroll		136,049
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll		186.9%

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

**(F) Pension Trust Funds**

Combining schedules of the pension trust funds follow:

Combining Schedule of Net Position  
Pension Trust Funds  
June 30, 2017

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Total Pension Trust Funds
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ -	\$ 643,708	\$ 643,708
Cash	53,189	-	53,189
Fixed Income Securities	207,824,778	12,534,689	220,359,467
International Fixed Income Securities	4,087,352	-	4,087,352
Venture Capital/Alternative Investments	99,602,371	-	99,602,371
Corporate Stock	381,674,975	-	381,674,975
International Corporate Stock	78,907,068	-	78,907,068
Real Estate Investments	73,845,438	4,919,868	78,765,306
Short Term Investments	24,314,068	-	24,314,068
Mutual Funds	-	43,897,803	43,897,803
Collateral for Securities Lending Transactions	37,514,301	-	37,514,301
Accrued Income on Investments	733,881	-	733,881
Accounts Receivable	40,823	-	40,823
Other	14,902	-	14,902
Total Assets	<u>908,613,146</u>	<u>61,996,068</u>	<u>970,609,214</u>
<b>LIABILITIES</b>			
Investments Payable	619,681	-	619,681
Accounts Payable	1,380,080	134,882	1,514,962
Claims Payable	-	518,406	518,406
Obligation for Collateral Received under Securities Lending Transactions	38,457,569	-	38,457,569
Total Liabilities	<u>40,457,330</u>	<u>653,288</u>	<u>41,110,618</u>
<b>NET POSITION</b>			
Assets Held in Trust for:			
Pension Benefits	868,155,816	-	868,155,816
Other Postemployment Benefits	-	61,342,780	61,342,780
Total Net Position	<u>\$ 868,155,816</u>	<u>\$ 61,342,780</u>	<u>\$ 929,498,596</u>

Combining Schedule of Changes in Net Position  
Pension Trust Funds  
For the Year Ended June 30, 2017

	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals
ADDITIONS:			
Contributions:			
Employer	\$ 20,268,189	\$ 14,711,280	\$ 34,979,469
Plan Members	6,751,196	-	6,751,196
Plan Members for Current Benefits	-	2,685,917	2,685,917
Total Contributions	<u>27,019,385</u>	<u>17,397,197</u>	<u>44,416,582</u>
Federal Grants - Medicare	-	1,396,311	1,396,311
Investment Earnings:			
Interest	9,707,262	-	9,707,262
Dividends	630,640	158,610	789,250
Net increase in the Fair Value of Investments	104,833,769	8,615,558	113,449,327
Total Investment Earnings	<u>115,171,671</u>	<u>8,774,168</u>	<u>123,945,839</u>
Less Investment Advisory and Management Fees	(3,675,541)	-	(3,675,541)
Net Income from Investing Activities	<u>111,496,130</u>	<u>8,774,168</u>	<u>120,270,298</u>
Securities Lending Activity			
Securities Lending Income	444,450	-	444,450
Securities Lending Fees	(278,524)	-	(278,524)
Net Income from Securities Lending Activity	<u>165,926</u>	<u>-</u>	<u>165,926</u>
Total Net Investment Earnings	<u>111,662,056</u>	<u>8,774,168</u>	<u>120,436,224</u>
Total Additions and Investment Earnings	<u>138,681,441</u>	<u>27,567,676</u>	<u>166,249,117</u>
DEDUCTIONS:			
Benefits	44,628,275	13,788,761	58,417,036
Refunds of Contributions	561,120	-	561,120
Administrative expenses	1,674,654	410,564	2,085,218
Total Deductions	<u>46,864,049</u>	<u>14,199,325</u>	<u>61,063,374</u>
Change in Net Position	91,817,392	13,368,351	105,185,743
Net Position - Beginning	776,338,424	47,974,429	824,312,853
Net Position - Ending	<u>\$ 868,155,816</u>	<u>\$ 61,342,780</u>	<u>\$ 929,498,596</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, 2017**

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 14,220,814	\$ 15,661,076	\$ 29,881,890	\$ -	\$ 6,610,848	\$ 36,492,538
Receivables - Taxes (net of allowance for uncollectibles)	171,484	578,879	750,363	-	17,816	768,179
Receivables - Other	10,578	22,708	33,286	-	10,650	43,936
Due from Other Funds	-	62,545	62,545	-	-	62,545
Due from County Government	-	83,873	83,873	5,824,111	69,558	5,977,542
Due from Other Governments	-	50,000	50,000	4,346,387	-	4,396,387
Restricted Cash - Unspent Debt Proceeds	-	-	-	4,142,830	-	4,142,830
Other	12,389	-	12,389	-	-	12,389
<b>Total Assets</b>	<b>\$ 14,415,065</b>	<b>\$ 16,459,081</b>	<b>\$ 30,874,148</b>	<b>\$ 14,313,328</b>	<b>\$ 6,708,872</b>	<b>\$ 51,896,346</b>
<b>LIABILITIES</b>						
<b>Liabilities</b>						
Accounts Payable	\$ 966,132	\$ 933,981	\$ 1,900,113	\$ 3,438,849	\$ 329,611	\$ 5,668,373
Accrued Liabilities	642,822	2,447,069	3,289,891	-	14,533	3,304,424
Retainage Payable	-	-	-	2,094,400	-	2,094,400
Due to Other Funds	-	-	-	62,545	-	62,545
Due to County Government	60	-	60	-	30	90
Deposits and Fees Collected In-Advance	1,665,074	402,032	2,067,106	-	178,255	2,245,361
<b>Total Liabilities</b>	<b>3,474,088</b>	<b>3,783,082</b>	<b>7,257,170</b>	<b>5,595,594</b>	<b>522,429</b>	<b>13,375,193</b>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Unavailable Property Tax Revenue	81,161	292,591	373,752	-	-	373,752
<b>Total Deferred Inflow of Resources</b>	<b>81,161</b>	<b>292,591</b>	<b>373,752</b>	<b>-</b>	<b>-</b>	<b>373,752</b>
<b>Fund Balance:</b>						
<b>Restricted for:</b>						
Parks	-	-	-	4,142,830	-	4,142,830
<b>Committed to:</b>						
Planning	5,050,982	-	5,050,982	-	268,484	5,317,466
Parks	-	4,502,898	4,502,898	11,777,135	768,643	17,046,676
<b>Assigned to:</b>						
Planning	1,880,281	-	1,880,281	-	4,236,499	6,116,780
Parks	-	807,542	807,542	-	918,817	1,724,359
Unassigned:	3,928,553	7,072,968	11,001,521	(7,202,231)	-	3,799,290
<b>Total Fund Balances</b>	<b>10,859,816</b>	<b>12,383,408</b>	<b>23,243,224</b>	<b>8,717,734</b>	<b>6,186,443</b>	<b>38,147,401</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 14,415,065</b>	<b>\$ 16,459,081</b>	<b>\$ 30,874,148</b>	<b>\$ 14,313,328</b>	<b>\$ 6,708,872</b>	<b>\$ 51,896,346</b>

**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2017**

	General Fund Accounts			Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Total			
<b>REVENUES</b>						
Property Taxes	\$ 27,326,044	\$ 88,051,405	\$ 115,377,449	\$ -	\$ 1,859,162	\$ 117,236,611
Intergovernmental:						
Federal	-	10,000	10,000	-	-	10,000
State	-	101,408	101,408	2,602,436	-	2,703,844
County	395,208	2,817,413	3,212,621	11,923,680	1,076,812	16,213,113
Local	-	-	-	282,247	-	282,247
Charges for Services	395,509	2,015,713	2,411,222	-	2,713,073	5,124,295
Rentals and Concessions	-	1,946,098	1,946,098	-	458,336	2,404,434
Interest	106,457	53,871	160,328	22,171	29,482	211,981
Contributions	-	-	-	1,497,840	164,196	1,662,036
Miscellaneous	6,854	202,150	209,004	98,241	110,136	417,381
<b>Total Revenues</b>	<b>28,230,072</b>	<b>95,198,058</b>	<b>123,428,130</b>	<b>16,426,615</b>	<b>6,411,197</b>	<b>146,265,942</b>
<b>EXPENDITURES</b>						
Current:						
General Government	7,944,600	-	7,944,600	-	-	7,944,600
Planning and Zoning	19,169,823	-	19,169,823	-	3,456,475	22,626,298
Park Operations and Maintenance	-	89,813,745	89,813,745	-	1,541,823	91,355,568
Contributions	-	-	-	-	1,785,591	1,785,591
Debt Service:						
Principal	-	-	-	-	3,105,000	3,105,000
Interest	-	-	-	-	1,653,980	1,653,980
Other Debt Service Costs	-	-	-	-	156,042	156,042
Capital Outlay:						
Park Acquisition	-	-	-	697,500	-	697,500
Park Development	-	-	-	25,309,804	-	25,309,804
<b>Total Expenditures</b>	<b>27,114,423</b>	<b>89,813,745</b>	<b>116,928,168</b>	<b>26,007,304</b>	<b>11,698,911</b>	<b>154,634,383</b>
Excess (Deficiency) of Revenues over Expenditures	1,115,649	5,384,313	6,499,962	(9,580,689)	(5,287,714)	(8,368,441)
<b>OTHER FINANCING SOURCES (USES)</b>						
General Obligation Bonds Issued	-	-	-	8,000,000	-	8,000,000
Refunding Bonds Issued	-	-	-	-	-	-
Premiums on Bonds Issued	-	-	-	514,748	-	514,748
Payment to Refunding Bond Escrow Account	-	-	-	-	-	-
Transfers In	-	22,169	22,169	350,000	5,341,515	5,713,684
Transfer Out	(500,000)	(5,191,515)	(5,691,515)	(22,169)	-	(5,713,684)
<b>Total Other Financing Sources (Uses)</b>	<b>(500,000)</b>	<b>(5,169,346)</b>	<b>(5,669,346)</b>	<b>8,842,579</b>	<b>5,341,515</b>	<b>8,514,748</b>
Net Change in Fund Balances	615,649	214,967	830,616	(738,110)	53,801	146,307
Fund Balances - Beginning	10,244,167	12,168,441	22,412,608	9,455,844	6,132,642	38,001,094
Fund Balances - Ending	\$ 10,859,816	\$ 12,383,408	\$ 23,243,224	\$ 8,717,734	\$ 6,186,443	\$ 38,147,401



**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, 2017**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>Revenues:</b>				
Property Taxes	\$ 27,605,550	\$ 27,605,550	\$ 27,326,044	\$ (279,506)
Intergovernmental -				
State	150,000	150,000	-	(150,000)
County	409,900	409,900	395,208	(14,692)
Charges for Services	145,000	145,000	395,509	250,509
Interest	60,000	60,000	106,457	46,457
Miscellaneous	-	-	6,854	6,854
<b>Total Revenues</b>	<u>28,370,450</u>	<u>28,370,450</u>	<u>28,230,072</u>	<u>(140,378)</u>
<b>Expenditures/Encumbrances:</b>				
Commissioners' Office	1,193,633	1,193,633	1,084,788	108,845
Central Administrative Services -				
Department of Human Resources and Management	2,069,304	2,069,304	1,778,846	290,458
Department of Finance	3,201,045	3,201,045	3,200,492	553
Internal Audit Division	234,792	234,792	230,209	4,583
Legal Department	1,350,530	1,350,530	1,350,507	23
Support Services	619,665	619,665	618,192	1,473
Merit System Board	81,571	81,571	57,295	24,276
<b>Total Central Administrative Services</b>	<u>7,556,907</u>	<u>7,556,907</u>	<u>7,235,541</u>	<u>321,366</u>
Planning Department -				
Office of the Planning Director	958,251	958,251	971,975	(13,724)
Management and Technology Services	2,179,170	2,179,170	2,293,256	(114,086)
Functional Planning and Policy	3,078,132	3,078,132	2,800,488	277,644
Area 1	1,461,944	1,461,944	1,368,252	93,692
Area 2	2,016,799	2,016,799	1,611,113	405,686
Area 3	2,041,269	2,041,269	1,861,203	180,066
Dev. Applications and Regulatory Coordination	1,118,165	1,118,165	917,605	200,560
Information Technology and Innovation	3,217,719	3,217,719	3,272,197	(54,478)
Support Services	2,137,101	2,162,101	2,170,425	(8,324)
Research and Special Projects	1,347,156	1,322,156	1,140,596	181,560
Grants	150,000	150,000	-	150,000
<b>Total Planning Department</b>	<u>19,705,706</u>	<u>19,705,706</u>	<u>18,407,110</u>	<u>1,298,596</u>
Non-Departmental	1,507,956	1,507,956	597,883	910,073
<b>Total Expenditures/Encumbrances</b>	<u>29,964,202</u>	<u>29,964,202</u>	<u>27,325,322</u>	<u>2,638,880</u>
Excess of Revenues over Expenditures/Encumbrances	<u>(1,593,752)</u>	<u>(1,593,752)</u>	<u>904,750</u>	<u>2,498,502</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Special Revenue Fund - Dev. Review	(500,000)	(500,000)	(500,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(500,000)</u>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	<u>\$ (2,093,752)</u>	<u>\$ (2,093,752)</u>	<u>404,750</u>	<u>\$ 2,498,502</u>
<b>Fund Balance - Budget Basis, Beginning</b>			<u>5,404,084</u>	
<b>Fund Balance - Budget Basis, Ending</b>			<u>\$ 5,808,834</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, 2017

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property Taxes	\$ 88,964,950	\$ 88,964,950	\$ 88,051,405	\$ (913,545)
Intergovernmental -				
Federal	-	-	10,000	10,000
State	400,000	400,000	101,408	(298,592)
County	2,817,413	2,817,413	2,817,413	-
Charges for Services	1,898,768	1,898,768	2,015,713	116,945
Rentals and Concessions	2,010,275	2,010,275	1,946,098	(64,177)
Interest	9,000	9,000	53,871	44,871
Miscellaneous	107,700	107,700	202,150	94,450
<b>Total Revenues</b>	<u>96,208,106</u>	<u>96,208,106</u>	<u>95,198,058</u>	<u>(1,010,048)</u>
<b>Expenditures/Encumbrances:</b>				
Director of Montgomery Parks	1,540,997	1,540,997	1,581,848	(40,851)
Management Services	1,752,965	1,795,965	1,479,880	316,085
Information Technology & Innovation	2,345,089	2,345,089	2,150,339	194,750
Facilities Management	11,844,367	11,794,367	11,937,762	(143,395)
Park Planning and Stewardship	4,729,310	4,819,374	4,856,630	(37,256)
Park Development	3,242,259	3,264,259	3,275,354	(11,095)
Park Police	14,160,643	14,174,843	14,228,532	(53,689)
Horticulture, Forestry & Environmental Education	9,133,771	9,448,771	9,465,751	(16,980)
Public Affairs and Community Service	2,699,010	2,760,010	2,672,009	88,001
Northern Parks	10,238,687	10,238,687	10,281,771	(43,084)
Southern Region	13,137,439	12,707,175	12,655,901	51,274
Support Services	10,951,898	11,386,307	11,787,169	(400,862)
Grants	400,000	400,000	129,767	270,233
Property Management	1,319,000	1,319,000	1,267,784	51,216
Non-Departmental	4,994,090	4,494,681	2,606,440	1,888,241
<b>Total Expenditures/Encumbrances</b>	<u>92,489,525</u>	<u>92,489,525</u>	<u>90,376,937</u>	<u>2,112,588</u>
<b>Excess of Revenues over</b>				
<b>Expenditures/Encumbrances</b>	<u>3,718,581</u>	<u>3,718,581</u>	<u>4,821,121</u>	<u>1,102,540</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In/(Out)-				
Capital Projects Funds	25,000	25,000	22,169	(2,831)
Debt Service Fund	(4,846,969)	(4,846,969)	(4,838,893)	8,076
Capital Projects Funds - Development	(350,000)	(350,000)	(350,000)	-
Special Revenue	-	-	(2,622)	(2,622)
<b>Total Other Financing Sources (Uses)</b>	<u>(5,171,969)</u>	<u>(5,171,969)</u>	<u>(5,169,346)</u>	<u>2,623</u>
<b>Excess of Revenues and Other Financing Sources</b>				
<b>over (under) Expenditures and Other Financing Uses</b>	<u>\$ (1,453,388)</u>	<u>\$ (1,453,388)</u>	<u>(348,225)</u>	<u>\$ 1,105,163</u>
<b>Fund Balance - Budget Basis, Beginning</b>			<u>8,228,735</u>	
<b>Fund Balance - Budget Basis, Ending</b>			<u>\$ 7,880,510</u>	

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2017**

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 52,345,997	\$ 150,228,238	\$ 52,998,718	\$ 255,570,951	\$ 48,083,814	\$ 9,460,865	\$ 313,115,830
Receivables - Taxes (net of allowance for uncollectibles)	365,091	624,411	918,117	1,905,619	-	25	1,905,644
Receivables - Other	75,129	20,600	34,558	130,287	-	-	130,287
Due from County Government	13,074	-	-	13,074	-	-	13,074
Due from Other Governments	218,038	-	36,970	255,008	112,489	67,568	435,065
Inventories	-	-	-	-	-	684,987	684,987
Restricted Cash - Unspent Debt Proceeds	-	-	-	-	-	-	-
Other	10,191	-	-	10,191	-	-	10,191
<b>Total Assets</b>	<b>\$ 53,027,520</b>	<b>\$ 150,871,247</b>	<b>\$ 53,986,363</b>	<b>\$ 257,885,130</b>	<b>\$ 48,196,303</b>	<b>\$ 10,213,445</b>	<b>\$ 316,284,878</b>
<b>LIABILITIES AND FUND BALANCES</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 2,844,252	\$ 3,870,201	\$ 1,472,777	\$ 7,787,230	\$ 3,159,074	\$ 58,571	\$ 11,004,875
Accrued Liabilities	954,136	2,552,338	2,360,318	5,866,790	-	434,550	6,301,340
Retainage Payable	-	-	-	-	1,149,966	-	1,149,966
Deposits and Fees Collected In-Advance	65,020	490,821	5,598,622	6,152,463	1,669,372	24,000	7,845,835
<b>Total Liabilities</b>	<b>3,863,408</b>	<b>6,713,358</b>	<b>9,429,717</b>	<b>19,806,483</b>	<b>5,978,412</b>	<b>517,121</b>	<b>26,302,016</b>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Unavailable Property Tax Revenue	393,599	726,298	851,600	2,071,497	-	-	2,071,497
<b>Total Deferred Inflow of Resources</b>	<b>393,599</b>	<b>726,298</b>	<b>851,600</b>	<b>2,071,497</b>	<b>-</b>	<b>-</b>	<b>2,071,497</b>
<b>Fund Balance:</b>							
Nonspendable to:							
Recreation	-	-	-	-	-	684,987	684,987
Restricted for:							
Parks	-	-	-	-	-	25	25
Committed to:							
Planning	16,029,612	-	-	16,029,612	-	-	16,029,612
Parks	-	15,784,780	-	15,784,780	62,539,132	107,055	78,430,967
Recreation	-	-	6,515,221	6,515,221	-	824,414	7,339,635
Assigned to:							
Planning	-	-	-	-	-	2,694	2,694
Parks	-	3,011,021	-	3,011,021	-	1,636,484	4,647,485
Recreation	-	-	-	-	-	6,440,685	6,440,685
Unassigned:	32,940,901	124,635,790	37,089,825	194,666,516	(20,321,241)	-	174,345,275
<b>Total Fund Balances</b>	<b>48,970,513</b>	<b>143,431,591</b>	<b>43,805,046</b>	<b>236,007,150</b>	<b>42,217,891</b>	<b>9,696,324</b>	<b>287,921,365</b>
<b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b>	<b>\$ 53,027,520</b>	<b>\$ 150,871,247</b>	<b>\$ 53,986,363</b>	<b>\$ 257,885,130</b>	<b>\$ 48,196,303</b>	<b>\$ 10,213,445</b>	<b>\$ 316,284,878</b>

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2017**

	General Fund Accounts				Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
	Administration	Park	Recreation	Total			
<b>REVENUES</b>							
Property Taxes	\$ 49,321,429	\$ 134,653,737	\$ 70,261,044	\$ 254,236,210	\$ -	\$ 455	\$ 254,236,665
Intergovernmental:							
Federal	-	30,791	-	30,791	-	-	30,791
State	204,628	943,307	331,520	1,479,455	1,107,128	-	2,586,583
County	172,239	-	4,275	176,514	-	207,627	384,141
Charges for Services	834,923	168,962	7,524,850	8,528,735	-	1,262,175	9,790,910
Rentals and Concessions	-	2,800,453	1,250,390	4,050,843	-	5,688,055	9,738,898
Interest	350,229	745,836	279,071	1,375,136	348,587	49,482	1,773,205
Contributions	-	-	170,809	170,809	2,324,725	60,006	2,555,540
Miscellaneous	2,839	506,586	11,995	521,420	370,738	29,428	921,586
<b>Total Revenues</b>	<u>50,886,287</u>	<u>139,849,672</u>	<u>79,833,954</u>	<u>270,569,913</u>	<u>4,151,178</u>	<u>7,297,228</u>	<u>282,018,319</u>
<b>EXPENDITURES</b>							
Current:							
General Government	9,021,008	-	-	9,021,008	-	-	9,021,008
Planning and Zoning	31,803,505	-	-	31,803,505	-	-	31,803,505
Park Operations and Maintenance	-	109,169,262	-	109,169,262	-	548,642	109,717,904
Recreation	-	-	60,949,379	60,949,379	-	5,924,384	66,873,763
Contributions	-	-	-	-	-	430	430
Debt Service							
Principal	-	-	-	-	-	8,021,946	8,021,946
Interest	-	-	-	-	-	2,805,126	2,805,126
Other Debt Service Costs	-	-	-	-	-	3,676	3,676
Capital Outlay							
Park Acquisition	-	-	-	-	1,455,891	-	1,455,891
Park Development	-	-	-	-	22,998,654	-	22,998,654
Total Expenditures	<u>40,824,513</u>	<u>109,169,262</u>	<u>60,949,379</u>	<u>210,943,154</u>	<u>24,454,545</u>	<u>17,304,204</u>	<u>252,701,903</u>
Excess (deficiency) of Revenues over Expenditures	<u>10,061,774</u>	<u>30,680,410</u>	<u>18,884,575</u>	<u>59,626,759</u>	<u>(20,303,367)</u>	<u>(10,006,976)</u>	<u>29,316,416</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	-	348,587	-	348,587	6,691,000	10,860,748	17,900,335
Transfer Out	(30,000)	(17,491,748)	(9,070,347)	(26,592,095)	(348,587)	(30,000)	(26,970,682)
Total Other Financing Sources (Uses)	<u>(30,000)</u>	<u>(17,143,161)</u>	<u>(9,070,347)</u>	<u>(26,243,508)</u>	<u>6,342,413</u>	<u>10,830,748</u>	<u>(9,070,347)</u>
Net Change in Fund Balances	10,031,774	13,537,249	9,814,228	33,383,251	(13,960,954)	823,772	20,246,069
Fund Balances - Beginning	38,938,739	129,894,342	33,790,818	202,623,899	56,178,845	8,872,552	267,675,296
Fund Balances - Ending	\$ <u>48,970,513</u>	\$ <u>143,431,591</u>	\$ <u>43,605,046</u>	\$ <u>236,007,150</u>	\$ <u>42,217,891</u>	\$ <u>9,696,324</u>	\$ <u>287,921,365</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, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Property Taxes	\$ 47,129,100	\$ 47,129,100	\$ 49,321,429	\$ 2,192,329
Intergovernmental -				
State	-	204,628	204,628	-
County	204,300	204,300	172,239	(32,061)
Charges for Services	631,000	631,000	834,923	203,923
Interest	150,000	150,000	350,229	200,229
Miscellaneous	-	-	2,839	2,839
<b>Total Revenues</b>	<u>48,114,400</u>	<u>48,319,028</u>	<u>50,886,287</u>	<u>2,567,259</u>
<b>Expenditures/Encumbrances:</b>				
Commissioners' Office	3,125,221	3,125,221	2,755,311	369,910
Central Administrative Services -				
Department of Human Resources and Management	2,596,087	2,596,087	2,200,943	395,144
Department of Finance	3,835,857	3,835,857	3,835,395	462
Internal Audit Division	345,084	345,084	336,482	8,602
Legal Department	1,046,298	1,046,298	1,046,268	30
Support Services	782,291	782,291	780,432	1,859
Merit System Board	81,571	81,571	57,295	24,276
<b>Total Central Administrative Services</b>	<u>8,687,188</u>	<u>8,687,188</u>	<u>8,256,815</u>	<u>430,373</u>
Planning Department -				
Director's Office	4,148,881	4,148,881	2,858,570	1,290,311
Development Review	6,166,008	6,166,008	5,113,336	1,052,672
Community Planning	3,936,541	3,936,541	2,589,261	1,347,280
Information Management	5,255,409	5,255,409	4,457,587	797,822
Countywide Planning	6,860,666	6,860,666	5,602,241	1,258,425
Support Services	8,653,835	8,653,835	8,581,156	72,679
Grants	149,300	353,928	323,872	30,056
<b>Total Planning Department</b>	<u>35,170,640</u>	<u>35,375,268</u>	<u>29,526,023</u>	<u>5,849,245</u>
Non-Departmental	1,802,847	1,802,847	904,822	898,025
<b>Total Expenditures/Encumbrances</b>	<u>48,785,896</u>	<u>48,990,524</u>	<u>41,442,971</u>	<u>7,547,553</u>
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>	<u>(671,496)</u>	<u>(671,496)</u>	<u>9,443,316</u>	<u>10,114,812</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Special Revenue Fund	(30,000)	(30,000)	(30,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(30,000)</u>	<u>-</u>
<b>Excess of Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses</b>	<u>\$ (701,496)</u>	<u>\$ (701,496)</u>	<u>9,413,316</u>	<u>\$ 10,114,812</u>
Fund Balance - Budget Basis, Beginning			23,527,585	
Fund Balance - Budget Basis, Ending			<u>\$ 32,940,901</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, 2017**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property Taxes	\$ 128,189,300	\$ 128,189,300	\$ 134,653,737	\$ 6,464,437
Intergovernmental -				
Federal	-	30,791	30,791	-
State	-	943,307	943,307	-
Charges for Services	148,500	148,500	168,962	20,462
Rentals and Concessions	2,656,100	2,656,100	2,800,453	144,353
Interest	350,000	350,000	745,836	395,836
Miscellaneous	300,000	300,000	506,586	206,586
<b>Total Revenues</b>	<u>131,643,900</u>	<u>132,617,998</u>	<u>139,849,672</u>	<u>7,231,674</u>
<b>Expenditures/Encumbrances:</b>				
Office of The Director -				
Office of the Director	2,385,514	2,385,514	2,052,452	333,062
Park Police	18,753,263	18,753,263	19,272,483	(519,220)
Administration and Development -				
Management Services	4,944,669	4,944,669	4,697,228	247,441
Administration and Development	347,302	347,302	316,207	31,095
Support Services	14,749,228	14,749,228	13,842,239	906,989
Park Planning and Development	6,260,081	6,260,081	5,532,985	727,096
Info Tech and Communications	5,181,023	5,181,023	4,819,621	361,402
Facility Operations -				
Deputy Director	630,886	630,886	591,609	39,277
Public Affairs & Marketing	2,124,385	2,124,385	1,992,620	131,765
Maintenance and Development	27,574,362	27,574,362	26,695,474	878,888
Natural and Historical Resources	6,202,801	6,202,801	6,241,641	(38,840)
Arts and Cultural Heritage	1,952,225	1,952,225	1,918,087	34,138
<b>Total Facility Operations</b>	<u>38,484,659</u>	<u>38,484,659</u>	<u>37,439,431</u>	<u>1,045,228</u>
Area Operations -				
Deputy Director	334,307	334,307	454,746	(120,439)
Northern Area Operations	6,617,793	6,617,793	6,591,866	25,927
Central Area Operations	6,256,016	6,256,016	6,585,651	(329,635)
Southern Area Operations	6,273,129	6,273,129	6,099,479	173,650
<b>Total Area Operations</b>	<u>19,481,245</u>	<u>19,481,245</u>	<u>19,731,742</u>	<u>(250,497)</u>
Grants	-	974,098	1,017,188	(43,090)
Non-Departmental	6,375,227	6,375,227	5,135,011	1,240,216
<b>Total Expenditures/Encumbrances</b>	<u>116,962,211</u>	<u>117,936,309</u>	<u>113,856,587</u>	<u>4,079,722</u>
<b>Excess of Revenues over</b>				
<b>Expenditures/Encumbrances</b>	<u>14,681,689</u>	<u>14,681,689</u>	<u>25,993,085</u>	<u>11,311,396</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Capital Projects Funds - Interest	150,000	150,000	348,587	198,587
Debt Service - Park Fund	(11,539,571)	(11,539,571)	(10,830,748)	708,823
Capital Projects Funds - Development	(6,661,000)	(6,661,000)	(6,661,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(18,050,571)</u>	<u>(18,050,571)</u>	<u>(17,143,161)</u>	<u>907,410</u>
<b>Excess of Revenues and Other Financing Sources</b>				
<b>over Expenditures and Other Financing Uses</b>	<u>\$ (3,368,882)</u>	<u>\$ (3,368,882)</u>	<u>8,849,924</u>	<u>\$ 12,218,806</u>
<b>Fund Balance - Budget Basis, Beginning</b>			<u>118,796,887</u>	
<b>Fund Balance - Budget Basis, Ending</b>			<u>\$ 127,646,811</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, 2017**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues:</b>				
Property Taxes	\$ 67,197,000	\$ 67,197,000	\$ 70,261,044	\$ 3,064,044
Intergovernmental -				
State	-	331,520	331,520	-
County	-	4,275	4,275	-
Charges for Services	7,502,000	7,502,000	7,524,850	22,850
Rentals and Concessions	1,083,700	1,083,700	1,250,390	166,690
Interest	135,000	135,000	279,071	144,071
Miscellaneous	82,800	82,800	182,804	100,004
<b>Total Revenues</b>	<u>76,000,500</u>	<u>76,336,295</u>	<u>79,833,954</u>	<u>3,497,659</u>
<b>Expenditures/Encumbrances:</b>				
Administration and Development-				
Support Services	7,053,039	7,053,039	6,656,311	396,728
<b>Total Director's Office</b>	<u>7,053,039</u>	<u>7,053,039</u>	<u>6,656,311</u>	<u>396,728</u>
Facility Operations:				
Public Affairs & Marketing	899,868	899,868	818,720	81,148
Sports, Health and Wellness	11,173,482	11,173,482	11,430,008	(256,526)
Natural and Historical Resources	1,224,539	1,224,539	992,868	231,671
Arts and Cultural Heritage	3,868,029	3,868,029	3,831,154	36,875
Grants	-	335,795	403,923	(68,128)
<b>Total Facility Operations</b>	<u>17,165,918</u>	<u>17,501,713</u>	<u>17,476,673</u>	<u>25,040</u>
Area Operations:				
Deputy Director	81,954	81,954	28,975	52,979
Northern Area Operations	7,157,426	7,157,426	6,366,039	791,387
Central Area Operations	7,374,342	7,374,342	6,869,973	504,369
Southern Area Operations	8,246,044	8,246,044	7,652,013	594,031
Special Programs	8,356,225	8,356,225	8,120,578	235,647
<b>Total Area Operations</b>	<u>31,215,991</u>	<u>31,215,991</u>	<u>29,037,578</u>	<u>2,178,413</u>
Non-Departmental	7,290,205	7,290,205	5,561,753	1,728,452
<b>Total Operating Expenditures/Encumbrances</b>	<u>62,725,153</u>	<u>63,060,948</u>	<u>58,732,315</u>	<u>4,328,633</u>
Excess of Revenues over Expenditures/Encumbrances	<u>13,275,347</u>	<u>13,275,347</u>	<u>21,101,639</u>	<u>7,826,292</u>
<b>Other Financing Sources (Uses):</b>				
Transfers In (Out) -				
Enterprise	(9,070,347)	(9,070,347)	(9,070,347)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(9,070,347)</u>	<u>(9,070,347)</u>	<u>(9,070,347)</u>	<u>-</u>
Excess of Revenues and Other Financing Sources over Expenditures and Other Financing Uses	<u>\$ 4,205,000</u>	<u>\$ 4,205,000</u>	12,031,292	<u>\$ 7,826,292</u>
Fund Balance - Budget Basis, Beginning			25,058,533	
Fund Balance - Budget Basis, Ending			<u>\$ 37,089,825</u>	



**Schedule of Required Supplementary Information for Defined Benefit Pension Plans**  
**(Unaudited)**

**Schedule of Changes in the Commission's Net Pension Liability and Related Ratios\***

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Total Pension Liability</u>			
Service Cost	\$ 20,196,060	\$ 18,125,110	\$ 19,015,744
Interest	66,311,451	61,280,153	64,188,829
Changes in benefit terms	(6,233)	(4,863)	-
Difference between expected and actual experience	(9,213,536)	(20,701,234)	610,807
Changes in assumptions	34,368,804	(13,818,623)	9,147,692
Benefit payments including refunds	(45,189,395)	(42,718,801)	(40,382,818)
Net change in total pension liability	<u>66,467,151</u>	<u>2,161,742</u>	<u>52,580,254</u>
Total pension liability - beginning	924,173,913	922,012,171	869,431,917
Total pension liability - ending (a)	<u>\$ 990,641,064</u>	<u>\$ 924,173,913</u>	<u>\$ 922,012,171</u>
<u>Plan Fiduciary Net Position</u>			
Contributions - employer	\$ 20,268,189	\$ 27,191,305	\$ 28,149,976
Contributions - employee	6,751,196	6,418,154	6,339,732
Net investment income	111,662,056	(4,851,526)	3,340,520
Benefit payments, including refunds	(45,189,395)	(42,718,801)	(40,382,818)
Administrative expenses	(1,674,654)	(1,696,334)	(1,587,371)
Net change in plan fiduciary net position	<u>91,817,392</u>	<u>(15,657,202)</u>	<u>(4,139,961)</u>
Plan fiduciary net position - beginning	776,338,424	791,995,626	796,135,587
Plan fiduciary net position - ending (b)	<u>\$ 868,155,816</u>	<u>\$ 776,338,424</u>	<u>\$ 791,995,626</u>
Net pension liability - ending (a-b)	<u>\$ 122,485,248</u>	<u>\$ 147,835,489</u>	<u>\$ 130,016,545</u>
Plan fiduciary net position as a percentage of total pension liability	87.6%	84.0%	85.9%
Covered employee payroll	141,670,765	135,041,803	129,134,125
Net pension liability as a percentage of covered payroll	86.5%	109.5%	100.7%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Schedule of Required Supplementary Information for Defined Benefit Pension Plans**  
**(Unaudited)**

(continued)

**Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission**  
**Employees' Retirement System**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$ 10,561,434	\$ 10,561,434	\$ -	\$ 109,579,279	9.6%
2009	13,983,669	14,933,506	(949,837)	122,825,271	12.2%
2010	17,614,908	17,614,908	-	132,240,949	13.3%
2011	35,206,700	25,633,000	9,573,700	142,590,713	18.0%
2012	32,182,287	32,182,287	-	140,407,414	22.9%
2013	23,806,058	23,806,058	-	132,490,722	18.0%
2014	28,750,323	28,750,323	-	129,911,593	22.1%
2015	28,149,976	28,149,976	-	129,134,125	21.8%
2016	27,191,305	27,191,305	-	135,041,803	20.1%
2017	20,268,189	20,268,189	-	141,670,765	14.3%

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 7.25% to 7.00% with a corresponding decrease in the salary scale assumption by 0.25%.

The post retirement cost of living adjustment was changed from 2.75 to 2.40% for benefits based on credited service accrued until July 1, 2012 and sick leave accrued as of January 1, 2013 and for post 2012 benefits from 2.50% to 2.00%.

The mortality assumption was changed from the RP2000 (Scale AA generational) to the RP 2000 (Scale BB generational).

Rates of retirement, disability and withdrawal along with credit of future sick leave assumptions were also changed.

**(2) Methods and Assumptions used in Calculations of Actuarially Determined Contributions**

Actuarial Entry Age	
Amortization Method	Prior to July 1, 2013 - Amortize July 1, 2005 unfunded actuarial accrued liability in equal payments to January 1, 2016. Amortize subsequent changes in unfunded actuarial accrued liability in equal payments over 15 years. After July 1, 2013 – Open 15 year amortization of the unfunded actuarial accrued liability.
Remaining Amortization Period	15 years
Asset Valuation Method	5 year asset smoothing
Inflation	2.50%
Salary Increases	2.50% plus service based increases
Investment Rate of Return	7.00%, net of investment expense and including inflation
Mortality	RP-2000 Mortality table with male rates set forward 1 year and female rates set forward 2 years, with generational adjustments for mortality improvements based on Scale BB factors. An alternate table was used for the valuation of disabled members.

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

**Schedule of Changes in the Commission's Net Pension Liability and Related Ratios\***

	2017
<u>Total OPEB Liability</u>	
Service Cost	\$ 4,937,962
Interest	20,940,838
Benefit payments including refunds	(16,435,761)
Net change in total pension liability	9,443,039
Total pension liability - beginning	302,295,755
Total pension liability - ending (a)	\$ 311,738,794
<u>Plan Fiduciary Net Position</u>	
Contributions - employer, including implicit subsidies	\$ 18,754,591
Contributions - employee	2,685,917
Net investment income	8,774,168
Benefit payments, including refunds	(16,435,761)
Administrative expenses	(410,564)
Net change in plan fiduciary net position	13,368,351
Plan fiduciary net position - beginning	47,974,429
Plan fiduciary net position - ending (b)	\$ 61,342,780
Net pension liability - ending (a-b)	\$ 250,396,014
Plan fiduciary net position as a percentage of total pension liability	19.7%
Covered employee payroll	141,670,765
Net pension liability as a percentage of covered payroll	176.7%

\*This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

(continued)

**Schedule of Employer Contributions to The Maryland National Capital Park and Planning Commission  
Other Postemployment Benefits Trust (000's)**

Fiscal Year ended June 30	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency/ (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2008	\$ 19,402	\$ 9,581	\$ 9,821	\$ 131,074	7.3%
2009	21,306	9,821	11,485	142,681	6.9%
2010	23,056	7,203	15,853	137,245	5.2%
2011	23,872	9,210	14,662	135,062	6.8%
2012	28,553	16,243	12,310	123,684	13.1%
2013	21,812	17,758	4,054	119,966	14.8%
2014	18,611	18,509	102	126,868	14.6%
2015	19,143	15,901	3,242	134,536	11.8%
2016	18,044	16,847	1,197	136,049	12.4%
2017	20,037	16,107	3,930	141,671	11.4%

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

There were no changes in actuarial assumptions since the prior year.

**(2) Methods and Assumptions used in Calculations of Actuarially Determined Contributions**

Actuarial Cost Method	Entry Age
Amortization Period	30 year level dollar
Inflation	2.50%
Salary Increases	2.50% plus service based increases
Investment Rate of Return	7.00%, net of investment expense and including inflation
Healthcare Cost Trend Rates	6.25% initially, grading down to 4.00% ultimate for medical and pharmacy benefits 4% for dental 3.5% for vision
Mortality - Healthy	RP-2000 with male rates set forward 1 year and female rates set forward 2 years, with generational method applied using Scale BB factors.
Mortality - Disabled	RP-2000 disabled with male rates set forward 1 year and female rates set forward 2 years with generational method applied using Scale BB factors.



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# ◆ PART IIB ◆

## FINANCIAL SECTION

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### Combining Statements and Schedules



**Families enjoying a ride on the Kingfisher Pontoon boat on Little Seneca Lake at Black Hills Regional Park.**

### 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**

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2017

Schedule 1

	MONTGOMERY COUNTY						PRINCE GEORGE'S COUNTY					
	Special Revenue Funds			Advance Land Acquisition Debt Service			Special Revenue Funds			Advance Land Acquisition Debt Service		
	Planning	Parks	Total Special Revenue	Park Debt Service	Land Acquisition Debt Service	Total	Planning	Parks and Recreation	Total Special Revenue	Park Debt Service	Land Acquisition Debt Service	Total
<b>ASSETS</b>												
Equity in Pooled Cash and Investments	\$ 4,757,882	\$ 1,817,966	\$ 6,575,848	\$ 35,000	\$ 17,816	\$ 6,610,848	\$ 2,894	\$ 9,456,019	\$ 9,458,713	\$ 2,152	\$ -	\$ 9,460,865
Taxes Receivable	-	-	-	-	17,816	17,816	-	-	-	-	25	25
Accounts Receivable	-	10,650	10,650	-	-	10,650	-	-	-	-	-	17,841
Due from County Government	-	69,558	69,558	-	-	69,558	-	-	-	-	-	10,850
Due from Other Government	-	-	-	-	-	-	-	-	-	-	-	69,558
Inventories	-	-	-	-	-	-	-	67,568	67,568	-	-	67,568
Total Assets	\$ 4,757,882	\$ 1,898,174	\$ 6,656,056	\$ 35,000	\$ 17,816	\$ 6,708,672	\$ 2,894	\$ 10,208,574	\$ 10,211,268	\$ 2,152	\$ 25	\$ 10,213,445
<b>LIABILITIES</b>												
Accounts Payable	\$ 99,878	\$ 194,733	\$ 294,611	\$ 35,000	\$ -	\$ 329,611	\$ -	\$ 56,419	\$ 56,419	\$ 2,152	\$ -	\$ 58,571
Accrued Liabilities	-	14,533	14,533	-	-	14,533	-	434,550	434,550	-	-	434,550
Due to County Government	30	-	30	-	-	30	-	-	-	-	-	30
Deposits and Deferred Revenue	154,991	11,084	166,055	-	12,200	178,255	-	24,000	24,000	-	-	24,000
Total Liabilities	254,899	220,350	475,249	35,000	12,200	522,429	-	514,969	514,969	2,152	-	517,121
<b>FUND BALANCES</b>												
Fund Balance:												
Nonspendable to:												
Recreation	-	-	-	-	-	-	-	684,987	684,987	-	-	684,987
Parks	-	-	-	-	-	-	-	-	-	-	25	25
Committed to:												
Planning	266,484	761,027	1,027,511	-	-	1,788,511	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	5,616	5,616	-	107,055	107,055	-	-	107,055
Assigned to:												
Planning	4,236,499	916,817	5,153,316	-	-	5,153,316	2,894	1,636,464	1,636,464	-	-	1,636,464
Parks	-	-	-	-	-	-	-	6,440,685	6,440,685	-	-	6,440,685
Recreation	-	-	-	-	-	-	-	9,693,905	9,693,905	-	25	9,693,924
Total Fund Balances	4,502,983	1,677,844	6,180,827	-	5,616	6,186,443	2,894	10,208,574	10,211,268	2,152	25	10,213,445
Total Liabilities and Fund Balances	\$ 4,757,882	\$ 1,898,174	\$ 6,656,056	\$ 35,000	\$ 17,816	\$ 6,708,672	\$ 2,894	\$ 10,208,574	\$ 10,211,268	\$ 2,152	\$ 25	\$ 10,213,445



Schedule 2

THE MARYLAND-NATIONAL PARK AND PLANNING COMMISSION

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2017

	MONTGOMERY COUNTY										PRINCE GEORGE'S COUNTY												
	Special Revenue Funds					Advance Land Acquisition Debt Service					Special Revenue Funds					Advance Land Acquisition Debt Service							
	Planning	Parks	Special	Total	Park Debt Service	Planning	Parks and Recreation	Special	Total	Planning	Park Debt Service	Planning	Parks and Recreation	Special	Total	Planning	Park Debt Service	Planning	Parks and Recreation	Special	Total		
<b>REVENUES:</b>																							
Property Taxes	-	-	-	1,076,812	-	-	-	-	1,076,812	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental - County	-	1,076,812	-	2,713,073	-	-	-	2,713,073	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Charges for Services	2,595,202	117,871	2,713,073	458,336	-	-	-	458,336	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recreation Activities	-	458,336	-	29,482	-	-	-	29,482	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	26,460	3,022	29,482	184,196	-	-	-	184,196	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions	132,248	31,848	164,196	110,136	-	-	-	110,136	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Miscellaneous	15,562	94,574	110,136	4,552,035	-	-	-	4,552,035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Revenues</b>	<b>2,769,472</b>	<b>1,762,563</b>	<b>4,552,035</b>	<b>6,411,197</b>	<b>8</b>	<b>8</b>	<b>7,296,765</b>	<b>7,296,765</b>	<b>6,411,197</b>	<b>8</b>	<b>8</b>	<b>823,739</b>	<b>823,739</b>	<b>823,739</b>	<b>10,830,748</b>	<b>25</b>	<b>25</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>13,706,425</b>	
<b>EXPENDITURES:</b>																							
Principal Retirements	-	-	-	3,050,000	-	-	-	3,050,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Interest	-	-	-	1,832,851	-	-	-	1,832,851	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Debt Service Costs	-	-	-	156,042	-	-	-	156,042	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Contributions	-	-	-	1,785,591	-	-	-	1,785,591	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Planning and Zoning	3,456,475	-	3,456,475	548,642	-	-	-	548,642	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Park Operations and Maintenance	-	1,541,823	1,541,823	5,924,384	-	-	-	5,924,384	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Recreation	-	-	-	4,838,893	-	-	-	4,838,893	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>3,456,475</b>	<b>1,541,823</b>	<b>4,998,298</b>	<b>11,698,911</b>	<b>8</b>	<b>8</b>	<b>12,247,786</b>	<b>12,247,786</b>	<b>11,698,911</b>	<b>8</b>	<b>8</b>	<b>823,739</b>	<b>823,739</b>	<b>823,739</b>	<b>10,830,748</b>	<b>25</b>	<b>25</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>29,003,115</b>	
Excess (deficiency) of revenues over expenditures	(687,003)	240,740	(446,263)	(5,287,714)	(2,558)	(2,558)	(2,558)	(5,287,714)	(5,287,714)	(2,558)	(2,558)	(2,558)	(2,558)	(2,558)	(10,006,976)	(10,006,976)	(10,006,976)	(10,006,976)	(10,006,976)	(10,006,976)	(10,006,976)	(15,294,690)	
<b>OTHER FINANCING SOURCES (USES):</b>																							
Transfers In	500,000	2,622	502,622	5,341,515	-	-	-	5,341,515	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers Out	(187,003)	243,362	56,359	53,801	-	-	-	53,801	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	<b>312,997</b>	<b>465,984</b>	<b>559,981</b>	<b>5,895,316</b>	<b>8</b>	<b>8</b>	<b>53,801</b>	<b>5,895,316</b>	<b>5,895,316</b>	<b>8</b>	<b>8</b>	<b>53,801</b>	<b>53,801</b>	<b>53,801</b>	<b>10,830,748</b>	<b>25</b>	<b>25</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>10,830,748</b>	<b>16,202,263</b>	
Net change in fund balances	4,689,966	1,434,482	6,124,468	6,124,468	-	-	-	6,124,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balances - beginning	4,502,983	1,677,844	6,180,827	6,180,827	-	-	-	6,180,827	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fund Balances - ending	<b>9,192,949</b>	<b>3,112,328</b>	<b>12,361,295</b>	<b>12,361,295</b>	<b>8</b>	<b>8</b>	<b>12,361,295</b>	<b>12,361,295</b>	<b>12,361,295</b>	<b>8</b>	<b>8</b>	<b>12,361,295</b>	<b>12,361,295</b>	<b>12,361,295</b>	<b>21,191,543</b>	<b>25</b>	<b>25</b>	<b>21,191,543</b>	<b>21,191,543</b>	<b>21,191,543</b>	<b>21,191,543</b>	<b>28,463,858</b>	

**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, 2017

	Montgomery County				Prince George's County			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
<b>Revenues:</b>								
Intergovernmental	\$ 988,200	\$ 988,200	\$ 1,076,812	\$ 88,612	\$ 950,000	\$ 207,627	\$ (742,373)	
Charges for Services	1,926,945	1,926,945	2,713,073	786,128	1,374,922	1,262,175	(112,747)	
Recreation Activities	309,000	309,000	458,336	149,336	5,886,571	5,688,055	(198,516)	
Interest	15,000	15,000	29,482	14,482	25,000	49,482	24,482	
Contributions	265,000	265,000	164,195	(100,804)	79,600	60,006	(19,594)	
Miscellaneous	97,000	97,000	110,136	13,136	55,122	29,428	(25,694)	
<b>Total Revenues</b>	<b>3,601,145</b>	<b>3,601,145</b>	<b>4,552,035</b>	<b>950,890</b>	<b>8,371,215</b>	<b>7,296,773</b>	<b>(1,074,442)</b>	
<b>Expenditures/Encumbrances:</b>								
Current -								
County Planning and Zoning	3,908,122	3,908,122	3,641,508	266,614	-	-	-	
Park Operations and Maintenance	1,843,500	1,843,500	1,711,373	132,127	1,973,506	625,771	1,347,735	
Recreation	-	-	-	-	7,164,138	6,343,539	820,599	
<b>Total Expenditures/Encumbrances</b>	<b>5,751,622</b>	<b>5,751,622</b>	<b>5,352,881</b>	<b>398,741</b>	<b>9,137,644</b>	<b>6,969,310</b>	<b>2,168,334</b>	
<b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>	<b>(2,150,477)</b>	<b>(2,150,477)</b>	<b>(800,846)</b>	<b>1,349,631</b>	<b>(766,429)</b>	<b>327,463</b>	<b>1,093,892</b>	
<b>Other Financing Sources (Uses):</b>								
Operating Transfers In	-	500,000	502,622	2,622	30,000	30,000	-	
Transfers Out	-	-	-	-	(30,000)	(30,000)	-	
<b>Total Other Financing (Uses)</b>	<b>-</b>	<b>500,000</b>	<b>502,622</b>	<b>2,622</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures/Encumbrances and Other Financing Sources (Uses) - Budget Basis</b>	<b>\$ (2,150,477)</b>	<b>\$ (1,650,477)</b>	<b>(298,224)</b>	<b>\$ 1,352,253</b>	<b>\$ (766,429)</b>	<b>\$ 327,463</b>	<b>\$ 1,093,892</b>	
<b>Fund Balances - Budget Basis, July 1</b>			<b>5,451,538</b>			<b>9,066,972</b>		
<b>Fund Balances - Budget Basis, June 30</b>			<b>\$ 5,153,314</b>			<b>\$ 9,394,435</b>		

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



**Exterior View of Kentland Community Center in Landover, MD. The center provides many amenities for area residents to enjoy.**

## 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, 2017 and 2016

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016	June 30, 2017	June 30, 2016
<b>ASSETS</b>						
<b>Current Assets:</b>						
Equity in Pooled Cash and Investments	\$ 8,408,670	\$ 8,080,992	\$ 4,816,072	\$ 5,399,659	\$ 13,224,742	\$ 13,480,651
Accounts Receivable	1,361	314	154	1,369	1,515	1,683
Due from County Government	227,989	209,408	-	9,440	227,989	218,848
Inventories	191,255	175,148	690,777	736,951	882,032	912,099
Total Current Assets	<u>8,829,275</u>	<u>8,465,862</u>	<u>5,507,003</u>	<u>6,147,419</u>	<u>14,336,278</u>	<u>14,613,281</u>
<b>Noncurrent Assets:</b>						
<b>Capital Assets:</b>						
Land	11,584,468	11,584,468	7,779,131	7,779,131	19,363,599	19,363,599
Buildings and Improvements	27,216,080	27,216,080	73,837,174	74,108,617	100,853,254	101,324,697
Infrastructure	35,510	35,510	134,686	134,686	170,196	170,196
Machinery, Equipment and Intangibles	2,631,818	2,610,895	4,516,918	4,718,533	7,148,736	7,329,428
Construction in Progress	2,604,561	2,197,686	-	-	2,604,561	2,197,686
	44,072,437	43,644,639	86,067,909	86,740,967	130,140,346	130,385,606
Less - Accumulated Depreciation	(24,631,541)	(23,765,441)	(44,919,222)	(43,787,655)	(69,550,763)	(67,553,096)
Total Capital Assets (net of depreciation)	<u>19,440,896</u>	<u>19,879,198</u>	<u>41,148,687</u>	<u>42,953,312</u>	<u>60,589,583</u>	<u>62,832,510</u>
Total Noncurrent Assets	<u>19,440,896</u>	<u>19,879,198</u>	<u>41,148,687</u>	<u>42,953,312</u>	<u>60,589,583</u>	<u>62,832,510</u>
Total Assets	<u>28,270,171</u>	<u>28,345,060</u>	<u>46,655,690</u>	<u>49,100,731</u>	<u>74,925,861</u>	<u>77,445,791</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Changes in pension plan assumptions	402,387	72,149	799,233	158,138	1,201,620	230,287
Difference between projected and actual earnings on pension plan investments	716,959	994,473	1,454,398	1,993,574	2,171,357	2,988,047
Difference between expected and actual experience	3,793	4,818	8,573	10,121	12,366	14,939
Total Deferred Outflows of Resources	<u>1,123,139</u>	<u>1,071,440</u>	<u>2,262,204</u>	<u>2,161,833</u>	<u>3,385,343</u>	<u>3,233,273</u>
<b>LIABILITIES</b>						
<b>Current Liabilities:</b>						
Accounts Payable	107,800	293,137	109,192	430,197	216,992	723,334
Accrued Salaries and Benefits	255,321	349,414	596,933	713,073	852,254	1,062,487
Compensated Absences	117,953	65,940	232,725	262,005	350,678	327,945
Revenue Collected in Advance	43,037	1,014,463	27,437	23,073	70,474	1,037,536
Total Current Liabilities	<u>524,111</u>	<u>1,722,954</u>	<u>966,287</u>	<u>1,428,348</u>	<u>1,490,398</u>	<u>3,151,302</u>
<b>Noncurrent Liabilities:</b>						
Compensated Absences	186,255	223,718	462,218	418,995	648,473	642,713
Net Other Post Employment Benefit Obligations	743,133	686,957	2,667,770	2,531,179	3,410,903	3,218,136
Net Pension Liability	1,391,215	1,688,586	3,052,107	3,629,395	4,443,322	5,317,981
Total Noncurrent Liabilities	<u>2,320,603</u>	<u>2,599,261</u>	<u>6,182,095</u>	<u>6,579,569</u>	<u>8,502,698</u>	<u>9,178,830</u>
Total Liabilities	<u>2,844,714</u>	<u>4,322,215</u>	<u>7,148,382</u>	<u>8,007,917</u>	<u>9,993,096</u>	<u>12,330,132</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Changes in pension plan assumptions	125,971	149,128	234,429	279,383	360,400	428,511
Difference between projected and actual earnings on pension plan investments	537,927	-	1,044,281	-	1,582,208	-
Difference between expected and actual experience	281,348	223,401	531,032	418,536	812,380	641,937
Total Deferred Inflows of Resources	<u>945,246</u>	<u>372,529</u>	<u>1,809,742</u>	<u>697,919</u>	<u>2,754,988</u>	<u>1,070,448</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	19,440,896	19,879,198	41,148,687	42,953,312	60,589,583	62,832,510
Unrestricted	6,162,454	4,842,558	(1,188,917)	(396,584)	4,973,537	4,445,974
Total Net Position	<u>\$ 25,603,350</u>	<u>\$ 24,721,756</u>	<u>\$ 39,959,770</u>	<u>\$ 42,556,728</u>	<u>\$ 65,563,120</u>	<u>\$ 67,278,484</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, 2017 and 2016

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Totals	
	Year Ended June 30,		Year Ended June 30,		Year Ended June 30,	
	2017	2016	2017	2016	2017	2016
<b>Operating Revenues:</b>						
Sales	\$ 602,961	\$ 552,860	\$ 2,021,208	\$ 2,063,089	\$ 2,624,169	\$ 2,615,949
Charges for Services	6,890,177	6,638,154	4,339,989	4,484,990	11,230,166	11,123,144
Rentals and Concessions	3,177,740	3,220,579	2,867,218	3,058,853	6,044,958	6,279,432
<b>Total Operating Revenues</b>	<b>10,870,878</b>	<b>10,411,593</b>	<b>9,228,415</b>	<b>9,606,932</b>	<b>19,899,293</b>	<b>20,018,525</b>
<b>Operating Expenses:</b>						
Cost of Goods Sold	293,884	348,488	1,112,214	1,251,366	1,405,898	1,599,854
Personnel Services	5,424,138	5,070,507	11,914,177	11,391,306	17,338,315	16,461,813
Supplies and Materials	693,294	784,192	1,693,908	1,485,453	2,387,202	2,249,645
Communications	64,210	48,675	387,410	470,762	451,820	519,437
Utilities	1,009,407	1,103,551	1,651,941	1,842,878	2,661,348	2,946,429
Maintenance	304,547	288,385	955,591	955,682	1,260,138	1,244,067
Contractual Services	585,791	613,806	652,477	692,264	1,238,268	1,308,070
Other Services and Charges	420,642	387,618	280,829	340,575	701,471	708,193
Administrative Services	-	-	325,403	315,300	325,403	315,300
Depreciation	1,110,259	1,153,949	1,969,791	1,924,328	3,080,050	3,076,277
<b>Total Operating Expenses</b>	<b>9,905,972</b>	<b>9,759,171</b>	<b>20,943,741</b>	<b>20,669,914</b>	<b>30,849,713</b>	<b>30,429,085</b>
<b>Operating Income (Loss)</b>	<b>764,906</b>	<b>652,422</b>	<b>(11,715,326)</b>	<b>(11,062,982)</b>	<b>(10,950,420)</b>	<b>(10,410,560)</b>
<b>Non-Operating Revenues (Expenses):</b>						
Investment Earnings	108,741	58,618	80,885	39,929	189,626	98,547
Gain (Loss) on Disposal of Asset	7,947	5,025	(32,864)	-	(24,917)	5,025
<b>Total Non-Operating Revenue (Expense)</b>	<b>116,688</b>	<b>63,643</b>	<b>48,021</b>	<b>39,929</b>	<b>164,709</b>	<b>103,572</b>
<b>Loss before Transfers</b>	<b>881,594</b>	<b>716,065</b>	<b>(11,667,305)</b>	<b>(11,023,053)</b>	<b>(10,785,711)</b>	<b>(10,306,988)</b>
Contribution from General Government Assets	-	-	-	1,894,980	-	1,894,980
Transfers In	-	-	9,070,347	9,071,347	9,070,347	9,071,347
<b>Total Contributions and Transfers</b>	<b>-</b>	<b>-</b>	<b>9,070,347</b>	<b>10,966,327</b>	<b>9,070,347</b>	<b>10,966,327</b>
<b>Change in Net Position</b>	<b>881,594</b>	<b>716,065</b>	<b>(2,596,958)</b>	<b>(56,726)</b>	<b>(1,715,364)</b>	<b>659,339</b>
<b>Total Net Position - Beginning</b>	<b>24,721,756</b>	<b>24,005,691</b>	<b>42,556,728</b>	<b>42,613,454</b>	<b>67,278,484</b>	<b>66,619,145</b>
<b>Total Net Position - Ending</b>	<b>\$ 25,603,350</b>	<b>\$ 24,721,756</b>	<b>\$ 39,959,770</b>	<b>\$ 42,556,728</b>	<b>\$ 65,563,120</b>	<b>\$ 67,278,484</b>

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 6

Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2017 and 2016

	Recreational and Cultural Facilities					
	Montgomery County		Prince George's County		Year Ended June 30,	
	2017	2018	2017	2016	2017	2016
<b>Cash Flows from Operating Activities:</b>						
Receipts from Customers and Users	\$ 9,879,824	\$ 10,321,255	\$ 9,243,434	\$ 9,476,910	\$ 18,923,258	\$ 19,798,165
Payments to Suppliers	(1,823,789)	(1,758,218)	(7,009,201)	(7,022,985)	(8,832,970)	(8,781,201)
Payments to Employees	(5,018,416)	(4,854,821)	(11,445,619)	(10,989,507)	(16,484,035)	(15,644,328)
Payments for Interfund Services Used	(205,443)	(248,512)	-	-	(205,443)	(248,512)
Payments for Administrative Charges	(1,749,249)	(1,742,005)	(325,403)	(315,300)	(2,074,652)	(2,057,305)
Net Cash Provided (Used) by Operating Activities	882,947	1,917,701	(9,536,789)	(8,850,882)	(8,653,842)	(6,933,181)
<b>Cash Flows from Noncapital Financing Activities:</b>						
Transfers In from Other Funds	-	-	9,070,347	10,966,327	9,070,347	10,966,327
Net Cash Flows from Noncapital Financing Activities	-	-	9,070,347	10,966,327	9,070,347	10,966,327
<b>Cash Flows from Capital and Related Financing Activities:</b>						
Acquisition and Construction of Capital Assets	(864,010)	(1,601,193)	(198,030)	(1,989,113)	(862,040)	(3,590,306)
Net Cash Used by Capital and Related Financing Activities	(864,010)	(1,601,193)	(198,030)	(1,989,113)	(862,040)	(3,590,306)
<b>Cash Flows from Investing Activities:</b>						
Interest on Investments	108,741	58,618	80,865	39,929	189,826	98,547
Net Increase in Cash and Cash Equivalents	327,678	375,126	(583,587)	166,261	(255,909)	541,387
Cash, Cash Equivalents and Restricted Cash, July 1	8,080,992	7,705,866	5,399,659	5,233,398	13,480,651	12,939,264
Cash, Cash Equivalents and Restricted Cash, June 30	\$ 8,408,670	\$ 8,080,992	\$ 4,816,072	\$ 5,399,659	\$ 13,224,742	\$ 13,480,651
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ 764,906	\$ 652,422	\$ (11,715,326)	\$ (11,082,982)	(10,950,420)	(10,410,560)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation	1,110,259	1,153,949	1,969,791	1,924,328	3,080,050	3,078,277
Effect of Changes in Operating Assets and Liabilities in:						
Accounts Receivable	(1,047)	956	1,215	(10)	168	946
Due from County Government	(18,581)	(209,408)	9,440	-	(9,141)	(209,408)
Inventories, at Cost	(16,106)	(16,259)	46,174	17,297	30,068	1,038
Accounts Payable	(185,337)	50,753	(321,005)	(1,305)	(506,342)	49,448
Accrued Salaries and Benefits	(94,094)	19,822	(116,140)	93,125	(210,234)	112,947
Compensated Absences	14,550	-	13,943	16,229	28,493	16,229
Net Pension Obligation	223,647	121,412	434,164	227,469	657,811	348,881
Net Other Post Employment Obligations	58,176	25,940	136,591	64,979	192,767	90,919
Revenue Collected in Advance	(971,426)	118,114	4,364	(130,012)	(967,062)	(11,898)
Total Adjustments	118,041	1,265,279	2,178,537	2,212,100	2,296,576	3,477,379
Net Cash Provided (Used) by Operating Activities	\$ 882,947	\$ 1,917,701	\$ (9,536,789)	\$ (8,850,882)	\$ (8,653,842)	\$ (6,933,181)



**Adventure Playground at Wheaton Regional Park.**

## 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, 2017**

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					COMMISSION WIDE FUNDS					Total June 30, 2017
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives		
<b>ASSETS</b>																
Current Assets:																
Equity in Pooled Cash and Investments	\$ 3,388,841	\$ 12,335,860	\$ 1,851,206	\$ 22,333,905	\$ 286,913	\$ 2,861,007	\$ 17,474,203	\$ 3,506,808	\$ 64,038,843							
Accounts Receivable	-	31,954	-	48,984	-	-	1,092,734	2,371	1,174,043							
Due from County Government	-	250,000	-	250,000	-	-	-	-	500,000							
Deposits and Other	-	-	-	-	-	-	-	-	481,532							
Total Current Assets	3,388,841	12,617,814	1,851,206	22,633,889	286,913	2,861,007	19,048,469	3,509,179	66,194,418							
Noncurrent Assets:																
Capital Assets:																
Land	-	-	-	-	-	748,487	-	-	748,487							
Buildings and Improvements	81,000	-	36,748	-	-	3,181,444	-	-	3,298,192							
Infrastructure	-	-	-	-	-	15,657	-	-	15,657							
Machinery, Equipment and Intangibles	28,501,619	171,675	6,802,584	786,797	1,580,308	445,714	-	2,039,579	40,336,276							
Less-Accumulated Depreciation	(21,535,971)	(171,675)	(2,902,689)	(786,797)	(1,690,434)	(2,742,201)	-	(1,335,616)	(30,564,963)							
Total Capital Assets (net of accumulated depreciation)	7,047,048	-	3,936,643	499,874	499,874	1,649,111	-	703,963	13,836,639							
Total Assets	10,435,889	12,617,814	5,787,849	22,633,889	786,787	4,510,118	19,048,469	4,213,142	80,031,057							
<b>DEFERRED OUTFLOWS OF RESOURCES</b>																
Changes in pension plan assumptions	-	52,478	-	52,478	-	23,219	79,479	69,172	276,828							
Difference between projected and actual earnings on pension plan investments	-	78,254	-	78,255	-	42,528	151,857	59,638	407,528							
Difference between expected and actual experience	-	415	-	415	-	248	770	392	2,230							
Total Deferred Outflows of Resources	-	131,147	-	131,148	-	65,993	232,106	129,160	686,584							
<b>LIABILITIES</b>																
Current Liabilities:																
Accounts Payable	145,860	179,951	-	178,950	4,486	50,760	795,778	7,200	1,384,015							
Current Portion of Claims Payable	-	1,544,567	-	2,789,431	-	-	1,400,863	-	5,734,681							
Accrued Salaries and Benefits	-	12,804	-	12,802	-	4,447	13,554	20,876	64,483							
Current Portion of Compensated Absences	-	13,801	-	13,802	-	8,313	11,483	-	47,389							
Revenue Collected in Advance	-	-	-	8,043	-	-	-	-	8,043							
Total Current Liabilities	145,860	1,751,143	-	3,004,028	4,486	63,550	2,221,478	28,076	7,218,621							
Noncurrent Liabilities:																
Claims Payable - Net of Current Portion	-	4,633,764	-	8,366,286	-	-	-	-	13,002,052							
Compensated Absences - Net of Current Portion	-	12,498	-	12,498	-	5,773	20,342	30,305	51,111							
Net Other Post Employment Benefit Obligations	-	221,760	-	221,781	-	55,361	41,394	125,121	758,989							
Net Pension Liability	-	143,472	-	143,473	-	80,110	268,823	155,426	14,382,743							
Total Noncurrent Liabilities	-	5,011,494	-	8,746,020	-	141,244	328,559	183,502	21,801,364							
Total Liabilities	145,860	6,762,637	-	11,750,048	4,486	204,794	2,550,037	183,502	21,801,364							
<b>DEFERRED INFLOWS OF RESOURCES</b>																
Changes in pension plan assumptions	-	14,358	-	14,358	-	6,894	27,011	10,843	73,464							
Difference between projected and actual earnings on pension plan investments	-	72,015	-	72,016	-	30,355	105,760	88,784	378,930							
Difference between expected and actual experience	-	33,911	-	33,912	-	15,560	58,676	142,884	175,318							
Total Deferred Inflows of Resources	-	120,284	-	120,286	-	52,809	191,449	142,884	627,712							
<b>NET POSITION</b>																
Net Investment in Capital Assets	7,047,048	-	3,936,643	-	499,874	1,649,111	-	703,963	13,836,639							
Unrestricted	3,243,081	5,866,040	1,851,206	10,891,703	282,427	2,669,397	18,539,089	3,308,983	44,651,926							
Total Net Position	10,290,129	5,866,040	5,787,849	10,891,703	782,301	4,318,508	18,539,089	4,012,946	58,488,565							

Schedule 8

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Internal Service Funds  
 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position  
 For the Year Ended June 30, 2017

	MONTGOMERY COUNTY			PRINCE GEORGE'S COUNTY			COMMISSION WIDE FUNDS			Total June 30, 2017
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives		
Operating Revenues:										
Charges for Services	\$ 3,676,500	\$ 2,695,200	\$ 1,533,300	\$ 3,747,300	\$ 160,300	\$ 1,194,440	\$ 32,323,429	\$ 2,022,464	\$ 47,352,933	
Claim Recoveries	-	478,630	-	553,219	-	-	-	-	1,031,849	
Total Operating Revenues	<u>3,676,500</u>	<u>3,173,830</u>	<u>1,533,300</u>	<u>4,300,519</u>	<u>160,300</u>	<u>1,194,440</u>	<u>32,323,429</u>	<u>2,022,464</u>	<u>48,384,782</u>	
Operating Expenses:										
Personal Services	-	415,116	-	415,117	-	196,847	648,974	571,496	2,247,550	
Supplies and Materials	240,938	22,686	-	20,101	-	23,885	-	913,818	1,221,438	
Other Contractual Services	-	233,916	-	382,140	-	-	318,554	-	934,610	
Claims Incurred	-	1,711,036	-	3,775,733	-	-	22,123,635	-	27,610,404	
Insurance	-	178,772	-	292,050	-	-	7,353,479	-	7,824,301	
Other Services and Charges	40,675	503,024	4,881	470,316	-	333,993	318,518	548,392	2,219,799	
Depreciation	1,899,077	626	1,005,490	-	154,919	166,006	-	183,475	3,409,593	
Total Operating Expenses	<u>2,180,680</u>	<u>3,065,168</u>	<u>1,010,371</u>	<u>5,355,457</u>	<u>154,919</u>	<u>720,731</u>	<u>30,763,160</u>	<u>2,217,181</u>	<u>45,467,695</u>	
Operating Income (Loss)	1,495,810	108,644	522,929	(1,054,938)	5,381	473,709	1,560,269	(194,717)	2,917,087	
Nonoperating Revenues (Expenses):										
Interest Income	6,983	73,084	4,550	130,635	1,457	15,112	122,735	22,687	377,243	
Gain (Loss) on Disposal of Asset	1,917	-	-	-	-	(1,631)	-	(30)	256	
Total Nonoperating Revenues (Expenses)	<u>8,900</u>	<u>73,084</u>	<u>4,550</u>	<u>130,635</u>	<u>1,457</u>	<u>13,481</u>	<u>122,735</u>	<u>22,657</u>	<u>377,499</u>	
Income (Loss) Before Contributions and Transfers	1,504,710	181,728	527,479	(924,303)	6,838	487,190	1,683,004	(172,060)	3,294,586	
Contributions and Transfers In (Out)										
Change in Net Position	1,504,710	181,728	527,479	(924,303)	6,838	487,190	1,683,004	(172,060)	3,294,586	
Total Net Position, July 1, as restated	8,785,419	5,684,312	5,260,370	11,816,006	775,463	3,831,318	14,856,085	4,185,006	55,193,979	
Total Net Position, June 30	<u>10,290,129</u>	<u>5,866,040</u>	<u>5,787,849</u>	<u>10,891,703</u>	<u>782,301</u>	<u>4,318,508</u>	<u>16,539,089</u>	<u>4,012,946</u>	<u>58,488,565</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, 2017

	MONTGOMERY COUNTY					PRINCE GEORGE'S COUNTY					COMMISSION WIDE FUNDS							
	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	TOTAL	Capital Equipment	Risk Management	Capital Equipment	Risk Management	CAS Capital Equipment	Executive Building	Employee Benefits	Commission Wide IT Initiatives	TOTAL
<b>Cash Flows from Operating Activities:</b>																		
Receipts from Customers and Users	\$ 3,676,500	\$ 3,169,539	\$ 1,533,300	\$ 4,310,032	\$ 160,300	\$ 1,194,440	\$ 32,469,525	\$ 2,020,093	\$ 48,533,729									
Payments to Suppliers	(303,193)	(2,546,034)	(95,503)	(3,854,623)	2,537	(352,228)	(29,927,225)	(1,691,294)	(38,767,563)									
Payments to Employees	-	(355,752)	-	(355,752)	-	(186,873)	(611,272)	(501,376)	(2,013,025)									
Payments for Interfund Services Used	(40,675)	(235,289)	(4,881)	(235,289)	-	-	(318,518)	-	(834,652)									
Net Cash Provided (Used) by Operating Activities	<u>3,332,632</u>	<u>32,464</u>	<u>1,432,916</u>	<u>(135,632)</u>	<u>162,837</u>	<u>653,339</u>	<u>1,612,510</u>	<u>(172,577)</u>	<u>6,918,489</u>									
<b>Cash Flows from Capital and Related Financing Activities:</b>																		
Acquisition of Capital Assets	(1,619,429)	-	(1,302,352)	-	-	(49,572)	-	-	(2,971,353)									
Net Cash Used by Capital and Related Financing Activities	<u>(1,619,429)</u>	<u>-</u>	<u>(1,302,352)</u>	<u>-</u>	<u>-</u>	<u>(49,572)</u>	<u>-</u>	<u>-</u>	<u>(2,971,353)</u>									
<b>Cash Flows from Investing Activities:</b>																		
Interest on Investments	6,983	73,084	4,550	130,635	1,457	15,112	122,735	22,687	377,243									
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,720,186</u>	<u>105,548</u>	<u>135,114</u>	<u>(4,997)</u>	<u>164,294</u>	<u>618,879</u>	<u>1,735,245</u>	<u>(149,890)</u>	<u>4,324,379</u>									
<b>Cash and Cash Equivalents, July 1</b>	<u>1,668,755</u>	<u>12,230,312</u>	<u>1,716,092</u>	<u>22,338,902</u>	<u>122,619</u>	<u>2,242,128</u>	<u>15,738,958</u>	<u>3,656,698</u>	<u>59,714,464</u>									
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 3,388,941</u>	<u>\$ 12,335,860</u>	<u>\$ 1,851,206</u>	<u>\$ 22,333,905</u>	<u>\$ 286,913</u>	<u>\$ 2,861,007</u>	<u>\$ 17,474,203</u>	<u>\$ 3,506,808</u>	<u>\$ 64,038,843</u>									
<b>Operating Income (Loss)</b>	\$ 1,495,810	\$ 108,644	\$ 522,929	\$ (1,054,938)	\$ 5,381	\$ 473,709	\$ 1,560,269	\$ (194,717)	\$ 2,917,087									
<b>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>																		
Depreciation	1,899,077	626	1,005,490	-	154,919	166,006	-	183,475	3,409,593									
Effect of Changes in Assets and Liabilities in:																		
Accounts Receivable	-	(4,291)	-	9,512	-	-	26,268	(2,371)	29,118									
Deposits and Other	-	-	-	-	-	-	119,828	-	119,828									
Accounts Payable	(62,255)	(39,646)	(95,503)	(39,649)	2,537	5,650	533,608	(229,084)	75,658									
Claims Payable	-	(92,233)	-	890,078	-	-	(665,165)	-	132,680									
Accrued Salaries and Benefits	-	12,804	-	12,802	-	(6,913)	(21,718)	17,851	14,826									
Compensated Absences	-	6,887	-	6,890	-	1,012	4,602	-	19,391									
Net Pension Liability	-	29,941	-	29,941	-	10,969	43,970	41,069	155,890									
Net Other Post Employment Obligations	-	9,732	-	9,732	-	2,906	10,848	11,200	44,418									
Total Adjustments	<u>1,836,822</u>	<u>(76,180)</u>	<u>909,987</u>	<u>919,306</u>	<u>157,458</u>	<u>179,630</u>	<u>52,241</u>	<u>22,140</u>	<u>4,001,402</u>									
Net Cash Provided (Used) by Operating Activities	<u>\$ 3,332,632</u>	<u>\$ 32,464</u>	<u>\$ 1,432,916</u>	<u>\$ (135,632)</u>	<u>\$ 162,837</u>	<u>\$ 653,339</u>	<u>\$ 1,612,510</u>	<u>\$ (172,577)</u>	<u>\$ 6,918,489</u>									



**Watkins Nature Center, located in Watkins Regional Park offers close-up wildlife investigation with its resident live animals and hands-on exhibits.**

## 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, 2017

	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	Montgomery	Prince George's	Total Agency Funds			
<b>ASSETS</b>												
Equity in Pooled Cash and Investments	\$ -	\$ 643,708	\$ 643,708	\$ 11,712,879	\$ 363,084	\$ 12,075,963	\$ 2,183,479	\$ 8,499	\$ 2,191,978			
Cash	53,189	-	53,189	-	-	-	-	-	-			
Fixed Income Securities	207,824,778	12,534,689	220,359,467	-	-	-	-	-	-			
International Fixed Income Securities	4,087,352	-	4,087,352	-	-	-	-	-	-			
Venture Capital/Alternative Investments	99,602,371	-	99,602,371	-	-	-	-	-	-			
Corporate Stock	381,674,975	-	381,674,975	-	-	-	-	-	-			
International Corporate Stock	78,907,068	-	78,907,068	-	-	-	-	-	-			
Real Estate Investments	73,845,438	4,919,868	78,765,306	-	-	-	-	-	-			
Short Term Investments	24,314,068	-	24,314,068	-	-	-	-	-	-			
Mutual Funds	-	43,897,803	43,897,803	-	-	-	-	-	-			
Collateral for Securities Lending												
Transactions	37,514,301	-	37,514,301	-	-	-	-	-	-			
Accounts Receivable	40,823	-	40,823	-	-	-	-	-	-			
Accrued Income on Investments	733,881	-	733,881	-	-	-	-	-	-			
Land Held for Other Governments	-	-	-	47,498,083	26,995,413	74,493,496	-	-	-			
Other	14,902	-	14,902	-	-	-	-	-	-			
<b>Total Assets</b>	<b>908,613,146</b>	<b>61,996,068</b>	<b>970,609,214</b>	<b>59,210,962</b>	<b>27,358,487</b>	<b>86,569,459</b>	<b>2,183,479</b>	<b>8,499</b>	<b>2,191,978</b>			
<b>LIABILITIES</b>												
Investments Payable	619,681	-	619,681	-	-	-	-	-	-			
Accounts Payable	1,380,080	134,882	1,514,962	1,000	(463)	537	-	-	-			
Claims Payable	-	518,406	518,406	-	-	-	-	-	-			
Obligation for Collateral Received under Securities Lending Transactions	38,457,569	-	38,457,569	-	-	-	-	-	-			
Deposits	-	-	-	-	-	-	-	-	-			
<b>Total Liabilities</b>	<b>40,457,330</b>	<b>653,288</b>	<b>41,110,618</b>	<b>1,000</b>	<b>(463)</b>	<b>537</b>	<b>2,183,479</b>	<b>8,499</b>	<b>2,191,978</b>			
<b>NET POSITION</b>												
Assets Held in Trust for												
Land Held for Transfer	-	-	-	47,498,083	26,995,413	74,493,496	-	-	-			
Pension Benefits	868,155,816	-	868,155,816	-	-	-	-	-	-			
Other Postemployment Benefits	-	61,342,780	61,342,780	-	-	-	-	-	-			
Other Purposes	-	-	-	11,711,879	363,547	12,075,426	-	-	-			
<b>Total Net Position</b>	<b>\$ 868,155,816</b>	<b>\$ 61,342,780</b>	<b>\$ 929,498,596</b>	<b>\$ 59,209,962</b>	<b>\$ 27,358,960</b>	<b>\$ 86,568,922</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>			

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, 2017

	PENSION TRUST FUNDS				PRIVATE PURPOSE TRUST FUNDS		
	Employees' Retirement Fund	Other Post Employment Benefits Fund	Totals	Montgomery County	Prince George's County	Totals	
<b>ADDITIONS:</b>							
Contributions:							
Employer	\$ 20,268,189	\$ 14,711,280	\$ 34,979,469	\$ -	\$ -	\$ -	
Plan Members	6,751,196	-	6,751,196	-	-	-	
Plan Members for Current Benefits	-	2,685,917	2,685,917	-	-	-	
Private Donations	-	-	-	4,643	32,723	37,366	
Total Contributions	27,019,385	17,397,197	44,416,582	4,643	32,723	37,366	
Contributions from Commission Debt Service Funds	-	-	-	1,785,591	430	1,786,021	
Federal Grants - Medicare	-	1,396,311	1,396,311	-	-	-	
Investment Earnings:							
Interest	9,707,262	-	9,707,262	58,716	3,644	62,360	
Dividends	630,640	158,610	789,250	-	-	-	
Net Increase/(decrease) in the Fair Value of Investments	104,833,769	8,615,558	113,449,327	-	-	-	
Total Investment Earnings	115,171,671	8,774,168	123,945,839	58,716	3,644	62,360	
Less Investment Advisory and Management Fees	(3,675,541)	-	(3,675,541)	-	-	-	
Net Income from Investing Activities	111,496,130	8,774,168	120,270,298	58,716	3,644	62,360	
Securities Lending Activity							
Securities Lending Income	444,450	-	444,450	-	-	-	
Securities Lending Fees	(278,524)	-	(278,524)	-	-	-	
Net Income from Securities Lending Activity	165,926	-	165,926	-	-	-	
Total Net Investment Income	111,662,056	8,774,168	120,436,224	58,716	3,644	62,360	
Total Additions and Investment Income	136,681,441	27,567,676	166,249,117	1,848,950	36,797	1,885,747	
<b>DEDUCTIONS:</b>							
Benefits	44,626,275	13,788,761	58,417,036	-	-	-	
Refunds of Contributions	561,120	-	561,120	-	-	-	
Administrative expenses	1,674,654	410,564	2,085,218	-	-	-	
Other	-	-	-	13,947	5,307	19,254	
Total Deductions	46,862,049	14,199,325	61,061,374	13,947	5,307	19,254	
Change in Net Position	91,817,392	13,368,351	105,185,743	1,835,003	31,490	1,866,493	
Net Position - Beginning	776,338,424	47,974,429	824,312,853	57,374,959	27,327,470	84,702,429	
Net Position - Ending	868,155,816	61,342,780	929,498,596	59,209,962	27,358,960	86,568,922	

**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, 2017**

	July 1, 2016	Additions	Deductions	June 30, 2017
<b>MONTGOMERY COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 1,157,183	\$ 1,026,296	\$ -	\$ 2,183,479
Total Current Assets	<u>\$ 1,157,183</u>	<u>\$ 1,026,296</u>	<u>\$ -</u>	<u>\$ 2,183,479</u>
<b>LIABILITIES</b>				
Deposits	\$ 1,157,183	\$ 1,026,296	\$ -	\$ 2,183,479
Total Current Liabilities	<u>\$ 1,157,183</u>	<u>\$ 1,026,296</u>	<u>\$ -</u>	<u>\$ 2,183,479</u>
<b>PRINCE GEORGE'S COUNTY FUND</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 7,587	\$ 912	\$ -	\$ 8,499
Total Current Assets	<u>\$ 7,587</u>	<u>\$ 912</u>	<u>\$ -</u>	<u>\$ 8,499</u>
<b>LIABILITIES</b>				
Deposits	\$ 7,587	\$ 912	\$ -	\$ 8,499
Total Current Liabilities	<u>\$ 7,587</u>	<u>\$ 912</u>	<u>\$ -</u>	<u>\$ 8,499</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 1,164,770	\$ 1,027,208	\$ -	\$ 2,191,978
Total Current Assets	<u>\$ 1,164,770</u>	<u>\$ 1,027,208</u>	<u>\$ -</u>	<u>\$ 2,191,978</u>
<b>LIABILITIES</b>				
Deposits	\$ 1,164,770	\$ 1,027,208	\$ -	\$ 2,191,978
Total Current Liabilities	<u>\$ 1,164,770</u>	<u>\$ 1,027,208</u>	<u>\$ -</u>	<u>\$ 2,191,978</u>



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# ◆ PART III ◆

## STATISTICAL SECTION

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**Families enjoying a day outdoors at the Agricultural History Farm Park located in Montgomery County.**



## STATISTICAL SECTION

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> .....	126
<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>	
<b>Revenue Capacity</b> .....	131
<i>These schedules contain information to help the reader assess the Commission's most significant local revenue source, the property tax.</i>	
<b>Debt Capacity</b> .....	135
<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>	
<b>Demographic and Economic Information</b> .....	139
<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>	
<b>Operating Information</b> .....	142
<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.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-1

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 456,767,669	\$ 492,930,779	\$ 536,147,424	\$ 569,880,944	\$ 611,517,276	\$ 653,877,083	\$ 693,097,777	\$ 736,481,893	\$ 768,265,017	\$ 796,589,317
Unrestricted	253,129,078	282,047,368	282,484,788	257,331,391	246,549,209	255,869,413	235,827,877	150,941,241	160,074,081	170,061,764
Subtotal Governmental Activities Net Position	709,896,748	774,978,147	818,632,192	827,222,335	858,066,485	909,746,496	928,925,654	887,423,134	928,339,098	966,651,081
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	79,384,327	77,400,952	75,033,916	72,823,330	70,761,443	68,756,299	65,025,744	62,315,460	62,832,510	60,589,583
Unrestricted	2,763,707	1,855,610	1,754,184	1,781,168	2,835,118	4,105,493	5,598,649	4,303,685	4,445,974	4,973,537
Subtotal Business-type Activities Net Position	82,148,034	79,256,562	76,788,000	74,604,498	73,596,561	72,861,792	70,622,393	66,619,145	67,278,484	65,563,120
<b>Primary Government:</b>										
Net Investment in Capital Assets	536,151,996	570,331,731	611,181,240	642,714,274	682,278,719	722,633,382	758,123,521	798,797,353	831,097,527	857,188,900
Unrestricted	255,892,786	283,902,978	284,238,952	259,112,557	249,384,327	259,974,908	241,424,526	155,244,926	164,520,055	175,035,301
Total Government Net Position	\$ 792,044,782	\$ 854,234,709	\$ 895,420,192	\$ 901,826,831	\$ 931,663,046	\$ 982,608,288	\$ 999,548,047	\$ 954,042,279	\$ 995,617,582	\$ 1,032,224,201

(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. FY14 was not restated per GASB 68.

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

TABLE T-2

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 17,397,550	\$ 18,875,259	\$ 19,765,804	\$ 18,965,709	\$ 18,141,139	\$ 16,859,031	\$ 17,923,030	\$ 21,133,262	\$ 18,943,664	\$ 18,210,634
County Planning and Zoning	48,649,825	60,370,641	58,695,074	55,915,753	56,148,279	45,516,295	58,569,504	49,147,835	57,308,960	57,302,000
Park Operations and Maintenance	165,753,521	181,369,243	224,846,872	232,698,656	200,435,112	199,288,578	204,785,846	227,849,560	243,036,037	231,396,938
Recreation Programs	52,686,859	69,011,470	69,427,714	68,827,893	65,883,047	55,799,559	66,430,209	65,247,292	50,263,579	71,198,062
Interest on Long-term Debt	5,902,190	5,211,728	4,295,266	3,830,828	3,403,501	3,097,948	3,413,225	3,899,873	4,048,509	3,688,429
Subtotal Governmental Activities	290,391,945	333,828,340	376,032,730	380,238,839	344,011,077	320,561,411	351,131,814	367,277,822	373,600,369	381,788,063
Business-type Activities:										
Recreational and Cultural Facilities	30,626,723	30,699,133	30,924,994	30,999,452	31,821,425	29,529,919	31,055,261	30,963,611	30,424,060	30,874,630
Total Government Expenses	321,018,668	364,727,473	406,957,724	411,238,291	375,832,502	350,091,330	382,187,075	398,241,433	404,024,429	412,672,693
<b>Program Revenues</b>										
Governmental Activities:										
County Planning and Zoning	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,655,238	4,755,212
Park Operations and Maintenance	46,764,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	36,430,593	51,261,561	50,130,304	34,763,962
Recreation Programs	12,452,371	13,533,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672
Subtotal Governmental Activities	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848	55,356,846
Business-type Activities:										
Recreational and Cultural Facilities	18,078,627	18,269,548	18,722,911	18,994,769	20,615,539	19,955,060	19,857,218	19,404,116	21,913,505	19,899,293
Total Government Program Revenues	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064	90,269,919	92,017,353	75,256,139
Net Government Expenses	(238,965,035)	(301,429,885)	(341,013,761)	(341,137,598)	(308,502,637)	(277,110,035)	(304,767,011)	(307,971,514)	(312,007,076)	(337,416,554)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities	318,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200
Business-type Activities	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,299,973
Total Primary Government	327,709,232	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301	374,023,173
Change in Net Position	91,933,338	65,081,399	43,654,045	8,590,142	30,844,149	51,690,011	19,179,159	21,484,182	40,923,866	38,321,983
Governmental Activities	(3,189,141)	(2,891,472)	(2,468,562)	(2,183,504)	(1,007,935)	(734,769)	(2,239,399)	(1,735,387)	659,339	(1,715,364)
Business-type Activities	88,744,197	62,189,927	41,185,483	6,406,638	29,836,214	50,945,242	16,939,759	19,748,795	41,583,225	36,606,619
Total Primary Government	\$ 85,555,056	\$ 60,298,455	\$ 38,716,921	\$ 4,223,134	\$ 28,828,279	\$ 49,210,473	\$ 14,700,360	\$ 18,013,408	\$ 42,167,091	\$ 34,891,255

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

TABLE T-3

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Government Wide Revenues  
Last Ten Fiscal Years  
Entity-wide Basis

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
County Planning and Zoning										
Charges for services	3,612,794	3,257,841	2,851,449	3,127,500	5,283,065	4,684,322	2,798,897	4,031,622	3,846,984	3,850,889
Operating grants and contributions	1,124,883	1,419,179	638,868	890,692	1,437,007	1,743,452	885,853	978,321	818,254	904,323
Total County Planning and Zoning	4,737,677	4,677,020	3,490,317	4,018,192	6,720,072	6,427,774	3,684,750	5,009,943	4,665,238	4,755,212
Park Operations and Maintenance										
Charges for services	5,473,310	5,381,156	5,048,728	5,830,735	6,475,293	6,627,653	7,467,087	7,670,790	8,075,175	9,269,553
Operating grants and contributions	1,272,686	891,923	1,894,538	1,288,151	2,469,032	3,891,886	4,091,322	4,078,663	4,837,912	5,490,518
Capital grants and contributions	40,038,962	20,544,003	23,662,201	26,190,310	16,656,522	21,825,501	28,872,184	39,512,128	37,217,217	20,013,891
Total Park Operations and Maintenance	46,784,958	26,817,082	30,605,467	33,309,196	25,600,847	32,345,050	38,430,593	51,261,581	50,130,304	34,763,962
Recreation Programs										
Charges for services	11,916,298	12,726,930	12,819,658	13,388,956	14,035,495	13,807,912	14,624,585	14,259,526	14,986,083	15,277,062
Operating grants and contributions	536,073	808,008	305,610	389,590	357,912	445,499	822,918	334,753	322,223	560,610
Total Recreation Programs	12,452,371	13,534,938	13,125,268	13,778,536	14,393,407	14,253,411	15,447,503	14,594,279	15,308,306	15,837,672
Total Governmental Activities	63,975,006	45,028,040	47,221,052	51,105,924	46,714,326	53,026,235	57,562,846	70,865,803	70,103,848	55,356,846
<b>Business-type Activities:</b>										
Recreational and Cultural Facilities										
Charges for services	17,926,991	18,177,611	18,572,911	18,992,169	20,284,112	19,943,177	19,790,531	19,404,116	20,018,525	19,899,293
Operating grants and contributions	151,636	91,937	150,000	2,600	-	11,883	66,687	-	-	-
Total Recreational and Cultural Facilities	18,078,627	18,269,548	18,722,911	18,994,769	331,427	19,955,060	19,857,218	19,404,116	20,018,525	19,899,293
Total Government Program Revenues	82,053,633	63,297,588	65,943,963	70,100,693	67,329,865	72,981,295	77,420,064	90,269,919	92,017,353	75,256,139
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
Property Taxes	313,813,140	354,329,523	380,057,118	345,841,894	336,318,601	327,652,882	320,703,674	326,435,823	352,283,467	371,471,118
Unrestricted Investment Earnings	13,601,237	9,152,076	2,097,505	1,670,713	1,971,299	388,205	966,672	1,186,182	1,208,287	2,362,429
Transfers	(19,064,100)	(9,599,900)	(9,698,900)	(9,789,550)	(10,149,000)	(8,825,900)	(8,922,220)	(9,725,804)	(9,071,347)	(9,070,347)
Total Governmental Activities	316,350,277	353,881,699	372,465,723	337,723,057	328,140,900	319,215,187	312,748,126	317,896,201	344,420,407	364,763,200
<b>Business-type Activities</b>										
Unrestricted Investment Earnings	294,855	138,213	34,621	31,629	48,951	14,190	36,424	98,304	98,547	189,626
Transfers	9,064,100	9,599,900	9,698,900	9,789,550	10,149,000	8,825,900	8,922,220	9,725,804	9,071,347	9,070,347
Total Business-type Activities	9,358,955	9,738,113	9,733,521	9,821,179	10,197,951	8,840,090	8,958,644	9,824,108	9,169,894	9,259,973
Total Primary Government	327,709,232	363,619,812	382,199,244	347,544,236	338,338,851	328,055,277	321,706,770	327,720,309	353,590,301	374,023,173

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

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

Fund Balances of Governmental Funds  
Last Ten Fiscal Years (1)  
(modified accrual basis of accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 (2)
<b>General Fund</b>										
Reserved	\$ 21,618,725	\$ 31,406,415								
Unreserved, reported in:										
Montgomery Administration Account	2,149,543	3,133,034								
Montgomery Park Account	10,702,580	7,548,971								
Prince George's Administration Account	18,658,565	14,420,070								
Prince George's Park Account	64,078,004	56,642,003								
Prince George's Recreation Account	33,487,704	30,404,917								
<b>Total General Fund</b>	<b>150,695,121</b>	<b>143,555,410</b>								
<b>All Other Governmental Funds</b>										
Reserved	25,013,746	29,845,493								
Unreserved (deficit), reported in:										
Special Revenue Funds	6,992,786	5,340,039								
Capital Projects Funds	69,407,232	110,264,080								
<b>Total All Other Governmental Funds</b>	<b>101,413,764</b>	<b>145,449,612</b>								
<b>Total All Governmental Funds</b>	<b>\$ 252,108,885</b>	<b>\$ 289,005,022</b>								
<b>General Fund</b>										
Committed	\$ 20,087,780	\$ 24,964,873	\$ 22,569,621	\$ 40,161,623	\$ 34,526,773	\$ 38,094,884	\$ 44,020,683	\$ 47,883,493		
Assigned	16,343,650	19,271,830	4,539,255	45,483,383	43,892,210	10,096,236	7,617,518	5,698,844		
Unassigned	99,092,516	92,831,681	135,512,477	157,066,229	131,532,584	141,069,582	173,398,306	205,668,037		
<b>Total General Fund</b>	<b>135,523,946</b>	<b>137,068,384</b>	<b>162,621,353</b>	<b>242,711,235</b>	<b>209,951,567</b>	<b>189,260,702</b>	<b>225,036,507</b>	<b>259,250,374</b>		
<b>All Other Governmental Funds</b>										
Nonspendable	-	-	-	-	-	-	-	441,934	709,067	684,987
Restricted	23,712	6,372,978	4,721,415	3,012,510	35,891,912	10,801,732	11,520,094	4,142,855		
Committed	46,032,175	47,780,344	41,712,327	44,051,299	58,578,055	73,077,026	90,931,936	76,280,863		
Assigned	131,465,297	129,601,078	121,437,924	53,920,966	45,053,357	39,895,940	13,179,838	13,233,159		
Unassigned	(11,055,627)	(17,525,176)	(20,735,656)	(21,738,490)	(21,538,004)	(28,741,034)	(35,701,052)	(27,523,472)		
<b>Total All Other Governmental Funds</b>	<b>168,465,557</b>	<b>166,229,224</b>	<b>147,136,010</b>	<b>79,246,275</b>	<b>117,985,320</b>	<b>95,475,598</b>	<b>80,639,883</b>	<b>66,818,392</b>		
<b>Total All Governmental Funds</b>	<b>\$ 301,989,503</b>	<b>\$ 303,297,608</b>	<b>\$ 309,757,363</b>	<b>\$ 321,957,510</b>	<b>\$ 327,936,887</b>	<b>\$ 284,736,300</b>	<b>\$ 305,676,390</b>	<b>\$ 326,068,766</b>		

(1) The Commission implemented GASB 54 in fiscal year 2011. The new classifications of fund balance under GASB 54 were retroactively applied to fiscal year 2010.

(2) The increase in 2017 total governmental fund balance in comparison with the prior year is explained in Management's Discussion and Analysis.

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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Revenues</b>										
Property Taxes	\$ 313,628,421	\$ 353,966,263	\$ 390,292,455	\$ 345,254,763	\$ 337,691,448	\$ 326,432,203	\$ 320,991,095	\$ 326,780,905	\$ 351,693,057	\$ 371,473,276
Intergovernmental	38,609,800	17,411,704	20,281,231	27,617,494	18,129,050	23,361,183	24,926,111	29,264,973	36,293,326	22,210,719
Charges for Services	11,457,579	11,572,219	11,024,346	11,614,064	14,395,378	13,876,989	12,690,918	13,785,655	14,240,682	14,915,205
Rentals and Concessions	8,977,209	9,017,218	8,928,134	9,759,475	10,102,872	10,381,083	11,274,636	11,118,577	11,873,440	12,143,332
Interest	10,996,141	7,585,096	1,816,538	1,421,095	1,723,915	312,015	845,032	985,395	1,000,594	1,985,186
Miscellaneous	1,749,098	3,666,197	3,260,261	1,321,762	2,239,456	1,665,051	2,029,981	2,049,264	3,395,932	5,556,543
<b>Total Revenues</b>	<b>385,418,248</b>	<b>403,198,697</b>	<b>425,603,965</b>	<b>396,988,653</b>	<b>384,282,119</b>	<b>376,028,634</b>	<b>372,757,773</b>	<b>383,984,769</b>	<b>418,497,031</b>	<b>428,284,261</b>
<b>Expenditures</b>										
General Government	16,809,827	18,355,098	18,760,282	16,900,334	17,286,400	16,888,747	17,915,857	20,711,512	18,269,180	16,965,608
Planning and Zoning	47,993,136	57,139,743	56,761,092	51,677,578	53,490,374	45,431,143	59,145,520	48,366,254	55,499,233	54,429,803
Park Operations and Maintenance	148,113,743	162,803,732	201,163,727	185,124,386	168,990,977	176,450,186	191,014,322	201,201,932	202,138,039	201,073,472
Recreation	51,245,007	66,011,514	66,071,567	64,079,717	63,824,544	55,118,442	68,442,367	64,802,563	64,044,034	66,873,763
Contributions	662,451	859,223	1,012,532	943,482	21,125	-	-	1,465,716	1,664,641	1,786,021
Debt Service										
Principal	13,131,800	13,705,849	13,181,597	14,172,757	11,999,335	11,719,539	10,741,975	12,094,850	10,433,171	11,126,946
Interest	5,504,890	5,085,685	4,223,697	3,888,860	3,361,761	3,218,877	2,984,223	3,687,985	3,252,466	4,459,106
Other Debt Service Costs	87,937	178,835	113,412	(95,874)	427,602	10,860	539,209	30,197	435,015	159,718
Capital Projects	40,868,140	37,968,742	41,832,678	49,199,758	59,679,383	46,159,542	49,513,661	65,106,465	67,476,263	50,461,849
<b>Total Expenditures</b>	<b>324,416,931</b>	<b>362,088,421</b>	<b>402,920,584</b>	<b>385,890,998</b>	<b>379,081,501</b>	<b>354,897,336</b>	<b>400,297,134</b>	<b>417,467,474</b>	<b>423,212,042</b>	<b>407,336,286</b>
<b>Other Financing Sources (Uses)</b>										
Proceeds from General Obligation Bonds	17,300,000	5,250,000	-	-	10,500,000	-	40,565,000	-	31,500,000	8,000,000
Refunding Bonds Issued	(17,300,000)	8,405,000	14,080,000	-	16,425,000	-	-	-	12,515,000	-
Loan Issued	-	-	-	-	-	-	-	-	-	-
Premiums on Bonds Issued	-	381,617	769,574	-	2,614,073	-	1,870,807	-	3,955,202	514,748
Payment to Refunding Bond Escrow Account	-	(8,650,856)	(14,949,574)	-	(18,130,936)	-	-	-	(14,041,382)	-
Transfers In	54,409,188	84,117,596	62,185,114	41,616,423	28,262,071	66,307,473	38,972,506	33,406,016	43,733,117	23,614,019
Transfers Out	(63,723,288)	(93,717,496)	(71,884,014)	(51,405,973)	(38,411,071)	(75,133,373)	(47,894,726)	(43,131,820)	(51,998,914)	(32,684,366)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,314,100)</b>	<b>(4,214,139)</b>	<b>(9,698,900)</b>	<b>(9,789,550)</b>	<b>1,259,137</b>	<b>(8,825,900)</b>	<b>33,513,587</b>	<b>(9,725,804)</b>	<b>25,663,023</b>	<b>(555,599)</b>
<b>Net Change in Fund Balances</b>	<b>51,687,217</b>	<b>36,896,137</b>	<b>12,984,481</b>	<b>1,308,105</b>	<b>6,459,755</b>	<b>12,205,298</b>	<b>5,974,226</b>	<b>(43,208,509)</b>	<b>20,948,012</b>	<b>20,392,376</b>
Beginning Fund Balance	200,421,668	252,108,885	289,005,022	301,989,503	303,297,608	309,757,363	321,962,661	327,936,887	284,728,378	305,676,390
<b>Ending Fund Balance</b>	<b>\$ 252,108,885</b>	<b>\$ 289,005,022</b>	<b>\$ 301,989,503</b>	<b>\$ 303,297,608</b>	<b>\$ 309,757,608</b>	<b>\$ 321,962,661</b>	<b>\$ 327,936,887</b>	<b>\$ 284,728,378</b>	<b>\$ 305,676,390</b>	<b>\$ 326,068,766</b>
Debt Service as a Percentage of Noncapital Expenditures	6.56%	5.86%	4.84%	5.20%	4.72%	4.79%	3.89%	4.43%	3.79%	4.35%

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



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

TABLE T-6

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

(Dollars in Thousands)

MONTGOMERY COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2008	\$ 142,306,436	\$ 145,210,649	0.902	\$ 3,970,547	\$ 2,241	\$ 146,276,983	\$ 149,181,196	98.05		
2009	158,133,491	164,038,892	0.902	3,920,171	2,241	162,053,662	167,959,063	96.48		
2010	167,096,844	175,153,924	0.904	4,123,997	2,247	171,220,841	179,277,921	95.51		
2011	167,790,793	189,808,589	0.904	3,856,192	2,247	171,646,985	193,664,781	88.63		
2012	162,197,150	174,593,272	0.947	3,718,946	2,357	165,916,096	178,312,218	93.05		
2013	158,272,831	170,369,032	0.990	3,604,479	2,463	161,877,310	173,973,511	93.05		
2014	159,891,865	174,554,438	1.008	3,709,328	2,509	163,601,193	178,263,766	91.77		
2015	163,656,758	177,117,704	0.995	3,655,133	2,473	167,311,891	180,772,837	92.55		
2016	170,176,446	176,166,093	0.986	3,884,349	2,450	174,060,795	180,050,442	96.67		
2017	177,495,353	189,631,787	1.025	4,051,372	2,547	181,546,725	193,683,159	93.73		

PRINCE GEORGE'S COUNTY

Fiscal Year	Real Property			Personal Property (1)			Total (2)			Ratio of Total Assessed Value To Total Estimated Actual Value %
	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Assessed/Estimated Actual Value	Total Direct Tax Rate	Assessed Value	Estimated Actual Value	Total (2)		
2008	\$ 72,840,584	\$ 82,244,050	0.915	\$ 2,888,299	\$ 2,327	\$ 75,728,883	\$ 85,132,349	88.95		
2009	85,649,437	99,986,181	0.907	2,987,437	2,294	88,636,874	102,973,618	86.08		
2010	95,749,759	102,512,190	0.900	2,772,044	2,272	98,521,803	105,284,234	93.58		
2011	88,129,040	96,199,089	0.900	2,734,464	2,000	90,863,504	98,933,553	91.84		
2012	81,798,606	83,404,281	0.905	2,743,679	2,000	84,542,285	86,147,960	98.14		
2013	75,777,582	76,633,200	0.903	2,741,339	2,283	78,518,921	79,374,539	98.92		
2014	73,012,715	74,563,618	0.897	2,731,340	2,268	75,744,055	77,294,958	97.99		
2015	73,863,286	76,307,098	0.902	2,884,495	2,278	76,747,781	79,191,593	96.91		
2016	76,419,813	80,392,826	0.945	2,966,106	2,372	79,385,919	83,358,932	95.23		
2017	80,672,198	86,941,640	0.936	3,190,976	2,352	83,863,174	90,132,616	93.04		

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 (1)

Fiscal Year	Administration		Park Operations	Advance Land Acquisition	Total		County-wide Property Taxes	
					Within County	Total		
2008	\$ 0.0190/0.0470	\$ 0.0580/0.1450	\$ 0.0010/0.0030	\$ 0.0780/0.1950	\$ 0.8240/2.0460	\$ 0.9020/2.2410		
2009	0.0190/0.0470	0.0530/0.1320	0.0010/0.0030	0.0730/0.1820	0.8290/2.0590	0.9020/2.2410		
2010	0.0180/0.0450	0.0500/0.1250	0.0010/0.0030	0.0690/0.1730	0.8350/2.0740	0.9040/2.2470		
2011	0.0150/0.0380	0.0450/0.1120	0.0010/0.0030	0.0610/0.1530	0.8430/2.0940	0.9040/2.2470		
2012	0.0170/0.0430	0.0480/0.1200	0.0010/0.0030	0.0660/0.1660	0.8810/2.1910	0.9470/2.3570		
2013	0.0180/0.0450	0.0540/0.1350	0.0010/0.0030	0.0730/0.1830	0.9170/2.2800	0.9900/2.4630		
2014	0.0180/0.0450	0.0530/0.1330	0.0010/0.0030	0.0720/0.1810	0.9360/2.3280	1.0080/2.5090		
2015	0.0170/0.0430	0.0560/0.1400	0.0010/0.0030	0.0740/0.1860	0.9207/2.2873	0.9947/2.4733		
2016	0.0180/0.0450	0.0552/0.1380	0.0010/0.0025	0.0742/0.1855	0.9116/2.2643	0.9858/2.4498		
2017	0.0170/0.0425	0.0548/0.1370	0.0010/0.0025	0.0728/0.1820	0.9521/2.3649	1.0249/2.5469		

PRINCE GEORGE'S COUNTY (1)

Fiscal Year	Administration		Park Operations	Recreation	Advance Land Acquisition	Total		County-wide Property Taxes	
						Within County	Total		
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		
2015	0.0541/0.1353	0.1544/0.3860	0.0705/0.1762	0.0000/0.0000	0.2790/0.6975	1.0939/2.7580	1.3729/3.4555		
2016	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.3711/2.8523	1.6651/3.5873		
2017	0.0566/0.1415	0.1594/0.3985	0.0780/0.1950	0.0000/0.0000	0.2940/0.7350	1.1284/2.8321	1.4224/3.5671		

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>	2017			%	2008			%
	<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	\$ 914,226,121	1	0.50	\$ 689,238,812	1	0.47	%	
Federal Realty Investment Trust	490,232,481	2	0.27	217,618,610	6	0.15		
Washington Metropolitan Area Transit Authority	390,620,933	3	0.22	-	-	-		
Verizon - Maryland	339,716,240	4	0.19	677,976,920	2	0.46		
Montgomery Mall LLC	338,261,500	5	0.19	388,230,580	3	0.27		
Street Retail Inc.	334,461,733	6	0.18	-	-	-		
Chevy Chase Land Co	323,940,900	7	0.18	-	-	-		
WP Project Developer LLC	294,665,550	8	0.16	-	-	-		
Washington Gas Light Company	283,348,210	9	0.16	219,256,160	5	0.15		
Wheaton Plaza Reg Shopping Center	282,862,634	10	0.16	180,823,356	10	0.12		
7501 Wisconsin Ave LLC	-	-	-	220,262,500	4	0.15		
Mirant Mid-Atlantic LLC	-	-	-	199,580,310	7	0.14		
Camalier, Anne D et al, Trustee	-	-	-	196,269,158	8	0.13		
Democracy Associates	-	-	-	184,676,600	9	0.13		
<b>Total</b>	<b>\$ 3,992,336,302</b>		<b>2.21</b>	<b>\$ 3,173,933,006</b>		<b>2.17</b>	<b>%</b>	
<b>Total Assessable Base</b>	<b>\$ 181,546,725,485</b>		<b>100.00</b>	<b>\$ 146,276,982,963</b>		<b>100.00</b>	<b>%</b>	

PRINCE GEORGE'S COUNTY

<u>Taxpayer</u>	2017			%	2008			%
	<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	\$ 638,663,220	1	0.76	\$ 408,070,450	2	0.54	%	
Gaylor National, LLC	596,270,566	2	0.71	175,619,200	6	0.23		
National Harbor, LLC	477,716,582	3	0.57	-	-	-		
Verizon Maryland	281,655,140	4	0.34	388,721,010	3	0.51		
Empirian Village of Maryland, LLC	274,809,530	5	0.33	-	-	-		
Washington Gas Light Company	258,974,520	6	0.31	211,925,358	4	0.28		
JKC Stadium (FedEx Field)	208,927,300	7	0.25	184,912,132	5	0.24		
Terrapin Roov Prop Owners, LLC	199,791,601	8	0.24	-	-	-		
Greenbelt Homes, Incorporated	198,096,200	9	0.24	138,604,603	7	0.18		
Baltimore Gas and Electric Company	180,785,370	10	0.22	133,597,130	8	0.18		
Mirant Chalk Point, LLC	-	-	-	486,861,570	1	0.64		
Silver Oaks Campus, LLC	-	-	-	115,463,500	9	0.15		
Samuel Zeli TRS	-	-	-	112,316,399	10	0.15		
<b>Total</b>	<b>\$ 3,315,690,029</b>		<b>3.95</b>	<b>\$ 2,356,091,352</b>		<b>3.11</b>	<b>%</b>	
<b>Total Assessable Base</b>	<b>\$ 83,863,174,013</b>		<b>100.00</b>	<b>\$ 75,719,377,781</b>		<b>100.00</b>	<b>%</b>	

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
2008 \$	102,981,734 \$	102,582,155	99.6 %	(138,835) \$	102,443,320	99.5 %
2009	106,450,471	105,976,302	99.6	315,624	106,291,926	99.9
2010	106,745,211	106,602,322	99.9	(668,117)	105,934,205	99.2
2011	94,042,259	93,678,737	99.6	31,090	93,709,827	99.6
2012	98,068,320	98,064,266	100.0	(61,245)	98,003,021	99.9
2013	106,088,181	105,178,075	99.1	409,512	105,587,587	99.5
2014	105,671,395	105,042,397	99.4	95,163	105,137,560	99.5
2015	111,224,664	110,366,064	99.2	288,926	110,654,990	99.5
2016	115,877,295	114,942,121	99.2	(176,402)	114,765,719	99.0
2017	118,471,849	117,462,502	99.1	-	117,462,502	99.1

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
2008 \$	210,271,715 \$	208,168,095	99.0 %	573 \$	208,168,668	99.0 %
2009	247,780,995	244,957,183	98.9	2,290	244,959,473	98.9
2010	275,536,417	271,182,300	98.4	8,588	271,190,888	98.4
2011	254,998,038	250,411,969	98.2	171,777	250,583,746	98.3
2012	237,755,078	234,227,123	98.5	28,628	234,255,751	98.5
2013	220,093,844	218,774,290	99.4	25,901	218,800,191	99.4
2014	219,461,895	211,642,952	96.4	(23,721)	211,619,231	96.4
2015	215,646,159	215,367,043	99.9	(79,329)	215,287,714	99.8
2016	235,659,561	234,870,980	99.7	(18,405)	234,852,575	99.7
2017	249,913,802	249,903,802	100.0	-	249,903,802	100.0

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)		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios				
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income	Outstanding Debt Per Capita	Total Debt (1)	Percentage Of Personal Income	Outstanding Debt Per Capita	
2008	29,465	3,522	5,630	\$ -	\$ 38,617	0.06	%	\$ 40.96	\$ 42,362	0.06	%	\$ 44.93
2009	32,290	2,301	4,523	-	39,114	0.06		40.79	42,324	0.06		44.13
2010	29,680	1,041	3,393	-	34,114	0.05		34.95	36,794	0.05		37.69
2011	26,710	368	2,241	-	29,319	0.04		29.52	31,464	0.04		31.68
2012	34,590	-	1,064	-	35,654	0.05		35.42	37,559	0.05		37.32
2013	32,240	-	222	-	32,462	0.04		31.85	34,127	0.05		33.49
2014	44,616	-	-	-	44,616	0.06		43.30	46,046	0.06		44.68
2015	41,464	-	-	-	41,464	0.05		39.86	42,664	0.05		41.02
2016	51,857	-	-	-	51,857	0.06		49.51	52,932	0.06		50.53
2017	56,953	-	-	-	56,953	0.07		53.98	57,973	0.07		54.95

PRINCE GEORGE'S COUNTY

Year	Governmental Activities (1)		Business-Type Activities (1)		Advance Land Acquisition General Obligation Bonds(1)	Ratios		Ratios				
	General Obligation Bonds	Notes Payable	Revenue Bonds and Notes	Notes Payable		Total Primary Government(1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)	Total Debt (1)	Percentage Of Personal Income (2)	Outstanding Debt Per Capita (2)	
2008	\$ 95,735	\$ 1,438,00	\$ -	\$ -	\$ 97,173	0.29	%	\$ 117.00	\$ 98,058	0.30	%	\$ 118.07
2009	85,501	1,054	-	-	86,555	0.26		103.71	87,140	0.26		104.41
2010	76,246	653	-	-	76,899	0.22		88.83	77,189	0.23		89.16
2011	65,925	369	-	-	66,294	0.19		75.85	66,294	0.19		75.85
2012	56,363	120	-	-	56,483	0.15		64.10	56,483	0.15		64.10
2013	47,086	-	-	-	47,086	0.12		52.90	47,086	0.12		52.90
2014	67,280	-	-	-	67,280	0.17		74.39	67,280	0.17		74.39
2015	58,860	-	-	-	58,860	0.14		64.71	58,860	0.14		64.71
2016	73,329	-	-	-	73,329	na		80.75	73,329	na		80.75
2017	64,534	-	-	-	64,534	na		na	64,534	na		na

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

(2) See Table 14 for personal income and population data. Data are not available for Prince George's County for FY 2016 and FY 2017.

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			Net Bonded Debt Per Capita
		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	
2008	942,748	126,613,148	\$ 38,617	0.03 %	146,276,983	\$ 3,745	0.003 %	\$ 3.97
2009	959,013	140,254,264	39,114	0.03	162,053,662	3,210	0.002	3.35
2010	976,179	149,161,911	34,114	0.02	171,220,841	2,680	0.002	2.75
2011	993,068	149,284,865	29,319	0.02	171,646,984	2,145	0.001	2.16
2012	1,006,472	143,754,415	35,654	0.02	165,916,424	1,905	0.001	1.89
2013	1,019,164	140,577,467	32,462	0.02	161,877,310	1,665	0.001	1.63
2014	1,030,476	141,899,535	44,616	0.03	163,601,193	1,430	0.001	1.39
2015	1,040,116	142,418,524	41,464	0.03	163,656,758	1,200	0.001	1.15
2016	1,047,500	151,113,059	51,857	0.03	174,057,795	1,075	0.001	1.03
2017	1,055,000	157,476,558	56,953	0.04	181,546,725	1,020	0.001	0.97

PRINCE GEORGE'S COUNTY

Year	Population	Park Acquisition and Development Bonds			Advance Land Acquisition Bonds			Net Bonded Debt Per Capita
		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	
2008	830,514	\$ 70,615,992	\$ 95,735	0.14 %	\$ 75,728,883	\$ 885	0.001 %	\$ 1.07
2009	834,560	82,671,572	85,501	0.10	88,636,874	585	0.001	0.70
2010	865,705	91,889,365	76,246	0.08	98,521,803	290	0.000	0.33
2011	874,045	84,718,780	65,925	0.08	90,863,504	-	-	n.a.
2012	881,138	79,043,657	56,363	0.07	84,542,585	-	-	n.a.
2013	890,081	73,123,809	47,086	0.06	78,518,921	-	-	n.a.
2014	904,430	70,551,044	67,280	0.10	75,744,055	-	-	n.a.
2015	909,535	71,578,363	58,860	0.08	76,747,781	-	-	n.a.
2016	908,049	74,240,911	73,329	0.10	79,385,919	-	-	n.a.
2017	n.a.	78,488,744	64,534	0.08	83,863,174	-	-	n.a.

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, 2017

	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	\$ 3,988,081,972	100.00%	\$ 3,988,081,972	\$ -	\$ 3,988,081,972
MPCS - capital leases	59,649,305	100.00%	59,649,305	-	59,649,305
MCC - capital leases	84,858,548	100.00%	84,858,548	-	84,858,548
Kingsview Village Center - bonds	923,480	100.00%	923,480	-	923,480
West Germantown - bonds	10,740,000	100.00%	10,740,000	-	10,740,000
Towns, Cities and Villages	136,211,201	100.00%	136,211,201	-	136,211,201
Prince George's County:					
Prince George's County Direct Debt	1,408,091,809	100.00%	-	1,408,091,809	1,408,091,809
IDA of Prince George's County - lease revenue bonds	40,045,000	100.00%	-	40,045,000	40,045,000
Towns, Cities and Villages (2)	41,576,030	100.00%	-	41,576,030	41,576,030
Total Overlapping Debt			<u>4,280,464,506</u>	<u>1,489,712,839</u>	<u>5,770,177,345</u>
M-NCPPC Direct Debt Outstanding (1)			<u>57,972,753</u>	<u>64,533,624</u>	<u>122,506,377</u>
Total Direct and Overlapping Debt			<u>\$ 4,338,437,259</u>	<u>\$ 1,554,246,463</u>	<u>\$ 5,892,683,722</u>

Note: (1) Direct Debt is comprised of Park bonds and ALA bonds.

(2) Source of Debt Outstanding for Towns, Cities and Villages is actual 2017 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

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

Park Acquisition and Development Bonds  
Guaranteed by Montgomery County

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assessed Valuation - Metropolitan District</b>										
Real Property	\$ 123,349,223,504	\$ 137,037,338,727	\$ 145,753,018,621	\$ 146,152,672,587	\$ 140,655,277,104	\$ 137,631,593,595	\$ 138,886,769,800	\$ 142,418,623,986	\$ 147,968,539,731	\$ 154,201,308,882
Personal Property	3,263,924,271	3,216,925,827	3,408,892,098	3,132,182,188	3,014,605,290	2,945,872,980	3,002,675,420	2,963,653,430	3,154,519,664	3,275,248,900
<b>Total Assessed Value</b>	<b>126,613,147,775</b>	<b>140,254,264,554</b>	<b>149,161,910,719</b>	<b>149,284,854,775</b>	<b>143,669,882,394</b>	<b>140,577,466,575</b>	<b>141,889,445,220</b>	<b>145,382,277,416</b>	<b>151,113,059,395</b>	<b>157,476,557,782</b>
<b>Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation</b>										
Real Property at 3.6 cents (8 cents for FY 2001 and prior)	44,405,720	48,333,442	52,471,087	52,614,862	50,635,900	49,547,374	50,002,854	51,270,669	53,265,074	55,512,471
Personal Property at 9 cents	2,937,532	2,895,233	3,068,003	2,818,973	2,713,145	2,651,286	2,702,408	2,667,542	2,839,068	2,947,724
	47,343,252	52,228,675	55,539,090	55,433,835	53,349,045	52,198,660	52,705,262	53,938,211	56,104,142	58,460,195
<b>Revenue available from mandatory park tax over next thirty years - Legal Debt Limit</b>	<b>1,420,297,560</b>	<b>1,566,960,250</b>	<b>1,666,172,700</b>	<b>1,663,018,050</b>	<b>1,600,471,350</b>	<b>1,561,959,800</b>	<b>1,581,157,260</b>	<b>1,616,146,330</b>	<b>1,663,124,260</b>	<b>1,753,805,850</b>
<b>Debt Service Applicable to Limit</b>	<b>39,059,329</b>	<b>40,869,590</b>	<b>37,196,245</b>	<b>33,237,288</b>	<b>44,791,154</b>	<b>37,422,603</b>	<b>56,282,000</b>	<b>51,568,000</b>	<b>62,543,000</b>	<b>66,466,000</b>
<b>Legal Debt Margin</b>	<b>1,381,238,231</b>	<b>1,526,090,660</b>	<b>1,628,976,455</b>	<b>1,629,780,762</b>	<b>1,555,680,196</b>	<b>1,524,537,197</b>	<b>1,524,875,260</b>	<b>1,564,578,330</b>	<b>1,600,581,260</b>	<b>1,687,339,850</b>
<b>Debt Service Applicable to Limit as a Percentage of the Limit</b>	<b>2.68%</b>	<b>2.61%</b>	<b>2.23%</b>	<b>2.00%</b>	<b>2.80%</b>	<b>2.39%</b>	<b>3.59%</b>	<b>3.19%</b>	<b>3.72%</b>	<b>3.90%</b>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Assessed Valuation - Metropolitan District</b>										
Real Property	\$ 67,906,380,850	\$ 78,983,728,005	\$ 89,287,524,163	\$ 82,153,036,058	\$ 76,485,608,181	\$ 70,552,234,135	\$ 67,989,278,087	\$ 68,658,615,833	\$ 71,447,943,979	\$ 75,478,470,361
Personal Property	2,709,610,652	2,807,843,697	2,601,841,178	2,555,743,870	2,578,049,128	2,571,574,560	2,551,766,520	2,719,747,118	2,792,987,386	3,010,273,510
<b>Total Assessed Value</b>	<b>70,615,991,502</b>	<b>82,671,571,672</b>	<b>91,889,365,342</b>	<b>84,708,779,928</b>	<b>79,063,657,309</b>	<b>73,123,808,695</b>	<b>70,541,044,607</b>	<b>71,378,362,951</b>	<b>74,240,931,365</b>	<b>78,488,743,871</b>
<b>Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation</b>										
Real Property at 4 cents (10 cents for FY 2001 and prior)	27,182,552	31,945,481	35,715,010	32,861,214	30,586,243	28,220,894	27,185,711	27,543,448	28,579,178	30,191,388
Personal Property at 10 cents	2,709,611	2,807,844	2,601,841	2,555,744	2,578,049	2,571,575	2,551,767	2,719,747	2,792,987	3,010,274
	29,892,163	34,753,325	38,316,851	35,416,958	33,164,292	30,792,469	29,737,478	30,263,195	31,372,165	33,201,662
<b>Revenue available from mandatory park tax over next thirty years - Legal Debt Limit</b>	<b>898,164,890</b>	<b>1,042,600,050</b>	<b>1,149,505,530</b>	<b>1,062,808,740</b>	<b>994,928,760</b>	<b>923,774,070</b>	<b>892,724,340</b>	<b>907,895,790</b>	<b>941,164,350</b>	<b>996,049,860</b>
<b>Debt Service Applicable to Limit</b>	<b>119,846,031</b>	<b>105,833,868</b>	<b>92,328,755</b>	<b>79,212,824</b>	<b>66,636,492</b>	<b>54,054,273</b>	<b>85,128,000</b>	<b>72,384,000</b>	<b>60,091,000</b>	<b>79,263,000</b>
<b>Legal Debt Margin</b>	<b>778,318,859</b>	<b>936,766,182</b>	<b>1,057,176,775</b>	<b>983,595,916</b>	<b>928,292,268</b>	<b>869,719,797</b>	<b>807,596,340</b>	<b>835,511,790</b>	<b>881,073,350</b>	<b>916,786,860</b>
<b>Debt Service Applicable to Limit as a Percentage of the Limit</b>	<b>13.37%</b>	<b>10.16%</b>	<b>8.03%</b>	<b>7.45%</b>	<b>6.70%</b>	<b>5.85%</b>	<b>9.31%</b>	<b>7.97%</b>	<b>9.57%</b>	<b>7.96%</b>

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

Demographic Statistics  
Last Ten Fiscal Years

MONTGOMERY COUNTY

Year	Population (1)	Total Personal Income 000's omitted (2,3)	Per Capita Income (4)	Labor Force (5)	Unemployment Rate (6)	Registered Pupils (7)
2008	942,748	\$ 67,564,394	\$ 71,668	515,987	3.2 %	137,745
2009	959,013	66,147,761	68,975	522,421	5.3	137,763
2010	976,179	69,149,438	70,837	532,549	5.6	140,500
2011	993,068	73,818,085	74,333	836,832	5.3	143,309
2012	1,006,472	76,994,315	76,499	540,427	5.2	146,497
2013	1,019,164	74,017,970	72,626	542,690	5.0	149,018
2014	1,030,476	75,840,951	73,598	544,210	4.4	151,289
2015	1,040,116	79,946,266	76,863	548,499	3.9	153,852
2016	1,047,500	82,910,000	79,150	551,392	3.3	159,242
2017	1,055,000	86,730,000	82,209	554,029	3.2	161,909

PRINCE GEORGE'S COUNTY

Year	Population (8)	Total Personal Income 000's omitted (2)	Per Capita Income (2) (4)	Labor Force (9)	Unemployment Rate (6)	Registered Pupils (10)
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	38,595,921	43,362	467,318	6.9	123,737
2014	904,430	40,215,913	44,465	469,359	6.2	125,136
2015	909,535	40,806,805	44,866	495,449	4.7	127,576
2016	908,049	n. a.	n. a.	498,002	4.4	128,936
2017	n. a.	n. a.	n. a.	509,328	4.3	130,814

Notes: n.a. represents information that was unavailable at the time the tables were updated

- (1) Source: Data for 2008-2009 from the U.S. Bureau of the Census, data for 2010-2017 estimated by the Montgomery County Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2016-2017 is not currently available for Prince George's County)
- (3) Source: Data for 2010 - 2017 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 2010-2016 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census. Estimates for 2017 are not available  
Data for 2008-2009 estimates are provided by the U.S. Bureau of the Census, Population Estimates Branch.
- (9) Source: Maryland Department of Labor, Career and Workforce Information, updated June 2017. Prince George's County data for 2017 is an estimate
- (10) Source: www.mdreportcard.org, updated 2017 for Prince George's County

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

TABLE T-15

Total Government Employees by Function  
Last Ten Fiscal Years

**MONTGOMERY COUNTY**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
General Government:	83.45	78.75	76.35	74.05	67.55	64.00	62.55	64.30	65.44	65.44
County Planning and Zoning:										
Office of the Planning Director	3.77	3.82	3.00	3.00	6.00	6.00	6.00	4.00	4.00	5.00
Management Services	7.60	25.57	28.35	29.02	22.39	21.60	21.65	15.45	16.75	16.75
Functional Planning and Policy	-	-	-	-	14.50	14.40	15.18	18.40	18.50	19.50
Area 1	-	-	-	-	11.49	12.75	11.95	12.00	11.00	9.45
Area 2	-	-	-	-	15.49	16.15	16.15	15.50	15.15	15.10
Area 3	-	-	-	-	16.19	15.50	15.95	16.20	16.20	15.15
Strategic Planning	4.30	-	-	-	-	-	-	-	-	-
Community-Based Planning	38.77	22.22	24.17	21.20	-	-	-	-	-	-
County-Wide Planning	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	-	-	-	-	-	-
Urban Design	-	32.32	31.48	15.60	-	-	-	-	-	-
Development Review	35.00	-	-	-	-	-	-	-	-	-
Development Applications and Regulatory Coordination	-	-	-	-	12.60	10.85	10.10	9.85	10.70	12.35
Center for Research and Innovation Systems	31.30	28.55	24.84	23.18	12.64	13.95	15.00	15.90	16.00	16.00
Information Technology and Innovation	-	-	-	-	-	-	-	8.00	8.00	8.00
Research and Special Projects	-	-	-	-	-	-	-	-	-	-
Total County Planning and Zoning	169.31	171.05	170.65	142.92	111.30	111.30	111.98	115.30	116.30	117.30
Park Operations and Maintenance:										
Director of Parks	23.65	21.57	5.55	5.55	5.00	6.00	7.80	7.80	10.20	12.70
Special Programs	-	-	6.00	6.00	-	-	-	-	-	-
Park Information and Customer Service	-	-	10.30	10.30	18.00	18.20	19.10	-	-	-
Public Affairs and Community Partnerships	-	-	-	-	-	-	-	19.60	20.40	22.90
Management Services	7.22	7.13	7.67	7.50	20.60	20.10	20.20	12.00	11.10	12.90
Facilities Management	6.90	6.83	6.00	6.00	-	-	-	-	-	-
Technology Center	11.50	10.74	10.90	11.15	-	-	-	-	-	-
Information Technology and Innovation	-	-	-	-	-	-	-	-	-	-
Park Planning and Stewardship	29.88	33.43	31.96	31.62	25.70	24.80	26.60	8.10	8.10	8.70
Park Development	28.50	28.43	28.50	28.55	24.80	23.80	23.80	29.50	38.30	42.70
Park Police	112.85	114.72	115.56	115.61	104.90	109.40	109.40	25.80	25.40	25.10
Horticultural, Forestry, and Environmental Ed	62.65	63.84	63.40	63.50	73.20	79.40	80.60	84.00	88.70	92.40
Facilities Management (formerly Central Maintenance)	102.77	104.76	102.90	102.65	91.10	89.80	89.80	95.20	95.90	98.30
Northern Region	114.71	116.25	116.52	116.52	101.00	100.00	103.20	107.90	115.00	119.00
Southern Region	179.11	180.51	182.14	181.84	153.90	151.20	153.50	154.20	156.40	158.70
Support Services	-	-	1.10	1.10	1.10	2.90	1.10	2.60	2.60	2.60
Property Management	3.50	3.50	3.50	3.50	2.50	5.00	6.00	7.00	7.00	7.00
Total Park Operations and Maintenance	683.24	691.71	692.00	691.39	621.80	630.60	641.10	665.00	691.00	714.60
Business-Type Activities										
Recreational and Cultural Facilities	110.30	104.60	113.10	110.90	117.20	118.90	116.00	110.30	110.00	119.30
Total Workyears	1,046.30	1,046.11	1,052.10	1,019.26	917.85	924.80	931.63	954.90	982.74	1,016.64

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

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

TABLE T-15  
(continued)

Total Government Employees by Function  
Last Ten Fiscal Years

**PRINCE GEORGE'S COUNTY**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
General Government:	82.65	86.90	85.40	83.75	81.55	77.65	81.60	83.35	83.76	85.71
County Planning and Zoning:										
Director's Office	14.00	16.00	27.00	28.00	28.00	28.50	32.50	35.50	27.50	27.50
Development Review	49.70	52.70	60.00	59.00	56.00	53.00	53.00	53.00	55.00	51.00
Community Planning	45.80	43.80	43.60	43.60	42.60	39.60	37.75	33.75	26.63	26.75
Information Management	24.60	25.60	27.60	28.00	28.00	28.00	28.00	27.00	25.00	24.00
County-Wide Planning	42.00	39.50	46.00	46.00	45.00	40.00	40.00	42.00	43.00	41.00
Information Center	25.00	27.00	-	-	-	-	-	-	-	-
<b>Total County Planning and Zoning</b>	<b>201.10</b>	<b>204.60</b>	<b>204.20</b>	<b>204.40</b>	<b>199.60</b>	<b>189.10</b>	<b>191.25</b>	<b>191.25</b>	<b>177.13</b>	<b>170.25</b>
<b>Park Operations and Maintenance:</b>										
Office of the Director	25.10	27.50	4.00	4.00	3.00	3.00	3.00	13.00	19.00	19.00
Administrative Services	-	-	16.10	15.10	15.50	38.50	38.50	39.50	52.00	52.00
Administration and Development	-	-	-	-	2.00	6.00	6.00	2.00	2.00	2.00
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	32.20	31.20	31.20
Park Police	137.60	143.50	146.50	151.50	146.50	146.50	150.50	150.50	155.50	155.50
Park Planning and Development	52.00	61.00	61.00	61.00	56.50	55.00	55.00	55.00	55.00	55.00
Facility Operations	250.50	271.60	269.50	266.50	291.90	265.60	293.10	310.60	315.10	317.60
Area Operations	228.10	240.10	240.10	249.10	241.50	247.50	255.50	262.50	263.00	264.15
<b>Total Park Operations and Maintenance</b>	<b>708.50</b>	<b>759.90</b>	<b>765.40</b>	<b>789.40</b>	<b>800.10</b>	<b>824.30</b>	<b>845.80</b>	<b>865.30</b>	<b>892.80</b>	<b>896.45</b>
<b>Recreation Programs:</b>										
Director's Office	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	9.00	-	-	-	-	-	-	-
Facility Operations	160.70	164.70	217.30	226.50	179.40	212.40	215.40	222.40	250.90	254.90
Area Operations	670.60	718.30	700.30	733.30	723.70	689.20	713.20	722.20	792.20	783.73
<b>Total Recreation Programs</b>	<b>849.80</b>	<b>913.50</b>	<b>952.10</b>	<b>982.30</b>	<b>926.10</b>	<b>903.60</b>	<b>931.60</b>	<b>944.60</b>	<b>1,043.10</b>	<b>1,036.63</b>
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities	218.00	213.00	202.00	200.50	193.00	188.00	180.00	181.00	202.00	202.00
<b>Total Workyears</b>	<b>2,060.05</b>	<b>2,177.90</b>	<b>2,209.10</b>	<b>2,260.35</b>	<b>2,200.35</b>	<b>2,182.65</b>	<b>2,230.25</b>	<b>2,265.50</b>	<b>2,398.79</b>	<b>2,393.04</b>

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE T-16

Operating Indicators by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
General Government, Commission-Wide:										
Number of Positions Advertised	350	376	109	60	147	109	109	285	442	472
Number of Vendors in Directory	19,514	20,593	14,048	14,974	15,926	10,226	4,509	5,470	6,284	7,036
Number of MFD Vendors in Directory	3,383	3,747	3,830	4,182	4,547	4,957	205	421	577	717
<b>County Planning and Zoning:</b>										
Number of Master & Sectional Map Amendment Plans Completed	120	4	4	2	3	2	8	4	4	3
Number of Regulatory Planning Reviews	124	124	220	254	352	284	294	234	256	215
Number of Transportation Studies	39	40	26	29	47	40	23	24	21	25
Number of Site Plan and Project Plans Reviews	na	na	na	76	81	99	85	90	72	60
Number of Daily Website Visits	3,080	3,624	3,439	4,190	3,225	5,521	4,181	5,242	5,455	5,104
Number of GIS Updates	5,697	14,576	23,602	18,537	69,237	22,017	93,116	28,899	126,197	n/a
Number of Regulatory Project Views on DAIC	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	272,989	317,858
Number of Users Accessing GIS licenses	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	179	179
<b>Park Operations and Maintenance:</b>										
Number of Playground Renovations Completed	10	12	10	6	8	7	5	5	5	6
Total Acres of Parkland Acquired	297	140	877	59	355	75	665	432	314	91
Trees Planted for Reforestation Projects	1,100	1,581	1,642	1,797	6,300	34,942	2,076	414	646	912
Major Maintenance Requests Completed	240	84	172	85	98	94	87	90	117	119
Service Requests Completed	7,104	7,798	8,556	6,432	6,453	6,801	6,583	9,117	8,491	14,156
Number of Customers Attending Nature Programs	46,700	37,877	45,248	34,533	27,274	32,183	39,157	40,985	41,226	41,045
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Number of Ice Rink Customers	408,746	390,336	424,638	427,854	402,438	432,154	375,912	520,388	532,732	604,889
Number of Indoor Tennis Customers	58,510	96,103	121,715	122,049	106,435	110,826	124,713	117,283	115,777	119,537
Number of Park Facilities Customers	490,220	422,565	500,679	588,464	626,243	519,704	333,689	404,885	662,538	652,642
Number of Conference Center Customers	30,359	27,729	31,834	28,455	40,943	50,509	47,347	58,373	54,376	49,350

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-16  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Governmental Activities</b>										
County Planning and Zoning:										
Number of New Applications for Preliminary Plans	152	50	90	98	120	120	169	157	134	350
Number of New Zoning Applications	53	42	54	34	61	60	34	48	51	50
Number of Help Desk Requests Completed	2,900	3,843	3,714	3,213	4,332	4,000	2,769	3,200	3,267	3,300
Number of GIS Requests Delivered	211	228	213	200	200	210	201	150	50	50
Number of Transportation Referrals Received	282	192	151	107	113	128	141	142	142	182
Number of Environmental Referrals Received	1,323	944	550	359	342	350	424	392	382	382
Number of Walk-in Customers Served	7,269	6,417	7,000	5,256	4,580	5,000	4,812	5,059	4,728	4,900
Number of Telephone Calls Responded to	8,128	4,440	5,000	4,162	4,562	5,000	4,919	4,489	5,041	5,500
<b>Park Operations and Maintenance:</b>										
Number of Park acres	26,776	26,998	27,188	27,528	27,628	27,000	27,625	27,125	27,150	28,125
Number of completed Capital Improvement projects	36	32	49	34	30	45	28	12	21	21
Number of picnic shelters rentals	972	936	928	924	929	599	590	610	635	660
Number of ADA Accommodations	1,400	1,500	1,600	2,600	2,800	2,633	3,056	3,100	3,250	3,500
Number of Community Sponsored Events	112	131	262	313	322	452	447	463	480	483
Number of Community Outreach events	112	131	262	313	322	330	330	240	300	310
<b>Recreation Programs:</b>										
Number of permits for Recreation building use	n/a	n/a	n/a	n/a	n/a	630	640	655	660	690
Total SMARTlink Accounts portal for programs	n/a	n/a	n/a	n/a	n/a	294,414	323,727	335,345	350,000	355,000
Number of youth volunteer hours served	n/a	n/a	n/a	n/a	425	461	470	466	540	540
Number of Art class registrants	n/a	2,700	2,900	6,900	7,000	2,576	2,967	2,950	2,800	2,600
Number of Therapeutic Recreation programs	362	375	425	408	405	453	460	465	464	465
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities										
Number of Rounds of Golf	84,558	94,000	n/a	n/a	n/a	78,006	74,923	76,848	75,000	78,000
Number of Fitness center memberships	3,725	4,046	4,000	5,198	5,600	12,654	6,875	12,930	14,000	15,000
Number of swimming class participants	12,843	13,700	14,385	16,188	17,806	12,017	12,619	14,659	15,000	15,500
Number of Instructional tennis class participants	n/a	n/a	n/a	n/a	n/a	2,625	2,950	2,758	2,850	n/a
Number of event days at Show Place Arena	204	175	184	222	208	332	291	299	300	n/a

Source: The Park and Planning Commission Proposed Annual Budget, various years . FY 17 estimated data  
n/a - not available

TABLE T-17

Capital Asset Statistics by Function  
Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>COMMISSION-WIDE</u>										
<b>Governmental Activities</b>										
General Government:										
Office Building	1	1	1	1	1	1	1	1	1	1
<u>MONTGOMERY COUNTY</u>										
<b>Governmental Activities</b>										
County Planning and Zoning:										
Office Building	1	1	1	1	1	1	1	1	1	1
<b>Park Operations and Maintenance:</b>										
Athletic Fields	361	359	363	363	347	350	350	350	367	354
Basketball Courts	208	208	207	207	207	207	207	207	214	216
Campsites	102	102	102	102	108	107	107	107	102	102
Dog Parks	4	4	4	5	5	5	5	5	6	6
Historic Buildings	27	27	27	45	43	117	117	117	117	117
Office Building	13	13	13	13	13	13	13	13	13	13
Picnic Shelters	191	194	193	132	129	130	130	130	134	135
Playgrounds	290	291	291	291	290	291	291	291	285	284
Recreation Buildings	32	31	31	31	29	25	25	25	28	28
Rental Buildings	61	61	61	49	49	53	53	53	52	52
Skateboard Park	1	1	1	1	2	3	3	3	3	3
Tennis Courts	305	305	305	305	317	315	315	315	304	302
<b>Business-Type Activities</b>										
Recreational and Cultural Facilities:										
Antique Carousel	1	1	1	1	1	1	1	1	1	1
Conference Centers	3	3	3	5	5	5	5	5	5	5
Equestrian Centers	5	5	5	5	6	6	6	6	6	6
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	2	1	1	1	1	1	1	1
Splash Park	1	1	1	1	1	1	1	1	1	1
<u>PRINCE GEORGE'S COUNTY</u>										
<b>Governmental Activities</b>										
Park Operations and Maintenance:										
Office Building	14	14	14	14	14	14	14	14	14	14
Recreation Buildings	25	25	25	26	28	34	34	34	34	35
Picnic Shelters	88	88	88	88	88	88	88	91	92	94
Playgrounds	227	227	227	228	229	240	240	252	254	254
Athletic Fields	389	390	390	390	390	392	392	392	392	392
Tennis Courts	163	163	163	163	163	163	163	164	165	165
Basketball Courts	213	214	214	214	214	215	215	218	219	219
Recreation Programs:										
Historic Buildings	15	15	15	15	15	15	15	15	16	16
Community Centers	30	30	30	31	31	31	31	31	36	36
Swimming Pools	10	10	10	11	11	11	11	11	13	16
<b>Business-Type Activities</b>										
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	4	4
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	2	2	2	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

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



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

TABLE T-18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

<u>Employer</u>	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
U.S. Department of Health and Human Services	30,089	1	6.10 %	39,979	1	8.31 %
Montgomery County Public Schools	26,205	2	5.31	20,769	2	4.32
Montgomery County Government	11,014	3	2.23	9,059	4	1.88
U.S. Department of Defense	5,863	4	1.19	14,709	3	3.06
U.S. Department of Commerce	5,608	5	1.14	8,749	5	1.82
Adventist Healthcare	4,793	6	0.97	8,090	6	1.68
Marriott International, Inc (Headquarters)	4,184	7	0.85	3,000	9	0.62
Holy Cross Hospital of Silver Spring	3,942	8	0.80	-	-	-
Red Coats, Inc.	3,826	9	0.78	-	-	-
Montgomery College	3,488	10	0.71	-	-	-
Lockheed Martin Corporation	-	-	-	7,518	7	1.56
Giant Food Corporation	-	-	-	3,816	8	0.79
U. S. Nuclear Regulatory Commission	-	-	-	2,972	10	0.62
<b>Total</b>	<b>99,012</b>		<b>20.07 %</b>	<b>118,661</b>		<b>24.66 %</b>

PRINCE GEORGE'S COUNTY

<u>Employer</u>	<u>2016 (1)</u>			<u>2008(1)</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
University System of Maryland (2)	18,780	1	3.77 %	-	-	- %
Joint Base Andrews Naval Air Facility Washington*	17,500	2	3.51	-	-	-
U.S. Internal Revenue Service *	4,735	3	0.95	-	-	-
United States Census Bureau *	4,605	4	0.92	-	-	-
United Parcel Service	3,000	5	0.60	4,220	1	0.94
NASA/Goddard Space Flight Center *	3,000	6	0.47	-	-	-
MGM National Harbor	2,830	7	0.57	-	-	-
Inovalon - MedAssurant	2,500	8	0.50	-	-	-
Dimensions Healthcare System	2,400	9	0.48	2,500	4	0.55
Marriott International	2,200	10	0.44	-	-	-
Giant Food, Inc.	-	-	-	3,609	2	0.80
Verizon	-	-	-	2,738	3	0.61
Safeway Stores, Inc.	-	-	-	2,400	5	0.53
Shopper's Food Warehouse	-	-	-	1,975	6	0.44
Chevy Chase Bank	-	-	-	1,456	7	0.32
Target	-	-	-	1,400	8	0.31
Southern Maryland Hospital Center	-	-	-	1,300	9	0.29
Computer Science Corp	-	-	-	1,150	10	0.26
<b>Total</b>	<b>61,550</b>		<b>12.22 %</b>	<b>22,748</b>		<b>5.05 %</b>

Note:

- (1) In 2017, information is not yet available
- (2) Includes UMPC, UMUC and Bowie State University
- (\*) Employee counts for federal and military facilities exclude contractors

Source: Montgomery County and Prince George's County Governments

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

**SUPPLEMENTAL ENTERPRISE INFORMATION**

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2017

Recreational Facilities

MONTGOMERY COUNTY

	Ice Rinks	Golf Courses	Park Facilities	Indoor Tennis	Conference Centers	MC Ent Admin	Totals
Operating Revenues	\$ 4,830,617	\$ 53,933	\$ 3,484,003	\$ 1,778,087	\$ 524,238	\$ -	\$ 10,670,878
Operating Expenses Before Depreciation	3,930,630	4,467	2,806,696	1,347,018	718,178	(11,276)	8,795,713
Operating Income (Loss) Before Depreciation	899,987	49,466	677,307	431,069	(193,940)	11,276	1,875,165
Depreciation	788,365	155,101	120,845	47,285	7,387	11,276	1,110,259
Operating Income (Loss)	131,622	(105,635)	556,462	383,784	(201,327)	-	764,906
Nonoperating Revenues (Expenses)	9,426	-	57,959	47,802	1,501	-	116,688
Net Income (Loss)	\$ 141,048	\$ (105,635)	\$ 614,421	\$ 431,586	\$ (199,826)	\$ -	\$ 881,594

PRINCE GEORGE'S COUNTY

	Airport	Equestrian Center/ Multipurpose Arena	Golf Courses	Ice Rinks	Regional Parks	Trap and Sheet Center	Sports and Learning Complex	Bladensburg Marina	Totals
Operating Revenues	\$ 235,642	\$ 1,273,794	\$ 2,083,068	\$ 424,067	\$ 396,650	\$ 1,582,729	\$ 3,068,619	\$ 163,846	\$ 9,228,415
Operating Expenses Before Depreciation	429,401	2,850,101	3,936,791	1,108,521	926,314	1,601,679	7,841,488	279,655	18,973,950
Operating Income (Loss) Before Depreciation	(193,759)	(1,576,307)	(1,853,723)	(684,454)	(529,664)	(18,950)	(4,772,869)	(115,809)	(9,745,535)
Depreciation	11,458	515,104	183,713	97,404	45,610	25,564	1,090,938	-	1,989,791
Operating Income (Loss)	(205,217)	(2,091,411)	(2,037,436)	(781,858)	(575,274)	(44,514)	(5,863,607)	(115,809)	(11,715,326)
Nonoperating Revenues (Expenses)	4,441	(12,245)	26,548	6,209	9,774	2,807	1,522	8,965	48,021
Transfers In (Out)	216,938	1,998,077	990,555	718,489	708,332	28,727	4,205,412	203,817	9,070,347
Net Income (Loss)	\$ 16,162	\$ (105,579)	\$ (1,020,333)	\$ (57,160)	\$ 142,832	\$ (12,980)	\$ (1,656,873)	\$ 96,873	\$ (2,596,958)

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  
Jenetha Facey  
Tanya R. Hankton  
Sharon Jones  
Sheila Joynes  
De Maris Lewis  
Gwendolyn Lindsay  
Latisha A. Parker  
Kassandra Gunter-Robinson  
Royden Rodgers  
Abbey Rodman  
Bridget Schwiesow  
Sonya Shirland  
Claudia Stalker  
Elaine Stookey  
TaPrece Williams

## **Photo Index**

### **Cover:**

Dinosaur Park located in Laurel, MD. The park preserves a rare deposit of fossils from the early Cretaceous Period, about 110 million years ago.

### **Page 9: Collage**

Kids Playing miniature Golf at South Germantown Park; Children participating in the horse bounce race at Kinderfest 2017 held at Watkins Regional Park; Montgomery County Park Police Graduates Basic Motorcycle class; A game of hopscotch at Active Aging Big Game Day; Tennis "boot camp" at the South Germantown Tennisplex dedication; Families enjoy the activities at the annual Hispanic Festival at Lane manor Park; Children cooling off at the Splash Park on a hot summer day; Participants being lead in exercising during Active and Healthy week.

### **Photo Credits:**

Cassi Hayden (Prince George's County): Cover, pages 8, 18, 107, and 115.

Montgomery County Department of Parks various staff members: pages 1, 8, 103, 111, and 119.