

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION  
Comprehensive Annual Financial Report



FOR THE FISCAL YEAR  
ENDED JUNE 30, 2020

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
AND ANNUAL REPORT**

**OF**

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

**For the Fiscal Year Ended June 30, 2020**

**Commissioners**

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Elizabeth M. Hewlett, Vice-Chair of the Commission  
Dorothy F. Bailey  
Gerald R. Cichy  
William M. Doerner  
Manuel R. Geraldo  
Natali Fani-Gonzalez  
Tina E. Patterson  
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A. Shuanise Washington

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Joseph C. Zimmerman, Secretary-Treasurer  
Adrian R. Gardner, General Counsel

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

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***Finance Directors***

Abbey Rodman, Accounting  
Chip S. Bennett, Administration  
Stacey Pearson, Purchasing

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PART I

# Introductory Section



Families enjoying a production of Shakespeare in the Park at Riverdale Mansion.



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

6611 Kenilworth Avenue • Riverdale, Maryland 20737

January 26, 2021

**Commissioners:**

The Comprehensive Annual Financial Report of The Maryland-National Capital Park and Planning Commission (“the Commission”) for the fiscal year ended June 30, 2020 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 was to provide reasonable assurance that the financial statements of the Commission for the fiscal year ended June 30, 2020 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, 2020 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 required to undergo a Single Audit in conformity with the provisions of the Title 2 United States Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. 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. The 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 Inspector General's Office that reports to the Chair and Vice-Chair of the Commission. The staff performs internal audits throughout the Commission's offices and facilities. All internal control evaluations occur within the above framework. We believe that the Commission's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

### **Factors Affecting Financial Condition**

The Commission's financial condition is positive as a result of a stable primary revenue source, property taxes, and the Commission's conservative fiscal management policies. The assessable bases in both Prince George's and Montgomery Counties increased in FY 2020, 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, 2020, the Commission's General Fund budget basis ending fund balance was \$255.5 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 2019 was \$84,805, an increase of about \$2,935 from the previous year.

Like other jurisdictions across the nation both counties are impacted by the current fiscal environment. As of June 30, 2020, the nation's unemployment rate was 11.1 percent, whereas Montgomery and Prince George's rates were 8.2 percent and 10.1 percent, respectively. These counties have maintained a combined population base of 2.0 million people and have over 1.1 million employed as of fiscal year 2020.

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 FY2020 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 (\$238.9 million) which are planned to be used over the six-year period to maintain a stable tax rate for the Commission in that county.

### **Major Initiatives**

The Commission enjoyed a successful program year in fiscal year 2020, despite COVID-19-related closures in the last quarter. 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, 2019. 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.

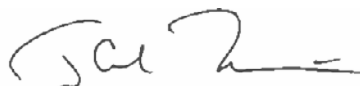
A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.

In addition, the Commission also received the GFOA's Award for Distinguished Budget Presentation for its annual budget for fiscal year 2020. 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 Abbey Rodman, Corporate Accounting Director, 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

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

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

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.

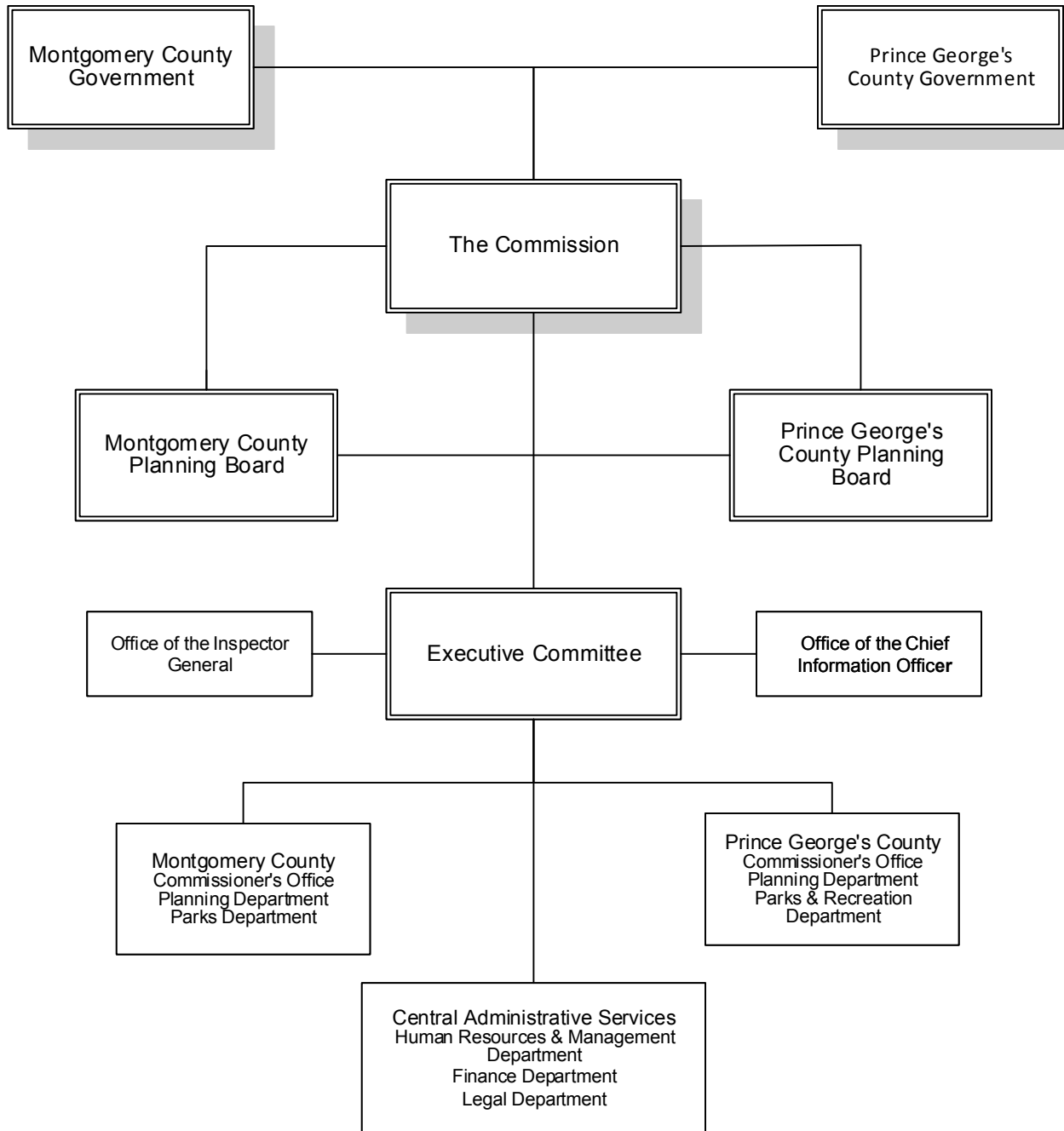
The Commission coordinates and acts on matters of interest to both Counties. Two regional offices are maintained, one in each County. The Commission meets once each month regularly, the site of the meetings alternating between the two regional offices. The members of the Commission from each County serve 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 2,300 career employees - planners, park and recreation administrators, park police and administrative staff. In addition, it employs approximately over 3,700 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





# Fiscal Year 2020 PROGRAM HIGHLIGHTS

## SUMMARY

For nearly a century, The Maryland-National Parks and Planning Commission has delivered first-class programs and facilities to the bi-county region and remains committed to its mission of managing physical growth and planning great communities, protecting and preserving their natural, cultural and historic resources, and providing high-quality services for residents of all ages and abilities through leisure and recreational experiences. In fiscal year 2020, the Commission's commitment reflected the growing needs of the bi-county communities while responding to the COVID-19 pandemic. The Commission's departments were responsive, flexible and nimble to meet the needs of the bi-county community during this time while taking on new and innovative approaches to planning communities, aiding in economic development, protecting the open spaces and developing more ways to recreate. Parks and trails were kept open; technology was used in new ways to ensure that bi-county residents' voices were heard in the planning process; created innovative programming to keep thousands of kids active and safe at home and in the parks; provided grab-and-go meals for residents who would otherwise be hungry and created spaces for outdoor dining to help local restaurants stay in business. Over the past year, the Commission has expressed an ongoing commitment to diversity across the organization and steadfast opposition to racism and discrimination in any form. A resolution was introduced and passed to confirm the Commission's commitment to treat all people with fairness and respect for diversity. The Commission also focused on equitably engaging with the diverse audiences across the organization by leveraging state-of-the-art technology tools to reach community members with the work and programs while implementing physical distancing protocols. Prince George's Parks and Recreation changed their mantra to "Live More, Play More ... Indoors," which included transforming its traditional summer camps into virtual "Summer Clubhouses" on Microsoft Teams. Montgomery Parks saw record levels of park use and launched their "Opening Parkways to People" where three parkways were closed to cars on the weekends so patrons could exercise and be physically distant. Montgomery Planning hosted a major distance engagement effort for the Thrive Montgomery 2050 plan, which included a series of online live events that provided live language translation. Prince George's and Montgomery Planning Boards continued to keep residents engaged through the live streaming of Planning Board meetings.

### Montgomery County Department of Parks

**COVID-19 Response.** The first seven months of the fiscal year were exciting. However, on March 13, 2020, Montgomery Parks made the difficult but necessary decision to respond to the international pandemic, COVID-19, a novel coronavirus. Public-facing buildings and programs were closed through the end of the FY 2020 fiscal year. The public parks remained open and staff remained on the job. Daily park use rose to weekend-level park use during the remainder of the fiscal year. Patrons flocked to the parks and quickly came to view the Parks Department as an essential service for much needed respite, and a safe way to exercise and spend time outdoors during the pandemic. It was discovered that patrons came out to the parks every day during the spring and summer of 2020. In the early months of the pandemic, a new program was launched, "Opening Parkways to People", where three parkways were opened: Little Falls, Sligo Creek, and Beach Drive, to provide pedestrian access, so that patrons could exercise in a safe and physically distant manner on these car-free streets. "Car-free" parkways were opened Fridays through Sundays for use by county residents. Montgomery Parks also created various online programs that provided patrons with the opportunity to "Explore Parks from Home." Parents and children alike could now identify birds and insects from the comfort and safety of their own homes during the spring months of the pandemic. It was well-received and demonstrated that programs can succeed in a virtual environment.

**Trails are Always a Top Priority:** The Parks department has worked to create a world-class trail network that can be marketed as a destination experience. A plan has been developed to gain world-class trail status by focusing on the user experience, mastering the fundamentals of network connectivity and design features, and completing some signature projects over the next few years. The Department manages 190 miles of natural surface trails and 70 miles of paved trails that serve as a transportation option and a recreational amenity while providing access to some of the best natural areas in the county. Two of the trail projects of note are the Northwest Branch Trail Project and the Western Piedmont Trail Bridge Project. The Northwest Branch Trail Project was made possible through a partnership with WSSC and with the help of 189 volunteers. The stream trail was redesigned trail to accommodate multi-use and remediate silt deposition that had previously impeded trail use. For the second project with the Western Piedmont Trail Bridge, a 70-ft fiberglass bridge was installed, completed 450 feet of stream restoration, and restored fish passage in one of the most pristine and biologically unique

watersheds in the county. During the pandemic, the trails quickly became overpopulated, which made it difficult for patrons to physically distance, as required by the CDC. A campaign was launched called “Take the Trails Less Traveled” and encouraged users to explore the quieter trails in the county. Vision Zero projects on trails included Cycling in the Circle and park trail intersection improvements. There are 121 trail crossings of which 10 sights are being upgraded per year to bring them up to date with current best practices.

**Countywide Athletic Field Improvements:** A collaboration was with the staff at the Montgomery County Public School (MCPS) System to review 195 elementary and middle school sites, 114 of which the Parks Department maintains already. About 35 of the MCPS fields that are not currently maintained will be renovated into athletic fields. Eighteen of the spaces have small “play spaces” that provide sustainable solutions for kids during school hours and help us provide community use in the evenings and weekends. These plans were presented to the County Council in December 2019.

**Getting People Together and Making Them Active:** The Activation Program is new to Montgomery Parks and is an opportunity for the department to host its own events in the parks, in addition to those events that are produced by community partners. This year, the Activation Program staff hosted 77 community events down county before all events were cancelled due to COVID-19’s developing protocols in the spring.

**The Capital Improvements Program:** Great progress was made this year with a new CIP program called “Legacy Urban Space.” The program focuses on targeting acquisition dollars to address issues caused by population density in some areas of the county. Three properties were purchased through this program this year: Westbard Urban Recreational Park, Wheaton Urban Recreational Park, and Veteran’s Park Civic Green. This year, the Parks Department also developed the Maydale Nature Center as the first “net-zero” park building, which means that through its use of solar technology, it will generate more energy than it uses. A grand opening will take place in the coming year when it can be done in a safe way considering COVID-19. The Josiah Henson Museum is currently under construction with an anticipated grand opening for that facility later in 2020. The “Park Refresher Program” provides the opportunity to renovate local parks in need of minor updates and this year, the following parks were renovated: Kensington Cabin Local Park, Wheaton-Claridge Local Park, Pinecrest Local Park, and Battery Lane Urban Park. Other projects of note include the grand openings of the South Germantown Cricket Field and the Washington Capitals Rink at Ridge Road Recreational Park.

**Innovative Projects and Programs:** Parks staff developed an equity tool as a factor in prioritizing FY 21-26 CIP projects. Montgomery County Parks and Planning employees are collaborating to create a more nuanced equity analysis tool. Parks staff also developed the Energized Public Spaces’ Design Guidelines for urban parks. These guidelines are in follow-up to the Energized Public Spaces’ Functional Master Plan. The design guidelines focus on case studies of quality public spaces and programming. This document will be used by both public and private park planning teams as parks pop-up around the county.

**Brookside Gardens Turned 50:** During FY 2020, Brookside Gardens celebrated the 50th anniversary of the facilities and gardens. The gardens master plan is in its fifth stage now. Brookside Gardens served as an oasis for mental health rejuvenations especially during the spring months of COVID-19.

**Exceptional Volunteers:** Montgomery Parks received impressive donations of volunteer time during the seven good months of the year and during the five COVID-19 months of the fiscal year. Volunteer, Bonnie Bell, received the National American Trails Volunteer Award. Since 1999, Bonnie has volunteered at the Great Seneca Creek Watershed. She was instrumental in the construction of the Seneca Creek Greenway Trail. Bonnie has led 36 Volunteer Trail Workday Projects on this 8-mile trail, resulting in over 1,200 hours of volunteer service since 2009. FY 2020 was another busy year for volunteers in Montgomery Parks. Nearly 11,000 volunteers contributed over 71,000 hours in the parks during 2020.

## Montgomery County Planning Department

**Keeping Montgomery County Thriving for the Next 30 Years:** Montgomery County’s General Plan is the blueprint and guiding policy document for its future growth and development. Known as Thrive Montgomery 2050, the updated plan will include community-informed and data-driven recommendations and actions for land use, housing, transportation, environment, equity, design, arts and culture, parks and open spaces and the economy. The vision, which was created in collaboration with the community, sees a Montgomery County in 2050 that is a vibrant and welcoming place where all people thrive with equitable access to attainable housing, healthy food, opportunities for physical activity, parks and open spaces, employment, education, services and a variety of travel options. No longer a suburban bedroom community, the

Montgomery County of the future has diversity in population, in living and working experiences, in modes of travel, and in natural and built resources. People from all over the world choose to live, work, grow and age here. Thrive Montgomery 2050 is focused on three outcomes: 1) *Economic Health*: to ensure a vibrant, strong and competitive economy by attracting and maintaining major employers, continuing to enhance county federal campuses, supporting small businesses and innovation, attracting and retaining a high-quality, diverse workforce; 2) *Equity*: create a place where all residents have equal access to attainable housing, healthy foods, employment, transportation, education and more, 3) *Environmental Resilience*: use the best strategies to fight climate change and mitigate the impact of both planned changes and unexpected events and continue to preserve natural resources.

After extensive equitable community engagement throughout FY 2020, including a comprehensive distance engagement strategy to respond to the COVID-10 pandemic, staff presented the Thrive Montgomery 2050 recommendations to the Planning Board in October 2020. Next steps include a public hearing and work sessions before the plan is transmitted to the County Council in March 2021.

**Balancing Growth and Infrastructure:** The Subdivision Staging Policy (SSP) — one of the many ways that Montgomery Planning helps to preserve the excellent quality of life in Montgomery County — is based on having sufficient infrastructure to support growth. It includes criteria and guidance for the administration of Montgomery County’s Adequate Public Facility Ordinance, which matches the timing of private development with the availability of public infrastructure. Every four years, an effort to update the Subdivision Staging Policy originates with Montgomery Planning staff before working its way through the Planning Board and the County Council. The purpose is to ensure that the best available tools are used to test whether infrastructure like schools, transportation, water, and sewer services can support future growth. The 2020 update includes a focus on schools with a series of policy changes to calculations and tools to measure and address school capacity utilization, traffic congestion, transportation safety and funding sources for needed infrastructure. There has been a year’s worth of equitable community engagement, six Planning Board work sessions and an Urban Land Institute virtual advisory services panel review. Next steps include the review by the Montgomery County Council with final approval and adoption of the update to the policy by November 16, 2020.

**Equity Agenda in Planning:** Montgomery Planning’s Equity Agenda for Planning calls on us to question how residents who have been historically excluded from the planning processes will be authentically included in planning, implementing, and evaluating proposed policies or projects. Today Montgomery Planning is committed to systemically dismantling the institutional racism that exists in planning and land use work, acknowledging the inequities of the past and preventing it from occurring in the future. The department launched the Equity in Master Planning Framework in 2018 to create internal policies and trainings for staff to develop an approach and guidelines for considering racial equity and social justice goals in the master planning process. It now also includes an action plan to meet the requirements of Montgomery County’s Racial Equity and Social Justice Act, 27-19, which directs the “Planning Board to consider racial equity and social justice impact when preparing a Master Plan.” Going forward engaging equitably with the community will permeate all of Montgomery Planning’s communications, master planning, regulatory and policy work.

**Wheaton Headquarters:** Montgomery Planning and Montgomery Parks have begun operations from the new M-NCPPC Wheaton Headquarters at 2425 Reedie Drive, Wheaton, MD 20902. The 14-story building, owned by M-NCPPC, is one of the first LEED Platinum-certified, government-owned office buildings in Maryland. The building includes a 200-seat auditorium for Planning Board meetings, a new town square and an underground public parking garage. It is home to six Montgomery County departments. While the building is open for staff, many will continue to telework due to the COVID-19 pandemic.

**The Work Continues During COVID-19:** In March 2020, Montgomery Planning moved to a maximum telework environment for staff. Due to the Information Technology & Innovation Division, the work of the department continued seamlessly. This included continuing to accept and review regulatory items, hosting and streaming live Planning Board and Historic Preservation Commission meetings, conducting virtual community meetings for master plans such as Thrive Montgomery 2050 and providing equitable community engagement, including language access, in light of social distancing protocols.

**Managed Lanes Study Review:** The Maryland Department of Transportation State Highway Administration (MDOT SHA) is conducting the I-495 and I-270 Managed Lanes Study as part of Governor Hogan’s Traffic Relief Plan. As stewards of the natural and built environment, and as a cooperating agency on this project and major landowner of the study area, M-NCPPC is working to determine the best alternative that meets the goals, objectives and criteria of the project from a land use perspective. This has involved a tremendous amount of research, analysis, and outreach to try to provide feedback and

guidance to MDOT SHA. The M-NCPPC has reviewed the proposed alternatives for alignment with the National Environmental Policy Act (NEPA) requirements and best practices. If the project moves forward, M-NCPPC will have to review a mandatory referral.

**Master Plans:** During FY 2020 staff started and continued work on countywide and geographically-specific master and sector plans: Pedestrian Master Plan, Silver Spring Downtown and Adjacent Communities Plan, Corridor Forward: I270 Transit Plan, Shady Grove Minor Master Plan Amendment, Rustic Roads Functional Master Plan, Germantown Plan for the Town Sector Zone Master Plan, Ashton Village Sector Plan, Great Seneca Science Corridor Minor Master Plan Amendment and the Fairland/Briggs Chaney Minor Master Plan Amendment.

**Regulatory Reviews and Permits:** For FY 2020, Montgomery Planning received 223 regulatory plans for review and 96 site and sketch plans for review.

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

**Implementing Technology and Innovation:** In March of 2020, a pandemic forced the Department to reimagine what it does great: face-to-face interaction. It quickly shifted to transform dining rooms with tablets into rec rooms and play areas to re-engage with a community forced to stay home. The Department's "Live More, Play More" mantra became "Live More, Play More ... Indoors." The Department launched a "cloud" desktop to allow staff to work remotely and diminished the use of paper with the introduction of digital signatures and business process. It deployed CrowdStrike to improve the security of its tech spaces. The Department continued to utilize its website to maintain community engagement. From September 8, 2019, to September 9, 2020, the Department's website, pgparks.com, has had 1.9 million unique page views with 4.5 million total page views. Its most popular web pages were the home page (1), community centers (2), rentals (3) and COVID-19 information (4). The Department also transformed its traditional summer camps at the facilities into virtual "Summer Clubhouses" on Microsoft Teams. The Department offered 119 Clubhouses, with 1,508 youth and Therapeutic Recreation patrons registered. The Department also hosted virtual community meetings to engage with county residents about key projects while "social distancing." It launched a "Coffee and Chat" series with elected officials on the County Council and discussed core projects such as the tree trimming around the College Park Airport, the importance of the 2020 Census, and transformations at Walker Mill and Watkins Park.

**Expanding Health and Wellness:** The Formula 2040 Plan puts an emphasis on helping residents live healthier lives. A variety of events were hosted, initially in person and then virtually to educate and inform county residents of all ages, on techniques for getting healthy. The increased access reached over 6,510 participants across the Fitness in the Parks, Yoga in the Parks, and the Get Fit Mobile Unit programs. Fitness and wellness activities were provided at The Girl Scouts Expo (with 20,000 attendees) to promote healthy living. Online resources were provided in the form of virtual programming and educational tools through Mindful Mondays, Wellness Wednesdays, and Fitness Fridays. In-person Dine and Learn & Move partnership was done in conjunction with the Prince George's County Health Department, Suburban Hospital, and the University of Maryland Capital Region Health to a virtual platform. The Department received the Bronze Level American Heart Association Workplace Health Achievement recognition for 2020. The Department converted over 170 vending machines to comply with the Healthy Vending Resolution 17-02. The first hosted Wellness in the Woods festival had over 500 in attendance; partnered with WUSA9 to host IMPACT Health Matters, a free health expo offering health screenings and wellness workshops that drew 700 attendees. The Department also hosted two Healthy Trails 5Ks in support of the Kids to Camp Campaign (with 175 attendees) and Breast Cancer Awareness (with 300 attendees) in support of the Bosom Buddies aqua therapy class, at the Fairland Sports and Aquatics Complex.

**Supporting Youth Development:** The Department launched its Youth and Countywide Sports Division and attracted talent from DeMatha High School to lead the division. The Department also supported youth participation in the Jr. NBA Skills Challenge, completed winter lacrosse skills clinics for more than 300 participants and renovated the Sugar Ray Leonard Boxing Center, to expand its youth training program. In addition, the Department of Parks and Recreation remained committed to engaging youth in innovative and creative ways to promote health and wellness during this unprecedented time. Additionally, through a partnership with the County's Office of Community Relations, the Department provided a platform for youth to tell their stories and lift their voices regarding issues related to the pandemic, social injustices, and peaceful protests.



**Partnering with Community:** The Department is a key partner, coordinator and collaborator with the Prince George's County Public Schools; the Department of Health; the Department of Social Services; the Memorial Library System; the Prince George's County Boys and Girls Club; the University of Maryland; Bowie State University; the Prince George's Community College; Girl Scouts of America; First Tee of Greater Washington, DC; the USA Swimming Foundation and the United States Tennis Association. The relationships continue to grow and contribute towards building a culture throughout the communities, schools, and County and all service providers. This past year the Department supported Prince George's County Public Schools by hosting its 9th Annual Back-to-School Block Party which was the largest book bag give-away in the state.

**Cultivating Competitive Youth Sports:** In swimming, the Department invested in competitive youth swimming by expanding expertise and technical knowledge of instruction for all skill levels. The PGPR Sharks, the Department's Swim Team, doubled its registration from 45 to 107 participants between September 2019 – March 2020, as well as improved from zero swimmers qualifying for championship meets to nine. The Department is also home to two gymnasts who represented the United States in FY19: Khoi Young, at the Ricky Deci International Team Cup in January; and Jessica Stevens, the reigning US Women's Individual Trampoline Champion and a member of the 2020-2021 US Trampoline Team.

**Growing Youth Participation:** The years FY 2019 and FY 2020 were a time of new growth in participation, partnerships, and Junior Golf opportunities for the Department. As of September 2019, we partnered with the First Tee of Greater Washington to run the First Tee Jr. Golf program. First Tee provides affordable Jr. Golf opportunities, resources, golf equipment, and added visibility for instructional programming. The Department served 24 local juniors through First Tee in 2019 and had 150 junior golfers registered for spring 2020 before having to reschedule the session due to COVID-19. The Department ran its first ever High School Golf Prep Camp in 2019 with a full camp of 12 participants. Clinics were held with high school players and coaches, including 40 Prince George's County High School golf players and coaches. In the fall of 2019, the Department began a PGA Junior League program for youth ages 7-13. With a grant from the Professional Golfers Association of America (PGA), the Department was able to reduce the cost of the program from \$225 per player to \$50 a player, making it affordable for more participants.

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

**Modernizing Zoning and Subdivision Ordinances:** The Prince George's County Council initiated a Countywide Map Amendment on July 23, 2019. This effort will rezone approximately 320,000 properties to reflect the zones adopted in the new Zoning Ordinance passed by the Council on October 23, 2018. The Planning Department developed the proposed zoning map and released it to the public late summer 2019 for review and comment. Stakeholder meetings culminated with three county-wide forums held in November 2019 to inform residents, property owners, business owners, municipal elected officials, and other partners of the Countywide Map Amendment.

**Census 2020:** The Planning Department has taken a leadership role in planning and organizing activities to support the 2020 Census. The census project team coordinated activities for the Complete Count Committee, participated in and helped coordinate over 100 census related events and workshops, as well as maintaining a census website and strong social media presence. The project team also worked with the municipalities to help secure grants for census related activities.

**Planning for Quality Communities:** The Community Planning Division reorganized into three operational sections: The Neighborhood Revitalization Section, the Long-Range Planning Section, and the Placemaking Section. Community Planning's accomplishments during the year included approval of five new Planning Municipal Assistance to Communities (PMAC) projects and completion of the Business Improvement District (BID) Tool Kit study. The Planning Department continues to assist communities with preparing Sustainable Communities Designation applications for the Maryland Department of Housing and Community Development's Sustainable Communities Program. The Department is preparing updates to four sector plans and preparing numerous studies to enhance communities and the public realm.

**Providing Planning Support for Public Facilities and Services:** The Planning Department's Special Projects Section developed the 2019 update of the Annual Report for the Maryland Department of Planning; assisted with the development of the recently adopted 2018 Water and Sewer Plan; supported the County's analysis of water and sewer category changes; conducted a 5 county survey of Adequate Public Facility regulations; and participated in the 2020 Update of the Pupil Yield Factors and Public School Clusters study.

**Developing Efficient Transportation Systems:** The Department continues its work on replacing the current traffic forecasting model with a new model that meets national best practice standards, ensures transportation adequacy and sufficient circulation for ongoing development review cases, and assists the Maryland Department of Transportation. Additionally, the Transportation section initiated the implementation strategies for the Transportation Action Guide for Urban Communities.

**Preserving and Protecting Historic Properties:** The Planning Department continues to support the Historic Preservation Commission (HPC) through the review of Historic Area Work Permits, preservation tax credits, and ongoing property documentation. The Department also supported the HPC and the Planning Board through the review of development referrals affecting historic properties, and the review and issuance of grants to rehabilitate historic structures.

**Preserving and Protecting the Environment:** The Planning Department's Environmental Planning Section continues to oversee the woodland conservation program in compliance with the State's Forest Conservation Act. The Department also supports the Chesapeake Bay Critical Area program and plans for long-term environmental protections through the implementation of the Countywide Resource Conservation Plan (2017).

**Supporting Economic Growth:** An update of Prince George's County's Comprehensive Economic Development Strategic Action Plan was initiated. The Strategic Plan will guide the County's future land use decisions to attract investments, build its commercial tax base, fund critical services, grow its high-quality job base, and improve the quality of life of existing and future residents.

**Advancing Information Technology:** The Information Management Division completed major enhancements to its VPN (virtual private network) and the Development Activity and Monitoring System (DAMS) and provided vital support for Planning Board and community meetings. The Division also expanded and enhanced its GIS with 250 layers, supported approximately 30,000 downloads, and added a swipe tool used to support the Zoning Rewrite. Users viewed close to 60,000-pages of the mapping applications. PGAtlas functionality and data continued to grow with over 205,058 page-views and expanded to include a mobile version. The Division completed 200 data requests, continued to grow its 3D Building data, and initiated scan projects of microfilm and microfiche datasets and historic records.

**Promoting Responsible Development:** The Department received over 250 applications for zoning map amendments, special exceptions, conceptual and detailed site plans, departures, alternative compliance and preliminary plans, and final plats of subdivision which were analyzed for conformance with County plans, policies and development regulations. Additionally, the Department processed 12,829 applications for permit review and the Planning Information Services processed a total of 6,306 telephone inquiries, 6,514 written inquiries and 3,525 office visitors.

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

The Department of Human Resources and Management (DHRM) provides programs that support the talented and diverse workforce as they serve county residents and the agency's patrons. The Department is led by the Executive Director and includes the offices of Corporate Budget, Corporate Policy and Management Operations, and Corporate Human Resources. In addition to serving as the head of the Department, the Executive Director carries out corporate governance for the agency including implementation of the Merit System and serving as the public representative for the agency. The Department's expertise includes ensuring fair and transparent workplace practices, public accountability standards, fiscally responsible budgeting, and the protection of agency employees, patrons, and assets.

**Program and Service Improvements:** As detailed below, there were several new initiatives and notable updates to agency-wide programs and policies to strengthen internal controls, contain costs, address organizational development concerns, confront the COVID-19 pandemic, promote a workplace of excellence, and enhance public accountability.

**National Recognition:** For the 6<sup>th</sup> consecutive year, the agency was named one of the top places to work in the nation by the Alliance for Workplace Excellence, earning all four of the Alliance's awards: the Workplace Excellence Award/Seal of Approval, the Health and Wellness Seal of Approval, the Diversity Champion Award; and the EcoLeadership Award.

**Workforce Development:** The Department is continuing its comprehensive position classification and compensation study to ensure the agency attracts and retains a highly skilled workforce; promoting diversity and inclusion through workplace policies, initiatives, and the employee-led Diversity Council; and providing training for career development, compliance with agency policies and regulatory guidance, and workplace safety/wellbeing. Other examples of workforce for development

include the agency-wide Language and Literacy Program and the Apprenticeship Programs, which are both administered by the Department.

**Workplace Safety:** The agency-wide Risk Management and Workplace Safety Office is responsible for ensuring Commission facilities and programs are safe for employees and patrons, protecting agency assets, and ensuring compliance with federal and state safety regulations. These goals are met through proactive risk assessments, development and delivery of a safety training program, coordination of COOP plans and public health concerns, compliance reviews, administration of liability and workers' compensation programs, and management of agency wide safety programs. Throughout 2020, the Office implemented agency-wide protocols to address the pandemic, educate the workforce, and mitigate the spread of COVID-19.

**Labor Relations:** Administered labor agreements and conducted contract negotiations with two Unions representing approximately 800 positions. Negotiations included a 3-year contract negotiation with the Fraternal Order of Police (FOP) for contract effective date of February 2020, and wage reopeners with the FOP and Municipal and County Government Employees Organization/UFCWU Local 1994 (MCGEO) Union for the period of July 1, 2019 through June 30, 2020.

**Employee Benefits:** This team manages group health insurance and benefit plans for all full-time and part-time career employees, retirees, term-contract employees, and seasonal/intermittent employees who average 30+ hours per week. Benefit plans remained competitive and cost effective with emphasis on access and quality care. The agency's robust health and wellness program continued to be strengthened to support employees in prioritizing their health to reduce overall health care costs.

**Fiscal Responsibility:** The Corporate Budget Office provides salary projections, long range fiscal planning, labor cost modeling, and cost allocations. The office also streamlines budget activities across the agency to strengthen tracking, cost containment, oversight, and increase transparency. For the 34<sup>th</sup> consecutive year, we earned the Distinguished Budget Presentation Award from the Government Finance Officers' Association (GFOA) for the annual Budget publications.

## 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; and debt issuance.

**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 FY 2020, the Department coordinated the sale of a Ten million (\$10,000,000) 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 the Enterprise Resource Planning (ERP) system with a focus on improved reporting, automating accounts payable processing, automating seasonal staff timekeeping, contract management, and strategic sourcing.

**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 15% which equated to \$15 million of procurement with MFD firms.

**Financial Reporting:** For the 47<sup>th</sup> consecutive year, the Commission received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for the FY 2019 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 2020, the OGC registered 11 new litigation cases and closed 12 cases – ending the year with 19 cases pending in state and federal courts. The cases closed during the year covered a variety of conventional disputes, including 1 ordinary tort claims, 1 employment claim, 7 workers compensation appeals, 8 administrative land use appeals, and 2 miscellaneous matters. The Commission litigation team consistently delivered successful results and handled a number of complex matters including construction, employment, and unique workers compensation and liability matters. The litigation team represented the Commission's interest to prevent the 6525 Belcrest Road, LLC plaintiffs from circumventing, through collateral litigation, the judicial-review process for challenging a Prince George's County Planning Board decision. The OGC provided advice for a myriad of novel legal and compliance issues arising in response to the novel coronavirus.

**Proactive Legal Support for Commission Policy Makers:** The Legal Department continued in its tradition of delivering real-time, preventive counsel to support sound business and public policy decisions. During FY 2020, the work included: drafting amendment to the Zoning Ordinance for a new "Small Cell Wireless Facilities" zoning use category to facilitate the expansion of 5G technology in Prince George's County; drafting a wholesale revision of the Subdivision Regulations in Montgomery County; developing effective strategies to assure continuation of operations by the Planning Boards and operating departments during the COVID-19 pandemic; and advising the agency's management on the implementation of the Maryland Healthy Working Families Act. In addition, each OGC Land Use team continued its history of legal support for staff working to review important area development projects, such as the Metro Tower/One Bethesda Center Preliminary Plan and Sketch Plan in Montgomery County and the Conceptual and Detailed Site Plans for Southlake, a mixed-use development project 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. Examples of important projects initiated or completed during FY 2020 include: Establishing a COVID19 Toolkit which is a suite of documents for use by Commission departments to address COVID19-related issues; successful negotiation of a new comprehensive pension software administration system for the Employee Retirement System; the acquisition of a property on Albion Road in College Park from WMATA; revisions to the Montgomery County Parks Department Commemorative Naming Policy; completion of complex agreements for the Wheaton Regional Headquarters which is the new location for various Commission Departments in Montgomery County; finalizing the Westbard Self Storage Project in which the Commission will own and develop a new park and memorial dedicated to African Americans who historically occupied the property.

**Legislative Support:** In its role as legislative advocate for the Commission, the OGC Legislative Management Team lobbied or monitored over 160 bills during the 2020 Session of the Maryland General Assembly, including about 6 bills relating directly to agency operations in Prince George's or Montgomery County. In addition, the Commission's team in Annapolis engaged directly in advocating for a healthy bi-county share of the State's Program Open Space "Local Side" funding, resulting in near record-setting allocations for Montgomery County and Prince George's County of \$10 and \$17 million, respectively.

## **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 reviewed by the Information Technology Council. The Information Technology Council and the Chief Information Officer provide Commission Governance for enterprise-wide project efforts. The CIO is responsible for strategic planning for the enterprise-wide IT systems in collaboration with the departments to meet business needs. The CIO also functions as the Commission's Chief Information Security Officer. The CIO has taken appropriate steps to advance Enterprise IT (EIT) infrastructure governance and in the development of the structure of how these steps relate to the IT responsibilities of the departments. The CIO is developing a comprehensive strategy to deliver EIT services to achieve benefits such as economies of scale, efficiencies, better service, stronger security, etc. The Departmental Chief Technology Officers have a dotted line reporting relationship to the Chief Information Officer.

**Business Process Re-engineering.** During FY 2020, several major projects commenced involving the digitization, business process re-engineering, and automation of paper-based personnel action forms (DPA) project achieved all of its objectives. The project is considered a game changer as it enabled the digitization of the personnel action forms, the design of efficient workflows using the ERP system functionality and tools. The workflows allowed for routing and sign off by designated supervisors in a full digital and automated environment. This was transformational as more 8,000 DPA's were completed online this year.

The Seasonal Payroll Automation project was a brilliant effort to transform and automate the paper-based time keeping on the time keeping system, Kronos, payroll process automation, and Integration with the ERP financial system.

**Fiscal year 2020 has seen continued success** in the establishing of new cyber security policies and enhancements to existing ones to ensure the agency stays up to date in the face of increased cyber security threats and breaches. The development of an industry standard based vulnerability management (VM) policy with the objective to detect and remediate vulnerabilities (weaknesses) in a timely manner. This policy defines how to secure agency's information assets through proper scanning, constraints on behaviors of users as well as roles and responsibilities to meet effective vulnerability management.

While cybersecurity related incidents may not be all preventable, proper planning and execution of an incident response plan makes a big difference relative to the occurrence, impact, efficient and timely remediation of an incident. The Department has developed a cybersecurity incident response plan (IRP) that would ensure a quick recognition and response to a cybersecurity related incident and assess, classify and efficiently contain the situation.

The Security Awareness Training program has been in place for several years and has showed improved employee awareness of current security threats; a must have for the first line of defense against intruders. This initiative has proven to be very effective in reducing the agency's IT security risks.

**The OCIO worked closely with the Office of the Inspector General** to review the 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 the Commission's data is protected under all circumstances. Additionally, the OCIO will continue to work with the Information Technology Council to set project priorities and to ensure that projects are aligned with the Commission's goals and objectives.

## **Office of the Inspector General**

**The primary focus** of the Commission's Office of the Inspector General 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 2020 more than 27 audits, investigations, and reviews were performed. In addition, 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 the agency's impartial Board responsible for overseeing the Commission's Merit System, upholding employee rights guaranteed under the Merit System, recommending employment and compensation policies, and serving as the final administrative appellate body for employment matters pertaining to non-represented career employees.

## **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 of \$942.6 million. For the one year ending June 30, 2020 the ERS posted 1.9% net of fee return, and for the three and five years ended June 30, 2020, the ERS posted net of fee return of 5.6% and 6.1%, respectively. The Board of Trustees actions for the year included approval of a reduction in the investment return assumption from 6.85% to 6.80% effective July 1, 2020; adoption of a revised asset allocation policy in July 2019 which included a 5% allocation to emerging market debt which resulted in the selection of the Prudential Trust Company's Emerging Markets Blend Debt Fund; approval of Wilshire's recommendation to select Northern Trust Collective Russell 2000 Index Fund as a replacement to the unexpected closure of Chicago Equity Partners; extension of the Investment Consulting Services Agreement with Wilshire Associates for two additional years through June 30, 2022; consent to assignment of the Investment Management Agreement from C.S. McKee to CSM Advisors, LLC; approval of revised investment guidelines for Eaton Vance to permit inclusion of a maximum of 5% in credit risk transfer securities; reductions in fees with Northern Trust Company, VOYA Investment Management and C.S. McKee (now CSM Advisors, LLC); and approval of a revised Securities Lending Authorization Agreement with Northern Trust Company.

The Board and Staff kicked off a project in January 2020 with Levi, Ray & Shoup, Inc. for a comprehensive pension administration system to handle key business line processes; to implement a document imaging solution with viewing, scanning and storing capabilities; and to establish an employee self-service portal for members to view account information and perform benefit estimate calculations.

The ERS has continued comprehensive communications to all members via an Annual Report, Comprehensive Annual Financial Report, Annual Statements, website, and a temporary adjustment to virtual access for counseling for participants.

PART IIA

# Financial Section

BASIC FINANCIAL STATEMENTS



Josiah Henson Museum and Park.



## 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, each major funds, 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, 2020, 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 basic 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Commission, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of required supplementary information for defined benefit pension plans, and the schedules of 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 evidence sufficient to express an opinion or provide any assurance.

### *Supplementary and 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 introductory section, statistical section, and supplementary data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary data is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



**SB & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

The introductory section 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 them.

Owings Mills, Maryland  
January 26, 2021

*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, 2020.

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

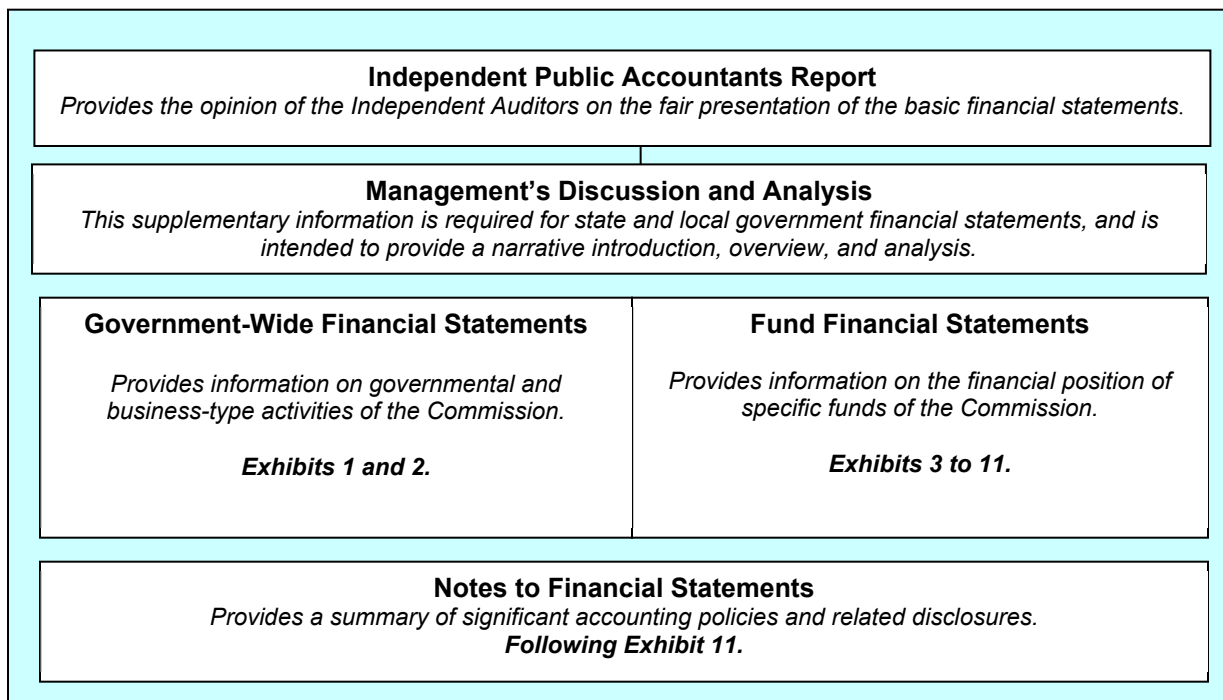
- The assets and deferred outflows of resources of the Commission exceeded its liabilities and deferred inflows of resources at June 30, 2020 by \$1,049.6 million (net position). Of this amount, \$94.7 million may be used to meet the Commission's ongoing obligations.
- The Commission's net position grew by \$83.2 million during fiscal year 2020. This is a result of an increase in cash and other current assets of \$36.9 million, an increase in capital assets of \$48.2 million, and an increase in the deferred outflow of resources (mainly due to pension deferrals) of \$73.9 million. These are offset by an increase in liabilities of \$101.1 million (mainly due pension and other post-employment benefits ) and a decrease in the deferred inflow of resources (mainly due to pension deferrals) of \$25.3 million.
- As of June 30, 2020, the Commission's governmental funds reported combined ending fund balances of \$470.3 million, an increase of \$51.7 million. Of this amount, \$240.2 million is unassigned, \$86.7 million is assigned, \$118.3 million is committed, \$24.0 million is restricted, and \$1.1 million of fund balance is nonspendable.
- The Commission's General Fund balance at June 30, 2020, is \$320.2 million, an increase of \$16.2 million during the year. The unassigned fund balance of \$244.3 million is approximately 55.9% of fiscal year 2020 expenditures and transfers out.
- The Montgomery County Capital Projects Fund balance as of June 30, 2020 is \$20.3 million, an increase of \$7.3 million primarily due to the issuance of bonds.
- The Prince George's County Capital Projects Fund balance as of June 30, 2020, is \$111.8 million, an increase of \$29.1 million primarily due to transfers from other funds.

- The assets plus deferred outflows of the enterprise funds exceeded liabilities and deferred inflows by \$50.0 million, a decrease of \$4.6 million. The Prince George’s Enterprise Fund had a decrease in net position of \$4.6 million and the Montgomery Enterprise Fund had a small decrease in net position.
- The Commission’s bonds and notes payable decreased by \$3.6 million. General obligation bonds were issued for Montgomery County in the amount of \$10.0 million. The new general obligation bond issues combined with the scheduled payments of \$12.6 million and \$1.0 million of amortized bond premium resulted in the decrease of the bonds and notes payable.

**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 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 \$1,049.6 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, 2020 and 2019

|                                     | Governmental Activities |                 | Business-type Activities |                | Total             |                 | Total<br>Percentage<br>Change<br>2019-2020 |
|-------------------------------------|-------------------------|-----------------|--------------------------|----------------|-------------------|-----------------|--|
|                                     | 2020                    | 2019            | 2020                     | 2019           | 2020              | 2019            |  |
| <b>Assets</b>                       |                         |                 |                          |                |                   |                 |  |
| Current and Other Assets            | \$ 582.6                | \$ 541.7        | \$ 9.4                   | \$ 13.4        | \$ 592.0          | \$ 555.1        | 6.6%                                       |
| Capital Assets                      | 1,051.3                 | 1,002.7         | 58.7                     | 59.1           | 1,110.0           | 1,061.8         | 4.5%                                       |
| Total Assets                        | <u>1,633.9</u>          | <u>1,544.4</u>  | <u>68.1</u>              | <u>72.5</u>    | <u>1,702.0</u>    | <u>1,616.9</u>  | <u>5.3%</u>                                |
| Deferred Outflows                   | <u>122.6</u>            | <u>51.7</u>     | <u>4.9</u>               | <u>1.9</u>     | <u>127.5</u>      | <u>53.6</u>     | <u>137.9%</u>                              |
| <b>Liabilities/Deferred Inflows</b> |                         |                 |                          |                |                   |                 |  |
| <b>Current Portion of Long-term</b> |                         |                 |                          |                |                   |                 |  |
| Liabilities                         | 30.8                    | 30.0            | 0.3                      | 0.4            | 31.1              | 30.4            | 2.3%                                       |
| Long-term Liabilities               | 632.8                   | 526.3           | 19.2                     | 14.6           | 652.0             | 540.9           | 20.5%                                      |
| Other Liabilities                   | <u>48.5</u>             | <u>58.8</u>     | <u>1.9</u>               | <u>2.3</u>     | <u>50.4</u>       | <u>61.1</u>     | <u>-17.5%</u>                              |
| Total Liabilities                   | <u>712.1</u>            | <u>615.1</u>    | <u>21.4</u>              | <u>17.3</u>    | <u>733.5</u>      | <u>632.4</u>    | <u>16.0%</u>                               |
| Deferred Inflows                    | <u>44.8</u>             | <u>69.2</u>     | <u>1.6</u>               | <u>2.5</u>     | <u>46.4</u>       | <u>71.7</u>     | <u>-35.3%</u>                              |
| <b>Net Position</b>                 |                         |                 |                          |                |                   |                 |  |
| <b>Net Investment in Capital</b>    |                         |                 |                          |                |                   |                 |  |
| Assets                              | 896.2                   | 843.3           | 58.7                     | 59.1           | 954.9             | 902.4           | 5.8%                                       |
| Unrestricted                        | <u>103.4</u>            | <u>68.5</u>     | <u>(8.7)</u>             | <u>(4.5)</u>   | <u>94.7</u>       | <u>64.0</u>     | <u>48.0%</u>                               |
| Total Net Position                  | <u>\$ 999.6</u>         | <u>\$ 911.8</u> | <u>\$ 50.0</u>           | <u>\$ 54.6</u> | <u>\$ 1,049.6</u> | <u>\$ 966.4</u> | <u>8.6%</u>                                |

Current and other assets increased by 6.6% mainly due to the higher cash and accounts receivable balances at June 30. Long-term liabilities increased by 20.5% due to an increases in both pension and other post-employment benefit liability increases. Deferred Outflows increased by 137.9% mainly due to differences between expected 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 \$94.7 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:

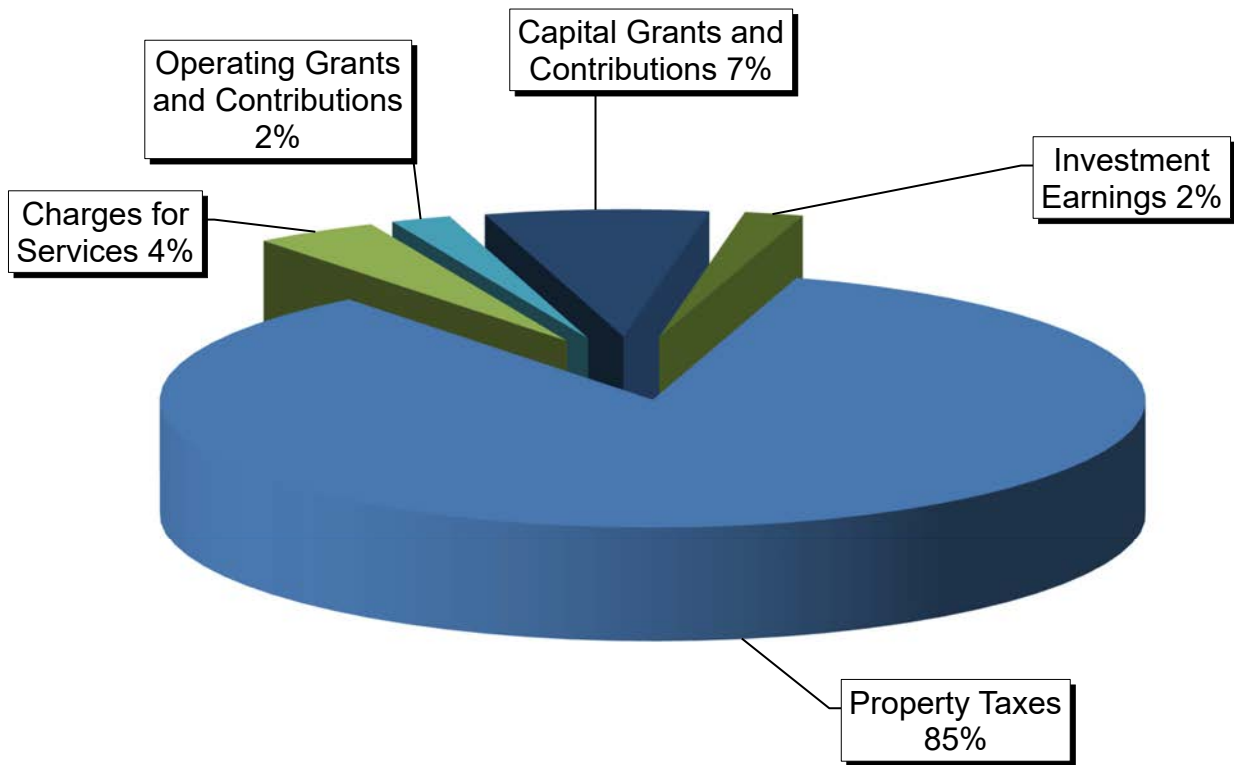
Summary of Changes in Net Position (in millions)  
For the Fiscal Years Ended June 30, 2020 and 2019

|   | Governmental    |                 | Business-type  |                | Total             |                 | Total<br>Percentage<br>Change<br>2019-2020 |
|---|-----------------|-----------------|----------------|----------------|-------------------|-----------------|--|
|   | Activities      |                 | Activities     |                |                   |                 |  |
|   | 2020            | 2019            | 2020           | 2019           | 2020              | 2019            |  |
| Program Revenues:                                       |                 |                 |                |                |                   |                 |  |
| Charges for Services                                    | \$ 20.4         | \$ 27.3         | \$ 15.5        | \$ 20.4        | \$ 35.9           | \$ 47.7         | -24.7%                                     |
| Operating Grants and Contributions                      | 9.9             | 8.5             | -              | -              | 9.9               | 8.5             | 16.5%                                      |
| Capital Grants and Contributions                        | 36.9            | 18.0            | -              | -              | 36.9              | 18.0            | 105.0%                                     |
| General Revenues:                                       |                 |                 |                |                |                   |                 |  |
| Property Taxes  | 425.8           | 401.2           | -              | -              | 425.8             | 401.2           | 6.1%                                       |
| Investment Earnings                                     | 9.7             | 13.0            | 0.7            | 0.9            | 10.4              | 13.9            | -25.2%                                     |
| Total Revenues  | <u>502.7</u>    | <u>468.0</u>    | <u>16.2</u>    | <u>21.3</u>    | <u>518.9</u>      | <u>489.3</u>    | <u>6.0%</u>                                |
| Expenses:   |                 |                 |                |                |                   |                 |  |
| General Government                                      | 22.2            | 19.9            | -              | -              | 22.2              | 19.9            | 11.6%                                      |
| County Planning and Zoning                              | 54.0            | 61.3            | -              | -              | 54.0              | 61.3            | -11.9%                                     |
| Park Operations and Maintenance                         | 252.0           | 237.1           | -              | -              | 252.0             | 237.1           | 6.3%                                       |
| Recreation Programs                                     | 72.7            | 74.4            | -              | -              | 72.7              | 74.4            | -2.3%                                      |
| Recreational and Cultural Facilities                    | -               | -               | 29.0           | 32.1           | 29.0              | 32.1            | -9.7%                                      |
| Interest on Long-term Debt                              | 5.8             | 5.9             | -              | -              | 5.8               | 5.9             | -1.7%                                      |
| Total Expenses  | <u>406.7</u>    | <u>398.6</u>    | <u>29.0</u>    | <u>32.1</u>    | <u>435.7</u>      | <u>430.7</u>    | <u>1.2%</u>                                |
| Increase (Decrease) in Net<br>Position Before Transfers | 96.0            | 69.4            | (12.8)         | (10.8)         | 83.2              | 58.6            | <u>42.0%</u>                               |
| Transfers   | (8.2)           | (8.6)           | 8.2            | 8.6            | -                 | -               |  |
| Increase (Decrease) in<br>Net Position                  | 87.8            | 60.8            | (4.6)          | (2.2)          | 83.2              | 58.6            |  |
| Net Position - beginning                                | 911.8           | 851.0           | 54.6           | 56.8           | 966.4             | 907.8           |  |
| Net Position - ending                                   | <u>\$ 999.6</u> | <u>\$ 911.8</u> | <u>\$ 50.0</u> | <u>\$ 54.6</u> | <u>\$ 1,049.6</u> | <u>\$ 966.4</u> |  |

During the current fiscal year, the Commission's net position grew by \$83.2 million. This is largely a result of an increase in cash and other current assets of \$36.9 million, an increase in capital assets of \$48.2 million, and a decrease in the deferred inflow of resources (mainly due to pension deferrals) of \$25.3 million. These are offset by an increase in liabilities of \$101.1 million (mainly due pension and other post-employment benefits) and an increase in the deferred outflow of resources (mainly due to pension deferrals) of \$25.3 million.

**Governmental activities.** Governmental activities increased the Commission's net position by \$87.8 million, thereby accounting for 106.0% of the total growth in the net position of the Commission. This increase is primarily attributable to capital and operating grant receipts of \$46.8 million and property tax revenue of \$425.8 million which exceeded ongoing expenses of \$406.7 million and by the transfers to business-type activities of \$8.2 million. Normal operating expenses due to facility closures were decreased due to coronavirus during the last quarter of the fiscal year.

## Revenues by Source - Governmental Activities



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

As is reflected in the following chart, the Commission's governmental activities are largely supported by general revenues and in particular property taxes. Charges for services and operating grants cover 7.5% of governmental activities expenses.

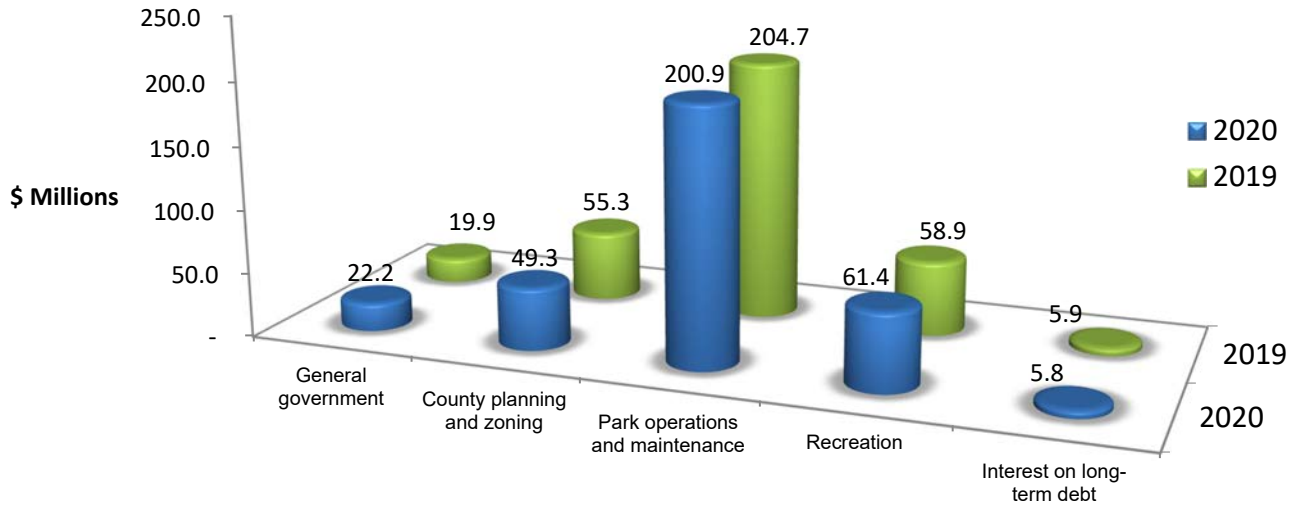
The overall total cost of services and net cost of services increased by 2.0% FY 2020 compared to FY 2019 and the net cost of services decreased by 1.5% for FY 2020 compared to FY 2019.

Net Cost of Governmental Activities (000's)  
For the Fiscal Years Ended June 30, 2020 and 2019

|                                 | 2020                      |                         | 2019                      |                         | Percentage Change<br>2019 - 2020 |                            |
|---------------------------------|---------------------------|-------------------------|---------------------------|-------------------------|----------------------------------|----------------------------|
|                                 | Total Cost<br>Of Services | Net Cost<br>Of Services | Total Cost<br>Of Services | Net Cost<br>Of Services | Total Cost<br>Of<br>Services     | Net Cost<br>Of<br>Services |
| General Government              | \$ 22,179                 | \$ 22,179               | \$ 19,909                 | \$ 19,909               | 11.4%                            | 11.4%                      |
| County Planning and Zoning      | 54,045                    | 49,260                  | 61,301                    | 55,348                  | -11.8%                           | -11.0%                     |
| Park Operations and Maintenance | 251,990                   | 200,867                 | 237,053                   | 204,692                 | 6.3%                             | -1.9%                      |
| Recreation Programs             | 72,667                    | 61,367                  | 74,366                    | 58,908                  | -2.3%                            | 4.2%                       |
| Interest on Long-term Debt      | 5,789                     | 5,789                   | 5,928                     | 5,928                   | -2.3%                            | -2.3%                      |
| <b>Total</b>                    | <b>\$ 406,670</b>         | <b>\$ 339,462</b>       | <b>\$ 398,557</b>         | <b>\$ 344,785</b>       | <b>2.0%</b>                      | <b>-1.5%</b>               |



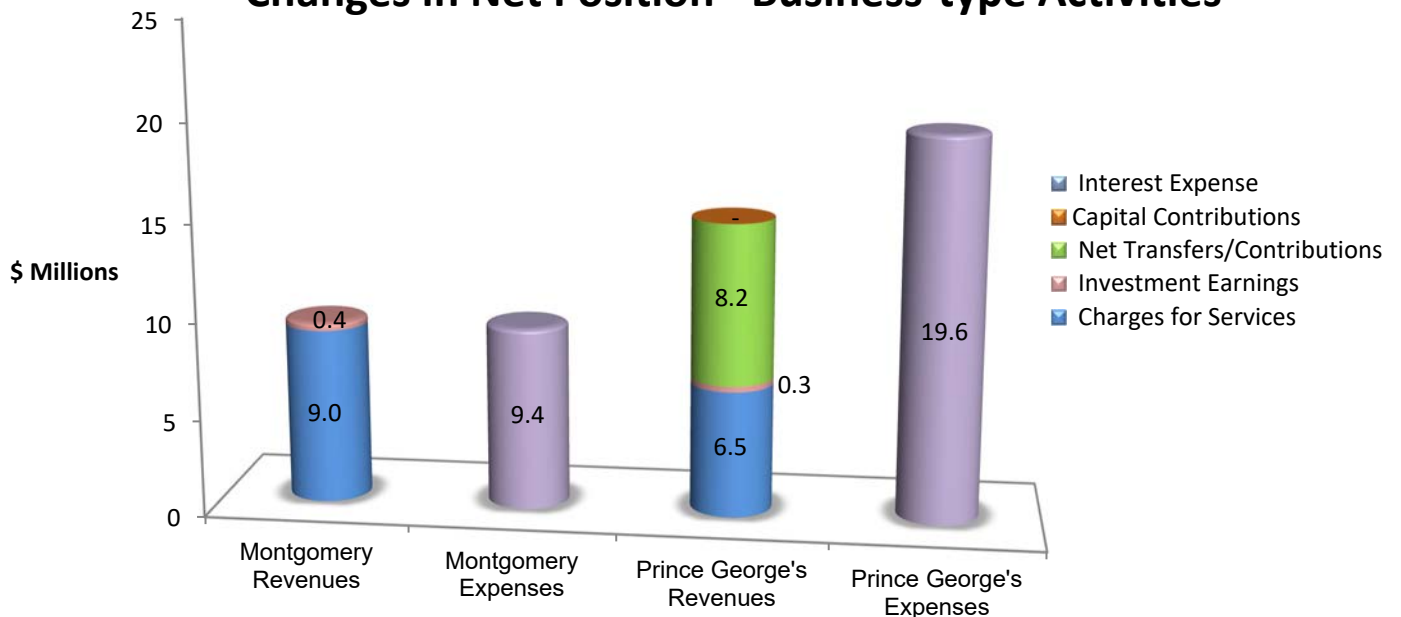
## Net Cost by Function - General Government



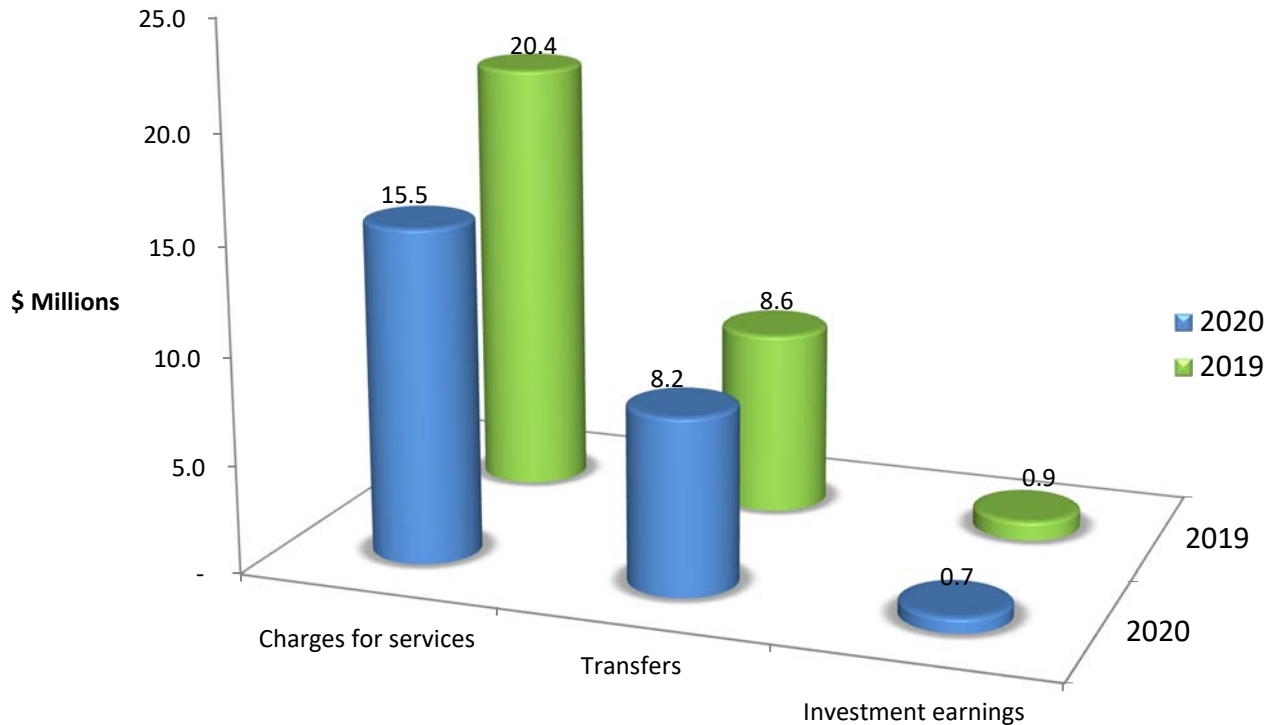
**Business-type Activities.** Business-type activities expenses in excess of revenues led to a decrease in the Commission's net position of \$4.6 million.

- Expenses of operating these recreational and cultural activities (including interest expense) exceeded charges for services, current operating grants and interest income by \$13.4 million.
- Governmental activities contributed \$8.2 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, unassigned 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 \$470.3 million, an increase of \$51.7 million in comparison with the prior year. Approximately 51.1% of this total amount, or \$240.2 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 \$1.1 million is non-spendable, \$118.3 million has been committed for contracts and purchase orders, \$24.0 million is restricted and \$86.7 million is assigned to fund fiscal year 2021 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 \$244.3 million, while total fund balance was \$320.2 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 55.9% of the total general fund expenditures and transfers out, while total fund balance represents 73.2% of the same amount.

The fund balance of the Commission's General Fund has increased by \$16.2 million during the current fiscal year. Key factors that generated this increase are as follows:

- Savings of \$3.6 million due to delaying of the bond issues until later in the fiscal year.
- Interest revenue was \$3.0 million higher than budgeted.
- Control of expenditures generated \$9.6 million in savings to provide funding for future years' budgets.

The capital project fund for Montgomery County has a total fund balance of \$20.3 million and Prince George's County has a fund balance of \$111.8 million, both of which represent authorized and funded projects that are not completed. The net change in fund balances during the current year in these funds increased \$7.3 million in Montgomery County, and increased \$29.1 million in Prince George's County, primarily due to the transfer of \$1.6 million to the Prince George's County Park Account, offset by the \$52.1 million transfer from the general fund to the capital projects fund for Prince George's County, construction grants realized of \$14.1 million in Montgomery County and \$12.7 million in Prince George's County and the issuance of General Obligation Bonds in the amount of \$10.0 million in Montgomery County. This is all offset by expenditures for the fiscal year which were \$26.8 million in Montgomery County and \$36.4 million in Prince George's County.

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

One enterprise fund has been established in each county to account for the various facilities. Separate cost centers are maintained for each major type of facility including 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, and a sports and learning complex. 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 \$2.7 million and the unrestricted net position for the Prince George's County fund amounted to \$(11.4) million. The total changes in net position for the funds were a minimal decrease in the Montgomery County fund and a decrease of \$4.6 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, 2020 and 2019

|   | Montgomery County |           | Prince George's County |            |
|---|-------------------|-----------|------------------------|------------|
|   | FY2020            | FY2019    | FY2020                 | FY2019     |
| Operating Revenues                              | \$ 9,030          | \$ 11,951 | \$ 6,500               | \$ 8,469   |
| Operating Expenses, Excluding Depreciation      | 8,604             | 9,490     | 17,633                 | 18,183     |
| Operating Income (Loss), Excluding Depreciation | 426               | 2,461     | (11,133)               | (9,714)    |
| Depreciation                                    | 803               | 1,097     | 1,945                  | 2,014      |
| Operating Income (Loss)                         | (377)             | 1,364     | (13,078)               | (11,728)   |
| Nonoperating Revenue (Expense)                  | 359               | 599       | 297                    | (968)      |
| Transfers/Contributions                         | -                 | -         | 8,158                  | 8,585      |
| Change in Net Position                          | \$ (18)           | \$ 1,963  | \$ (4,623)             | \$ (4,111) |

Comparative Montgomery County key data are as follows:

Montgomery County Enterprise Fund Key Data (000's)  
For the Fiscal Years Ended June 30, 2020 and 2019

|                 | Operating Revenues |           |            | Operating Income (Loss) Excluding Depreciation |          |            |
|-----------------|--------------------|-----------|------------|--|----------|------------|
|                 | FY2020             | FY2019    | Change     | FY2020   | FY2019   | Change     |
| Event Centers   | \$ 364             | \$ 558    | \$ (194)   | \$ (185)                                       | \$ 27    | \$ (212)   |
| Golf Courses    | 61                 | 38        | 23         | 61   | 38       | 23         |
| Ice Rinks       | 3,667              | 5,223     | (1,556)    | 18   | 1,024    | (1,006)    |
| Indoor Tennis   | 1,589              | 2,102     | (513)      | 243  | 562      | (319)      |
| Park Facilities | 3,233              | 4,030     | (797)      | 173  | 810      | (637)      |
| Commission Bldg | 116                | -         | 116        | 116  | -        | 116        |
| Total           | \$ 9,030           | \$ 11,951 | \$ (2,921) | \$ 426   | \$ 2,461 | \$ (2,035) |

The Montgomery County Enterprise Fund revenues decreased by \$2,921,000 and operating income, excluding depreciation decreased by \$2,035,000. Operating revenues and operating income for Event Centers, Ice Rinks, Indoor Tennis and Park Facilities were all less than the prior year due to closures for Coronavirus from March through June 2020. The Golf Courses received a higher lease payment than in previous years. Commission Building for the new Wheaton Headquarters facility is in start-up and received only a partial rental revenue for FY2020. The building will become fully operational during the first quarter of FY2021.

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, 2020 and 2019

|                                  | Operating Revenues |                 |                   | Operating Income (Loss)<br>Excluding Depreciation |                   |                   |
|----------------------------------|--------------------|-----------------|-------------------|---|-------------------|-------------------|
|                                  | FY2020             | FY2019          | Change            | FY2020  | FY2019            | Change            |
| Airport                          | \$ 310             | \$ 296          | \$ 14             | \$ (394)  | \$ (262)          | \$ (132)          |
| Equestrian Center/ShowplaceArena | 935                | 1,474           | (539)             | (2,047)   | (1,596)           | (451)             |
| Golf Courses                     | 1,612              | 1,894           | (282)             | (2,101)   | (1,750)           | (351)             |
| Ice Rinks                        | 210                | 257             | (47)              | (388)   | (307)             | (81)              |
| Tennis Bubbles/Administration    | 359                | 398             | (39)              | (812)   | (661)             | (151)             |
| Trap and Skeet Center            | 991                | 1,293           | (302)             | (222)   | 18                | (240)             |
| Sports and Learning Complex      | 2,083              | 2,645           | (562)             | (5,169)   | (5,368)           | 199               |
| Bladensburg Marina               | -                  | 212             | (212)             | -   | 212               | (212)             |
| Total                            | <u>\$ 6,500</u>    | <u>\$ 8,469</u> | <u>\$ (1,969)</u> | <u>\$ (11,133)</u>                                | <u>\$ (9,714)</u> | <u>\$ (1,419)</u> |

The Prince George's County Enterprise Fund revenues decreased by \$1,969,000 and the operating loss, excluding depreciation, increased by \$1,419,000. There was an increase in sales at the College Park Airport; however, expenditures also increased for personnel and maintenance. Operating revenues and operating income for the other operating units were less than the prior year due to closures for Coronavirus from March through June 2020.

### 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, 2020

|  | Administration<br>Account | Park<br>Account   |
|--|---------------------------|-------------------|
| (Unfavorable) property tax collections       | \$ (1,013.1)              | \$ (3,298.8)      |
| Favorable/(unfavorable) charges for services | 287.0                     | (1,689.2)         |
| (Unfavorable) intergovernmental revenue      | (113.0)                   | (129.6)           |
| Favorable investment revenue                 | 136.7                     | 171.9             |
| Favorable/(unfavorable) other revenue        | 21.2                      | (24.8)            |
| Total (unfavorable) revenue variance         | <u>(681.2)</u>            | <u>(4,970.5)</u>  |
| Expenditure savings                          | 481.3                     | 3,609.1           |
| Favorable other financing sources (uses)     | -                         | 515.9             |
| Total (unfavorable) budgetary variance       | <u>\$ (199.9)</u>         | <u>\$ (845.5)</u> |

Property tax collections were lower than budgeted due to the actual accessible base being lower than the estimate provided by the county government. Charges for Services exceeded the budget for the Administration Account due to higher than projected development fees. Charges for Services had a shortfall in the Park Account due to decreased rental revenue and closures due to the Coronavirus. 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 and both accounts had favorable variances. Other Revenues exceeded the budget for the Administration Account and was lower than anticipated for the Park Account due to collections of donations, fines and other miscellaneous revenue. Expenditure savings for both funds was primarily a result of delays in filling vacant positions. Favorable other financing uses was due to debt service payments being less than budget due to bond issuance timing.

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, 2020

|   | Administration<br><u>Account</u> | Park<br><u>Account</u> |
|---|----------------------------------|------------------------|
| <u>Fund balance, budget basis</u>       |                                  |                        |
| Assigned                                | \$ 202.2                         | \$ -                   |
| Unassigned, reserved Property Mgmt      | -                                | 699.1                  |
| Unassigned, reserved for contingencies  | 979.0                            | 3,153.0                |
| Unassigned, available for appropriation | 522.4                            | 70.0                   |
| Total Budgetary Fund Balance            | <u>\$ 1,703.6</u>                | <u>\$ 3,922.1</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, 2020

|  | Administration<br><u>Account</u> | Park<br><u>Account</u> | Recreation<br><u>Account</u> |
|--|----------------------------------|------------------------|------------------------------|
| Favorable property tax collections             | \$ 447.3                         | \$ 1,312.0             | \$ 599.3                     |
| Favorable Intergovernmental                    | 189.0                            | 1,565.2                | 796.4                        |
| Favorable/(unfavorable) charges for services   | 65.2                             | (1,192.9)              | (5,129.3)                    |
| Favorable investment revenue                   | 587.0                            | 1,355.7                | 720.9                        |
| Favorable/(unfavorable) other revenue          | 34.2                             | (97.4)                 | 233.5                        |
| Total favorable/(unfavorable) revenue variance | <u>1,322.7</u>                   | <u>2,942.6</u>         | <u>(2,779.2)</u>             |
| Expenditure savings/(loss)                     | 5,862.4                          | (231.0)                | 10,799.5                     |
| Favorable other financing sources              | -                                | 4,232.5                | -                            |
| Total favorable budgetary variance             | <u>\$ 7,185.1</u>                | <u>\$ 6,944.1</u>      | <u>\$ 8,020.3</u>            |

Property tax collections in the Administration, Park and Recreation Accounts were higher than budgeted due to a higher than anticipated assessable base growth and prior year tax collections. Intergovernmental revenue increased in the Administration Account due to receipts from a PILOT (Payment in Lieu of Taxes) agreement for Special Tax collections. Charges for services increased in the Administration Account as a result of higher than anticipated revenues generated from Zoning and Urban Design application fees. Charges for Services decreased both the Park Account and the Recreation Account primarily due Coronavirus closures from March to June. The favorable variance in investment revenue in the Administration, Park and Recreation Accounts was due to higher interest income than budgeted. Other Revenue in the Administration Account was higher than budgeted due to increased miscellaneous revenue. Other Revenue in the Park Account was lower than budgeted due to lower than anticipated rentals. The Recreation Account had higher than anticipated Other Revenue from increased developer contributions. The expenditure savings in the Administration and Recreation Accounts were mostly the result of vacant positions. Expenditures for the Park Account slightly exceeded budget due to grants that were not budgeted. Additional savings in the Park Account other financing sources are the result of lower than budgeted debt service costs resulting from delaying a 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:

|   | Administration<br>Account | Park<br>Account     | Recreation<br>Account |
|---|---------------------------|---------------------|-----------------------|
| <u>Fund balance, budget basis</u>       |                           |                     |                       |
| Assigned                                | \$ -                      | \$ 11,021.1         | \$ -                  |
| Unassigned, reserved for contingencies  | 2,696.5                   | 6,441.6             | 4,268.5               |
| Unassigned, available for appropriation | 65,448.4                  | 110,222.3           | 49,823.6              |
| Total Budgetary Fund Balance            | <u>\$ 68,144.9</u>        | <u>\$ 127,685.0</u> | <u>\$ 54,092.1</u>    |

### Capital Asset and Debt Administration

**Capital assets.** The Commission's investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounts to \$1,110.0 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 4.5% (a 4.8% increase for governmental activities and a 0.7% decrease for business-type activities). The most significant increase is \$42.5 million for construction in progress for the governmental activities. The most significant capital asset change in business-type activities was an increase of \$2.3 million in construction in progress and an increase of \$2.7 million for 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 2020, no projects were completed.

Expenditures on Montgomery County projects totaled \$26.8 million in fiscal year 2020, \$8.9 million for land acquisition and \$17.9 million for development. Land acquisition purchases included \$7.0 million for Veterans Park Civic Green and \$1.3 million for McCrillis Gardens Special Park. Major Park Development expenditures included: \$4.4 million for the Josiah Henson project, \$3.1 million for various park renovation projects, \$1.5 million for Ballfield Initiative projects, \$1.4 million for various ADA improvement projects, and \$1.1 million was expended for playgrounds with play equipment upgrades.

Prince George's County projects totaled \$36.4 million in fiscal year 2020, of which \$4.2 million was for land acquisition and \$32.2 million was for development. Land acquisition included \$2.5 million in Countywide Local Park acquisitions and \$1.4 million in Regional Park Acquisitions for Stream Valley Park Development. Major park development expenditures included South Clinton Community & Aquatic Centers with construction costs to date of \$40.7 million, of which \$2.9 million was in fiscal year 2020 for design and construction services for a multigenerational recreational facility with aquatic spaces, gymnasium in addition to multi-use spaces, Southern Regional Tech Rec Aquatic Center with construction costs to date of \$9.3 million of which \$7.1 million was in fiscal year 2020 for the construction of an aquatic center, Tucker Road Ice Skating with construction costs to date of \$13.0 million of which \$11.3 million was in fiscal year 2020 for replacement of the ice rink, and \$1.4 million related to play equipment replacement.

## Commission's Capital Assets

### Commission's Capital Assets (net of depreciation) (\$000's) June 30, 2020 and 2019

|                                 | June 30, 2020              |                                 |                     | June 30, 2019              |                                 |                     | Percent<br>Change<br>Total |
|---------------------------------|----------------------------|---------------------------------|---------------------|----------------------------|---------------------------------|---------------------|----------------------------|
|                                 | Governmental<br>Activities | Business-<br>type<br>Activities | Total               | Governmental<br>Activities | Business-<br>type<br>Activities | Total               |                            |
| Land                            | \$ 409,383                 | \$ 18,043                       | \$ 427,426          | \$ 395,798                 | \$ 18,044                       | \$ 413,842          | 3.3%                       |
| Buildings and improvements      | 92,350                     | 28,930                          | 121,280             | 96,222                     | 31,134                          | 127,356             | -4.8%                      |
| Infrastructure                  | 104,246                    | 139                             | 104,385             | 108,701                    | 154                             | 108,855             | -4.1%                      |
| Machinery, equip. & intangibles | 37,948                     | 2,548                           | 40,496              | 37,197                     | 2,658                           | 39,855              | 1.6%                       |
| Construction in progress        | 407,339                    | 9,043                           | 416,382             | 364,798                    | 7,115                           | 371,913             | 12.0%                      |
| Total                           | <u>\$ 1,051,266</u>        | <u>\$ 58,703</u>                | <u>\$ 1,109,969</u> | <u>\$ 1,002,716</u>        | <u>\$ 59,105</u>                | <u>\$ 1,061,821</u> | <u>4.5%</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 \$170.8 million and the related debt service requirements to maturity are set forth in Note 4E of the Notes to the Financial Statements.

The Commission's general obligation bonds are unconditionally guaranteed by the Commission and the county for which issued. Debt service principal and interest expenditures for Park Bonds and ALA Bonds totaled \$18.4 million (Montgomery - \$6.3 million; Prince George's - \$12.1 million) for the fiscal year. Of the outstanding debt, Park Bonds totaled \$167.8 million (Montgomery County - \$64.5 million and Prince George's County - \$103.3 million) at June 30, 2020. Park Bonds debt service expenditures totaled \$18.3 million (Montgomery - \$6.2 million, Prince George's - \$12.1 million) for the fiscal year. The Commission's Metropolitan District (Park) tax includes a mandatory tax for debt service for Park Bonds of 3.6 cents per \$100 of assessed valuation for real property (9 cents for personal property) in Montgomery County and 4 cents per \$100 of assessed valuation for real property (10 cents for personal property) in Prince George's County. Debt service payments approximated 0.35 cents per \$100 of assessed valuation for real property and 0.88 cents per \$100 of assessed valuation for personal property for Montgomery County and 1.23 cents per \$100 of assessed valuation for real property and 3.08 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<br/>June 30, 2020</b> |                                      |                                      |               |
|---|--------------------------------------|--------------------------------------|---------------|
|   | Moody's<br>Investor<br>Services Inc. | Standard & Poor's<br>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, 2020, are as follows (\$000's):

**Commission's Outstanding Debt  
June 30, 2020 and 2019**

|                          | Governmental Activities |            | Change |
|--------------------------|-------------------------|------------|--------|
|                          | 2020                    | 2019       |        |
| General obligation bonds | \$ 181,315              | \$ 184,894 | -1.9%  |
| Total                    | \$ 181,315              | \$ 184,894 | -1.9%  |

**Montgomery County Outstanding Debt  
June 30, 2020 and 2019**

|                          | Governmental Activities |           | Change |
|--------------------------|-------------------------|-----------|--------|
|                          | 2020                    | 2019      |        |
| General obligation bonds | \$ 70,369               | \$ 65,667 | 7.2%   |
| Sub-Total                | \$ 70,369               | \$ 65,667 | 7.2%   |

**Prince George's County Outstanding Debt  
June 30, 2020 and 2019**

|                          | Governmental Activities |            | Change |
|--------------------------|-------------------------|------------|--------|
|                          | 2020                    | 2019       |        |
| General obligation bonds | \$ 110,946              | \$ 119,227 | -6.9%  |
| Sub-Total                | \$ 110,946              | \$ 119,227 | -6.9%  |

The Commission's bonds and notes payable decreased by \$3.6 million for the fiscal year due to the issuance of general obligation bonds in the amount of \$10.0 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 \$1,820.3 million of debt service for Montgomery County and \$1,046.9 million of debt service for Prince George's County, which is in excess of the Commission's required debt service of \$83.7 million and \$135.3 million, respectively, over the 30-year period.

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

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

The Commission continues to maintain a solid financial position and stable future outlook supported by the stability of its major revenue source, property taxes which represented 85.0% of the Governmental Funds revenues in FY 2020. 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 2021 tax rates and adopting the FY 2021 Budget.

During the last half of FY 2020, the Commission suffered program revenue losses due to closures required by the COVID-19 pandemic. These closures will continue through much of FY 2021, with full program offerings expected to occur in FY 2022. It is expected that these revenue losses will be offset by reduction in costs, use of fund balance, and retained earnings in the Enterprise Funds in the near term.

The long-term effect on property tax revenues is undetermined. Commission staff will work with the County budget offices to understand how changing work patterns and consumer behavior will affect commercial property valuations over time. The most recent assessable base estimates released by the State Department of Assessments reflect an overall growth in value as of December 2020.

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 2021 the Commission's total Montgomery County real property tax rate was increased by 0.46 cents and the personal property tax rate was increased by 1.15 cents and the taxable real property assessable base is projected to increase by 0.04%. Commission property tax revenue in Montgomery County is budgeted to increase by 5.80% and budgeted expenditures are budgeted to increase 3.56% in the tax supported funds.

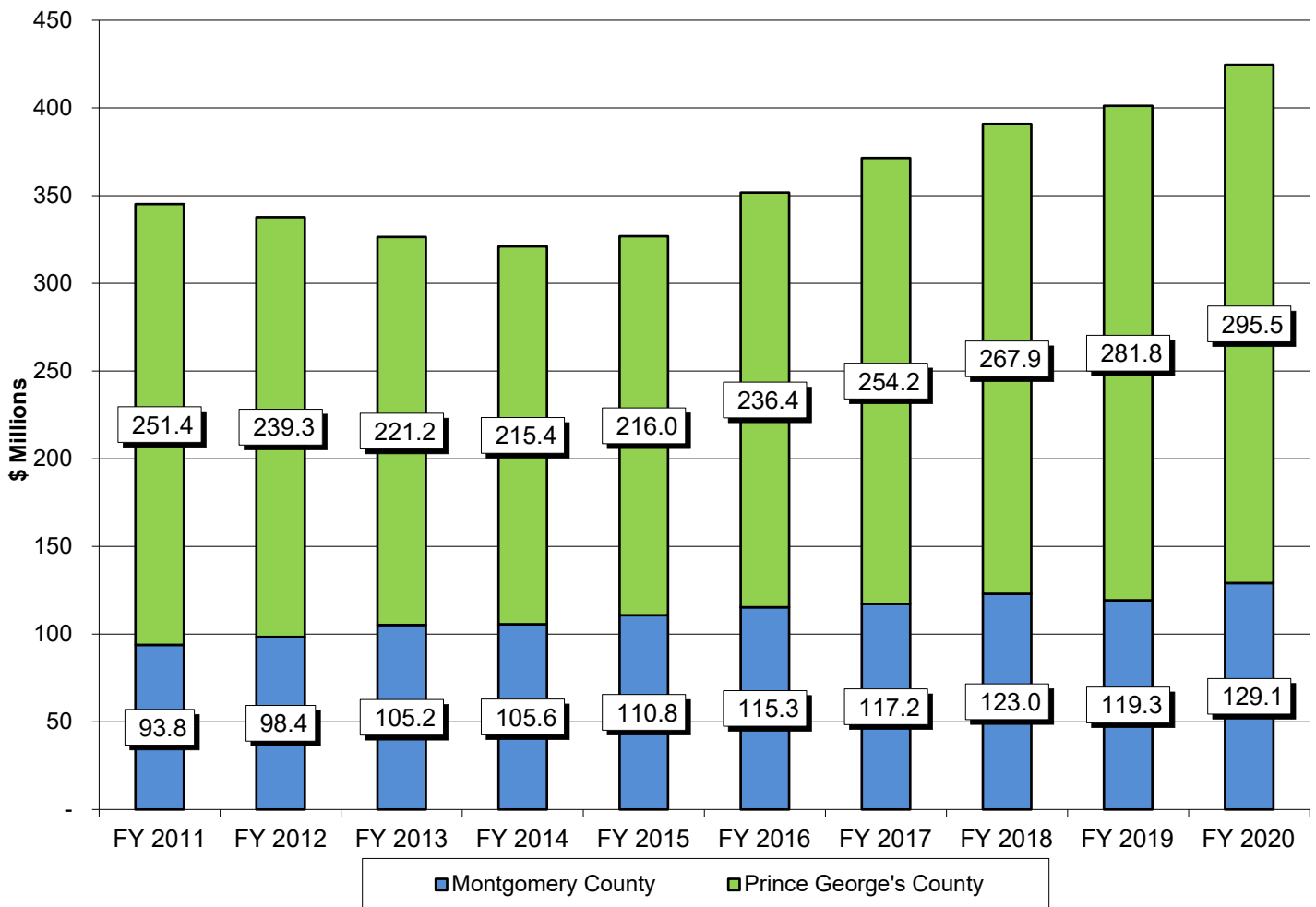
In Prince George's County, there was no change to the real property and the personal property tax rates in FY 2021. In FY 2021, the real property assessable base is projected to increase by 5.88%. With the strong assessable base growth in prior

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 from \$9.6 million in FY 2019 to \$8.9 million in FY 2020, and for FY 2021, they are budgeted at \$8.1 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 \$255.5 million. Of this amount, \$11.2 million is assigned fund balance and \$244.3 million is unassigned as of June 30, 2020. Of the unassigned portion, \$238.9 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, <https://www.mncppc.org> (Search CAFR).

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Exhibit 1

Statement of Net Position  
June 30, 2020

|  | Primary Government         |                             |                         |
|--|----------------------------|-----------------------------|-------------------------|
|  | Governmental<br>Activities | Business-type<br>Activities | Total                   |
| <b>ASSETS</b>  |                            |                             |                         |
| Equity in Pooled Cash and Investments                    | \$ 520,493,432             | \$ 8,501,598                | \$ 528,995,030          |
| Receivables - Taxes, net of allowance for uncollectibles | 6,741,190                  | -                           | 6,741,190               |
| Receivables - Other                                      | 1,446,969                  | 203,367                     | 1,650,336               |
| Due from County Governments                              | 7,369,963                  | -                           | 7,369,963               |
| Due from Other Governments                               | 18,133,775                 | 22,793                      | 18,156,568              |
| Inventories  | 1,151,859                  | 636,011                     | 1,787,870               |
| Deposits and Other                                       | 3,336,807                  | -                           | 3,336,807               |
| Restricted Cash, Cash Equivalents and Investments:       |                            |                             |                         |
| Unspent Debt Proceeds                                    | 24,005,612                 | -                           | 24,005,612              |
| Capital Assets:  |                            |                             |                         |
| Land and Construction in Progress                        | 816,721,851                | 27,086,966                  | 843,808,817             |
| Other Capital Assets, Net of Accumulated Depreciation    | 234,543,864                | 31,616,307                  | 266,160,171             |
| Total Assets   | <u>1,633,945,322</u>       | <u>68,067,042</u>           | <u>1,702,012,364</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                    |                            |                             |                         |
| Deferred loss on refunding of debt                       | 282,385                    | -                           | 282,385                 |
| Pension Deferrals  | 63,832,041                 | 2,277,055                   | 66,109,096              |
| OPEB Deferrals   | 58,466,077                 | 2,607,691                   | 61,073,768              |
| Total Deferred Outflows of Resources                     | <u>122,580,503</u>         | <u>4,884,746</u>            | <u>127,465,249</u>      |
| <b>LIABILITIES</b>                                       |                            |                             |                         |
| Accounts Payable and Other Current Liabilities           | 33,695,787                 | 1,072,994                   | 34,768,781              |
| Accrued Interest Payable                                 | 1,799,068                  | -                           | 1,799,068               |
| Deposits and Fees Collected in-Advance                   | 13,015,256                 | 819,407                     | 13,834,663              |
| Claims Payable:  |                            |                             |                         |
| Due within One Year                                      | 5,856,253                  | -                           | 5,856,253               |
| Due in more than One Year                                | 13,049,339                 | -                           | 13,049,339              |
| Compensated Absences:                                    |                            |                             |                         |
| Due within One Year                                      | 12,224,169                 | 322,608                     | 12,546,777              |
| Due in more than One Year                                | 9,967,402                  | 697,927                     | 10,665,329              |
| Bonds and Notes Payable:                                 |                            |                             |                         |
| Due within One Year                                      | 12,705,000                 | -                           | 12,705,000              |
| Due in more than One Year                                | 168,610,162                | -                           | 168,610,162             |
| Net Other Post Employment Benefit Liability              |                            |                             |                         |
| Due in more than One Year                                | 311,164,626                | 13,657,051                  | 324,821,677             |
| Net Pension Liability                                    |                            |                             |                         |
| Due in more than One Year                                | 129,993,923                | 4,831,104                   | 134,825,027             |
| Total Liabilities  | <u>712,080,985</u>         | <u>21,401,091</u>           | <u>733,482,076</u>      |
| <b>DEFERRED INFLOW OF RESOURCES</b>                      |                            |                             |                         |
| Pension Deferrals  | 38,045,687                 | 1,280,249                   | 39,325,936              |
| OPEB Deferrals   | 6,776,815                  | 301,547                     | 7,078,362               |
| Total Deferred Inflow of Resources                       | <u>44,822,502</u>          | <u>1,581,796</u>            | <u>46,404,298</u>       |
| <b>NET POSITION</b>                                      |                            |                             |                         |
| Net Investment in Capital Assets                         | 896,148,855                | 58,703,273                  | 954,852,128             |
| Unrestricted   | 103,473,483                | (8,734,372)                 | 94,739,111              |
| Total Net Position                                       | <u>\$ 999,622,338</u>      | <u>\$ 49,968,901</u>        | <u>\$ 1,049,591,239</u> |

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

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

**Exhibit 2**

**Statement of Activities  
For the Year Ended June 30, 2020**

| Functions/Programs                   | Program Revenues |                      |                                    | Primary Government               |                         |                          | Net (Expense) Revenue and Changes in Net Position |       |
|--------------------------------------|------------------|----------------------|------------------------------------|----------------------------------|-------------------------|--------------------------|---|-------|
|                                      | Expenses         | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities |   | Total |
|                                      |                  |                      |                                    |                                  |                         |                          |   |       |
| <b>Primary Government:</b>           |                  |                      |                                    |                                  |                         |                          |   |       |
| Governmental Activities:             |                  |                      |                                    |                                  |                         |                          |   |       |
| General Government                   | \$ 22,179,103    | \$ -                 | \$ -                               | \$ -                             | (22,179,103)            | \$ -                     | (22,179,103)                                      |       |
| County Planning and Zoning           | 54,044,564       | 3,514,890            | 1,269,792                          | -                                | (49,259,882)            | -                        | (49,259,882)                                      |       |
| Park Operations and Maintenance      | 251,990,224      | 6,700,021            | 7,537,409                          | 36,885,231                       | (200,867,563)           | -                        | (200,867,563)                                     |       |
| Recreation Programs                  | 72,667,214       | 10,181,498           | 1,118,924                          | -                                | (61,366,792)            | -                        | (61,366,792)                                      |       |
| Interest on Long-term Debt           | 5,788,706        | -                    | -                                  | -                                | (5,788,706)             | -                        | (5,788,706)                                       |       |
| Total Governmental Activities        | 406,669,811      | 20,396,409           | 9,926,125                          | 36,885,231                       | (339,462,046)           | -                        | (339,462,046)                                     |       |
| Business-type Activities:            |                  |                      |                                    |                                  |                         |                          |   |       |
| Recreational and Cultural Facilities | 28,979,788       | 15,507,428           | 22,793                             | -                                | (13,449,567)            | -                        | (13,449,567)                                      |       |
| Total Business-type Activities       | 28,979,788       | 15,507,428           | 22,793                             | -                                | (13,449,567)            | -                        | (13,449,567)                                      |       |
| Total Primary Government             | \$ 435,649,599   | \$ 35,903,837        | \$ 9,948,918                       | \$ 36,885,231                    | \$ (339,462,046)        | \$ -                     | \$ (352,911,613)                                  |       |
| General Revenues:                    |                  |                      |                                    |                                  |                         |                          |   |       |
| Property Taxes                       |                  |                      |                                    |                                  | 425,742,423             | -                        | 425,742,423                                       |       |
| Unrestricted Investment Earnings     |                  |                      |                                    |                                  | 9,698,730               | 651,298                  | 10,350,028  |       |
| Transfers                            |                  |                      |                                    |                                  | (8,157,592)             | 8,157,592                | -   |       |
| Net General Revenues and Transfers   |                  |                      |                                    |                                  | 427,283,561             | 8,808,890                | 436,092,451                                       |       |
| Change in Net Position               |                  |                      |                                    |                                  | 87,821,515              | (4,640,677)              | 83,180,838  |       |
| Net Position - Beginning             |                  |                      |                                    |                                  | 911,800,823             | 54,609,578               | 966,410,401                                       |       |
| Net Position - Ending                |                  |                      |                                    |                                  | 999,622,338             | 49,968,901               | 1,049,591,239                                     |       |

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, 2020**

|  | General               | Montgomery<br>County<br>Capital<br>Projects | Prince George's<br>County<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|---|--|-----------------------------------|--------------------------------|
| <b>ASSETS</b>  |                       |   |  |                                   |                                |
| Equity in Pooled Cash and Investments                                    | \$ 340,880,422        | \$ 1,581,287                                | \$ 100,935,685                                   | \$ 17,435,199                     | \$ 460,832,593                 |
| Receivables - Taxes (net of allowance for uncollectibles)                | 6,724,633             | -   | -  | 16,557                            | 6,741,190                      |
| Receivables - Other (net of allowance for uncollectibles)                | 149,902               | -   | -  | 16,314                            | 166,216                        |
| Due from County Governments  | 552,066               | 6,181,884                                   | -  | 136,013                           | 6,869,963                      |
| Due from Other Governments   | 1,845,052             | 3,747,695                                   | 12,431,072                                       | 30,237                            | 18,054,056                     |
| Inventories  | -                     | -   | -  | 1,151,859                         | 1,151,859                      |
| Restricted Cash - Unspent Debt Proceeds                                  | -                     | 12,426,018                                  | 11,579,594                                       | -                                 | 24,005,612                     |
| Other  | 1,482,788             | -   | -  | -                                 | 1,482,788                      |
| <b>Total Assets</b>  | <b>\$ 351,634,863</b> | <b>\$ 23,936,884</b>                        | <b>\$ 124,946,351</b>                            | <b>\$ 18,786,179</b>              | <b>\$ 519,304,277</b>          |
| <b>LIABILITIES</b>   |                       |   |  |                                   |                                |
| Liabilities:   |                       |   |  |                                   |                                |
| Accounts Payable   | \$ 9,997,386          | \$ 1,514,153                                | \$ 6,380,302                                     | \$ 447,659                        | \$ 18,339,500                  |
| Accrued Liabilities  | 10,921,322            | -   | -  | 41,745                            | 10,963,067                     |
| Retainage Payable  | -                     | 1,175,523                                   | 1,754,493  | -                                 | 2,930,016                      |
| Deposits and Fees Collected in-Advance                                   | 6,776,172             | 900,000                                     | 5,008,545  | 330,539                           | 13,015,256                     |
| <b>Total Liabilities</b>   | <b>27,694,880</b>     | <b>3,589,676</b>                            | <b>13,143,340</b>                                | <b>819,943</b>                    | <b>45,247,839</b>              |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                     |                       |   |  |                                   |                                |
| Unavailable Property Tax Revenue   | 3,741,652             | -   | -  | -                                 | 3,741,652                      |
| <b>Total Deferred Inflows of Resources</b>                               | <b>3,741,652</b>      | <b>-</b>                                    | <b>-</b>   | <b>-</b>                          | <b>3,741,652</b>               |
| <b>Fund Balance:</b>   |                       |   |  |                                   |                                |
| Nonspendable to:   |                       |   |  |                                   |                                |
| Recreation   | -                     | -   | -  | 1,151,859                         | 1,151,859                      |
| Restricted for:  |                       |   |  |                                   |                                |
| Parks  | -                     | 12,426,018                                  | 11,579,594                                       | -                                 | 24,005,612                     |
| Committed to:  |                       |   |  |                                   |                                |
| Planning   | 27,559,470            | -   | -  | 236,835                           | 27,796,305                     |
| Parks  | 23,311,917            | 12,083,687                                  | 39,758,052                                       | 1,010,340                         | 76,163,996                     |
| Recreation   | 13,779,254            | -   | -  | 521,877                           | 14,301,131                     |
| Assigned to:   |                       |   |  |                                   |                                |
| Planning   | 202,159               | -   | -  | 4,792,610                         | 4,994,769                      |
| Parks  | 11,021,123            | -   | 60,465,365                                       | 3,487,686                         | 74,974,174                     |
| Recreation   | -                     | -   | -  | 6,765,029                         | 6,765,029                      |
| Unassigned:  |                       |   |  |                                   |                                |
|  | 244,324,408           | (4,162,497)                                 | -  | -                                 | 240,161,911                    |
| <b>Total Fund Balances</b>   | <b>320,198,331</b>    | <b>20,347,208</b>                           | <b>111,803,011</b>                               | <b>17,966,236</b>                 | <b>470,314,786</b>             |
| <b>Total Liabilities, Deferred Inflow of Resources and Fund Balances</b> | <b>\$ 351,634,863</b> | <b>\$ 23,936,884</b>                        | <b>\$ 124,946,351</b>                            | <b>\$ 18,786,179</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.  | 1,037,247,917         |
| Deferred outflows of resources related to pensions, OPEB and refunding of debt are applicable to future periods and, therefore, are not reported in the funds.   | 122,580,503           |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.   | 1,381,660             |
| 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. | 49,403,231            |
| Some of the Commission's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.  | 3,741,652             |
| Deferred inflows of resources related to pensions and OPEB are applicable to future periods and, therefore, are not reported in the funds.   | (44,822,502)          |
| Long-term liabilities, including bonds payable, net pension liability and net other post employment benefits liability are not due and payable in the current period and therefore are not reported in the funds.  | (640,224,909)         |
| <b>Net Position of Governmental Activities</b>   | <b>\$ 999,622,338</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, 2020

|   | General               | Montgomery<br>County<br>Capital<br>Projects | Prince George's<br>County<br>Capital<br>Projects | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------------|---|--|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                                   |                       |   |  |                                   |                                |
| Property Taxes                                    | \$ 422,677,023        | \$ -  | \$ -   | \$ 2,014,126                      | \$ 424,691,149                 |
| Intergovernmental -                               |                       |   |  |                                   |                                |
| Federal   | 1,062,199             | -   | -  | 30,237                            | 1,092,436                      |
| State   | 664,154               | 2,160,390                                   | 12,724,228                                       | -                                 | 15,548,772                     |
| County  | 5,561,105             | 11,915,313                                  | -  | 1,658,126                         | 19,134,544                     |
| Charges for Services                              | 6,898,050             | -   | -  | 3,691,593                         | 10,589,643                     |
| Rentals and Concessions                           | 4,274,677             | -   | -  | 4,103,916                         | 8,378,593                      |
| Interest  | 6,682,195             | 126,432                                     | 1,556,537  | 312,108                           | 8,677,272                      |
| Contributions                                     | 459,107               | 9,646,400                                   | -  | 265,647                           | 10,371,154                     |
| Miscellaneous                                     | 542,795               | 10,250                                      | 754,900  | 120,228                           | 1,428,173                      |
| Total Revenues                                    | <u>448,821,305</u>    | <u>23,858,785</u>                           | <u>15,035,665</u>                                | <u>12,195,981</u>                 | <u>499,911,736</u>             |
| <b>EXPENDITURES</b>                               |                       |   |  |                                   |                                |
| Current -   |                       |   |  |                                   |                                |
| General Government                                | 21,896,627            | -   | -  | -                                 | 21,896,627                     |
| Planning and Zoning                               | 47,610,042            | -   | -  | 3,798,690                         | 51,408,732                     |
| Park Operations and Maintenance                   | 221,677,681           | -   | -  | 2,230,823                         | 223,908,504                    |
| Recreation  | 64,182,393            | -   | -  | 5,128,200                         | 69,310,593                     |
| Contributions                                     | -                     | -   | -  | 1,871,435                         | 1,871,435                      |
| Debt Service -                                    |                       |   |  |                                   |                                |
| Principal   | -                     | -   | -  | 11,995,000                        | 11,995,000                     |
| Interest  | -                     | -   | -  | 6,408,629                         | 6,408,629                      |
| Other Debt Service Costs                          | -                     | -   | -  | 70,246                            | 70,246                         |
| Capital Outlay -                                  |                       |   |  |                                   |                                |
| Park Acquisition                                  | -                     | 8,893,728                                   | 4,252,467  | -                                 | 13,146,195                     |
| Park Development                                  | -                     | 17,860,668                                  | 32,189,122                                       | -                                 | 50,049,790                     |
| Total Expenditures                                | <u>355,366,743</u>    | <u>26,754,396</u>                           | <u>36,441,589</u>                                | <u>31,503,023</u>                 | <u>450,065,751</u>             |
| Excess (Deficiency) of Revenues over Expenditures | <u>93,454,562</u>     | <u>(2,895,611)</u>                          | <u>(21,405,924)</u>                              | <u>(19,307,042)</u>               | <u>49,845,985</u>              |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                       |   |  |                                   |                                |
| General Obligation Bonds Issued                   | -                     | 10,000,000                                  | -  | -                                 | 10,000,000                     |
| Transfers In                                      | 4,807,969             | 350,000                                     | 52,060,000                                       | 18,330,175                        | 75,548,144                     |
| Transfers Out                                     | <u>(82,022,767)</u>   | <u>(126,432)</u>                            | <u>(1,556,537)</u>                               | <u>-</u>                          | <u>(83,705,736)</u>            |
| Total Other Financing Sources (Uses)              | <u>(77,214,798)</u>   | <u>10,223,568</u>                           | <u>50,503,463</u>                                | <u>18,330,175</u>                 | <u>1,842,408</u>               |
| Net Change in Fund Balances                       | 16,239,764            | 7,327,957                                   | 29,097,539                                       | (976,867)                         | 51,688,393                     |
| Fund Balances - Beginning                         | <u>303,958,567</u>    | <u>13,019,251</u>                           | <u>82,705,472</u>                                | <u>18,943,103</u>                 | <u>418,626,393</u>             |
| Fund Balances - Ending                            | <u>\$ 320,198,331</u> | <u>\$ 20,347,208</u>                        | <u>\$ 111,803,011</u>                            | <u>\$ 17,966,236</u>              | <u>\$ 470,314,786</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, 2020**

Amounts reported for governmental activities in the Statement of Activities (Exhibit 2) are different because:

Net change in fund balances -- total governmental funds (Exhibit 4) \$ 51,688,393

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 | 63,334,088          |            |
| Depreciation Expense     | <u>(14,015,354)</u> |            |
| Net adjustment           |                     | 49,318,734 |

The net effect of various transactions involving capital assets is to increase Net Assets on the Statement of Activities.

|                  |                |         |
|------------------|----------------|---------|
| Loss on Disposal | (156,144)      |         |
| Donations        | <u>438,900</u> |         |
| Net adjustment   |                | 282,756 |

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 unavailable revenue changed from last fiscal year.

1,051,274

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 | (10,000,000)      |           |
| Repayments of Principal          | <u>11,995,000</u> |           |
| Net adjustment                   |                   | 1,995,000 |

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 net other post employment liability, pension liability, compensated absences and other expenses.

(15,120,517)

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.

113,842

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>\$ 87,821,515</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, 2020**

|   | Budgeted Amounts |                 |                | Variance<br>Positive<br>(Negative) |
|---|------------------|-----------------|----------------|------------------------------------|
|   | Original         | Final           | Actual         |                                    |
| Revenues:   |                  |                 |                |                                    |
| Property Taxes  | \$ 424,630,421   | \$ 424,630,421  | \$ 422,677,023 | \$ (1,953,398)                     |
| Intergovernmental   | 4,679,473        | 4,979,473       | 7,287,458      | 2,307,985                          |
| Charges for Services  | 12,648,669       | 12,648,669      | 6,898,050      | (5,750,619)                        |
| Rentals and Concessions   | 6,183,252        | 6,183,252       | 4,274,677      | (1,908,575)                        |
| Interest  | 3,710,000        | 3,710,000       | 6,682,195      | 2,972,195                          |
| Miscellaneous   | 835,100          | 835,100         | 1,001,902      | 166,802                            |
| Total Revenues  | 452,686,915      | 452,986,915     | 448,821,305    | (4,165,610)                        |
| Expenditures/Encumbrances:  |                  |                 |                |                                    |
| Current -   |                  |                 |                |                                    |
| General Government  | 23,111,471       | 23,111,471      | 22,360,812     | 750,659                            |
| County Planning and Zoning  | 62,517,647       | 62,817,647      | 57,224,602     | 5,593,045                          |
| Park Operation and Maintenance  | 227,484,896      | 227,484,896     | 224,106,750    | 3,378,146                          |
| Recreation Programs   | 75,525,742       | 75,525,742      | 64,726,241     | 10,799,501                         |
| Total Expenditures/Encumbrances   | 388,639,756      | 388,939,756     | 368,418,405    | 20,521,351                         |
| Excess of Revenues over<br>Expenditures/Encumbrances  | 64,047,159       | 64,047,159      | 80,402,900     | 16,355,741                         |
| Other Financing Sources (Uses):   |                  |                 |                |                                    |
| Transfers In  | 3,650,000        | 3,650,000       | 4,807,969      | 1,157,969                          |
| Transfers Out   | (85,613,271)     | (85,613,271)    | (82,022,767)   | 3,590,504                          |
| Total Other Financing Sources (Uses)  | (81,963,271)     | (81,963,271)    | (77,214,798)   | 4,748,473                          |
| Excess of Revenues and Other Financing Sources<br>over Expenditures/Encumbrances<br>and Other Financing Uses - Budget Basis | \$ (17,916,112)  | \$ (17,916,112) | 3,188,102      | \$ 21,104,214                      |
| Fund Balances - Budget Basis, Beginning   |                  |                 | 252,359,588    |                                    |
| Fund Balances - Budget Basis, Ending  |                  |                 | \$ 255,547,690 |                                    |

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, 2020**

|   | Business-type Activities - Enterprise Funds |                           |                      | Governmental                 |
|---|---|---------------------------|----------------------|------------------------------|
|   | Recreational and Cultural Activities        |                           |                      | Activities-                  |
|   | Montgomery<br>County                        | Prince George's<br>County | Totals               | Internal<br>Service<br>Funds |
| <b>ASSETS</b>                               |   |                           |                      |                              |
| Current Assets:                             |   |                           |                      |                              |
| Equity in Pooled Cash and Investments       | \$ 8,498,334                                | \$ 3,264                  | \$ 8,501,598         | \$ 59,660,839                |
| Accounts Receivable                         | 16,962                                      | 186,405                   | 203,367              | 1,280,753                    |
| Due from County Government                  | -   | -                         | -                    | 500,000                      |
| Due from Other Government                   | 15,513                                      | 7,280                     | 22,793               | 79,719                       |
| Deposits and Other                          | -   | -                         | -                    | 472,359                      |
| Inventories                                 | 215,501                                     | 420,510                   | 636,011              | -                            |
| Total Current Assets                        | <u>8,746,310</u>                            | <u>617,459</u>            | <u>9,363,769</u>     | <u>61,993,670</u>            |
| Noncurrent Assets:                          |   |                           |                      |                              |
| Capital Assets:                             |   |                           |                      |                              |
| Land  | 11,584,468                                  | 6,459,131                 | 18,043,599           | 748,497                      |
| Buildings and Improvements                  | 27,290,630                                  | 72,358,592                | 99,649,222           | 3,660,228                    |
| Infrastructure                              | 26,610                                      | 146,461                   | 173,071              | 15,657                       |
| Machinery, Equipment and Intangibles        | 3,088,558                                   | 5,004,375                 | 8,092,933            | 49,184,971                   |
| Construction in Progress                    | 9,043,367                                   | -                         | 9,043,367            | -                            |
|   | 51,033,633                                  | 83,968,559                | 135,002,192          | 53,609,353                   |
| Less - Accumulated Depreciation             | <u>(27,329,992)</u>                         | <u>(48,968,927)</u>       | <u>(76,298,919)</u>  | <u>(39,591,555)</u>          |
| Total Capital Assets, Net of Depreciation   | <u>23,703,641</u>                           | <u>34,999,632</u>         | <u>58,703,273</u>    | <u>14,017,798</u>            |
| Total Noncurrent Assets                     | <u>23,703,641</u>                           | <u>34,999,632</u>         | <u>58,703,273</u>    | <u>14,017,798</u>            |
| Total Assets                                | <u>32,449,951</u>                           | <u>35,617,091</u>         | <u>68,067,042</u>    | <u>76,011,468</u>            |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |   |                           |                      |                              |
| Pension Deferrals                           | 742,666                                     | 1,534,389                 | 2,277,055            | 465,629                      |
| OPEB Deferrals                              | 916,565                                     | 1,691,126                 | 2,607,691            | 493,681                      |
| Total Deferred Outflows of Resources        | <u>1,659,231</u>                            | <u>3,225,515</u>          | <u>4,884,746</u>     | <u>959,310</u>               |
| <b>LIABILITIES</b>                          |   |                           |                      |                              |
| Current Liabilities:                        |   |                           |                      |                              |
| Accounts Payable                            | 219,707                                     | 367,657                   | 587,364              | 1,350,918                    |
| Claims Payable                              | -   | -                         | -                    | 5,856,253                    |
| Accrued Salaries and Benefits               | 169,664                                     | 315,966                   | 485,630              | 112,286                      |
| Compensated Absences                        | 92,601                                      | 230,007                   | 322,608              | 117,969                      |
| Interest Payable                            | -   | -                         | -                    | 20,000                       |
| Revenue Collected in Advance                | 717,447                                     | 101,960                   | 819,407              | -                            |
| Current Portion of Bonds Payable            | -   | -                         | -                    | 600,000                      |
| Total Current Liabilities                   | <u>1,199,419</u>                            | <u>1,015,590</u>          | <u>2,215,009</u>     | <u>8,057,426</u>             |
| Noncurrent Liabilities:                     |   |                           |                      |                              |
| Claims Payable                              | -   | -                         | -                    | 13,049,339                   |
| Bonds Payable                               | -   | -                         | -                    | 1,961,000                    |
| Compensated Absences                        | 237,661                                     | 460,266                   | 697,927              | 111,016                      |
| Net Other Post Employment Benefit Liability | 4,191,121                                   | 9,465,930                 | 13,657,051           | 2,409,816                    |
| Net Pension Liability                       | 1,558,765                                   | 3,272,339                 | 4,831,104            | 1,019,640                    |
| Total Noncurrent Liabilities                | <u>5,987,547</u>                            | <u>13,198,535</u>         | <u>19,186,082</u>    | <u>18,550,811</u>            |
| Total Liabilities                           | <u>7,186,966</u>                            | <u>14,214,125</u>         | <u>21,401,091</u>    | <u>26,608,237</u>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |   |                           |                      |                              |
| Pension Deferrals                           | 423,683                                     | 856,566                   | 1,280,249            | 175,934                      |
| OPEB Deferrals                              | 104,785                                     | 196,762                   | 301,547              | 56,254                       |
| Total Deferred Inflows of Resources         | <u>528,468</u>                              | <u>1,053,328</u>          | <u>1,581,796</u>     | <u>232,188</u>               |
| <b>NET POSITION</b>                         |   |                           |                      |                              |
| Net Investment in Capital Assets            | 23,703,641                                  | 34,999,632                | 58,703,273           | 11,456,798                   |
| Unrestricted                                | 2,690,107                                   | (11,424,479)              | (8,734,372)          | 38,673,555                   |
| Total Net Position                          | <u>\$ 26,393,748</u>                        | <u>\$ 23,575,153</u>      | <u>\$ 49,968,901</u> | <u>\$ 50,130,353</u>         |

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

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

**Exhibit 8**

**Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020**

|  | Business-type Activities - Enterprise Funds |                           |                      | Governmental<br>Activities-<br>Internal<br>Service<br>Funds |
|--|---|---------------------------|----------------------|---|
|  | Recreational and Cultural Activities        |                           |                      |   |
|  | Montgomery<br>County                        | Prince George's<br>County | Totals               |   |
| <b>Operating Revenues:</b>                       |   |                           |                      |   |
| Intergovernmental                                | \$ 15,513                                   | \$ 7,280                  | \$ 22,793            | \$ 79,719   |
| Sales  | 606,247                                     | 1,443,144                 | 2,049,391            | -   |
| Charges for Services                             | 5,718,383                                   | 2,923,357                 | 8,641,740            | 48,961,596  |
| Claim Recoveries                                 | -   | -                         | -                    | 613,243   |
| Rentals and Concessions                          | 2,690,239                                   | 2,126,058                 | 4,816,297            | -   |
| Total Operating Revenues                         | <u>9,030,382</u>                            | <u>6,499,839</u>          | <u>15,530,221</u>    | <u>49,654,558</u>   |
| <b>Operating Expenses:</b>                       |   |                           |                      |   |
| Cost of Goods Sold                               | 333,881                                     | 827,503                   | 1,161,384            | -   |
| Personal Services                                | 5,780,902                                   | 11,508,651                | 17,289,553           | 3,074,919   |
| Supplies and Materials                           | 458,195                                     | 1,136,764                 | 1,594,959            | 324,560   |
| Claims Incurred                                  | -   | -                         | -                    | 30,160,419  |
| Insurance  | -   | -                         | -                    | 7,968,561   |
| Communications                                   | 46,936                                      | 104,215                   | 151,151              | -   |
| Utilities  | 774,152                                     | 1,354,945                 | 2,129,097            | -   |
| Maintenance                                      | 294,450                                     | 1,454,371                 | 1,748,821            | -   |
| Contractual Services                             | 509,236                                     | 498,244                   | 1,007,480            | 1,362,160   |
| Other Services and Charges                       | 405,896                                     | 472,853                   | 878,749              | 4,926,989   |
| Administrative Services                          | -   | 276,027                   | 276,027              | -   |
| Depreciation                                     | 803,153                                     | 1,944,552                 | 2,747,705            | 4,490,300   |
| Total Operating Expenses                         | <u>9,406,801</u>                            | <u>19,578,125</u>         | <u>28,984,926</u>    | <u>52,307,908</u>   |
| Operating Income (Loss)                          | <u>(376,419)</u>                            | <u>(13,078,286)</u>       | <u>(13,454,705)</u>  | <u>(2,653,350)</u>  |
| <b>Nonoperating Revenues (Expenses):</b>         |   |                           |                      |   |
| Investment Earnings                              | 361,372                                     | 289,926                   | 651,298              | 1,021,458   |
| Interest Expense                                 | -   | -                         | -                    | (81,700)  |
| Gain(Loss) on Disposal of Asset                  | (2,836)                                     | 7,974                     | 5,138                | 205,625   |
| Total Nonoperating Revenue (Expense)             | <u>358,536</u>                              | <u>297,900</u>            | <u>656,436</u>       | <u>1,145,383</u>  |
| Income (Loss) before Contributions and Transfers | <u>(17,883)</u>                             | <u>(12,780,386)</u>       | <u>(12,798,269)</u>  | <u>(1,507,967)</u>  |
| <b>Transfers In</b>                              | -   | 8,157,592                 | 8,157,592            | -   |
| Total Contributions and Transfers                | -   | 8,157,592                 | 8,157,592            | -   |
| Change in Net Position                           | <u>(17,883)</u>                             | <u>(4,622,794)</u>        | <u>(4,640,677)</u>   | <u>(1,507,967)</u>  |
| <b>Total Net Position - Beginning</b>            | <u>26,411,631</u>                           | <u>28,197,947</u>         | <u>54,609,578</u>    | <u>51,638,320</u>   |
| <b>Total Net Position - Ending</b>               | <u>\$ 26,393,748</u>                        | <u>\$ 23,575,153</u>      | <u>\$ 49,968,901</u> | <u>\$ 50,130,353</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, 2020**

|   | Business-type Activities- Enterprise Funds |                           |                       | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|--|---------------------------|-----------------------|--|
|   | Recreational and Cultural Activities       |                           |                       |  |
|   | Montgomery<br>County                       | Prince George's<br>County | Totals                |  |
| Cash Flows from Operating Activities:   |  |                           |                       |  |
| Receipts from Customers and Users   | \$ 9,414,488                               | \$ 6,548,954              | \$ 15,963,442         | \$ 49,466,061  |
| Payments to Suppliers   | (989,304)                                  | (5,782,166)               | (6,771,470)           | (43,520,759)   |
| Payments to Employees   | (5,364,830)                                | (11,352,049)              | (16,716,879)          | (2,871,517)  |
| Payments for Interfund Services Used  | (352,070)                                  | -                         | (352,070)             | (932,879)  |
| Payments for Administrative Charges   | (1,812,423)                                | (276,027)                 | (2,088,450)           | -  |
| Net Cash Provided (Used) by Operating Activities  | <u>895,861</u>                             | <u>(10,861,288)</u>       | <u>(9,965,427)</u>    | <u>2,140,906</u>   |
| Cash Flows from Noncapital Financing Activities:  |  |                           |                       |  |
| Transfers In from Other Funds   | -  | 8,157,592                 | 8,157,592             | -  |
| Net Cash Flows from Noncapital Financing Activities   | <u>-</u>                                   | <u>8,157,592</u>          | <u>8,157,592</u>      | <u>-</u>   |
| Cash Flows from Capital and Related Financing Activities:   |  |                           |                       |  |
| Acquisition and Construction of Capital Assets  | (2,250,815)                                | (95,142)                  | (2,345,957)           | (3,726,211)  |
| Gain/(Loss) on Disposal of Capital Assets   | (2,836)                                    | 7,974                     | 5,138                 | 205,625  |
| Interest Paid on Bonds Payable  | -  | -                         | -                     | (135,000)  |
| Principal Paid on Bonds Payable   | -  | -                         | -                     | (600,000)  |
| Net Cash Used by Capital and Related Financing Activities   | <u>(2,253,651)</u>                         | <u>(87,168)</u>           | <u>(2,340,819)</u>    | <u>(4,255,586)</u>                                       |
| Cash Flows from Investing Activities:   |  |                           |                       |  |
| Interest on Investments   | <u>361,372</u>                             | <u>289,926</u>            | <u>651,298</u>        | <u>1,021,458</u>   |
| Net Increase (Decrease) in Cash and Cash Equivalents  | (996,418)                                  | (2,500,938)               | (3,497,356)           | (1,093,222)  |
| Cash and Cash Equivalents, July 1   | <u>9,494,752</u>                           | <u>2,504,202</u>          | <u>11,998,954</u>     | <u>60,754,061</u>  |
| Cash and Cash Equivalents, June 30  | <u>\$ 8,498,334</u>                        | <u>\$ 3,264</u>           | <u>\$ 8,501,598</u>   | <u>\$ 59,660,839</u>                                     |
| Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:        |  |                           |                       |  |
| Operating Income (Loss)   | \$ (376,419)                               | \$ (13,078,286)           | \$ (13,454,705)       | \$ (2,653,350)   |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |  |                           |                       |  |
| Depreciation  | 803,153                                    | 1,944,552                 | 2,747,705             | 4,490,300  |
| Effect of Changes in Operating Assets and Liabilities in:   |  |                           |                       |  |
| Accounts Receivable   | (16,162)                                   | (45,565)                  | (61,727)              | (108,780)  |
| Due from Other Government   | 523,566                                    | (7,280)                   | 516,286               | -  |
| Due from Other Funds  | -  | -                         | -                     | (79,719)   |
| Inventories, at Cost  | (22,029)                                   | 72,530                    | 50,501                | -  |
| Deposits and Other  | -  | -                         | -                     | 1  |
| Prepaid Expenses  | -  | -                         | -                     | 429,142  |
| Accounts Payable  | 43,048                                     | (5,801)                   | 37,247                | 175,686  |
| Claims Payable  | -  | -                         | -                     | (315,775)  |
| Accrued Salaries and Benefits   | (132,184)                                  | (344,732)                 | (476,916)             | 22,599   |
| Compensated Absences  | (27,824)                                   | 92,852                    | 65,028                | 40,474   |
| Net Pension Liability   | 58,836                                     | 253,630                   | 312,466               | 65,955   |
| Net Other Post Employment Liability   | 165,174                                    | 154,852                   | 320,026               | 74,373   |
| Revenue Collected in Advance  | (123,298)                                  | 101,960                   | (21,338)              | -  |
| Total Adjustments   | <u>1,272,280</u>                           | <u>2,216,998</u>          | <u>3,489,278</u>      | <u>4,794,256</u>   |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ 895,861</u>                          | <u>\$ (10,861,288)</u>    | <u>\$ (9,965,427)</u> | <u>\$ 2,140,906</u>                                      |
| Schedule of non-cash capital and related financing activities:  |  |                           |                       |  |
| Purchase of machinery, equipment, and vehicles on account   | \$ -                                       | \$ -                      | \$ -                  | \$ 287,375   |

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

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

**Statement of Net Position  
Fiduciary Funds  
June 30, 2020**

**Exhibit 10**

|   | Pension<br>Trust<br>Funds   | Private<br>Purpose<br>Trust Funds | Agency<br>Funds             |
|---|-----------------------------|-----------------------------------|-----------------------------|
|   | <u>                    </u> | <u>                    </u>       | <u>                    </u> |
| <b>ASSETS</b>   |                             |                                   |                             |
| Equity in Pooled Cash and Investments                                       | \$ 947,001                  | \$ 8,783,832                      | \$ 1,584,003                |
| Cash  | 65,117                      | -                                 | -                           |
| Fixed Income Securities   | 226,241,531                 | -                                 | -                           |
| International Fixed Income Securities                                       | 7,394,333                   | -                                 | -                           |
| Venture Capital/Alternative Investments                                     | 234,115,360                 | -                                 | -                           |
| Corporate Stock   | 332,767,108                 | -                                 | -                           |
| International Corporate Stock   | 64,495,247                  | -                                 | -                           |
| Real Estate Investments   | 74,947,564                  | -                                 | -                           |
| Short Term Investments  | 42,136,972                  | -                                 | -                           |
| Mutual Funds  | 59,036,015                  | -                                 | -                           |
| Collateral for Securities Lending Transactions                              | 29,250,404                  | -                                 | -                           |
| Accounts Receivable   | 6,792                       | -                                 | -                           |
| Accrued Income on Investments   | 842,073                     | -                                 | -                           |
| Land Held for Other Governments   | -                           | 83,562,118                        | -                           |
| Other   | 244,848                     | -                                 | -                           |
| Total Assets  | <u>1,072,490,365</u>        | <u>92,345,950</u>                 | <u>1,584,003</u>            |
| <b>LIABILITIES</b>  |                             |                                   |                             |
| Investment Payable  | 13,176,486                  | -                                 | -                           |
| Accounts Payable  | 1,467,545                   | -                                 | 16,531                      |
| Claims Payable  | 947,001                     | -                                 | -                           |
| Obligation for Collateral Received<br>under Securities Lending Transactions | 29,933,326                  | -                                 | -                           |
| Deposits  | -                           | -                                 | 1,567,472                   |
| Total Liabilities   | <u>45,524,358</u>           | <u>-</u>                          | <u>1,584,003</u>            |
| <b>NET POSITION</b>   |                             |                                   |                             |
| Restricted for:   |                             |                                   |                             |
| Land Held for Other Governments   | -                           | 83,562,118                        | -                           |
| Pension Benefits  | 942,588,590                 | -                                 | -                           |
| Other Postemployment Benefits   | 84,377,417                  | -                                 | -                           |
| Other Purposes  | -                           | 8,783,832                         | -                           |
| Total Net Position  | <u>\$ 1,026,966,007</u>     | <u>\$ 92,345,950</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, 2020**

|  | <u>Pension<br/>Trust<br/>Funds</u> | <u>Private<br/>Purpose<br/>Trust Funds</u> |
|--|------------------------------------|--|
| <b>ADDITIONS</b>   |                                    |  |
| Contributions:   |                                    |  |
| Employer   | \$ 41,507,216                      | \$ -                                       |
| Plan Members   | 7,796,708                          | -  |
| Plan Members for Current Benefits                        | 3,190,436                          | -  |
| Private Donations  | -                                  | 16,293                                     |
| Total Contributions                                      | <u>52,494,360</u>                  | <u>16,293</u>                              |
| Receipts from Commission Debt Service Funds              | -                                  | 1,871,436                                  |
| Federal Grants - Medicare                                | 2,089,051                          | -  |
| Investment Earnings:                                     |                                    |  |
| Interest   | 10,340,034                         | 115,993                                    |
| Dividends  | 5,220,465                          | -  |
| Net Increase (Decrease) in the Fair Value of Investments | <u>(6,710,564)</u>                 | <u>-</u>                                   |
| Total Investment Earnings                                | 8,849,935                          | 115,993                                    |
| Less Investment Advisory and Management Fees             | <u>(3,116,235)</u>                 | <u>-</u>                                   |
| Net Income from Investing Activities                     | <u>5,733,700</u>                   | <u>115,993</u>                             |
| Securities Lending Activity                              |                                    |  |
| Securities Lending Income                                | 579,475                            | -  |
| Securities Lending Fees                                  | <u>(467,603)</u>                   | <u>-</u>                                   |
| Net Income from Securities Lending Activity              | <u>111,872</u>                     | <u>-</u>                                   |
| Total Net Investment Income                              | <u>5,845,572</u>                   | <u>115,993</u>                             |
| Total Additions and Investment Income                    | <u>60,428,983</u>                  | <u>2,003,722</u>                           |
| <b>DEDUCTIONS</b>  |                                    |  |
| Benefits   | 74,872,092                         | -  |
| Refunds of Contributions                                 | 579,629                            | -  |
| Administrative Expenses                                  | 2,327,138                          | -  |
| Other  | -                                  | 27,265                                     |
| Total Deductions   | <u>77,778,859</u>                  | <u>27,265</u>                              |
| Change in Net Position                                   | <u>(17,349,876)</u>                | <u>1,976,457</u>                           |
| Net Position - Beginning                                 | <u>1,044,315,883</u>               | <u>90,369,493</u>                          |
| Net Position - Ending                                    | <u>\$ 1,026,966,007</u>            | <u>\$ 92,345,950</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, 2020

### (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. 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.

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 (the 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. Separate financial statements are not issued for the Trust.



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, 2020.

**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 Post-Employment Benefits Fund is used to account for the accumulation of Commission resources for post-retirement 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 \$1,560,555 as of June 30, 2020. 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 which are being held for resale are valued at the lower of cost or market for proprietary funds. Inventories of supplies are reported at cost.

**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 acquisition 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.

**Other Post-Employment Benefits (OPEB)** – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's Post-Retirement Insurance Benefits Program (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts have a maturity at the time of purchase of one year or less, which are reported at cost.

**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. 18-19, 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 General Fund is the only fund that reports a positive unassigned fund balance. This classification is only used by other funds to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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          | \$ 6,752,361        | \$ 4,904,953        | \$ 20,807,109          | \$ 18,406,964         | \$ 13,779,254        | \$ 64,650,641         |
| Assigned           | 202,159             | -                   | -                      | 11,021,123            | -                    | 11,223,282            |
| Unassigned         | 1,501,430           | 3,922,111           | 68,144,875             | 116,663,917           | 54,092,075           | 244,324,408           |
| Total Fund Balance | <u>\$ 8,455,950</u> | <u>\$ 8,827,064</u> | <u>\$ 88,951,984</u>   | <u>\$ 146,092,004</u> | <u>\$ 67,871,329</u> | <u>\$ 320,198,331</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, Capital Project and Special Revenue funds are classified as committed. These encumbrances, along with encumbrances of balances in funds that are restricted, committed or assigned, are not separately classified in the financial statements, and are summarized as follows:

|  |    |            |
|--|----|------------|
| General Fund - Montgomery County               | \$ | 11,657,314 |
| General Fund - Prince George's County          |    | 52,993,327 |
| Capital Projects Fund - Montgomery County      |    | 12,083,687 |
| Capital Projects Fund - Prince George's County |    | 39,758,052 |
| Non-Major Governmental Funds                   |    | 1,769,052  |

**(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   | \$ | 408,634,077          |
| Buildings and improvements   |    | 254,142,690          |
| Infrastructure   |    | 270,815,927          |
| Machinery, Equipment and Intangibles   |    | 74,504,083           |
| Accumulated Depreciation on Buildings, Improvements and Machinery, Equipment and Intangibles |    | (378,188,137)        |
| Construction in Progress   |    | 407,339,277          |
| Total  | \$ | <u>1,037,247,917</u> |

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

|   |    |                    |
|---|----|--------------------|
| Bonds and Notes Payable:                    |    |                    |
| Due Within One Year                         | \$ | 12,105,000         |
| Due in More than One Year                   |    | 166,649,162        |
| Net Other Post Employment Benefit Liability |    | 308,754,810        |
| Net Pension Liability                       |    | 128,974,283        |
| Compensated Absences                        |    |                    |
| Due Within One Year                         |    | 12,106,200         |
| Due in More than One Year                   |    | 9,856,386          |
| Accrued Interest Payable                    |    | 1,799,068          |
| Total                                       | \$ | <u>640,244,909</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 2020 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, 2020, 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, 2019               | \$ 5,076,516           | \$ 4,970,555 | \$ 12,404,209          | \$ 15,912,293   | \$ 13,235,406      | \$ 51,598,979      |
| To Decrease -               |                        |              |                        |                 |                    |                    |
| Encumbrances -              |                        |              |                        |                 |                    |                    |
| June 30, 2020               | (6,752,361)            | (4,904,953)  | (20,807,109)           | (18,406,964)    | (13,779,254)       | (64,650,641)       |
| Total Adjustment            | (1,675,845)            | 65,602       | (8,402,900)            | (2,494,671)     | (543,848)          | (13,051,662)       |
| Net Change in Fund Balance: |                        |              |                        |                 |                    |                    |
| GAAP Basis                  | 324,313                | (74,967)     | 18,166,342             | (9,347,558)     | 7,171,634          | 16,239,764         |
| Budget Basis                | \$ (1,351,532)         | \$ (9,365)   | \$ 9,763,442           | \$ (11,842,229) | \$ 6,627,786       | \$ 3,188,102       |

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

##### (A) Cash and Investments

The Commission's deposits and investments as of June 30, 2020, totaled \$1,634,765,129. The Commission's unrestricted pool of deposits and investments of \$540,309,866 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 \$2,805,588, and the bank balance is \$3,870,323. In addition, the Commission held cash at various locations totaling \$232,345. Of the bank balance, \$250,000 is covered by Federal depository insurance, and the remainder is collateralized by \$3,620,323 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, 2020. 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 \$66,602,222. Of these deposits, \$56,351 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 \$24,005,612 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, 2020 were as follows:

| Investment Type                                   | Fair Value     | Weighted Average Maturity (Days) |
|---|----------------|----------------------------------|
| U.S. Treasury Bills                               | \$ 108,278,271 | 100.85                           |
| Federal Agricultural Mortgage Corporation Notes   | 106,492,944    | 283.57                           |
| Maryland Local Government Investment Pool (MLGIP) | 98,822,667     | 46.00                            |
| Commercial Paper                                  | 65,454,816     | 148.83                           |
| Federal Home Loan Mortgage Association Notes      | 40,197,629     | 655.38                           |
| Federal Farm Credit Bank                          | 30,234,175     | 295.50                           |
| Federal Home Loan Bank Notes                      | 26,530,023     | 479.06                           |
| U.S Treasury Notes                                | 10,065,758     | 62.00                            |
| Municipal Bonds                                   | 8,599,040      | 9.00                             |
| Total Fair Value                                  | \$ 494,675,323 |                                  |
| Portfolio Weighted Average Maturity               |                | 209.93                           |

**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 and more recently defined by Title 17, subtitle 3 of the Local Government Article of the Maryland Annotated Code. 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. The Commission has no formal policy relating to interest rate risk.

**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 \$56,351 (0.23%) of bond funds invested in a money market fund that is considered investment grade.

Credit Quality Ratings as of June 30, 2020:

| <u>Credit Quality Ratings</u> |     | <u>% of Total Portfolio</u> |
|-------------------------------|-----|-----------------------------|
| Commercial Paper              | AA  | 13.12%                      |
| MLGIP                         | AAA | 20.11%                      |
| Municipal Bonds               | AA2 | 0.81%                       |
| Municipal Bonds               | AAA | 0.79%                       |
| Municipal Bonds               | AA1 | 0.15%                       |
| U.S. Government Agencies      | NR  | 35.15%                      |
| U.S. Government Agencies      | AA  | 6.10%                       |
| U.S. Treasury Bills           | NR  | 21.74%                      |
| U.S. Treasury Notes           | AAA | 2.04%                       |

NR=Not Rated

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

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

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

\* At time of purchase

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

The Commission is currently in compliance with this policy.

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

**Cash and Short-Term Investments** - The amount of ERS's total cash and short-term investments at June 30, 2020 is \$42,202,089. Cash deposits that were insured and collateralized in the bank account totaled \$65,117 at June 30, 2020. At June 30, 2020, the ERS held \$42,136,972 of short-term investments in its custodial investment accounts.

**Investments** - The Board of Trustees (the Board) of ERS is authorized by the Trust Agreement 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:

|                                   | <b>Target Exposure</b> | <b>Expected Range</b> |
|-----------------------------------|------------------------|-----------------------|
| U.S. Equities                     | 15.00%                 | 10%-20%               |
| International Equities            | 15.00%                 | 10%-20%               |
| Low Volatility Equities           | 10.00%                 | 5%-10%                |
| Private Equities                  | 7.50%                  | 0%-10%                |
| <b>Total Equities</b>             | <b>47.50%</b>          | <b>40%-55%</b>        |
| U.S. Core Fixed Income            | 11.50%                 | 8.5%-14.5%            |
| High Yield Fixed Income           | 7.50%                  | 5%-10%                |
| Global Opportunistic Fixed Income | 7.50%                  | 5%-10%                |
| Bank Loans                        | 4.00%                  | 2%-6%                 |
| Emerging Market Debt              | 5.00%                  | 3%-7%                 |
| <b>Total Fixed Income</b>         | <b>35.50%</b>          | <b>30%-41%</b>        |
| Public Real Assets                | 2.00%                  | 0%-10%                |
| Private Real Assets               | 15.00%                 | 5%-20%                |
| <b>Total Real Assets</b>          | <b>17.00%</b>          | <b>12%-25%</b>        |

The Board approved revisions to the Statement of Investment Policy (the Policy) on July 7, 2020. The Policy was amended to update the asset allocation changes adopted July 9, 2019 and to update the long-term assumptions.

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, emerging markets, 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, 2020, 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, 2020. The ERS' contracts to purchase and sell by foreign currencies were as follows:

Foreign Exchange Contracts Settled as of June 30, 2020:

| Currency               | Purchases    | Realized<br>Gain/(Loss) | Sells          | Realized<br>Gain/(Loss) |
|------------------------|--------------|-------------------------|----------------|-------------------------|
| Brazilian real         | \$ 1,253,060 | \$ (16,501)             | \$ (1,423,118) | \$ 1,534                |
| British pound sterling | 3,647,697    | 3,188                   | (3,158,556)    | (14,038)                |
| Canadian dollar        | -            | -                       | (135,683)      | 272                     |
| Czech koruna           | -            | -                       | (404,033)      | (235)                   |
| Euro                   | 3,385,087    | 6,790                   | (5,194,310)    | (2,665)                 |
| Hong Kong dollar       | 1,630,220    | (122)                   | (1,468,104)    | (216)                   |
| Indonesian rupiah      | -            | -                       | (122,234)      | (166)                   |
| Japanese yen           | 437,408      | (50)                    | (2,502,596)    | (3,514)                 |
| Mexican peso           | 497,475      | (3,412)                 | (91,508)       | (545)                   |
| New Taiwan dollar      | 48,611       | -                       | (2,494,717)    | (36)                    |
| Norwegian krone        | 476,852      | (902)                   | (519,475)      | (5,254)                 |
| Singapore dollar       | -            | -                       | (369,437)      | (347)                   |
| South Korean won       | -            | -                       | (369,042)      | (97)                    |
| Swiss franc            | 127,363      | (1,381)                 | (904,998)      | 4,488                   |

There were no foreign exchange contracts pending as of June 30, 2020.

**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 which represents the price that would be received if sold on the measurement date, were as follows:

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

(\$ in thousands)

|  | Fair Value<br>6/30/2020 | Fair Value Measurements Using  |   |  |
|--|-------------------------|--|---|--|
|  |                         | Quoted<br>Prices in<br>Active<br>Markets for<br>Identical<br>Assets<br>(Level 1) | Significant<br>Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) |
| <b>Investments by fair value level</b>       |                         |  |   |  |
| Cash and invested cash                       | \$ 1,341                | \$ 1,341   | \$ -  | \$ -   |
| Short-term investment funds                  | 34,334                  | 34,334   | -   | -  |
| Debt securities                              |                         |  |   |  |
| Asset backed securities                      | 8,075                   | -  | 8,075   | -  |
| Commercial mortgage-backed                   | 3,546                   | -  | 3,546   | -  |
| Non-Government Backed C.M.O.S.               | 328                     | -  | 328   | -  |
| Corporate bonds                              | 49,922                  | -  | 49,922  | -  |
| Government agencies                          | 4,575                   | -  | 4,575   | -  |
| Government bonds                             | 9,563                   | -  | 9,563   | -  |
| Government mortgage-backed securities        | 26,098                  | -  | 26,098  | -  |
| Government-issued commercial mortgage-backed | 1,538                   | -  | 1,538   | -  |
| Other fixed income                           | 5,776                   | -  | 5,776   | -  |
| Index linked government bonds                | 7,676                   | -  | 7,676   | -  |
| Total debt securities                        | 117,097                 | -  | 117,097   | -  |
| Equity investments                           |                         |  |   |  |
| Common stock                                 | 58,613                  | 58,610   | 3   | -  |
| Total equity investments                     | 58,613                  | 58,610   | 3   | -  |
| Securities lending short term                |                         |  |   |  |
| collateral investment pool                   | 29,250                  | 29,250   | -   | -  |
| <b>Total investments by fair value level</b> | <b>\$ 240,635</b>       | <b>\$ 123,535</b>  | <b>\$ 117,100</b>   | <b>\$ -</b>  |

The pricing services used for fixed income securities (level 2) uses the Interactive Data Corporation by Institutional Bid Evaluation daily; international fixed income securities (level 2) use the PC Bond Group or IBOXX by Institutional Mid Evaluation daily; corporate stock (level 1) uses the Interactive Data Corporation as of the official close of NASDAQ daily; international corporate stock (level 1) uses Telekurs by the Last Trade daily; venture capital (level 2) uses the Limited Partnership by the Institutional Bid Evaluation or Valuation as Priced for U.S. and international; and, real estate (level 2) uses the Investment Managers by Evaluation as priced.

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, 2020 were as follows:

### Investments Measured at the Net Asset Value (NAV)

(\$ in thousands)

|                                   | 2020              | Unfunded<br>Commitments | Redemption Frequency<br>(If Currently Eligible) | Redemption<br>Notice Period |
|-----------------------------------|-------------------|-------------------------|---|-----------------------------|
| Short-term investment funds       | \$ 6,462          | None                    | Monthly   | 1-6 days                    |
| Funds-corporate bonds             | 34,473            | None                    | Monthly   | 7-15 days                   |
| Funds-other fixed income          | 66,062            | None                    | Monthly   | 7-15 days                   |
| Funds-common stock                | 338,649           | 5,000                   | Monthly   | 7-15 days                   |
| Venture capital and partnerships  | 234,115           | 85,274                  | Monthly, Quarterly                              | Frequent Changes            |
| Real estate                       | 65,611            | 5,500                   | Monthly   | 1-15 days                   |
| Total investments measured at NAV | <u>\$ 745,372</u> |                         |   |                             |

**Money-Weighted Rate of Return** - For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.29%. 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** – 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' \$986.0 million in investments at June 30, 2020, \$29.3 million were 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.

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.

As of June 30, 2020, the ERS held \$16,456 of short-term investments that were exposed to custodial credit risk.

**Interest Rate Risk** – Each investment manager has duration targets and bands that control interest rate risk; however, the ERS does not have a policy relating to interest rate risk.

As of June 30, 2020, 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                                   | \$ 8,074,743          | 9.730221                               |
| Commercial mortgage-backed                                | 3,545,803             | 17.109969                              |
| Corporate bonds   | 84,394,829            | 9.368838                               |
| Government agencies                                       | 4,575,379             | 8.276334                               |
| Government bonds  | 9,562,684             | 19.592590                              |
| Government mortgage-backed securities                     | 26,098,128            | 24.446849                              |
| Government-issued commercial mortgage-backed              | 1,537,566             | 8.757722                               |
| Index linked government bonds                             | 7,676,286             | 8.211445                               |
| Non-government backed collateralized morgaged obligations | 327,980               | 13.007745                              |
| Fixed income mutual funds                                 | 71,836,502            | N/A                                    |
| Short-term investment funds                               | 40,795,495            | N/A                                    |
| <b>TOTAL</b>  | <b>\$ 258,425,394</b> | <b>13.426605</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 \$8,074,743 in ABS at June 30, 2020.

**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, 2020:

| <b>Credit Quality Distribution for Services</b> |     | <b>% of Total Portfolio</b> |
|---|-----|-----------------------------|
| Agency  | AGY | 4.45%                       |
| Government Agencies                             | AA  | 0.22%                       |
| Government Bonds                                | NR  | 0.28%                       |
| Government Mortgage Backed Securities           | BBB | 0.01%                       |
| Government Mortgage Backed Securities           | BB  | 0.01%                       |
| Government Mortgage-Backed Securities           | NR  | 0.05%                       |
| Asset-Backed Securities                         | AAA | 0.23%                       |
| Asset-Backed Securities                         | AA  | 0.14%                       |
| Asset-Backed Securities                         | A   | 0.12%                       |
| Asset-Backed Securities                         | BBB | 0.11%                       |
| Asset-Backed Securities                         | NR  | 0.23%                       |
| Commercial Mortgage-Backed                      | AAA | 0.17%                       |
| Commercial Mortgage-Backed                      | A   | 0.02%                       |
| Commercial Mortgage-Backed                      | BBB | 0.04%                       |
| Commercial Mortgage-Backed                      | NR  | 0.13%                       |
| Corporate Bonds                                 | AAA | 0.03%                       |
| Corporate Bonds                                 | AA  | 0.40%                       |
| Corporate Bonds                                 | A   | 1.98%                       |
| Corporate Bonds                                 | BBB | 2.28%                       |
| Corporate Bonds                                 | BB  | 0.21%                       |
| Corporate Bonds                                 | B   | 0.05%                       |
| Corporate Bonds                                 | NR  | 0.12%                       |
| Funds - Corporate Bonds                         | NR  | 3.50%                       |
| Funds - Other Fixed Income                      | NR  | 6.70%                       |
| Funds - Short Term Investment                   | NR  | 4.14%                       |
| Non-Government Backs C.M.O.s                    | NR  | 0.03%                       |
| Other Fixed Income                              | NR  | 0.59%                       |

**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, 2020, was as follows:

| <b>Investment Type</b> | <b>Currency</b>        | <b>Fair Value</b>    |
|------------------------|------------------------|----------------------|
| Common stock           | Brazilian real         | \$ 1,581,956         |
| Common stock           | British pound sterling | 4,858,044            |
| Common stock           | Canadian dollar        | 1,030,483            |
| Common stock           | Euro                   | 16,831,345           |
| Common stock           | Hong Kong dollar       | 3,567,546            |
| Common stock           | Japanese yen           | 4,361,477            |
| Common stock           | Mexican peso           | 1,018,106            |
| Common stock           | New Taiwan dollar      | 2,040,556            |
| Common stock           | Norwegian krone        | 1,935,977            |
| Common stock           | Singapore dollar       | 958,704              |
| Common stock           | South Korean won       | 993,405              |
| Common stock           | Swiss franc            | 1,547,928            |
| <b>Total</b>           |                        | <b>\$ 40,725,527</b> |

Note: This schedule does 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 authorized the lending of fixed income securities, which is managed by the custodian bank. The Board authorized a securities lending loan cap of 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, 2020.

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 fair value of the securities plus any accrued interest. Non-U.S. government securities are loaned against collateral valued at 105% of the fair value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Consequently, the non-cash collateral has not been reported as an asset or liability on the 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 93 days in 2020.

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 31 days as of June 30, 2020. Cash collateral may also be invested separately in "term loans", in which case 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, 2020:

| <b>Securities Lent</b>  | <b>Fair Value</b>    | <b>Cash Collateral Received*</b> |
|-------------------------|----------------------|----------------------------------|
| Fixed income securities | \$ 23,296,968        | \$ 23,888,724                    |
| Domestic equities       | 5,862,781            | 5,949,016                        |
| Global equities         | 90,655               | 95,586                           |
| <b>Total</b>            | <b>\$ 29,250,404</b> | <b>\$ 29,933,326</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 Company 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 \$947,001. Investments in mutual funds, fixed income and real estate totaled \$84,377,417.

**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 2020 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, 2020 were as follows:

| <b><u>Investment Type</u></b> | <b><u>Fair Value</u></b> |
|-------------------------------|--------------------------|
| Equity Index Fund             | \$ 59,036,015            |
| Fixed Income                  | 16,004,359               |
| Real Estate                   | 9,337,043                |
| Total Investments             | <u>\$ 84,377,417</u>     |

The Trust's fixed income investments at June 30, 2020 were as follows:

| <b><u>Investment Type</u></b>       | <b><u>Fair Value</u></b> | <b><u>Weighted Average Maturity (Duration)</u></b> |
|-------------------------------------|--------------------------|--|
| Fixed Allocation Funds              | \$ 8,195,772             | 3.59   |
| Fixed Bond Fund                     | 7,808,587                | 0.63   |
| Total Fair Value                    | <u>\$ 16,004,359</u>     |  |
| Portfolio Weighted Average Maturity |                          | 0.86   |

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

Statement of Net Position

|   |                |
|---|----------------|
| Equity in Pooled Cash and Investments   | \$ 528,995,030 |
| Restricted Cash, Cash Equivalents and Investments -<br>Unspent Bonds Proceeds | 24,005,612     |

Statement of Net Position - Fiduciary Funds

|  |                         |
|--|-------------------------|
| Equity in Pooled Cash and Investments - Pension Trust Funds          | 947,001                 |
| Equity in Pooled Cash and Investments - Private Purpose Trust Funds  | 8,783,832               |
| Equity in Pooled Cash and Investments - Agency Funds                 | 1,584,003               |
| Cash and Marketable Securities - Pension Trust Funds                 | 1,041,199,247           |
| Collateral for Securities Lending Transactions - Pension Trust Funds | 29,250,404              |
| Total  | <u>\$ 1,634,765,129</u> |

They are composed of:

|  |                         |
|--|-------------------------|
| Cash in Banks of Commission                                    | \$ 2,805,588            |
| Cash of Employees' Retirement System Pension Trust Fund        | 65,117                  |
| Cash in Other Locations - Commission                           | 232,345                 |
| Money Market Deposits of Commission                            | 66,602,222              |
| Fixed Income Securities In Commission's Investment Pool *      | 494,675,323             |
| Mutual funds in Other Post Employment Benefits Fund *          | 84,377,417              |
| Investments of Employees' Retirement System Pension Trust Fund |                         |
| Equity Investments   | 397,262,355             |
| Fixed Income Securities  | 217,631,505             |
| Real Estate  | 65,610,521              |
| Venture Capital and Partnerships                               | 234,115,360             |
| Cash & Cash Equivalents  | 42,136,972              |
| Collateral for Securities Lending Transactions                 | 29,250,404              |
| Total  | <u>\$ 1,634,765,129</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, 2020 is as follows:

|   | <u>July 1, 2019</u>     | <u>Increases</u>     | <u>Decreases</u>    | <u>June 30, 2020</u>    |
|---|-------------------------|----------------------|---------------------|-------------------------|
| Capital assets not being depreciated        |                         |                      |                     |                         |
| Land  | \$ 395,797,479          | \$ 13,858,795        | \$ (273,700)        | \$ 409,382,574          |
| Construction in progress                    | 364,797,920             | 42,541,357           | -                   | 407,339,277             |
| Total capital assets not being depreciated  | <u>760,595,399</u>      | <u>56,400,152</u>    | <u>(273,700)</u>    | <u>816,721,851</u>      |
| Other capital assets, being depreciated     |                         |                      |                     |                         |
| Buildings and improvements                  | 257,277,614             | 539,816              | (14,512)            | 257,802,918             |
| Infrastructure                              | 270,556,801             | 274,783              | -                   | 270,831,584             |
| Machinery, equipment and intangibles        | 118,241,457             | 10,315,764           | (4,868,167)         | 123,689,054             |
| Total other capital assets                  | <u>646,075,872</u>      | <u>11,130,363</u>    | <u>(4,882,679)</u>  | <u>652,323,556</u>      |
| Less accumulated depreciation for:          |                         |                      |                     |                         |
| Buildings and improvements                  | (161,055,327)           | (4,411,858)          | 14,512              | (165,452,673)           |
| Infrastructure                              | (161,855,618)           | (4,730,802)          | -                   | (166,586,420)           |
| Machinery, equipment and intangibles        | (81,044,638)            | (9,356,225)          | 4,660,264           | (85,740,599)            |
| Total accumulated depreciation              | <u>(403,955,583)</u>    | <u>(18,498,885)</u>  | <u>4,674,776</u>    | <u>(417,779,692)</u>    |
| Total other capital asset, net              | <u>242,120,289</u>      | <u>(7,368,522)</u>   | <u>(207,903)</u>    | <u>234,543,864</u>      |
| Governmental activities capital assets, net | <u>\$ 1,002,715,688</u> | <u>\$ 49,031,630</u> | <u>\$ (481,603)</u> | <u>\$ 1,051,265,715</u> |

Summaries of business-type activities capital assets at June 30, 2020, made up of two major enterprise funds, are as follows:

|   | July 1, 2019         | Increases             | Decreases           | June 30, 2020        |
|---|----------------------|-----------------------|---------------------|----------------------|
| <b>Montgomery County Enterprise Fund</b>      |                      |                       |                     |                      |
| Capital assets not being depreciated:         |                      |                       |                     |                      |
| Land  | \$ 11,584,468        | \$ -                  | \$ -                | \$ 11,584,468        |
| Construction in progress                      | 7,115,309            | 2,271,520             | (343,462)           | 9,043,367            |
| Total capital assets not being depreciated    | <u>18,699,777</u>    | <u>2,271,520</u>      | <u>(343,462)</u>    | <u>20,627,835</u>    |
| Capital assets being depreciated              |                      |                       |                     |                      |
| Buildings and improvements                    | 27,253,377           | 173,704               | (136,451)           | 27,290,630           |
| Infrastructure                                | 35,510               | 7,075                 | (15,975)            | 26,610               |
| Machinery, equipment and intangibles          | 2,810,596            | 318,141               | (40,179)            | 3,088,558            |
| Total capital assets being depreciated        | <u>30,099,483</u>    | <u>498,920</u>        | <u>(192,605)</u>    | <u>30,405,798</u>    |
| Less accumulated depreciation for:            |                      |                       |                     |                      |
| Buildings and improvements                    | (24,872,485)         | (584,841)             | 8,331               | (25,448,995)         |
| Infrastructure                                | (7,192)              | (1,153)               | 2,796               | (5,549)              |
| Machinery, equipment and intangibles          | (1,663,604)          | (217,159)             | 5,315               | (1,875,448)          |
| Total accumulated depreciation                | <u>(26,543,281)</u>  | <u>(803,153)</u>      | <u>16,442</u>       | <u>(27,329,992)</u>  |
| Total capital assets being depreciated, net   | <u>3,556,202</u>     | <u>(304,233)</u>      | <u>(176,163)</u>    | <u>3,075,806</u>     |
| Capital assets, net                           | <u>\$ 22,255,979</u> | <u>\$ 1,967,287</u>   | <u>\$ (519,625)</u> | <u>\$ 23,703,641</u> |
| <b>Prince George's County Enterprise Fund</b> |                      |                       |                     |                      |
| Capital assets not being depreciated:         |                      |                       |                     |                      |
| Land  | \$ 6,459,131         | \$ -                  | \$ -                | \$ 6,459,131         |
| Capital assets being depreciated:             |                      |                       |                     |                      |
| Buildings and improvements                    | 72,358,592           | -                     | -                   | 72,358,592           |
| Infrastructure                                | 146,461              | -                     | -                   | 146,461              |
| Machinery, equipment and intangibles          | 5,102,331            | 95,142                | (193,098)           | 5,004,375            |
| Total capital assets being depreciated        | <u>77,607,384</u>    | <u>95,142</u>         | <u>(193,098)</u>    | <u>77,509,428</u>    |
| Less accumulated depreciation for:            |                      |                       |                     |                      |
| Buildings and improvements                    | (43,604,920)         | (1,666,322)           | -                   | (45,271,242)         |
| Infrastructure                                | (21,086)             | (7,323)               | -                   | (28,409)             |
| Machinery, equipment and intangibles          | (3,591,467)          | (270,907)             | 193,098             | (3,669,276)          |
| Total accumulated depreciation                | <u>(47,217,473)</u>  | <u>(1,944,552)</u>    | <u>193,098</u>      | <u>(48,968,927)</u>  |
| Total capital assets being depreciated, net   | <u>30,389,911</u>    | <u>(1,849,410)</u>    | <u>-</u>            | <u>28,540,501</u>    |
| Capital assets, net                           | <u>\$ 36,849,042</u> | <u>\$ (1,849,410)</u> | <u>\$ -</u>         | <u>\$ 34,999,632</u> |
| Total Business-type activities                | <u>\$ 59,105,021</u> | <u>\$ 117,877</u>     | <u>\$ (519,625)</u> | <u>\$ 58,703,273</u> |

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

|  |                      |
|--|----------------------|
| Governmental Activities:                               |                      |
| General Government                                     | \$ 81,277            |
| County Planning and Zoning                             | 407,013              |
| Park Operations and Maintenance                        | 15,933,323           |
| Recreation Programs                                    | <u>2,077,272</u>     |
| Total depreciation expense - governmental activities   | <u>\$ 18,498,885</u> |
| Total depreciation expense - business-type activities: |                      |
| Recreational and Cultural Facilities                   | <u>\$ 2,746,893</u>  |

**Construction Commitments** - The Commission is committed to \$51,841,739 for construction contracts for work to be performed in subsequent years.

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

The Commission had the following interfund transfers during fiscal year 2020:

| 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 | \$ -                 | \$ -                               | \$ 30,000                               | \$ -                         | \$ -                | \$ 30,000            |
| General Fund - Park Account           | 3,000,000            | 350,000                            | 42,030,000                              | 18,330,175                   | -                   | 63,710,175           |
| General Fund - Recreation Account     | -                    | -                                  | 10,000,000                              | -                            | 8,157,592           | 18,157,592           |
| Capital Projects                      | 1,807,969            | -                                  | -                                       | -                            | -                   | 1,807,969            |
| Total Transfers In                    | <u>\$ 4,807,969</u>  | <u>\$ 350,000</u>                  | <u>\$ 52,060,000</u>                    | <u>\$ 18,330,175</u>         | <u>\$ 8,157,592</u> | <u>\$ 83,705,736</u> |
| <b>Transfers Out</b>                  |                      |                                    |   |                              |                     |                      |
| General Fund - Administration Account | \$ 125,000           | \$ -                               | \$ -                                    | \$ -                         | \$ -                | \$ 125,000           |
| General Fund - Park Account           | 3,350,000            | 126,432                            | 1,556,537                               | -                            | -                   | 5,032,969            |
| Debt Service Fund                     | 18,330,175           | -                                  | -                                       | -                            | -                   | 18,330,175           |
| Capital Projects                      | 52,060,000           | -                                  | -                                       | -                            | -                   | 52,060,000           |
| Enterprise Fund                       | 8,157,592            | -                                  | -                                       | -                            | -                   | 8,157,592            |
| Total Transfers Out                   | <u>\$ 82,022,767</u> | <u>\$ 126,432</u>                  | <u>\$ 1,556,537</u>                     | <u>\$ -</u>                  | <u>\$ -</u>         | <u>\$ 83,705,736</u> |

The majority of the transfers were used to provide funding for the Debt Service Fund for Park Acquisition and Development Bonds (\$18,330,175) and current funding for Capital Projects (\$52,410,000).

Proprietary fund transfers are made up of the following:

|                                   |  |
|-----------------------------------|--|
| Interfund Transfers:              | Prince George's<br>County Enterprise<br>Fund |
| <b>Transfers In</b>               |  |
| General Fund - Recreation Account | \$ 8,157,592                                 |
| Total Transfers In                | <u>\$ 8,157,592</u>                          |

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 \$1,871,289 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 \$146 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 2025. Each agreement provides for termination in the event of non-appropriation of funds.

Future minimum commitments under operating leases at June 30, 2020 are as follows (\$000's):

| Year Ending June 30,         | Operating Leases |                   |                        |
|------------------------------|------------------|-------------------|------------------------|
|                              | Total            | Montgomery County | Prince George's County |
| 2021                         | \$ 3,973         | \$ 300            | \$ 3,673               |
| 2022                         | 2,896            | 300               | 2,596                  |
| 2023                         | 2,896            | 300               | 2,596                  |
| 2024                         | 2,896            | 300               | 2,596                  |
| 2025                         | 2,767            | 300               | 2,467                  |
| Total minimum lease payments | <u>\$ 15,428</u> | <u>\$ 1,500</u>   | <u>\$ 13,928</u>       |

In fiscal year 2020, expenditures in the General Fund included \$2,396,453 relating to the rental of office space and \$1,697,821 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 2020, debt service payments approximated 0.35 cents per \$100 of real property and 0.88 cents per \$100 of personal property for Montgomery County and 1.23 cents for real property and 3.08 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**

| Governmental Activities |                         |                        |                        |                                     |                                    |                                    |
|-------------------------|-------------------------|------------------------|------------------------|-------------------------------------|------------------------------------|------------------------------------|
| Fiscal Year             | Total Park<br>Principal | Total Park<br>Interest | Total Park<br>Payments | Total Direct Placement<br>Principal | Total Direct Placement<br>Interest | Total Direct Placement<br>Payments |
| 2021                    | \$ 4,200                | \$ 1,840               | \$ 6,040               | \$ -                                | \$ 228                             | \$ 228                             |
| 2022                    | 3,860                   | 1,683                  | 5,543                  | 500                                 | 243                                | 743                                |
| 2023                    | 3,920                   | 1,527                  | 5,447                  | 500                                 | 230                                | 730                                |
| 2024                    | 3,585                   | 1,374                  | 4,959                  | 500                                 | 218                                | 718                                |
| 2025                    | 3,655                   | 1,229                  | 4,884                  | 500                                 | 205                                | 705                                |
| 2026-2030               | 16,990                  | 4,311                  | 21,301                 | 2,500                               | 840                                | 3,340                              |
| 2031-2035               | 14,270                  | 1,687                  | 15,957                 | 2,500                               | 529                                | 3,029                              |
| 2036-2040               | 3,975                   | 204                    | 4,179                  | 2,500                               | 218                                | 2,718                              |
| 2041-2045               | -                       | -                      | -                      | 500                                 | 6                                  | 506                                |
| Totals                  | <u>\$ 54,455</u>        | <u>\$ 13,855</u>       | <u>\$ 68,310</u>       | <u>\$ 10,000</u>                    | <u>\$ 2,717</u>                    | <u>\$ 12,717</u>                   |

**Montgomery County General Obligation Bonds (continued)**

| Governmental Activities |                        |                       |                       |                        |                       |                       |
|-------------------------|------------------------|-----------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Fiscal Year             | Total ALA<br>Principal | Total ALA<br>Interest | Total ALA<br>Payments | Total ISF<br>Principal | Total ISF<br>Interest | Total ISF<br>Payments |
| 2021                    | \$ 130                 | 11                    | \$ 141                | \$ 600                 | \$105                 | \$705                 |
| 2022                    | 125                    | 9                     | 134                   | 600                    | 75                    | 675                   |
| 2023                    | 125                    | 6                     | 131                   | 600                    | 45                    | 645                   |
| 2024                    | 120                    | 4                     | 124                   | 600                    | 15                    | 615                   |
| 2025                    | 120                    | 1                     | 121                   | -                      | -                     | -                     |
| Totals                  | <u>\$ 620</u>          | <u>\$ 31</u>          | <u>\$ 651</u>         | <u>\$ 2,400</u>        | <u>\$ 240</u>         | <u>\$ 2,640</u>       |

**Prince George's County General Obligation Bonds**

| Governmental Activities |                         |                        |                        | Total Commission<br>General Obligation<br>Bonds |
|-------------------------|-------------------------|------------------------|------------------------|---|
| Fiscal Year             | Total Park<br>Principal | Total Park<br>Interest | Total Park<br>Payments | Principal & Interest                            |
| 2021                    | \$ 7,775                | \$ 4,040               | \$ 11,815              | \$ 18,083                                       |
| 2022                    | 6,520                   | 3,686                  | 10,206                 | 16,492  |
| 2023                    | 6,615                   | 3,369                  | 9,984                  | 16,161  |
| 2024                    | 6,710                   | 3,061                  | 9,771                  | 15,448  |
| 2025                    | 5,950                   | 2,750                  | 8,700                  | 14,289  |
| 2026-2030               | 29,665                  | 9,905                  | 39,570                 | 64,211  |
| 2031-2035               | 29,225                  | 4,512                  | 33,737                 | 52,723  |
| 2036-2040               | 10,840                  | 641                    | 11,481                 | 18,378  |
| Totals                  | <u>\$ 103,300</u>       | <u>\$ 31,964</u>       | <u>\$ 135,264</u>      | <u>\$ 215,785</u>                               |



**Outstanding General Obligation Bonds** - General obligation bonds outstanding as of June 30, 2020, consist of the following individual issues (000's):

| Series  | Effective Interest Rate at Date of Sale | Dated    | Final Maturity Date | FY 2021 Serial Payment | Original Issue    | Outstanding as of June 30, 2020 |
|---|---|----------|---------------------|------------------------|-------------------|---------------------------------|
| <b>Montgomery County</b>                              |   |          |                     |                        |                   |                                 |
| <b>Park Acquisition and Development Bonds</b>         |   |          |                     |                        |                   |                                 |
| Series LL-2 Advance and Current Refunding             | 2.4059                                  | 05/21/09 | 11/01/20            | \$ 400                 | \$ 8,405          | \$ 400                          |
| Series MC-2012A (Note 1)                              | 2.8695                                  | 04/05/12 | 12/01/32            | 950                    | 12,505            | 7,335                           |
| Series MC-2012B                                       | 3.5622                                  | 04/05/12 | 12/01/32            | 135                    | 3,000             | 2,115                           |
| Series MC-2014A                                       | 2.8633                                  | 06/17/14 | 12/01/33            | 600                    | 14,000            | 10,850                          |
| Series MC-2016A                                       | 2.3634                                  | 04/14/16 | 11/01/35            | 500                    | 12,000            | 10,200                          |
| Series MC-2016B Advance Refunding                     | 1.6866                                  | 04/14/16 | 11/01/28            | 615                    | 6,120             | 5,355                           |
| Series MC-2017A                                       | 2.6860                                  | 04/20/17 | 11/20/36            | 400                    | 8,000             | 6,800                           |
| Series MC-2018A                                       | 3.3540                                  | 10/04/18 | 11/01/38            | 600                    | 12,000            | 11,400                          |
|   |   |          |                     | <u>4,200</u>           | <u>76,030</u>     | <u>54,455</u>                   |
| <b>Advance Land Acquisition Bonds</b>                 |   |          |                     |                        |                   |                                 |
| MC 2016C - Advanced Land Acquisition                  | 1.2475                                  | 04/14/16 | 11/01/24            | 130                    | 1,075             | 620                             |
|   |   |          |                     | <u>130</u>             | <u>1,075</u>      | <u>620</u>                      |
| <b>Internal Service Fund-Capital Equipment</b>        |   |          |                     |                        |                   |                                 |
| Series MC-2018B                                       | 2.5391                                  | 10/04/18 | 11/01/23            | 600                    | 3,000             | 2,400                           |
|   |   |          |                     | <u>600</u>             | <u>3,000</u>      | <u>2,400</u>                    |
| <b>Direct Placement Bond</b>                          |   |          |                     |                        |                   |                                 |
| Series MC-2020A                                       | 2.4911                                  | 06/01/20 | 11/01/40            | -                      | 10,000            | 10,000                          |
|   |   |          |                     | <u>-</u>               | <u>10,000</u>     | <u>10,000</u>                   |
| Total Montgomery County General Obligation Bonds      |   |          |                     | <u>\$ 4,930</u>        | <u>\$ 90,105</u>  | <u>\$ 67,475</u>                |
| <b>Prince George's County</b>                         |   |          |                     |                        |                   |                                 |
| <b>Park Acquisition and Development Bonds</b>         |   |          |                     |                        |                   |                                 |
| Series NN-2 Advance Refunding                         | 2.4212                                  | 03/04/10 | 05/01/21            | \$ 1,335               | \$ 14,080         | \$ 1,335                        |
| Series PGC-2012A Advance and Current Refunding        | 1.8735                                  | 06/21/12 | 01/15/24            | 865                    | 11,420            | 3,465                           |
| Series PGC-2014A                                      | 3.0409                                  | 05/01/14 | 01/15/34            | 1,075                  | 26,565            | 20,340                          |
| Series PGC-2015A (Note 1)                             | 2.7254                                  | 10/15/15 | 01/15/36            | 1,300                  | 24,820            | 20,660                          |
| Series PGC-2017A                                      | 2.7053                                  | 07/27/17 | 01/15/37            | 1,650                  | 33,000            | 28,050                          |
| Series PGC-2018A                                      | 3.2675                                  | 11/29/18 | 11/01/38            | 1,550                  | 31,000            | 29,450                          |
| Total Prince George's County General Obligation Bonds |   |          |                     | <u>\$ 7,775</u>        | <u>\$ 140,885</u> | <u>\$ 103,300</u>               |

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

**New Bond Issues** – On June 1, 2020, the Commission issued \$10,000,000 of Montgomery County Park Acquisition and Development General Obligation Direct Placement Project Bonds Series MC-2020A. These proceeds are to be used for capital project financing. Semiannual payments of interest and annual principal payments are due until November 1, 2040 at a net interest cost of 2.49%.

**Changes in Long-term Liabilities** – Changes in long-term liabilities for the year ended June 30, 2020, were as follows:

| <b>Governmental activities:</b>             | Beginning      |                |               | Ending         |                        |
|---|----------------|----------------|---------------|----------------|------------------------|
|   | Balance        | Additions      | Reductions    | Balance        | Amount Due in One Year |
| <b>Montgomery County</b>                    |                |                |               |                |                        |
| General Obligation Park Bonds Payable       | \$ 58,590,000  | \$ -           | \$ 4,135,000  | \$ 54,455,000  | \$ 4,200,000           |
| Premiums on Park Bonds Issued               | 3,117,614      | -              | 384,752       | 2,732,862      | -                      |
| Notes for Direct Placement Bond             | -              | 10,000,000     | -             | 10,000,000     | -                      |
| General Obligation ALA Bonds Payable        | 750,000        | -              | 130,000       | 620,000        | 130,000                |
| General Obligation ISF Bonds Payable        | 3,000,000      | -              | 600,000       | 2,400,000      | 600,000                |
| Premiums on ISF Bonds Issued                | 209,300        | -              | 48,300        | 161,000        | -                      |
| Accrued Compensated Absences                | 8,931,828      | 6,212,978      | 5,860,363     | 9,284,443      | 5,860,363              |
| Net Other Post Employment Benefit Liability | 109,143,825    | 22,278,900     | -             | 131,422,725    | -                      |
| Net Pension Liability                       | 30,827,056     | 24,353,784     | -             | 55,180,840     | -                      |
| Long-term Liabilities                       | 214,569,623    | 62,845,662     | 11,158,415    | 266,256,870    | 10,790,363             |
| <b>Prince George's County</b>               |                |                |               |                |                        |
| General Obligation Park Bonds Payable       | 111,030,000    | -              | 7,730,000     | 103,300,000    | 7,775,000              |
| Premiums on Bonds Issued                    | 8,196,732      | -              | 550,432       | 7,646,300      | -                      |
| Accrued Compensated Absences                | 12,141,388     | 7,129,546      | 6,363,806     | 12,907,128     | 6,363,806              |
| Net Other Post Employment Benefit Liability | 148,816,785    | 30,925,116     | -             | 179,741,901    | -                      |
| Net Pension Liability                       | 42,357,872     | 32,455,211     | -             | 74,813,083     | -                      |
| Long-term Liabilities                       | 322,542,777    | 70,509,873     | 14,644,238    | 378,408,412    | 14,138,806             |
| Total Long-term Liabilities                 | \$ 537,112,400 | \$ 133,355,535 | \$ 25,802,653 | \$ 644,665,282 | \$ 24,929,169          |
| <b>Business-type activities:</b>            |                |                |               |                |                        |
|   | Beginning      |                |               | Ending         |                        |
|   | Balance        | Additions      | Reductions    | Balance        | Amount Due in One Year |
| <b>Montgomery County</b>                    |                |                |               |                |                        |
| Accrued Compensated Absences                | \$ 358,086     | \$ 64,777      | \$ 92,601     | \$ 330,262     | \$ 92,601              |
| Net Other Post Employment Benefit Liability | 3,344,789      | 846,332        | -             | 4,191,121      | -                      |
| Net Pension Liability                       | 830,993        | 727,772        | -             | 1,558,765      | -                      |
| Long-term Liabilities                       | 4,533,868      | 1,638,881      | 92,601        | 6,080,148      | 92,601                 |
| <b>Prince George's County</b>               |                |                |               |                |                        |
| Accrued Compensated Absences                | 597,421        | 322,859        | 230,007       | 690,273        | 230,007                |
| Net Other Post Employment Benefit Liability | 7,933,386      | 1,532,544      | -             | 9,465,930      | -                      |
| Net Pension Liability                       | 1,919,266      | 1,353,073      | -             | 3,272,339      | -                      |
| Long-term Liabilities                       | 10,450,073     | 3,208,476      | 230,007       | 13,428,542     | 230,007                |
| Total Long-term Liabilities                 | \$ 14,983,941  | \$ 4,847,357   | \$ 322,608    | \$ 19,508,690  | \$ 322,608             |

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

|   | Governmental<br>Activities | Business Type<br>Activities | Total                 |
|---|----------------------------|-----------------------------|-----------------------|
| Compensated Absences:                       |                            |                             |                       |
| Due within One Year                         | \$ 12,224,169              | \$ 322,608                  | \$ 12,546,777         |
| Due in more than One Year                   | 9,967,402                  | 697,927                     | 10,665,329            |
| Bonds and Notes Payable:                    |                            |                             |                       |
| Due within One Year                         | 12,705,000                 | -                           | 12,705,000            |
| Due in more than One Year                   | 168,610,162                | -                           | 168,610,162           |
| Net Other Post employment Benefit Liability |                            |                             |                       |
| Due in more than One Year                   | 311,164,626                | 13,657,051                  | 324,821,677           |
| Net Pension Liability                       | 129,993,923                | 4,831,104                   | 134,825,027           |
| Total Long-term Liabilities                 | <u>\$ 644,665,282</u>      | <u>\$ 19,508,690</u>        | <u>\$ 664,173,972</u> |

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 liabilities and net other post-employment benefit liabilities 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 2018, 2019 or 2020. No insurance coverages were reduced in fiscal year 2020.

The Commission offers three medical plans and their Medicare components. Two of the medical plans are self-insured through UnitedHealthcare (UHC); the Choice Plus Point-of-Service Plan (POS) and the Select Exclusive Provider Plan (EPO). The third medical plan is a fully insured Health Maintenance Organization (HMO) Plan through Kaiser Permanente. The prescription drug plan through Caremark is also self-insured. All other group health insurance plans are fully insured including two dental plans and a vision plan with three coverage levels. The Commission expenses (net of employee, Medicare Part D and retiree contributions) were for all group health benefits in fiscal year 2020. The basis for estimating incurred but not reported (IBNR) claims at year-end is an annual analysis performed by the Commission's benefits consultant Aon Hewitt Consulting.

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 2020 totaled \$5,329,886. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims which is determined annually based on an actuarial valuation. In addition, individual claim liabilities are established for each case based on the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

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

|                                    |                     | Risk                 |
|------------------------------------|---------------------|----------------------|
|                                    | <u>Medical</u>      | <u>Management</u>    |
| Unpaid Claims, June 30, 2018       | \$ 1,901,475        | \$ 16,306,578        |
| Incurring Claims, Fiscal Year 2019 | 23,224,839          | 5,683,060            |
| Claims Paid, Fiscal Year 2019      | <u>(23,302,839)</u> | <u>(4,591,746)</u>   |
| Unpaid Claims, June 30, 2019       | 1,823,475           | 17,397,892           |
| Incurring Claims, Fiscal Year 2020 | 24,829,305          | 5,331,114            |
| Claims Paid, Fiscal Year 2020      | <u>(25,146,305)</u> | <u>(5,329,889)</u>   |
| Unpaid Claims, June 30, 2020       | <u>\$ 1,506,475</u> | <u>\$ 17,399,117</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<br>Management   | Total                |
|---------------------------|---------------------|----------------------|----------------------|
| Due within One Year       | \$ 1,506,475        | \$ 4,349,778         | \$ 5,856,253         |
| Due in more than One Year | -                   | 13,049,339           | 13,049,339           |
| Total                     | <u>\$ 1,506,475</u> | <u>\$ 17,399,117</u> | <u>\$ 18,905,592</u> |

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

The Commission was involved in the following related party transactions during fiscal year 2020:

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

|   |                     |
|---|---------------------|
| Dept. of Environ. Resources Zoning Enforcement and Inspection of New Construct.     | \$ 1,588,967        |
| Reimbursements to County Council for planning, zoning, and audio/visual (Comm. Ofc) | 1,137,300           |
| Office Space Rental at the County Administrative Building (CAB)                     | 973,076             |
| Permits & Inspection for M-NCPPC-DPIE   | 856,200             |
| Redevelopment Authority   | 614,900             |
| Permits & Inspection & Permitting - DPW&T/Office of Engineering                     | 469,933             |
| Geographic Information Systems - GIS  | 340,500             |
| Prince George's Community College -Park Police Security                             | 300,000             |
| Prince George's Community College -Outreach Facilities                              | 300,000             |
| EDC - General Plan Goals  | 272,534             |
| Peoples Zoning Counsel (Stan Derwin Brown)  | 250,000             |
| Department of Environmental Resources - Water and Sewer Planning                    | 155,300             |
| Council Planning Position   | 150,000             |
| Prince George's Community College -Team Building Program                            | 100,000             |
| Economic Development for Enterprise Zone  | 65,000              |
| Property Tax Collection Fees (Administration)                                       | 34,411              |
| Total (1)   | <u>\$ 7,608,121</u> |

(1) Of this amount, \$65,000 is in Accounts Payable at June 30, 2020.

## **(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, 2019, membership in the System was as follows:

|                       |              |
|-----------------------|--------------|
| Active                | 2,123        |
| Retired               | 1,645        |
| Terminated Vested     | 235          |
| Terminated Non-Vested | <u>426</u>   |
| Total Participants    | <u>4,429</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, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019.

**Actuarial Assumptions** – The total pension liability of the Defined Benefit Pension Plan was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.50%  
Salary Increases: 2.50% plus variable service based increases  
Investment Return: 6.85%, net of investment expense and including inflation

Mortality rates were based on the 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 alternative table was used for the valuation of disabled members.

A Post Retirement Cost of Living Adjustment of 2.40% was assumed 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, 2020 is equal to the July 1, 2019 Entry Age Normal 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:

The investment return assumption was changed from 6.90% to 6.85%.

Employer contributions are determined each year, based on an annual valuation of the System. The Entry Age Normal 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 only expected returns, and 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.

| Asset Class                        | Long-Term<br>Expected Real |                      |
|------------------------------------|----------------------------|----------------------|
|                                    | Return -<br>Portfolio      | Target<br>Allocation |
| U.S. Equity                        | 6.75%                      | 15.00%               |
| International Equity-(non-U.S.)    | 7.50%                      | 15.00%               |
| Low Volatility Equity              | 7.15%                      | 10.00%               |
| Private Equity                     | 8.40%                      | 7.50%                |
| Fixed Income - High Yield          | 5.40%                      | 7.50%                |
| Fixed Income - Global Opp.         | 8.00%                      | 7.50%                |
| Fixed Income - U.S. Core           | 1.80%                      | 11.50%               |
| Bank Loans                         | 4.60%                      | 4.00%                |
| Emerging Market Debt               | 5.30%                      | 5.00%                |
| Public Real Assets                 | 3.40%                      | 2.00%                |
| Private Real Assets                | 7.80%                      | 15.00%               |
| Total                              | 6.38%                      | 100.00%              |
| Plus Inflation                     | 2.50%                      |                      |
| Total Return without<br>Adjustment | 8.88%                      |                      |
| Risk Adjustment                    | -2.03%                     |                      |
| Total Expected Return              | 6.85%                      |                      |

**Discount Rate** – The discount rate used to measure the total pension liability was 6.85%. 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<br>Liability (a) | Plan Fiduciary<br>Net Position (b) | Net Pension<br>Liability (a) - (b) |
| Balances at June 30, 2019                             | \$ 1,037,415,459               | \$ 962,016,882                     | \$ 75,398,577                      |
| Changes for the year:                                 |                                |                                    |                                    |
| Service cost  | 18,144,368                     | -                                  | 18,144,368                         |
| Interest  | 70,945,812                     | -                                  | 70,945,812                         |
| Differences between expected and<br>actual experience | 540,274                        | -                                  | 540,274                            |
| Changes in assumptions                                | 6,015,186                      | -                                  | 6,015,186                          |
| Benefit Payment, including refunds                    | (55,647,482)                   | (55,647,482)                       | -                                  |
| Contributions - Employer                              | -                              | 19,244,687                         | (19,244,687)                       |
| Contributions - Member                                | -                              | 7,796,708                          | (7,796,708)                        |
| Net Investment Income                                 | -                              | 10,900,156                         | (10,900,156)                       |
| Administrative expenses                               | -                              | (1,722,361)                        | 1,722,361                          |
| Net changes   | 39,998,158                     | (19,428,292)                       | 59,426,450                         |
| Balances at June 30, 2020                             | <u>\$ 1,077,413,617</u>        | <u>\$ 942,588,590</u>              | <u>\$ 134,825,027</u>              |

**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 6.85%, 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<br>5.85% | Current<br>Discount Rate<br>6.85% | 1% Increase<br>7.85% |
|-----------------------|----------------------|-----------------------------------|----------------------|
| Net Pension Liability | \$ 267,500,452       | \$ 134,825,027                    | \$ 24,139,281        |

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** – For the year ended June 30, 2020, the Commission recognized pension expense of \$24,049,076. As of June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                                  | \$ 8,782,113                         | \$ 35,377,758                       |
| Changes in assumptions  | 27,638,464                           | 3,948,178                           |
| Net difference between projected and actual earnings on<br>pension plan investments | 29,688,519                           | -                                   |
|   | <u>\$ 66,109,096</u>                 | <u>\$ 39,325,936</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<br>June 30 | Net Amount of<br>Outflow/(Inflow) |
|-----------------------|-----------------------------------|
| 2021                  | \$ (5,504,537)                    |
| 2022                  | 4,565,667                         |
| 2023                  | 11,482,649                        |
| 2024                  | 15,146,806                        |
| 2025                  | 1,092,575                         |
| After 2025            | -                                 |



**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 final contribution of \$311,061 in FY 2020. There is no balance due to the State as of June 30, 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 Post-Employment Benefits (OPEB)**

**Plan Description**

**Plan Description** - 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, 2019, membership consisted of the following:

|                     |              |
|---------------------|--------------|
| Retirees            | 1,180        |
| Active plan members | <u>1,873</u> |
| Total               | <u>3,053</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, 2020:

| <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, 2020, the annual money-weighted rate of return on OPEB plan investments, net of investment expense, was (5.8)%. 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, 2020, are as follows:

|   |                       |
|---|-----------------------|
| Total OPEB Liability  | \$ 409,199,094        |
| Plan Fiduciary Net Position   | <u>84,377,417</u>     |
| Net OPEB Liability  | <u>\$ 324,821,677</u> |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 20.6%                 |

**Actuarial Assumptions** – The total OPEB liability was determined by an actuarial valuation as of July 1, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 6.85%, net of investment expense and including inflation.

Healthcare Trend: 5.40% initially, grading down to 3.68% ultimate for medical and pharmacy benefits; 4.00% for both dental and vision.

#### Mortality Rates-

Healthy – Pre-Retirement: RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females

Healthy - Post Retirement: RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females

Disabled: RP-2000 fully generational disabled mortality table projected using scale BB, set forward 1 year for males and 2 years for females

The Entry Age Normal 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.

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, 2020, and the final investment return assumption, are summarized in the following table:

| Asset Class                        | Target Allocation | 20 Year            | 20 Year         | Product |
|------------------------------------|-------------------|--------------------|-----------------|---------|
|                                    |                   | Arithmetic Nominal | Arithmetic Real |         |
| U.S. Treasuries (Cash Equivalents) | 10.00%            | 2.28%              | 0.11%           | 0.01%   |
| U.S. Equity - Large Cap            | 20.00%            | 8.36%              | 6.06%           | 1.21%   |
| U.S. Equity - Small Cap            | 20.00%            | 9.54%              | 7.21%           | 1.44%   |
| Non-U.S. Equity - Developed        | 20.00%            | 9.09%              | 6.77%           | 1.35%   |
| Non-U.S. Equity - Emerging         | 10.00%            | 11.33%             | 8.97%           | 0.90%   |
| Real Estate                        | 10.00%            | 7.91%              | 5.62%           | 0.56%   |
| Fixed Income and Cash              | 10.00%            | 2.28%              | 0.11%           | 0.01%   |
| Total                              | 100.00%           |                    |                 | 5.49%   |
| Plus inflation                     |                   |                    |                 | 2.40%   |
| Portfolio arithmetic return        |                   |                    |                 | 8.00%   |
| Portfolio variance                 |                   |                    |                 | 1.75%   |
| Portfolio geometric return         |                   |                    |                 | 7.12%   |
| Margin for adverse experience      |                   |                    |                 | 0.27%   |
| Adjusted geometric return          |                   |                    |                 | 6.85%   |

**Discount Rate** - The discount rate used to measure the total OPEB liability was 6.85%. 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.

#### **Changes in the Net OPEB Liability**

|  | Increase (Decrease)      |                                 |                              |
|--|--------------------------|---------------------------------|------------------------------|
|  | Total OPEB Liability (a) | Plan Fiduciary Net Position (b) | Net OPEB Liability (a) - (b) |
| Balances at June 30, 2019                      | \$ 351,537,786           | \$ 82,299,001                   | \$ 269,238,785               |
| Changes for the year:                          |                          |                                 |                              |
| Service cost                                   | 7,784,558                | -                               | 7,784,558                    |
| Interest                                       | 23,749,404               | -                               | 23,749,404                   |
| Experience Losses/(Gains)                      | 49,640,440               | -                               | 49,640,440                   |
| Changes in assumptions                         | (6,899,291)              | -                               | (6,899,291)                  |
| Benefit Payments, net of retiree contributions | (16,613,803)             | (16,613,803)                    | -                            |
| Contributions - Employer                       | -                        | 24,351,580                      | (24,351,580)                 |
| Net Investment Income                          | -                        | (5,054,584)                     | 5,054,584                    |
| Administrative expenses                        | -                        | (604,777)                       | 604,777                      |
| Net changes                                    | 57,661,308               | 2,078,416                       | 55,582,892                   |
| Balances at June 30, 2020                      | \$ 409,199,094           | \$ 84,377,417                   | \$ 324,821,677               |

**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 6.85%, 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</b><br><b>5.85%</b> | <b>Current</b><br><b>Discount Rate</b><br><b>6.85%</b> | <b>1% Increase</b><br><b>7.85%</b> |
|--------------------|------------------------------------|--|------------------------------------|
| Net OPEB Liability | \$ 381,878,872                     | \$ 324,821,677   | \$ 277,974,728                     |

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates** – The following presents the net OPEB liability of the Commission, as well as what the net OPEB liability would be if calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

|                    | <b>1% Decrease</b><br><b>2.68%</b> | <b>Medical Trend</b><br><b>3.68%</b> | <b>1% Increase</b><br><b>4.68%</b> |
|--------------------|------------------------------------|--------------------------------------|------------------------------------|
| Net OPEB Liability | \$ 270,896,167                     | \$ 324,521,677                       | \$ 391,949,819                     |

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB** – For the year ended June 30, 2020, the Commission recognized OPEB expense of \$35,198,975. As of June 30, 2020, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | <u>Deferred</u><br><u>Outflows of</u><br><u>Resources</u> | <u>Deferred</u><br><u>Inflows of</u><br><u>Resources</u> |
|---|---|--|
| Differences between expected and actual experience                            | \$ 47,996,396   | \$ 1,041,482   |
| Changes in assumptions  | 3,132,677   | 6,036,880  |
| Net difference between projected and actual earnings on OPEB plan investments | 9,944,695   | -  |
|   | <u>\$ 61,073,768</u>                                      | <u>\$ 7,078,362</u>                                      |

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

| <u>Year Ended</u><br><u>June 30</u> | <u>Net Amount of</u><br><u>Outflow/(Inflow)</u> |
|-------------------------------------|---|
| 2021                                | \$ 9,070,821                                    |
| 2022                                | 9,070,819                                       |
| 2023                                | 9,539,221                                       |
| 2024                                | 8,862,766                                       |
| 2025                                | 6,649,728                                       |
| After 2025                          | 10,802,051                                      |

## (F) Pension Trust Funds

Combining schedules of the pension trust funds follow:

Combining Schedule of Net Position  
Pension Trust Funds  
June 30, 2020

|   | Employees'<br>Retirement<br>Fund | Other Post<br>Employment<br>Benefits<br>Fund | Total<br>Pension Trust<br>Funds |
|---|----------------------------------|--|---------------------------------|
| <b>ASSETS</b>   |                                  |  |                                 |
| Equity in Pooled Cash and Investments                                       | \$ -                             | \$ 947,001                                   | \$ 947,001                      |
| Cash  | 65,117                           | -  | 65,117                          |
| Fixed Income Securities   | 210,237,172                      | 16,004,359                                   | 226,241,531                     |
| International Fixed Income Securities                                       | 7,394,333                        | -  | 7,394,333                       |
| Venture Capital/Alternative Investments                                     | 234,115,360                      | -  | 234,115,360                     |
| Corporate Stock   | 332,767,108                      | -  | 332,767,108                     |
| International Corporate Stock   | 64,495,247                       | -  | 64,495,247                      |
| Real Estate Investments   | 65,610,521                       | 9,337,043                                    | 74,947,564                      |
| Short Term Investments  | 42,136,972                       | -  | 42,136,972                      |
| Mutual Funds  | -                                | 59,036,015                                   | 59,036,015                      |
| Collateral for Securities Lending Transactions                              | 29,250,404                       | -  | 29,250,404                      |
| Accrued Income on Investments   | 842,073                          | -  | 842,073                         |
| Accounts Receivable   | 6,792                            | -  | 6,792                           |
| Other   | 244,848                          | -  | 244,848                         |
| Total Assets  | <u>987,165,947</u>               | <u>85,324,418</u>                            | <u>1,072,490,365</u>            |
| <b>LIABILITIES</b>  |                                  |  |                                 |
| Investments Payable   | 13,176,486                       | -  | 13,176,486                      |
| Accounts Payable  | 1,467,545                        | -  | 1,467,545                       |
| Claims Payable  | -                                | 947,001                                      | 947,001                         |
| Obligation for Collateral Received<br>under Securities Lending Transactions | 29,933,326                       | -  | 29,933,326                      |
| Total Liabilities   | <u>44,577,357</u>                | <u>947,001</u>                               | <u>45,524,358</u>               |
| <b>NET POSITION</b>   |                                  |  |                                 |
| Restricted for:   |                                  |  |                                 |
| Pension Benefits  | 942,588,590                      | -  | 942,588,590                     |
| Other Postemployment Benefits   | -                                | 84,377,417                                   | 84,377,417                      |
| Total Net Position  | <u>\$ 942,588,590</u>            | <u>\$ 84,377,417</u>                         | <u>\$ 1,026,966,007</u>         |

Combining Schedule of Changes in Net Position  
Pension Trust Funds  
For the Year Ended June 30, 2020

|   | Employees'<br>Retirement<br>Fund | Other Post<br>Employment<br>Benefits<br>Fund | Totals                  |
|---|----------------------------------|--|-------------------------|
| ADDITIONS:                                    |                                  |  |                         |
| Contributions:                                |                                  |  |                         |
| Employer                                      | \$ 19,244,687                    | \$ 22,262,529                                | \$ 41,507,216           |
| Plan Members                                  | 7,796,708                        | -  | 7,796,708               |
| Plan Members for Current Benefits             | -                                | 3,190,436                                    | 3,190,436               |
| Total Contributions                           | <u>27,041,395</u>                | <u>25,452,965</u>                            | <u>52,494,360</u>       |
| Federal Grants - Medicare                     | -                                | 2,089,051                                    | 2,089,051               |
| Investment Earnings:                          |                                  |  |                         |
| Interest                                      | 10,340,034                       | -  | 10,340,034              |
| Dividends                                     | 2,589,151                        | 2,631,314                                    | 5,220,465               |
| Net increase in the Fair Value of Investments | 975,334                          | (7,685,898)                                  | (6,710,564)             |
| Total Investment Earnings                     | <u>13,904,519</u>                | <u>(5,054,584)</u>                           | <u>8,849,935</u>        |
| Less Investment Advisory and Management Fees  | <u>(3,116,235)</u>               | <u>-</u>                                     | <u>(3,116,235)</u>      |
| Net Income from Investing Activities          | <u>10,788,284</u>                | <u>(5,054,584)</u>                           | <u>5,733,700</u>        |
| Securities Lending Activity                   |                                  |  |                         |
| Securities Lending Income                     | 579,475                          | -  | 579,475                 |
| Securities Lending Fees                       | (467,603)                        | -  | (467,603)               |
| Net Income from Securities Lending Activity   | <u>111,872</u>                   | <u>-</u>                                     | <u>111,872</u>          |
| Total Net Investment Earnings                 | <u>10,900,156</u>                | <u>(5,054,584)</u>                           | <u>5,845,572</u>        |
| Total Additions and Investment Earnings       | <u>37,941,551</u>                | <u>22,487,432</u>                            | <u>60,428,983</u>       |
| DEDUCTIONS:                                   |                                  |  |                         |
| Benefits                                      | 55,067,853                       | 19,804,239                                   | 74,872,092              |
| Refunds of Contributions                      | 579,629                          | -  | 579,629                 |
| Administrative expenses                       | 1,722,361                        | 604,777                                      | 2,327,138               |
| Total Deductions                              | <u>57,369,843</u>                | <u>20,409,016</u>                            | <u>77,778,859</u>       |
| Change in Net Position                        | <u>(19,428,292)</u>              | <u>2,078,416</u>                             | <u>(17,349,876)</u>     |
| Net Position - Beginning                      | <u>962,016,882</u>               | <u>82,299,001</u>                            | <u>1,044,315,883</u>    |
| Net Position - Ending                         | <u>\$ 942,588,590</u>            | <u>\$ 84,377,417</u>                         | <u>\$ 1,026,966,007</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, 2020**

|   | General Fund Accounts |               |               | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|---------------|---------------|------------------|-----------------------------|--------------------------|
|   | Administration        | Park          | Total         |                  |                             |                          |
| <b>ASSETS</b>   |                       |               |               |                  |                             |                          |
| Equity in Pooled Cash and Investments                             | \$ 12,223,407         | \$ 13,325,196 | \$ 25,548,603 | \$ 1,581,287     | \$ 7,262,664                | \$ 34,392,554            |
| Receivables - Taxes (net of allowance for uncollectibles)         | 244,204               | 816,065       | 1,060,269     | -                | 16,494                      | 1,076,763                |
| Receivables - Other   | 13,655                | 51,495        | 65,150        | -                | 15,014                      | 80,164                   |
| Due from County Government  | 324,330               | 138,173       | 462,503       | 6,181,884        | 136,013                     | 6,780,400                |
| Due from Other Governments  | 12,670                | 234,727       | 247,397       | 3,747,695        | -                           | 3,995,092                |
| Restricted Cash - Unspent Debt Proceeds                           | -                     | -             | -             | 12,426,018       | -                           | 12,426,018               |
| Other   | 2,197                 | -             | 2,197         | -                | -                           | 2,197                    |
| Total Assets  | \$ 12,820,463         | \$ 14,565,656 | \$ 27,386,119 | \$ 23,936,884    | \$ 7,430,185                | \$ 58,753,188            |
| <b>LIABILITIES</b>  |                       |               |               |                  |                             |                          |
| Liabilities:  |                       |               |               |                  |                             |                          |
| Accounts Payable  | \$ 550,062            | \$ 1,477,763  | \$ 2,027,825  | \$ 1,514,153     | \$ 162,830                  | \$ 3,704,808             |
| Accrued Liabilities   | 1,155,802             | 3,424,770     | 4,580,572     | -                | 8,031                       | 4,588,603                |
| Retainage Payable   | -                     | -             | -             | 1,175,523        | -                           | 1,175,523                |
| Deposits and Fees Collected in-Advance                            | 2,504,567             | 314,905       | 2,819,472     | 900,000          | 199,497                     | 3,918,969                |
| Total Liabilities   | 4,210,431             | 5,217,438     | 9,427,869     | 3,589,676        | 370,358                     | 13,387,903               |
| <b>DEFERRED INFLOW OF RESOURCES</b>                               |                       |               |               |                  |                             |                          |
| Unavailable Property Tax Revenue                                  | 154,082               | 521,154       | 675,236       | -                | -                           | 675,236                  |
| Total Deferred Inflow of Resources                                | 154,082               | 521,154       | 675,236       | -                | -                           | 675,236                  |
| <b>Fund Balance:</b>  |                       |               |               |                  |                             |                          |
| Restricted for:   |                       |               |               |                  |                             |                          |
| Parks   | -                     | -             | -             | 12,426,018       | -                           | 12,426,018               |
| Committed to:   |                       |               |               |                  |                             |                          |
| Planning  | 6,752,361             | -             | 6,752,361     | -                | 236,835                     | 6,989,196                |
| Parks   | -                     | 4,904,953     | 4,904,953     | 12,083,687       | 957,747                     | 17,946,387               |
| Assigned to:  |                       |               |               |                  |                             |                          |
| Planning  | 202,159               | -             | 202,159       | -                | 4,792,610                   | 4,994,769                |
| Parks   | -                     | -             | -             | -                | 1,072,635                   | 1,072,635                |
| Unassigned:   |                       |               |               |                  |                             |                          |
|   | 1,501,430             | 3,922,111     | 5,423,541     | (4,162,497)      | -                           | 1,261,044                |
| Total Fund Balances   | 8,455,950             | 8,827,064     | 17,283,014    | 20,347,208       | 7,059,827                   | 44,690,049               |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 12,820,463         | \$ 14,565,656 | \$ 27,386,119 | \$ 23,936,884    | \$ 7,430,185                | \$ 58,753,188            |



**MONTGOMERY COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2020**

|   | General Fund Accounts |                     |                      | Capital<br>Projects  | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|-----------------------|---------------------|----------------------|----------------------|-----------------------------------|--------------------------------|
|   | Administration        | Park                | Total                |                      |                                   |                                |
| <b>REVENUES</b>                                   |                       |                     |                      |                      |                                   |                                |
| Property Taxes                                    | \$ 29,603,191         | \$ 97,525,522       | \$ 127,128,713       | \$ -                 | \$ 2,013,926                      | \$ 129,142,639                 |
| Intergovernmental:                                |                       |                     |                      |                      |                                   |                                |
| Federal   | 12,670                | 248,772             | 261,442              | -                    | -                                 | 261,442                        |
| State   | -                     | 21,563              | 21,563               | 2,160,390            | -                                 | 2,181,953                      |
| County  | 727,830               | 3,522,473           | 4,250,303            | 11,915,313           | 1,658,126                         | 17,823,742                     |
| Charges for Services                              | 485,406               | 1,102,030           | 1,587,436            | -                    | 2,557,437                         | 4,144,873                      |
| Rentals and Concessions                           | -                     | 1,881,582           | 1,881,582            | -                    | 101,049                           | 1,982,631                      |
| Interest  | 236,700               | 281,915             | 518,615              | 126,432              | 118,353                           | 763,400                        |
| Contributions                                     | -                     | -                   | -                    | 9,646,400            | 233,611                           | 9,880,011                      |
| Miscellaneous                                     | 21,249                | 91,014              | 112,263              | 10,250               | 54,525                            | 177,038                        |
| Total Revenues                                    | <u>31,087,046</u>     | <u>104,674,871</u>  | <u>135,761,917</u>   | <u>23,858,785</u>    | <u>6,737,027</u>                  | <u>166,357,729</u>             |
| <b>EXPENDITURES</b>                               |                       |                     |                      |                      |                                   |                                |
| Current:  |                       |                     |                      |                      |                                   |                                |
| General Government                                | 9,605,873             | -                   | 9,605,873            | -                    | -                                 | 9,605,873                      |
| Planning and Zoning                               | 21,031,860            | -                   | 21,031,860           | -                    | 3,798,690                         | 24,830,550                     |
| Park Operations and Maintenance                   | -                     | 98,441,364          | 98,441,364           | -                    | 1,735,292                         | 100,176,656                    |
| Contributions                                     | -                     | -                   | -                    | -                    | 1,871,289                         | 1,871,289                      |
| Debt Service:                                     |                       |                     |                      |                      |                                   |                                |
| Principal   | -                     | -                   | -                    | -                    | 4,265,000                         | 4,265,000                      |
| Interest  | -                     | -                   | -                    | -                    | 2,018,360                         | 2,018,360                      |
| Other Debt Service Costs                          | -                     | -                   | -                    | -                    | 70,246                            | 70,246                         |
| Capital Outlay:                                   |                       |                     |                      |                      |                                   |                                |
| Park Acquisition                                  | -                     | -                   | -                    | 8,893,728            | -                                 | 8,893,728                      |
| Park Development                                  | -                     | -                   | -                    | 17,860,668           | -                                 | 17,860,668                     |
| Total Expenditures                                | <u>30,637,733</u>     | <u>98,441,364</u>   | <u>129,079,097</u>   | <u>26,754,396</u>    | <u>13,758,877</u>                 | <u>169,592,370</u>             |
| Excess (Deficiency) of Revenues over Expenditures | <u>449,313</u>        | <u>6,233,507</u>    | <u>6,682,820</u>     | <u>(2,895,611)</u>   | <u>(7,021,850)</u>                | <u>(3,234,641)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                       |                     |                      |                      |                                   |                                |
| General Obligation Bonds Issued                   | -                     | -                   | -                    | 10,000,000           | -                                 | 10,000,000                     |
| Transfers In                                      | -                     | 251,432             | 251,432              | 350,000              | 6,209,906                         | 6,811,338                      |
| Transfer Out                                      | (125,000)             | (6,559,906)         | (6,684,906)          | (126,432)            | -                                 | (6,811,338)                    |
| Total Other Financing Sources (Uses)              | <u>(125,000)</u>      | <u>(6,308,474)</u>  | <u>(6,433,474)</u>   | <u>10,223,568</u>    | <u>6,209,906</u>                  | <u>10,000,000</u>              |
| Net Change in Fund Balances                       | 324,313               | (74,967)            | 249,346              | 7,327,957            | (811,944)                         | 6,765,359                      |
| Fund Balances - Beginning                         | <u>8,131,637</u>      | <u>8,902,031</u>    | <u>17,033,668</u>    | <u>13,019,251</u>    | <u>7,871,771</u>                  | <u>37,924,690</u>              |
| Fund Balances - Ending                            | <u>\$ 8,455,950</u>   | <u>\$ 8,827,064</u> | <u>\$ 17,283,014</u> | <u>\$ 20,347,208</u> | <u>\$ 7,059,827</u>               | <u>\$ 44,690,049</u>           |

**MONTGOMERY COUNTY**  
**ADMINISTRATION ACCOUNT- GENERAL FUND**  
**Summary of Revenues, Expenditures/Encumbrances, and Changes in Fund Balance**  
**Budget (Non-GAAP Budgetary Basis) and Actual**  
**For the Year Ended June 30, 2020**

|  | Budgeted Amounts      |                       | Actual              | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|---------------------|---|
|  | Original              | Final                 |                     |   |
| Revenues:  |                       |                       |                     |   |
| Property Taxes   | \$ 30,616,309         | \$ 30,616,309         | \$ 29,603,191       | \$ (1,013,118)  |
| Intergovernmental -  |                       |                       |                     |   |
| Federal  | -                     | -                     | 12,670              | 12,670  |
| State  | 150,000               | 150,000               | -                   | (150,000)   |
| County   | 403,500               | 703,500               | 727,830             | 24,330  |
| Charges for Services   | 198,400               | 198,400               | 485,406             | 287,006   |
| Interest   | 100,000               | 100,000               | 236,700             | 136,700   |
| Miscellaneous  | -                     | -                     | 21,249              | 21,249  |
| Total Revenues   | <u>31,468,209</u>     | <u>31,768,209</u>     | <u>31,087,046</u>   | <u>(681,163)</u>  |
| Expenditures/Encumbrances:   |                       |                       |                     |   |
| Commissioners' Office  | 1,299,038             | 1,299,038             | 1,211,537           | 87,501  |
| Central Administrative Services -  |                       |                       |                     |   |
| Department of Human Resources and Management   | 2,393,177             | 2,393,177             | 2,370,672           | 22,505  |
| Department of Finance  | 2,353,443             | 2,275,913             | 2,275,485           | 428   |
| Office of Inspector General  | 285,643               | 285,643               | 275,622             | 10,021  |
| Legal Department   | 1,487,160             | 1,487,160             | 1,487,068           | 92  |
| Corporate IT   | 1,488,157             | 1,565,687             | 1,517,877           | 47,810  |
| Support Services   | 643,676               | 643,676               | 620,482             | 23,194  |
| Merit System Board   | 84,280                | 84,280                | 64,647              | 19,633  |
| Total Central Administrative Services  | <u>8,735,536</u>      | <u>8,735,536</u>      | <u>8,611,853</u>    | <u>123,683</u>  |
| Planning Department -  |                       |                       |                     |   |
| Office of the Planning Director  | 1,677,230             | 1,706,230             | 1,784,312           | (78,082)  |
| Management and Technology Services   | 2,375,619             | 2,420,619             | 2,470,862           | (50,243)  |
| Functional Planning and Policy   | 2,827,520             | 3,002,520             | 3,140,456           | (137,936)   |
| Area 1   | 1,605,080             | 1,480,080             | 1,479,626           | 454   |
| Area 2   | 2,054,382             | 2,299,382             | 2,255,739           | 43,643  |
| Area 3   | 1,712,232             | 1,652,232             | 1,689,641           | (37,409)  |
| Dev. Applications and Regulatory Coordination  | 805,536               | 725,036               | 661,742             | 63,294  |
| Information Technology and Innovation  | 3,603,151             | 3,643,151             | 3,649,999           | (6,848)   |
| Support Services   | 2,718,434             | 2,808,934             | 2,722,463           | 86,471  |
| Research and Special Projects  | 1,194,606             | 1,135,606             | 1,097,772           | 37,834  |
| Grants   | 150,000               | 150,000               | 12,670              | 137,330   |
| Total Planning Department  | <u>20,723,790</u>     | <u>21,023,790</u>     | <u>20,965,282</u>   | <u>58,508</u>   |
| Non-Departmental   | <u>1,736,515</u>      | <u>1,736,515</u>      | <u>1,524,906</u>    | <u>211,609</u>  |
| Total Expenditures/Encumbrances  | <u>32,494,879</u>     | <u>32,794,879</u>     | <u>32,313,578</u>   | <u>481,301</u>  |
| Excess of Revenues over (under)<br>Expenditures/Encumbrances   | <u>\$ (1,026,670)</u> | <u>\$ (1,026,670)</u> | <u>(1,226,532)</u>  | <u>\$ (199,862)</u>                                       |
| Other Financing Sources (Uses):  |                       |                       |                     |   |
| Transfers In (Out) -   |                       |                       |                     |   |
| Park Fund  | (125,000)             | (125,000)             | (125,000)           | -   |
| Total Other Financing Sources (Uses)   | <u>(125,000)</u>      | <u>(125,000)</u>      | <u>(125,000)</u>    | <u>-</u>  |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures and Other Financing Uses | <u>\$ (1,151,670)</u> | <u>\$ (1,151,670)</u> | <u>(1,351,532)</u>  | <u>\$ (199,862)</u>                                       |
| Fund Balance - Budget Basis, Beginning   |                       |                       | <u>3,055,121</u>    |   |
| Fund Balance - Budget Basis, Ending  |                       |                       | <u>\$ 1,703,589</u> |   |
| FY21 Appropriation   | -                     |                       | 202,159             | 202,159   |
| Reserved for Contingencies   | 974,800               |                       | 979,000             | 4,200   |
| Available for Appropriation  | <u>(164,389)</u>      |                       | <u>522,430</u>      | <u>686,819</u>  |
| Fund Balance - Budget Basis, Ending  | <u>\$ 810,411</u>     |                       | <u>\$ 1,703,589</u> | <u>\$ 893,178</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, 2020**

|  | Budgeted Amounts    |                    |                     | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|---------------------|--------------------|---------------------|---|
|  | Original            | Final              | Actual              |   |
| Revenues:  |                     |                    |                     |   |
| Property Taxes                                     | \$ 100,824,312      | \$ 100,824,312     | \$ 97,525,522       | \$ (3,298,790)  |
| Intergovernmental -                                |                     |                    |                     |   |
| Federal  | -                   | -                  | 248,772             | 248,772   |
| State  | 400,000             | 400,000            | 21,563              | (378,437)   |
| County   | 3,522,473           | 3,522,473          | 3,522,473           | -   |
| Charges for Services                               | 2,461,237           | 2,461,237          | 1,102,030           | (1,359,207)   |
| Rentals and Concessions                            | 2,211,577           | 2,211,577          | 1,881,582           | (329,995)   |
| Interest   | 110,000             | 110,000            | 281,915             | 171,915   |
| Miscellaneous                                      | 115,800             | 115,800            | 91,014              | (24,786)  |
| Total Revenues                                     | <u>109,645,399</u>  | <u>109,645,399</u> | <u>104,674,871</u>  | <u>(4,970,528)</u>  |
| Expenditures/Encumbrances:                         |                     |                    |                     |   |
| Director of Montgomery Parks                       | 1,640,303           | 1,486,603          | 1,235,716           | 250,887   |
| Management Services                                | 2,457,331           | 2,476,423          | 2,463,416           | 13,007  |
| Information Technology & Innovation                | 2,660,893           | 2,660,893          | 2,631,715           | 29,178  |
| Facilities Management                              | 12,973,556          | 13,002,891         | 12,568,290          | 434,601   |
| Park Planning and Stewardship                      | 5,845,617           | 5,845,617          | 5,568,696           | 276,921   |
| Park Development                                   | 4,082,158           | 3,852,158          | 3,304,954           | 547,204   |
| Park Police  | 14,490,620          | 14,750,620         | 15,327,872          | (577,252)   |
| Horticulture, Forestry & Environmental Education   | 10,360,810          | 10,360,810         | 10,285,180          | 75,630  |
| Public Affairs and Community Service               | 3,428,009           | 3,428,009          | 3,244,241           | 183,768   |
| Northern Parks                                     | 10,591,560          | 10,591,560         | 10,060,340          | 531,220   |
| Southern Region                                    | 15,047,350          | 14,658,050         | 13,900,433          | 757,617   |
| Support Services                                   | 10,909,012          | 11,422,012         | 10,961,078          | 460,934   |
| Grants   | 400,000             | 400,000            | 269,960             | 130,040   |
| Property Management                                | 1,563,320           | 1,563,320          | 1,562,170           | 1,150   |
| Non-Departmental                                   | 5,534,332           | 5,485,905          | 4,991,701           | 494,204   |
| Total Expenditures/Encumbrances                    | <u>101,984,871</u>  | <u>101,984,871</u> | <u>98,375,762</u>   | <u>3,609,109</u>  |
| Excess of Revenues over                            |                     |                    |                     |   |
| Expenditures/Encumbrances                          | <u>7,660,528</u>    | <u>7,660,528</u>   | <u>6,299,109</u>    | <u>(1,361,419)</u>  |
| Other Financing Sources (Uses):                    |                     |                    |                     |   |
| Transfers In/(Out)-                                |                     |                    |                     |   |
| Capital Projects Funds                             | 25,000              | 25,000             | 126,432             | 101,432   |
| Administration Fund                                | 125,000             | 125,000            | 125,000             | -   |
| Debt Service Fund                                  | (6,624,410)         | (6,624,410)        | (6,209,906)         | 414,504   |
| Capital Projects Funds - Development               | (350,000)           | (350,000)          | (350,000)           | -   |
| Total Other Financing Sources (Uses)               | <u>(6,824,410)</u>  | <u>(6,824,410)</u> | <u>(6,308,474)</u>  | <u>515,936</u>  |
| Excess of Revenues and Other Financing Sources     |                     |                    |                     |   |
| over (under) Expenditures and Other Financing Uses | <u>\$ 836,118</u>   | <u>\$ 836,118</u>  | <u>(9,365)</u>      | <u>\$ (845,483)</u>                                       |
| Fund Balance - Budget Basis, Beginning             |                     |                    | 3,931,476           |   |
| Fund Balance - Budget Basis, Ending                |                     |                    | <u>\$ 3,922,111</u> |   |
| Reserved for Contingencies                         | 3,012,600           |                    | 3,153,000           | 140,400   |
| Reserved for Property Management                   | -                   |                    | 699,077             | 699,077   |
| Available for Appropriation                        | 563,605             |                    | 70,034              | (493,571)   |
| Fund Balance - Budget Basis, Ending                | <u>\$ 3,576,205</u> |                    | <u>\$ 3,922,111</u> | <u>\$ 345,906</u>   |

**PRINCE GEORGE'S COUNTY**  
**Summary of Assets, Liabilities, Deferred Inflow of Resources and Fund Balances**  
**Governmental Funds and Accounts**  
**June 30, 2020**

|   | General Fund Accounts |                |               |                | Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|----------------|---------------|----------------|------------------|-----------------------------|--------------------------|
|   | Administration        | Park           | Recreation    | Total          |                  |                             |                          |
| <b>ASSETS</b>   |                       |                |               |                |                  |                             |                          |
| Equity in Pooled Cash and Investments                             | \$ 90,715,474         | \$ 151,737,999 | \$ 72,878,346 | \$ 315,331,819 | \$ 100,935,685   | \$ 10,172,535               | \$ 426,440,039           |
| Receivables - Taxes (net of allowance for uncollectibles)         | 1,096,098             | 2,649,229      | 1,919,037     | 5,664,364      | -                | 63                          | 5,664,427                |
| Receivables - Other   | 22,128                | 16,807         | 45,817        | 84,752         | -                | 1,300                       | 86,052                   |
| Due from County Government  | 89,563                | -              | -             | 89,563         | -                | -                           | 89,563                   |
| Due from Other Governments  | 76,857                | 1,474,559      | 46,239        | 1,597,655      | 12,431,072       | 30,237                      | 14,058,964               |
| Inventories   | -                     | -              | -             | -              | -                | 1,151,859                   | 1,151,859                |
| Restricted Cash - Unspent Debt Proceeds                           | -                     | -              | -             | -              | 11,579,594       | -                           | 11,579,594               |
| Other   | 1,860                 | -              | 1,478,731     | 1,480,591      | -                | -                           | 1,480,591                |
| Total Assets  | \$ 92,001,980         | \$ 155,878,594 | \$ 76,368,170 | \$ 324,248,744 | \$ 124,946,351   | \$ 11,355,994               | \$ 460,551,089           |
| <b>LIABILITIES AND FUND BALANCES</b>                              |                       |                |               |                |                  |                             |                          |
| Liabilities:  |                       |                |               |                |                  |                             |                          |
| Accounts Payable  | \$ 1,100,793          | \$ 4,465,453   | \$ 2,403,315  | \$ 7,969,561   | \$ 6,380,302     | \$ 284,829                  | \$ 14,634,692            |
| Accrued Liabilities   | 1,298,797             | 3,478,948      | 1,563,005     | 6,340,750      | -                | 33,714                      | 6,374,464                |
| Retainage Payable   | -                     | -              | -             | -              | 1,754,493        | -                           | 1,754,493                |
| Deposits and Fees Collected in-Advance                            | 64,084                | 565,681        | 3,326,935     | 3,956,700      | 5,008,545        | 131,042                     | 9,096,287                |
| Total Liabilities   | 2,463,674             | 8,510,082      | 7,293,255     | 18,267,011     | 13,143,340       | 449,585                     | 31,859,936               |
| <b>DEFERRED INFLOW OF RESOURCES</b>                               |                       |                |               |                |                  |                             |                          |
| Unavailable Property Tax Revenue                                  | 586,322               | 1,276,508      | 1,203,586     | 3,066,416      | -                | -                           | 3,066,416                |
| Total Deferred Inflow of Resources                                | 586,322               | 1,276,508      | 1,203,586     | 3,066,416      | -                | -                           | 3,066,416                |
| <b>Fund Balance:</b>  |                       |                |               |                |                  |                             |                          |
| Nonspendable to:  |                       |                |               |                |                  |                             |                          |
| Recreation  | -                     | -              | -             | -              | -                | 1,151,859                   | 1,151,859                |
| Restricted for:   |                       |                |               |                |                  |                             |                          |
| Parks   | -                     | -              | -             | -              | 11,579,594       | -                           | 11,579,594               |
| Committed to:   |                       |                |               |                |                  |                             |                          |
| Planning  | 20,807,109            | -              | -             | 20,807,109     | -                | -                           | 20,807,109               |
| Parks   | -                     | 18,406,964     | -             | 18,406,964     | 39,758,052       | 52,593                      | 58,217,609               |
| Recreation  | -                     | -              | 13,779,254    | 13,779,254     | -                | 521,877                     | 14,301,131               |
| Assigned to:  |                       |                |               |                |                  |                             |                          |
| Parks   | -                     | 11,021,123     | -             | 11,021,123     | 60,465,365       | 2,415,051                   | 73,901,539               |
| Recreation  | -                     | -              | -             | -              | -                | 6,765,029                   | 6,765,029                |
| Unassigned:   | 68,144,875            | 116,663,917    | 54,092,075    | 238,900,867    | -                | -                           | 238,900,867              |
| Total Fund Balances   | 88,951,984            | 146,092,004    | 67,871,329    | 302,915,317    | 111,803,011      | 10,906,409                  | 425,624,737              |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | \$ 92,001,980         | \$ 155,878,594 | \$ 76,368,170 | \$ 324,248,744 | \$ 124,946,351   | \$ 11,355,994               | \$ 460,551,089           |

**PRINCE GEORGE'S COUNTY**  
**Summary of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds and Accounts**  
**For the Year Ended June 30, 2020**

|   | General Fund Accounts |                       |                      |                       | Capital Projects      | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-----------------------|-----------------------|----------------------|-----------------------|-----------------------|-----------------------------|--------------------------|
|   | Administration        | Park                  | Recreation           | Total                 |                       |                             |                          |
| <b>REVENUES</b>                                   |                       |                       |                      |                       |                       |                             |                          |
| Property Taxes                                    | \$ 57,336,375         | \$ 156,510,766        | \$ 81,701,169        | \$ 295,548,310        | \$ -                  | \$ 200                      | \$ 295,548,510           |
| Intergovernmental:                                |                       |                       |                      |                       |                       |                             |                          |
| Federal   | 76,856                | 672,662               | 51,239               | 800,757               | -                     | 30,237                      | 830,994                  |
| State   | -                     | 343,245               | 299,346              | 642,591               | 12,724,228            | -                           | 13,366,819               |
| County  | 315,657               | 549,221               | 445,924              | 1,310,802             | -                     | -                           | 1,310,802                |
| Charges for Services                              | 715,207               | 208,952               | 4,386,455            | 5,310,614             | -                     | 1,134,156                   | 6,444,770                |
| Rentals and Concessions                           | -                     | 1,565,783             | 827,312              | 2,393,095             | -                     | 4,002,867                   | 6,395,962                |
| Interest  | 1,586,958             | 3,105,723             | 1,470,899            | 6,163,580             | 1,556,537             | 193,755                     | 7,913,872                |
| Contributions                                     | -                     | 198,924               | 260,183              | 459,107               | -                     | 32,036                      | 491,143                  |
| Miscellaneous                                     | 34,225                | 327,215               | 69,092               | 430,532               | 754,900               | 65,703                      | 1,251,135                |
| Total Revenues                                    | <u>60,065,278</u>     | <u>163,482,491</u>    | <u>89,511,619</u>    | <u>313,059,388</u>    | <u>15,035,665</u>     | <u>5,458,954</u>            | <u>333,554,007</u>       |
| <b>EXPENDITURES</b>                               |                       |                       |                      |                       |                       |                             |                          |
| Current:  |                       |                       |                      |                       |                       |                             |                          |
| General Government                                | 12,290,754            | -                     | -                    | 12,290,754            | -                     | -                           | 12,290,754               |
| Planning and Zoning                               | 26,578,182            | -                     | -                    | 26,578,182            | -                     | -                           | 26,578,182               |
| Park Operations and Maintenance                   | -                     | 123,236,317           | -                    | 123,236,317           | -                     | 495,531                     | 123,731,848              |
| Recreation  | -                     | -                     | 64,182,393           | 64,182,393            | -                     | 5,128,200                   | 69,310,593               |
| Contributions                                     | -                     | -                     | -                    | -                     | -                     | 146                         | 146                      |
| Debt Service:                                     |                       |                       |                      |                       |                       |                             |                          |
| Principal   | -                     | -                     | -                    | -                     | -                     | 7,730,000                   | 7,730,000                |
| Interest  | -                     | -                     | -                    | -                     | -                     | 4,390,269                   | 4,390,269                |
| Capital Outlay:                                   |                       |                       |                      |                       |                       |                             |                          |
| Park Acquisition                                  | -                     | -                     | -                    | -                     | 4,252,467             | -                           | 4,252,467                |
| Park Development                                  | -                     | -                     | -                    | -                     | 32,189,122            | -                           | 32,189,122               |
| Total Expenditures                                | <u>38,868,936</u>     | <u>123,236,317</u>    | <u>64,182,393</u>    | <u>226,287,646</u>    | <u>36,441,589</u>     | <u>17,744,146</u>           | <u>280,473,381</u>       |
| Excess (Deficiency) of Revenues over Expenditures | <u>21,196,342</u>     | <u>40,246,174</u>     | <u>25,329,226</u>    | <u>86,771,742</u>     | <u>(21,405,924)</u>   | <u>(12,285,192)</u>         | <u>53,080,626</u>        |
| <b>OTHER FINANCING SOURCES (USES)</b>             |                       |                       |                      |                       |                       |                             |                          |
| Transfers In                                      | -                     | 4,556,537             | -                    | 4,556,537             | 52,060,000            | 12,120,269                  | 68,736,806               |
| Transfer Out                                      | (3,030,000)           | (54,150,269)          | (18,157,592)         | (75,337,861)          | (1,556,537)           | -                           | (76,894,398)             |
| Total Other Financing Sources (Uses)              | <u>(3,030,000)</u>    | <u>(49,593,732)</u>   | <u>(18,157,592)</u>  | <u>(70,781,324)</u>   | <u>50,503,463</u>     | <u>12,120,269</u>           | <u>(8,157,592)</u>       |
| Net Change in Fund Balances                       | 18,166,342            | (9,347,558)           | 7,171,634            | 15,990,418            | 29,097,539            | (164,923)                   | 44,923,034               |
| Fund Balances - Beginning                         | 70,785,642            | 155,439,562           | 60,699,695           | 286,924,899           | 82,705,472            | 11,071,332                  | 380,701,703              |
| Fund Balances - Ending                            | <u>\$ 88,951,984</u>  | <u>\$ 146,092,004</u> | <u>\$ 67,871,329</u> | <u>\$ 302,915,317</u> | <u>\$ 111,803,011</u> | <u>\$ 10,906,409</u>        | <u>\$ 425,624,737</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, 2020**

|  | Budgeted Amounts     |                     | Actual               | Variance with<br>Final Budget -<br>Positive<br>(Negative) |
|--|----------------------|---------------------|----------------------|---|
|  | Original             | Final               |                      |   |
| Revenues:  |                      |                     |                      |   |
| Property Taxes   | \$ 56,889,100        | \$ 56,889,100       | \$ 57,336,375        | \$ 447,275  |
| Intergovernmental -  |                      |                     |                      |   |
| Federal  | -                    | -                   | 76,856               | 76,856  |
| County   | 203,500              | 203,500             | 315,657              | 112,157   |
| Charges for Services   | 650,000              | 650,000             | 715,207              | 65,207  |
| Interest   | 1,000,000            | 1,000,000           | 1,586,958            | 586,958   |
| Miscellaneous  | -                    | -                   | 34,225               | 34,225  |
| Total Revenues   | <u>58,742,600</u>    | <u>58,742,600</u>   | <u>60,065,278</u>    | <u>1,322,678</u>  |
| Expenditures/Encumbrances:   |                      |                     |                      |   |
| Commissioners' Office  | 3,417,148            | 3,417,148           | 3,002,110            | 415,038   |
| Central Administrative Services -  |                      |                     |                      |   |
| Department of Human Resources and Management   | 3,017,463            | 3,017,463           | 2,973,661            | 43,802  |
| Department of Finance  | 2,623,117            | 2,525,647           | 2,525,131            | 516   |
| Office of Inspector General  | 399,082              | 399,082             | 379,113              | 19,969  |
| Legal Department   | 1,282,781            | 1,282,781           | 1,282,688            | 93  |
| Corporate IT   | 1,458,538            | 1,556,008           | 1,544,239            | 11,769  |
| Support Services   | 794,488              | 794,488             | 765,833              | 28,655  |
| Merit System Board   | 84,280               | 84,280              | 64,647               | 19,633  |
| Total Central Administrative Services  | <u>9,659,749</u>     | <u>9,659,749</u>    | <u>9,535,312</u>     | <u>124,437</u>  |
| Planning Department -  |                      |                     |                      |   |
| Director's Office  | 4,439,357            | 4,439,357           | 3,652,816            | 786,541   |
| Development Review   | 6,608,203            | 6,608,203           | 5,334,240            | 1,273,963   |
| Community Planning   | 5,496,369            | 5,496,369           | 4,904,102            | 592,267   |
| Information Management   | 6,084,593            | 6,084,593           | 5,414,642            | 669,951   |
| Countywide Planning  | 7,741,867            | 7,741,867           | 6,503,172            | 1,238,695   |
| Support Services   | 7,436,103            | 7,436,103           | 6,902,846            | 533,257   |
| Grants   | 147,500              | 147,500             | 145,930              | 1,570   |
| Total Planning Department  | <u>37,953,992</u>    | <u>37,953,992</u>   | <u>32,857,748</u>    | <u>5,096,244</u>  |
| Non-Departmental   | 2,103,350            | 2,103,350           | 1,876,666            | 226,684   |
| Total Expenditures/Encumbrances  | <u>53,134,239</u>    | <u>53,134,239</u>   | <u>47,271,836</u>    | <u>5,862,403</u>  |
| Excess (Deficiency) of Revenues over<br>Expenditures/Encumbrances                                    | <u>5,608,361</u>     | <u>5,608,361</u>    | <u>12,793,442</u>    | <u>7,185,081</u>  |
| Other Financing Sources (Uses):  |                      |                     |                      |   |
| Transfers In (Out) -   |                      |                     |                      |   |
| Park Fund  | (3,000,000)          | (3,000,000)         | (3,000,000)          | -   |
| Capital Projects Funds - Development   | (30,000)             | (30,000)            | (30,000)             | -   |
| Total Other Financing Sources (Uses)   | <u>(3,030,000)</u>   | <u>(3,030,000)</u>  | <u>(3,030,000)</u>   | <u>-</u>  |
| Excess of Revenues and Other Financing Sources<br>over (under) Expenditures and Other Financing Uses | <u>\$ 2,578,361</u>  | <u>\$ 2,578,361</u> | 9,763,442            | <u>\$ 7,185,081</u>                                       |
| Fund Balance - Budget Basis, Beginning   |                      |                     | 58,381,433           |   |
| Fund Balance - Budget Basis, Ending  |                      |                     | <u>\$ 68,144,875</u> |   |
| Reserved for Contingencies   | 2,656,700            |                     | 2,696,500            | 39,800  |
| Available for Appropriation  | <u>47,908,633</u>    |                     | <u>65,448,375</u>    | <u>17,539,742</u>   |
| Fund Balance - Budget Basis, Ending  | <u>\$ 50,565,333</u> |                     | <u>\$ 68,144,875</u> | <u>\$ 17,579,542</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, 2020**

|  | Budgeted Amounts       |                        |                       | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------------|------------------------|-----------------------|---|
|  | Original               | Final                  | Actual                |   |
| Revenues:  |                        |                        |                       |   |
| Property Taxes   | \$ 155,198,800         | \$ 155,198,800         | \$ 156,510,766        | \$ 1,311,966  |
| Intergovernmental -  |                        |                        |                       |   |
| Federal  | -                      | -                      | 672,662               | 672,662   |
| State  | -                      | -                      | 343,245               | 343,245   |
| County   | -                      | -                      | 549,221               | 549,221   |
| Charges for Services   | 232,835                | 232,835                | 208,952               | (23,883)  |
| Rentals and Concessions  | 2,734,765              | 2,734,765              | 1,565,783             | (1,168,982)   |
| Interest   | 1,750,000              | 1,750,000              | 3,105,723             | 1,355,723   |
| Miscellaneous  | 623,500                | 623,500                | 526,139               | (97,361)  |
| Total Revenues   | <u>160,539,900</u>     | <u>160,539,900</u>     | <u>163,482,491</u>    | <u>2,942,591</u>  |
| Expenditures/Encumbrances:   |                        |                        |                       |   |
| Office of The Director -   |                        |                        |                       |   |
| Office of the Director   | 1,583,529              | 1,583,529              | 1,454,136             | 129,393   |
| Park Police  | 20,028,756             | 20,028,756             | 21,197,596            | (1,168,840)   |
| Administration and Development -   |                        |                        |                       |   |
| Management Services  | 7,586,773              | 7,586,773              | 6,943,561             | 643,212   |
| Administration and Development   | 349,071                | 349,071                | 221,042               | 128,029   |
| Support Services   | 14,079,115             | 14,079,115             | 13,563,461            | 515,654   |
| Park Planning and Development  | 7,604,627              | 7,604,627              | 6,988,922             | 615,705   |
| Info Tech and Communications   | 5,608,564              | 5,608,564              | 5,327,980             | 280,584   |
| Facility Operations -  |                        |                        |                       |   |
| Public Affairs & Marketing   | 2,207,338              | 2,207,338              | 1,969,769             | 237,569   |
| Maintenance and Development  | 28,622,860             | 28,622,860             | 30,320,732            | (1,697,872)   |
| Natural and Historical Resources   | 8,700,549              | 8,700,549              | 8,160,874             | 539,675   |
| Arts and Cultural Heritage   | 1,721,837              | 1,721,837              | 1,765,240             | (43,403)  |
| Youth and Countywide Sports  | 276,097                | 276,097                | -                     | 276,097   |
| Total Facility Operations  | <u>41,528,681</u>      | <u>41,528,681</u>      | <u>42,216,615</u>     | <u>(687,934)</u>  |
| Area Operations -  |                        |                        |                       |   |
| Northern Area Operations   | 7,446,678              | 7,446,678              | 7,336,345             | 110,333   |
| Central Area Operations  | 6,660,313              | 6,660,313              | 6,692,207             | (31,894)  |
| Southern Area Operations   | <u>6,763,124</u>       | <u>6,763,124</u>       | <u>6,905,953</u>      | <u>(142,829)</u>  |
| Total Area Operations  | <u>20,870,115</u>      | <u>20,870,115</u>      | <u>20,934,505</u>     | <u>(64,390)</u>   |
| Grants   | -                      | -                      | 1,147,032             | (1,147,032)   |
| Non-Departmental   | <u>6,260,794</u>       | <u>6,260,794</u>       | <u>5,736,138</u>      | <u>524,656</u>  |
| Total Expenditures/Encumbrances  | <u>125,500,025</u>     | <u>125,500,025</u>     | <u>125,730,988</u>    | <u>(230,963)</u>  |
| Excess of Revenues over<br>Expenditures/Encumbrances   | <u>35,039,875</u>      | <u>35,039,875</u>      | <u>37,751,503</u>     | <u>2,711,628</u>  |
| Other Financing Sources (Uses):  |                        |                        |                       |   |
| Transfers In (Out) -   |                        |                        |                       |   |
| Capital Projects Funds - Interest  | 500,000                | 500,000                | 1,556,537             | 1,056,537   |
| Administration Fund - Transfer In  | 3,000,000              | 3,000,000              | 3,000,000             | -   |
| Debt Service - Park Fund   | (15,296,269)           | (15,296,269)           | (12,120,269)          | 3,176,000   |
| Capital Projects Funds - Development   | <u>(42,030,000)</u>    | <u>(42,030,000)</u>    | <u>(42,030,000)</u>   | <u>-</u>  |
| Total Other Financing Sources (Uses)   | <u>(53,826,269)</u>    | <u>(53,826,269)</u>    | <u>(49,593,732)</u>   | <u>4,232,537</u>  |
| Excess of Revenues and Other Financing Sources<br>over Expenditures and Other Financing Uses | <u>\$ (18,786,394)</u> | <u>\$ (18,786,394)</u> | <u>(11,842,229)</u>   | <u>\$ 6,944,165</u>                                     |
| Fund Balance - Budget Basis, Beginning   |                        |                        | <u>139,527,269</u>    |   |
| Fund Balance - Budget Basis, Ending  |                        |                        | <u>\$ 127,685,040</u> |   |
| FY21 Appropriation   | -                      |                        | 11,021,123            | 11,021,123  |
| Reserved for Contingencies   | 6,275,000              |                        | 6,441,600             | 166,600   |
| Available for Appropriation  | <u>99,665,811</u>      |                        | <u>110,222,317</u>    | <u>10,556,506</u>                                       |
| Fund Balance - Budget Basis, Ending  | <u>\$ 105,940,811</u>  |                        | <u>\$ 127,685,040</u> | <u>\$ 21,744,229</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, 2020**

|  | Budgeted Amounts |                |               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|----------------|---------------|---|
|  | Original         | Final          | Actual        |   |
| Revenues:  |                  |                |               |   |
| Property Taxes   | \$ 81,101,900    | \$ 81,101,900  | \$ 81,701,169 | \$ 599,269  |
| Intergovernmental -  |                  |                |               |   |
| Federal  | -                | -              | 51,239        | 51,239  |
| State  | -                | -              | 299,346       | 299,346   |
| County   | -                | -              | 445,924       | 445,924   |
| Charges for Services   | 9,106,197        | 9,106,197      | 4,386,455     | (4,719,742)   |
| Rentals and Concessions  | 1,236,910        | 1,236,910      | 827,312       | (409,598)   |
| Interest   | 750,000          | 750,000        | 1,470,899     | 720,899   |
| Contributions  | 46,300           | 46,300         | 260,183       | 213,883   |
| Miscellaneous  | 49,500           | 49,500         | 69,092        | 19,592  |
| Total Revenues   | 92,290,807       | 92,290,807     | 89,511,619    | (2,779,188)   |
| Expenditures/Encumbrances:   |                  |                |               |   |
| Administration and Development-  |                  |                |               |   |
| Maintenance & Development  | 837,875          | 837,875        | 784,847       | 53,028  |
| Deputy Director  | 796,786          | 796,786        | 515,054       | 281,732   |
| Support Services   | 9,358,201        | 9,358,201      | 8,480,218     | 877,983   |
| Grants   | -                | -              | 509,556       | (509,556)   |
| Total Director's Office  | 10,992,862       | 10,992,862     | 10,289,675    | 703,187   |
| Facility Operations:   |                  |                |               |   |
| Public Affairs & Marketing   | 1,000,573        | 1,000,573      | 738,211       | 262,362   |
| Aquatics   | 12,978,465       | 12,978,465     | 10,676,685    | 2,301,780   |
| Natural and Historical Resources   | 1,534,617        | 1,534,617      | 1,505,029     | 29,588  |
| Arts and Cultural Heritage   | 4,386,039        | 4,386,039      | 4,059,887     | 326,152   |
| Youth and Countywide Sports  | 3,452,824        | 3,452,824      | 2,247,408     | 1,205,416   |
| Total Facility Operations  | 23,352,518       | 23,352,518     | 19,227,220    | 4,125,298   |
| Area Operations:   |                  |                |               |   |
| Deputy Director  | 456,319          | 456,319        | 496,425       | (40,106)  |
| Northern Area Operations   | 7,874,391        | 7,874,391      | 6,892,186     | 982,205   |
| Central Area Operations  | 7,333,696        | 7,333,696      | 6,559,073     | 774,623   |
| Southern Area Operations   | 10,729,303       | 10,729,303     | 8,759,182     | 1,970,121   |
| Special Programs   | 9,954,050        | 9,954,050      | 8,283,185     | 1,670,865   |
| Total Area Operations  | 36,347,759       | 36,347,759     | 30,990,051    | 5,357,708   |
| Non-Departmental   | 4,832,603        | 4,832,603      | 4,219,295     | 613,308   |
| Total Operating Expenditures/Encumbrances  | 75,525,742       | 75,525,742     | 64,726,241    | 10,799,501  |
| Excess of Revenues over<br>Expenditures/Encumbrances   | 16,765,065       | 16,765,065     | 24,785,378    | 8,020,313   |
| Other Financing Sources (Uses):  |                  |                |               |   |
| Transfers In (Out) -   |                  |                |               |   |
| Capital Projects Fund  | (10,000,000)     | (10,000,000)   | (10,000,000)  | -   |
| Enterprise   | (8,157,592)      | (8,157,592)    | (8,157,592)   | -   |
| Total Other Financing Sources (Uses)   | (18,157,592)     | (18,157,592)   | (18,157,592)  | -   |
| Excess of Revenues and Other Financing Sources<br>over Expenditures and Other Financing Uses | \$ (1,392,527)   | \$ (1,392,527) | 6,627,786     | \$ 8,020,313  |
| Fund Balance - Budget Basis, Beginning   |                  |                | 47,464,289    |   |
| Fund Balance - Budget Basis, Ending  |                  |                | \$ 54,092,075 |   |
| Reserved for Contingencies   | 4,184,200        |                | 4,268,500     | 84,300  |
| Available for Appropriation  | 35,876,664       |                | 49,823,575    | 13,946,911  |
| Fund Balance - Budget Basis, Ending  | \$ 40,060,864    |                | \$ 54,092,075 | \$ 14,031,211   |



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

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

|   | 2020             | 2019             | 2018           | 2017           | 2016           | 2015           | 2014           |
|---|------------------|------------------|----------------|----------------|----------------|----------------|----------------|
| <u>Total Pension Liability</u>                    |                  |                  |                |                |                |                |                |
| Service Cost                                      | \$ 18,144,368    | \$ 17,097,809    | \$ 18,834,451  | \$ 20,196,060  | \$ 18,125,110  | \$ 19,015,744  | \$ 16,635,683  |
| Interest  | 70,945,812       | 67,607,637       | 65,346,751     | 66,311,451     | 61,280,153     | 64,188,829     | 60,003,715     |
| Changes in benefit terms <sup>1</sup>             | -                | 5,196,837        | -              | (6,233)        | (4,863)        | -              | -              |
| Difference between expected and actual experience | 540,274          | 12,366,940       | (51,028,919)   | (9,213,536)    | (20,701,234)   | 610,807        | -              |
| Changes in assumptions                            | 6,015,186        | 5,808,280        | 5,434,643      | 34,368,804     | (13,818,623)   | 9,147,692      | -              |
| Benefit payments including refunds                | (55,647,482)     | (51,801,905)     | (48,088,129)   | (45,189,395)   | (42,718,801)   | (40,382,818)   | (38,407,073)   |
| Net change in total pension liability             | 39,998,158       | 56,275,598       | (9,501,203)    | 66,467,151     | 2,161,742      | 52,580,254     | 38,232,325     |
| Total pension liability - beginning               | 1,037,415,459    | 981,139,861      | 990,641,064    | 924,173,913    | 922,012,171    | 869,431,917    | 831,199,592    |
| Total pension liability - ending (a)              | \$ 1,077,413,617 | \$ 1,037,415,459 | \$ 981,139,861 | \$ 990,641,064 | \$ 924,173,913 | \$ 922,012,171 | \$ 869,431,917 |

Plan Fiduciary Net Position

|   |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Contributions - employer                  | \$ 19,244,687  | \$ 24,792,093  | \$ 24,822,301  | \$ 20,268,189  | \$ 27,191,305  | \$ 28,149,976  | \$ 28,750,323  |
| Contributions - member                    | 7,796,708      | 7,541,076      | 7,201,130      | 6,751,196      | 6,418,154      | 6,339,732      | 5,413,595      |
| Net investment income                     | 10,900,156     | 62,438,427     | 70,470,948     | 111,662,056    | (4,851,526)    | 3,340,520      | 107,897,795    |
| Benefit payments, including refunds       | (55,647,482)   | (51,801,905)   | (48,088,129)   | (45,189,395)   | (42,718,801)   | (40,382,818)   | (38,407,073)   |
| Administrative expenses                   | (1,722,361)    | (1,704,098)    | (1,810,777)    | (1,674,654)    | (1,696,334)    | (1,587,371)    | (1,487,210)    |
| Net change in plan fiduciary net position | (19,428,292)   | 41,265,593     | 52,595,473     | 91,817,392     | (15,657,202)   | (4,139,961)    | 102,167,430    |
| Plan fiduciary net position - beginning   | 962,016,882    | 920,751,289    | 868,155,816    | 776,338,424    | 791,995,626    | 796,135,587    | 693,968,157    |
| Plan fiduciary net position - ending (b)  | \$ 942,588,590 | \$ 962,016,882 | \$ 920,751,289 | \$ 868,155,816 | \$ 776,338,424 | \$ 791,995,626 | \$ 796,135,587 |

|                                      |                |               |               |                |                |                |               |
|--------------------------------------|----------------|---------------|---------------|----------------|----------------|----------------|---------------|
| Net pension liability - ending (a-b) | \$ 134,825,027 | \$ 75,398,577 | \$ 60,388,572 | \$ 122,485,248 | \$ 147,835,489 | \$ 130,016,545 | \$ 73,296,330 |
|--------------------------------------|----------------|---------------|---------------|----------------|----------------|----------------|---------------|

|  |             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Plan fiduciary net position as a percentage of total pension liability | 87.5%       | 92.7%       | 93.8%       | 87.6%       | 84.0%       | 85.9%       | 91.6%       |
| Covered payroll <sup>2</sup>   | 160,221,081 | 156,412,817 | 143,534,600 | 141,670,765 | 135,041,803 | 129,134,125 | 129,911,593 |
| Net pension liability as a percentage of covered payroll               | 84.2%       | 48.2%       | 42.1%       | 86.5%       | 109.5%      | 100.7%      | 56.4%       |

**Schedule of Money-Weighted Rate of Returns for Years Ended June 30:**

|  | 2020 | 2019 | 2018 | 2017  | 2016 | 2015 | 2014  |
|--|------|------|------|-------|------|------|-------|
|  | 2.3% | 7.4% | 8.0% | 14.6% | 0.2% | 0.7% | 15.3% |

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

<sup>1</sup>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.

<sup>2</sup>Covered payroll for FYE 2019 and later is as of the beginning of the year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

**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<br>ended June 30 | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency/<br>(Excess) | Covered Payroll <sup>1</sup> | Actual<br>Contribution as a<br>% of Covered<br>Payroll |
|------------------------------|---|------------------------|---|------------------------------|--|
| 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%  |
| 2018                         | 19,422,872                                | 24,822,301             | (5,399,429)                             | 143,534,600                  | 17.3%  |
| 2019                         | 17,514,943                                | 24,792,093             | (7,277,150)                             | 156,412,817                  | 15.9%  |
| 2020                         | 19,244,687                                | 19,244,687             | -                                       | 160,221,081                  | 12.0%  |

<sup>1</sup>Covered payroll for FYE 2019 and later is as of the beginning of the year. Covered payroll for years prior to FYE 2019 is as of the valuation date one year prior to the beginning of the fiscal year.

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 6.90% to 6.85%.

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

|                           |   |
|---------------------------|---|
| Actuarial Cost Method     | Entry Age   |
| Amortization Period       | 15 year open  |
| Asset Valuation Method    | 5 year asset smoothing  |
| Inflation                 | 2.40%   |
| Salary Increases          | 2.50% plus service based increases  |
| Investment Rate of Return | 6.85%, 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 Plan**  
(Unaudited)

**Schedule of Changes in the Commission's Net OPEB Liability\***

|  | 2020                  | 2019                  | 2018                  | 2017                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>Total OPEB Liability</u>                            |                       |                       |                       |                       |
| Service Cost   | \$ 7,784,558          | \$ 7,400,091          | \$ 7,032,667          | \$ 4,937,962          |
| Interest   | 23,749,404            | 22,889,039            | 21,376,943            | 20,940,838            |
| Difference between expected and actual experience      | 49,640,440            | (1,388,644)           | 7,297,620             | -                     |
| Changes in assumptions                                 | (6,899,291)           | 2,322,737             | 2,224,999             | -                     |
| Benefit payments (net of retiree contributions)        | <u>(16,613,803)</u>   | <u>(16,018,832)</u>   | <u>(13,337,628)</u>   | <u>(16,435,761)</u>   |
| Net change in total OPEB liability                     | 57,661,308            | 15,204,391            | 24,594,601            | 9,443,039             |
| Total OPEB liability - beginning                       | 351,537,786           | 336,333,395           | 311,738,794           | 302,295,755           |
| Total OPEB liability - ending (a)                      | <u>\$ 409,199,094</u> | <u>\$ 351,537,786</u> | <u>\$ 336,333,395</u> | <u>\$ 311,738,794</u> |
| <u>Plan Fiduciary Net Position</u>                     |                       |                       |                       |                       |
| Contributions - employer, including implicit subsidies | \$ 24,351,580         | \$ 23,649,833         | \$ 18,490,959         | \$ 18,754,591         |
| Net investment income                                  | (5,054,584)           | 1,973,442             | 6,795,459             | 8,774,168             |
| Benefit payments, net of retiree contributions         | (16,613,803)          | (16,018,832)          | (13,337,628)          | (13,749,844)          |
| Administrative expenses                                | <u>(604,777)</u>      | -                     | <u>(597,012)</u>      | <u>(410,564)</u>      |
| Net change in plan fiduciary net position              | 2,078,416             | 9,604,443             | 11,351,778            | 13,368,351            |
| Plan fiduciary net position - beginning                | 82,299,001            | 72,694,558            | 61,342,780            | 47,974,429            |
| Plan fiduciary net position - ending (b)               | <u>\$ 84,377,417</u>  | <u>\$ 82,299,001</u>  | <u>\$ 72,694,558</u>  | <u>\$ 61,342,780</u>  |
| Net OPEB liability - ending (a-b)                      | <u>\$ 324,821,677</u> | <u>\$ 269,238,785</u> | <u>\$ 263,638,837</u> | <u>\$ 250,396,014</u> |

**Schedule of the Commission's Net OPEB Liability and Related Ratios\***

|   | 2020               | 2019               | 2018               | 2017               |
|---|--------------------|--------------------|--------------------|--------------------|
| Total OPEB liability  | 409,199,094        | 351,537,786        | 336,333,395        | 311,738,794        |
| Plan fiduciary net position   | 84,377,417         | 82,299,001         | 72,694,558         | 61,342,780         |
| Net OPEB liability  | <u>324,821,677</u> | <u>269,238,785</u> | <u>263,638,837</u> | <u>250,396,014</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 20.6%              | 23.4%              | 21.6%              | 19.7%              |
| Covered-employee payroll  | 160,221,081        | 156,412,817        | 143,534,600        | 141,670,765        |
| Net OPEB liability as a percentage of covered-employee payroll**        | 202.7%             | 172.1%             | 183.7%             | 176.7%             |

**Schedule of Money-Weighted Rate of Returns for Years Ended June 30:**

|  | 2020  | 2019 | 2018  | 2017  |
|--|-------|------|-------|-------|
|  | -6.1% | 2.5% | 10.1% | 16.1% |

\*These schedules are intended to show information for 10 years. Additional years will be displayed as they become available.

\*\* Contributions to the OPEB plan are not based on a measure of pay

**Schedule of Required Supplementary Information for Other Postemployment Benefits Plan**  
**(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-Employee Payroll | Actual Contribution as a % of Covered Payroll |
|---------------------------|-------------------------------------|---------------------|-----------------------------------|--------------------------|---|
| 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%   |
| 2018                      | 22,162                              | 19,088              | 3,074                             | 143,544                  | 13.3%   |
| 2019                      | 22,935                              | 23,650              | (715)                             | 156,413                  | 15.1%   |
| 2020                      | 23,954                              | 24,352              | (398)                             | 160,221                  | 15.2%   |

**Notes to Required Supplementary Information**

**(1) Changes in Actuarial Assumptions**

The investment rate of return was changed from 6.90% to 6.85%.

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

|                             |   |
|-----------------------------|---|
| Actuarial Cost Method       | Entry Age Normal  |
| Amortization Method         | Level percentage of payroll   |
| ERI Amortization Period     | The additional liability attributable to the Early Retirement Incentive (ERI) is amortized over a 15 year closed period with 7 years remaining as of 7/1/2018 |
| Non-ERI Amortization Period | 28 year closed  |
| Inflation                   | 2.20%   |
| Salary Increases            | 2.50%   |
| Investment Rate of Return   | 6.85%, net of investment expense and including inflation  |
| Healthcare Cost Trend Rates | 5.40% initially, grading down to 3.68% for medical and pharmacy benefits<br>4.0% for dental<br>4.0% for vision  |
| Healthy - Pre-Retirement    | RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females                                     |
| Healthy - Post Retirement   | RP-2000 fully generational mortality table projected using scale BB, set forward 1 year for males and 2 years for females                                     |
| Disabled                    | RP-2000 fully generational disabled mortality table projected using scale BB, set forward 1 year for males and 2 years for females                            |

## PART IIB

# Financial Section

## COMBINING STATEMENTS AND SCHEDULES



Glenn Dale Splash 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 CAPITAL PARK AND PLANNING COMMISSION**

**Schedule 1**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2020

|                                       | MONTGOMERY COUNTY     |              |                       |                                       |                               |              | PRINCE GEORGE'S COUNTY                    |                   |                               |                                       |                                   |  |
|---------------------------------------|-----------------------|--------------|-----------------------|---------------------------------------|-------------------------------|--------------|---|-------------------|-------------------------------|---------------------------------------|-----------------------------------|--|
|                                       | Special Revenue Funds |              |                       | Advance Land Acquisition Debt Service |                               |              | Special Revenue Fund Parks and Recreation |                   |                               | Advance Land Acquisition Debt Service |                                   |  |
|                                       | Planning              | Parks        | Total Special Revenue | Park Debt Service                     | Land Acquisition Debt Service | Total        | Recreation                                | Park Debt Service | Land Acquisition Debt Service | Total                                 | Total Nonmajor Governmental Funds |  |
| <b>ASSETS</b>                         |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Equity in Pooled Cash and Investments | \$ 5,091,572          | \$ 2,100,846 | \$ 7,192,418          | \$ 70,246                             | \$ -                          | \$ 7,262,664 | \$ 10,172,535                             | \$ -              | \$ -                          | \$ 10,172,535                         | \$ 17,435,199                     |  |
| Taxes Receivable                      | -                     | -            | -                     | -                                     | 16,494                        | 16,494       | -   | -                 | 63                            | 63                                    | 16,557                            |  |
| Accounts Receivable                   | -                     | 15,014       | 15,014                | -                                     | -                             | 15,014       | 1,300                                     | -                 | -                             | 1,300                                 | 16,314                            |  |
| Due from County Government            | -                     | 136,013      | 136,013               | -                                     | -                             | 136,013      | -   | -                 | -                             | -                                     | 136,013                           |  |
| Due from Other Government             | -                     | -            | -                     | -                                     | -                             | -            | 30,237                                    | -                 | -                             | 30,237                                | 30,237                            |  |
| Inventories                           | -                     | -            | -                     | -                                     | -                             | -            | 1,151,859                                 | -                 | -                             | 1,151,859                             | 1,151,859                         |  |
| Total Assets                          | \$ 5,091,572          | \$ 2,251,873 | \$ 7,343,445          | \$ 70,246                             | \$ 16,494                     | \$ 7,430,185 | \$ 11,355,931                             | \$ -              | \$ 63                         | \$ 11,355,994                         | \$ 18,786,179                     |  |
| <b>LIABILITIES</b>                    |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Accounts Payable                      | \$ 54,897             | \$ 37,687    | \$ 92,584             | \$ 70,246                             | \$ -                          | \$ 162,830   | \$ 284,829                                | \$ -              | \$ -                          | \$ 284,829                            | \$ 447,659                        |  |
| Accrued Liabilities                   | 1,292                 | 6,739        | 8,031                 | -                                     | -                             | 8,031        | 33,714                                    | -                 | -                             | 33,714                                | 41,745                            |  |
| Deposits and Deferred Revenue         | 5,938                 | 183,859      | 189,797               | -                                     | 9,700                         | 199,497      | 131,042                                   | -                 | -                             | 131,042                               | 330,539                           |  |
| Total Liabilities                     | 62,127                | 228,285      | 290,412               | 70,246                                | 9,700                         | 370,358      | 449,585                                   | -                 | -                             | 449,585                               | 819,943                           |  |
| <b>FUND BALANCES</b>                  |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Fund Balance:                         |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Nonspendable to:                      |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Recreation                            | -                     | -            | -                     | -                                     | -                             | -            | 1,151,859                                 | -                 | -                             | 1,151,859                             | 1,151,859                         |  |
| Committed to:                         |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Planning                              | 236,835               | -            | 236,835               | -                                     | -                             | 236,835      | -   | -                 | -                             | -                                     | 236,835                           |  |
| Parks                                 | -                     | 957,747      | 957,747               | -                                     | -                             | 957,747      | 52,593                                    | -                 | -                             | 52,593                                | 1,010,340                         |  |
| Recreation                            | -                     | -            | -                     | -                                     | -                             | -            | 521,877                                   | -                 | -                             | 521,877                               | 521,877                           |  |
| Assigned to:                          |                       |              |                       |                                       |                               |              |   |                   |                               |                                       |                                   |  |
| Planning                              | 4,792,610             | 1,065,841    | 5,858,451             | -                                     | 6,794                         | 5,865,245    | 2,414,988                                 | -                 | 63                            | 2,415,051                             | 4,792,610                         |  |
| Parks                                 | -                     | -            | -                     | -                                     | -                             | -            | 6,765,029                                 | -                 | -                             | 6,765,029                             | 3,487,686                         |  |
| Recreation                            | -                     | -            | -                     | -                                     | 6,794                         | 6,794        | 10,906,346                                | -                 | 63                            | 10,906,409                            | 6,765,029                         |  |
| Total Fund Balances                   | 5,029,445             | 2,023,588    | 7,053,033             | -                                     | 6,794                         | 7,059,827    | 10,906,346                                | -                 | 63                            | 10,906,409                            | 17,986,236                        |  |
| Total Liabilities and Fund Balances   | \$ 5,091,572          | \$ 2,251,873 | \$ 7,343,445          | \$ 70,246                             | \$ 16,494                     | \$ 7,430,185 | \$ 11,355,931                             | \$ -              | \$ 63                         | \$ 11,355,994                         | \$ 18,786,179                     |  |

Schedule 2

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

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2020

|   | MONTGOMERY COUNTY     |           |                       |                                       |           |             | PRINCE GEORGE'S COUNTY              |               |                   |                                       |                                   |              |           |
|---|-----------------------|-----------|-----------------------|---------------------------------------|-----------|-------------|-------------------------------------|---------------|-------------------|---------------------------------------|-----------------------------------|--------------|-----------|
|   | Special Revenue Funds |           |                       | Advance Land Acquisition Debt Service |           |             | Special Revenue Fund and Recreation |               |                   | Advance Land Acquisition Debt Service |                                   |              |           |
|   | Planning              | Parks     | Total Special Revenue | Park Debt Service                     | Total     |             | Parks and Recreation                | Total Revenue | Park Debt Service | Total                                 | Total Nonmajor Governmental Funds |              |           |
| <b>REVENUES:</b>                                  |                       |           |                       |                                       |           |             |                                     |               |                   |                                       |                                   |              |           |
| Property Taxes                                    | -                     | -         | -                     | -                                     | 2,013,926 | \$          | 30,237                              | -             | -                 | 200                                   | \$                                | 200          | 2,014,126 |
| Intergovernmental - Federal                       | -                     | -         | -                     | -                                     | -         |             | -                                   | -             | -                 | -                                     |                                   | 30,237       | 30,237    |
| Intergovernmental - County                        | -                     | 1,658,126 | 1,658,126             | -                                     | 1,658,126 |             | -                                   | -             | -                 | -                                     |                                   | -            | 1,658,126 |
| Charges for Services                              | 2,230,905             | 326,532   | 2,557,437             | -                                     | 2,557,437 |             | 1,134,156                           | 1,134,156     | -                 | 1,134,156                             |                                   | 1,134,156    | 3,691,593 |
| Recreation Activities                             | -                     | 101,049   | 101,049               | -                                     | 101,049   |             | 4,002,867                           | 4,002,867     | -                 | 4,002,867                             |                                   | 4,002,867    | 4,103,916 |
| Interest  | 90,697                | 27,656    | 118,353               | -                                     | 118,353   |             | 193,755                             | 193,755       | -                 | 193,755                               |                                   | 193,755      | 312,108   |
| Contributions                                     | 136,779               | 96,832    | 233,611               | -                                     | 233,611   |             | 32,036                              | 32,036        | -                 | 32,036                                |                                   | 32,036       | 265,647   |
| Miscellaneous                                     | 27,898                | 26,627    | 54,525                | -                                     | 54,525    |             | 65,703                              | 65,703        | -                 | 65,703                                |                                   | 65,703       | 120,228   |
| Total Revenues                                    | 2,486,279             | 2,236,822 | 4,723,101             | -                                     | 2,013,926 | 6,737,027   | 5,458,754                           | 5,458,754     | -                 | 200                                   | 5,458,954                         | 12,195,981   |           |
| <b>EXPENDITURES:</b>                              |                       |           |                       |                                       |           |             |                                     |               |                   |                                       |                                   |              |           |
| Principal Retirements                             | -                     | -         | -                     | 4,135,000                             | 130,000   | 4,265,000   | -                                   | -             | 7,730,000         | -                                     | 7,730,000                         | 11,995,000   |           |
| Interest  | -                     | -         | -                     | 2,004,660                             | 13,700    | 2,018,360   | -                                   | -             | 4,390,269         | -                                     | 4,390,269                         | 6,408,629    |           |
| Other Debt Service Costs                          | -                     | -         | -                     | 70,246                                | -         | 70,246      | -                                   | -             | -                 | -                                     | -                                 | 70,246       |           |
| Contributions                                     | -                     | -         | -                     | -                                     | 1,871,289 | 1,871,289   | -                                   | -             | -                 | 146                                   | 146                               | 1,871,435    |           |
| Planning and Zoning                               | 3,798,690             | -         | 3,798,690             | -                                     | -         | 3,798,690   | -                                   | -             | -                 | -                                     | -                                 | 3,798,690    |           |
| Park Operations and Maintenance                   | -                     | 1,735,292 | 1,735,292             | -                                     | -         | 1,735,292   | -                                   | -             | -                 | -                                     | -                                 | 2,230,823    |           |
| Recreation  | -                     | -         | -                     | -                                     | -         | -           | 495,531                             | 495,531       | -                 | 495,531                               | -                                 | 5,128,200    |           |
| Total Expenditures                                | 3,798,690             | 1,735,292 | 5,533,982             | 6,209,906                             | 2,014,989 | 13,758,877  | 5,623,731                           | 5,623,731     | 12,120,269        | 146                                   | 17,744,146                        | 31,503,023   |           |
| Excess (Deficiency) of Revenues Over Expenditures | (1,312,411)           | 501,530   | (810,881)             | (6,209,906)                           | (1,063)   | (7,021,850) | (164,977)                           | (164,977)     | (12,120,269)      | 54                                    | (12,285,192)                      | (19,307,042) |           |
| <b>OTHER FINANCING SOURCES (USES):</b>            |                       |           |                       |                                       |           |             |                                     |               |                   |                                       |                                   |              |           |
| Transfers In                                      | -                     | -         | -                     | 6,209,906                             | -         | 6,209,906   | -                                   | -             | -                 | -                                     | -                                 | 18,330,175   |           |
| Total Other Financing Sources (Uses)              | -                     | -         | -                     | 6,209,906                             | -         | 6,209,906   | -                                   | -             | -                 | -                                     | -                                 | 18,330,175   |           |
| Net Change in Fund Balances                       | (1,312,411)           | 501,530   | (810,881)             | -                                     | (1,063)   | (811,944)   | (164,977)                           | (164,977)     | -                 | 54                                    | (164,923)                         | (976,867)    |           |
| Fund Balances - Beginning                         | 6,341,856             | 1,522,058 | 7,863,914             | -                                     | 7,857     | 7,871,771   | 11,071,323                          | 11,071,323    | -                 | 9                                     | 11,071,332                        | 18,943,103   |           |
| Fund Balances - Ending                            | 5,029,445             | 2,023,588 | 7,053,033             | -                                     | 6,794     | 7,059,827   | 10,906,346                          | 10,906,346    | -                 | 63                                    | 10,906,409                        | 17,966,236   |           |

**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, 2020

|  | Montgomery County     |                       |                     |                                    | Prince George's County |                    |                      |                                    |
|--|-----------------------|-----------------------|---------------------|------------------------------------|------------------------|--------------------|----------------------|------------------------------------|
|  | Budgeted Amounts      |                       | Actual              | Variance<br>Positive<br>(Negative) | Budgeted Amounts       |                    | Actual               | Variance<br>Positive<br>(Negative) |
|  | Original              | Final                 |                     |                                    | Original               | Final              |                      |                                    |
| <b>Revenues:</b>   |                       |                       |                     |                                    |                        |                    |                      |                                    |
| Intergovernmental  | \$ 1,688,430          | \$ 1,688,430          | \$ 1,658,126        | \$ (30,304)                        | \$ 950,000             | \$ 950,000         | \$ 30,237            | \$ (919,763)                       |
| Charges for Services   | 2,672,180             | 2,672,180             | 2,557,437           | (114,743)                          | 1,037,022              | 1,037,022          | 1,134,156            | 97,134                             |
| Recreation Activities  | 525,863               | 525,863               | 101,049             | (424,814)                          | 5,892,619              | 5,892,619          | 4,002,867            | (1,889,752)                        |
| Interest   | 55,000                | 55,000                | 118,353             | 63,353                             | 25,000                 | 25,000             | 193,755              | 168,755                            |
| Contributions  | 144,400               | 144,400               | 233,611             | 89,211                             | 105,536                | 105,536            | 32,036               | (73,500)                           |
| Miscellaneous  | 95,000                | 95,000                | 54,525              | (40,475)                           | 81,986                 | 81,986             | 65,703               | (16,283)                           |
| <b>Total Revenues</b>  | <b>5,180,873</b>      | <b>5,180,873</b>      | <b>4,723,101</b>    | <b>(457,772)</b>                   | <b>8,092,163</b>       | <b>8,092,163</b>   | <b>5,458,754</b>     | <b>(2,633,409)</b>                 |
| <b>Expenditures/Encumbrances:</b>  |                       |                       |                     |                                    |                        |                    |                      |                                    |
| Current -  |                       |                       |                     |                                    |                        |                    |                      |                                    |
| County Planning and Zoning   | 4,223,607             | 4,223,607             | 3,909,360           | 314,247                            | -                      | -                  | -                    | -                                  |
| Park Operations and Maintenance  | 2,861,133             | 2,861,133             | 2,425,316           | 435,817                            | 1,483,106              | 1,483,106          | 476,892              | 1,006,214                          |
| Recreation   | -                     | -                     | -                   | -                                  | 6,662,363              | 6,662,363          | 5,169,845            | 1,492,518                          |
| <b>Total Expenditures/Encumbrances</b>   | <b>7,084,740</b>      | <b>7,084,740</b>      | <b>6,334,676</b>    | <b>750,064</b>                     | <b>8,145,469</b>       | <b>8,145,469</b>   | <b>5,646,737</b>     | <b>2,498,732</b>                   |
| <b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances</b>                | <b>(1,903,867)</b>    | <b>(1,903,867)</b>    | <b>(1,611,575)</b>  | <b>292,292</b>                     | <b>(53,306)</b>        | <b>(53,306)</b>    | <b>(187,983)</b>     | <b>(134,677)</b>                   |
| <b>Excess (Deficiency) of Revenues over Expenditures/Encumbrances - Budget Basis</b> | <b>\$ (1,903,867)</b> | <b>\$ (1,903,867)</b> | <b>(1,611,575)</b>  | <b>\$ 292,292</b>                  | <b>\$ (53,306)</b>     | <b>\$ (53,306)</b> | <b>(187,983)</b>     | <b>\$ (134,677)</b>                |
| <b>Fund Balances - Budget Basis, July 1</b>  |                       |                       | <b>7,470,026</b>    |                                    |                        |                    | <b>10,519,859</b>    |                                    |
| <b>Fund Balances - Budget Basis, June 30</b>   |                       |                       | <b>\$ 5,858,451</b> |                                    |                        |                    | <b>\$ 10,331,876</b> |                                    |

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





Kayakers enjoying time on Little Seneca Lake at Black Hill Regional Park.

## **ENTERPRISE FUNDS**

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

Schedule 4

Schedule of Net Position  
Enterprise Funds  
June 30, 2020 and 2019

|   | Recreational and Cultural Facilities |                      |                        |                      |                      |                      |
|---|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
|   | Montgomery County                    |                      | Prince George's County |                      | Totals               |                      |
|   | June 30,<br>2020                     | June 30,<br>2019     | June 30,<br>2020       | June 30,<br>2019     | June 30,<br>2020     | June 30,<br>2019     |
| <b>ASSETS</b>                               |                                      |                      |                        |                      |                      |                      |
| Current Assets:                             |                                      |                      |                        |                      |                      |                      |
| Equity in Pooled Cash and Investments       | \$ 8,498,334                         | \$ 9,494,752         | \$ 3,264               | \$ 2,504,202         | \$ 8,501,598         | \$ 11,998,954        |
| Accounts Receivable                         | 16,962                               | 800                  | 186,405                | 140,840              | 203,367              | 141,640              |
| Due from County Government                  | -                                    | 539,079              | -                      | -                    | -                    | 539,079              |
| Due from Other Government                   | 15,513                               | -                    | 7,280                  | -                    | 22,793               | -                    |
| Inventories                                 | 215,501                              | 193,472              | 420,510                | 493,040              | 636,011              | 686,512              |
| Total Current Assets                        | <u>8,746,310</u>                     | <u>10,228,103</u>    | <u>617,459</u>         | <u>3,138,082</u>     | <u>9,363,769</u>     | <u>13,366,185</u>    |
| Noncurrent Assets:                          |                                      |                      |                        |                      |                      |                      |
| Capital Assets:                             |                                      |                      |                        |                      |                      |                      |
| Land  | 11,584,468                           | 11,584,468           | 6,459,131              | 6,459,131            | 18,043,599           | 18,043,599           |
| Buildings and Improvements                  | 27,290,630                           | 27,253,377           | 72,358,592             | 72,358,592           | 99,649,222           | 99,611,969           |
| Infrastructure                              | 26,610                               | 35,510               | 146,461                | 146,461              | 173,071              | 181,971              |
| Machinery, Equipment and Intangibles        | 3,088,558                            | 2,810,596            | 5,004,375              | 5,102,331            | 8,092,933            | 7,912,927            |
| Construction in Progress                    | 9,043,367                            | 7,115,309            | -                      | -                    | 9,043,367            | 7,115,309            |
|   | 51,033,633                           | 48,799,260           | 83,968,559             | 84,066,515           | 135,002,192          | 132,865,775          |
| Less - Accumulated Depreciation             | (27,329,992)                         | (26,543,281)         | (48,968,927)           | (47,217,473)         | (76,298,919)         | (73,760,754)         |
| Total Capital Assets (net of depreciation)  | <u>23,703,641</u>                    | <u>22,255,979</u>    | <u>34,999,632</u>      | <u>36,849,042</u>    | <u>58,703,273</u>    | <u>59,105,021</u>    |
| Total Noncurrent Assets                     | <u>23,703,641</u>                    | <u>22,255,979</u>    | <u>34,999,632</u>      | <u>36,849,042</u>    | <u>58,703,273</u>    | <u>59,105,021</u>    |
| Total Assets                                | <u>32,449,951</u>                    | <u>32,484,082</u>    | <u>35,617,091</u>      | <u>39,987,124</u>    | <u>68,067,042</u>    | <u>72,471,206</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                      |                      |                        |                      |                      |                      |
| Pension Deferrals                           | 742,666                              | 437,572              | 1,534,389              | 1,046,636            | 2,277,055            | 1,484,208            |
| OPEB Deferrals                              | 916,565                              | 167,519              | 1,691,126              | 258,989              | 2,607,691            | 426,508              |
| Total Deferred Outflows of Resources        | <u>1,659,231</u>                     | <u>605,091</u>       | <u>3,225,515</u>       | <u>1,305,625</u>     | <u>4,884,746</u>     | <u>1,910,716</u>     |
| <b>LIABILITIES</b>                          |                                      |                      |                        |                      |                      |                      |
| Current Liabilities:                        |                                      |                      |                        |                      |                      |                      |
| Accounts Payable                            | 219,707                              | 176,659              | 367,657                | 373,458              | 587,364              | 550,117              |
| Accrued Salaries and Benefits               | 169,664                              | 301,848              | 315,966                | 660,698              | 485,630              | 962,546              |
| Compensated Absences                        | 92,601                               | 136,879              | 230,007                | 257,895              | 322,608              | 394,774              |
| Revenue Collected in Advance                | 717,447                              | 840,745              | 101,960                | -                    | 819,407              | 840,745              |
| Total Current Liabilities                   | <u>1,199,419</u>                     | <u>1,456,131</u>     | <u>1,015,590</u>       | <u>1,292,051</u>     | <u>2,215,009</u>     | <u>2,748,182</u>     |
| Noncurrent Liabilities:                     |                                      |                      |                        |                      |                      |                      |
| Compensated Absences                        | 237,661                              | 221,207              | 460,266                | 339,526              | 697,927              | 560,733              |
| Net Other Post Employment Benefit Liability | 4,191,121                            | 3,344,789            | 9,465,930              | 7,933,386            | 13,657,051           | 11,278,175           |
| Net Pension Liability                       | 1,558,765                            | 830,993              | 3,272,339              | 1,919,266            | 4,831,104            | 2,750,259            |
| Total Noncurrent Liabilities                | <u>5,987,547</u>                     | <u>4,396,989</u>     | <u>13,198,535</u>      | <u>10,192,178</u>    | <u>19,186,082</u>    | <u>14,589,167</u>    |
| Total Liabilities                           | <u>7,186,966</u>                     | <u>5,853,120</u>     | <u>14,214,125</u>      | <u>11,484,229</u>    | <u>21,401,091</u>    | <u>17,337,349</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                                      |                      |                        |                      |                      |                      |
| Pension Deferrals                           | 423,683                              | 787,525              | 856,566                | 1,567,034            | 1,280,249            | 2,354,559            |
| OPEB Deferrals                              | 104,785                              | 36,897               | 196,762                | 43,539               | 301,547              | 80,436               |
| Total Deferred Inflows of Resources         | <u>528,468</u>                       | <u>824,422</u>       | <u>1,053,328</u>       | <u>1,610,573</u>     | <u>1,581,796</u>     | <u>2,434,995</u>     |
| <b>NET POSITION</b>                         |                                      |                      |                        |                      |                      |                      |
| Net Investment in Capital Assets            | 23,703,641                           | 22,255,979           | 34,999,632             | 36,849,042           | 58,703,273           | 59,105,021           |
| Unrestricted                                | 2,690,107                            | 4,155,652            | (11,424,479)           | (8,651,095)          | (8,734,372)          | (4,495,443)          |
| Total Net Position                          | <u>\$ 26,393,748</u>                 | <u>\$ 26,411,631</u> | <u>\$ 23,575,153</u>   | <u>\$ 28,197,947</u> | <u>\$ 49,968,901</u> | <u>\$ 54,609,578</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, 2020 and 2019

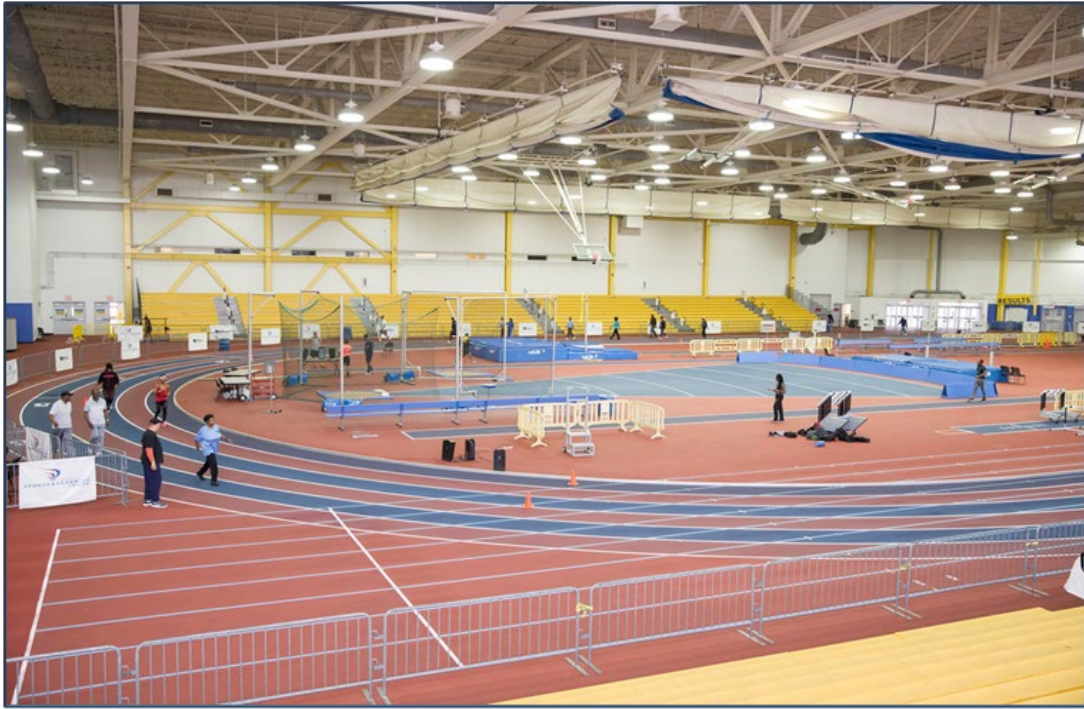
|                                       | Recreational and Cultural Facilities |                      |                        |                      |                      |                      |
|---------------------------------------|--------------------------------------|----------------------|------------------------|----------------------|----------------------|----------------------|
|                                       | Montgomery County                    |                      | Prince George's County |                      | Totals               |                      |
|                                       | Year Ended June 30,                  |                      | Year Ended June 30,    |                      | Year Ended June 30,  |                      |
|                                       | 2020                                 | 2019                 | 2020                   | 2019                 | 2020                 | 2019                 |
| Operating Revenues:                   |                                      |                      |                        |                      |                      |                      |
| Intergovernmental                     | \$ 15,513                            | \$ -                 | \$ 7,280               | \$ -                 | \$ 22,793            | \$ -                 |
| Sales                                 | 606,247                              | 834,786              | 1,443,144              | 1,744,480            | 2,049,391            | 2,579,266            |
| Charges for Services                  | 5,718,383                            | 7,726,352            | 2,923,357              | 3,700,399            | 8,641,740            | 11,426,751           |
| Rentals and Concessions               | 2,690,239                            | 3,389,722            | 2,126,058              | 3,024,009            | 4,816,297            | 6,413,731            |
| Total Operating Revenues              | <u>9,030,382</u>                     | <u>11,950,860</u>    | <u>6,499,839</u>       | <u>8,468,888</u>     | <u>15,530,221</u>    | <u>20,419,748</u>    |
| Operating Expenses:                   |                                      |                      |                        |                      |                      |                      |
| Cost of Goods Sold                    | 333,881                              | 452,122              | 827,503                | 1,089,254            | 1,161,384            | 1,541,376            |
| Personnel Services                    | 5,780,902                            | 6,016,573            | 11,508,651             | 11,852,719           | 17,289,553           | 17,869,292           |
| Supplies and Materials                | 458,195                              | 542,699              | 1,136,764              | 1,440,114            | 1,594,959            | 1,982,813            |
| Communications                        | 46,936                               | 47,574               | 104,215                | 126,874              | 151,151              | 174,448              |
| Utilities                             | 774,152                              | 841,519              | 1,354,945              | 1,492,543            | 2,129,097            | 2,334,062            |
| Maintenance                           | 294,450                              | 301,884              | 1,454,371              | 977,634              | 1,748,821            | 1,279,518            |
| Contractual Services                  | 509,236                              | 779,482              | 498,244                | 461,653              | 1,007,480            | 1,241,135            |
| Other Services and Charges            | 405,896                              | 507,388              | 472,853                | 436,578              | 878,749              | 943,966              |
| Administrative Services               | -                                    | -                    | 276,027                | 306,000              | 276,027              | 306,000              |
| Depreciation                          | 803,153                              | 1,097,362            | 1,944,552              | 2,014,161            | 2,747,705            | 3,111,523            |
| Total Operating Expenses              | <u>9,406,801</u>                     | <u>10,586,603</u>    | <u>19,578,125</u>      | <u>20,197,530</u>    | <u>28,984,926</u>    | <u>30,784,133</u>    |
| Operating Income (Loss)               | <u>(376,419)</u>                     | <u>1,364,257</u>     | <u>(13,078,286)</u>    | <u>(11,728,642)</u>  | <u>(13,454,705)</u>  | <u>(10,364,385)</u>  |
| Non-Operating Revenues (Expenses):    |                                      |                      |                        |                      |                      |                      |
| Investment Earnings                   | 361,372                              | 587,574              | 289,926                | 350,684              | 651,298              | 938,258              |
| Gain (Loss) on Disposal of Asset      | (2,836)                              | 11,150               | 7,974                  | (1,318,360)          | 5,138                | (1,307,210)          |
| Total Non-Operating Revenue (Expense) | <u>358,536</u>                       | <u>598,724</u>       | <u>297,900</u>         | <u>(967,676)</u>     | <u>656,436</u>       | <u>(368,952)</u>     |
| Loss before Transfers                 | <u>(17,883)</u>                      | <u>1,962,981</u>     | <u>(12,780,386)</u>    | <u>(12,696,318)</u>  | <u>(12,798,269)</u>  | <u>(10,733,337)</u>  |
| Transfers In                          | -                                    | -                    | 8,157,592              | 8,584,855            | 8,157,592            | 8,584,855            |
| Total Contributions and Transfers     | -                                    | -                    | <u>8,157,592</u>       | <u>8,584,855</u>     | <u>8,157,592</u>     | <u>8,584,855</u>     |
| Change in Net Position                | <u>(17,883)</u>                      | <u>1,962,981</u>     | <u>(4,622,794)</u>     | <u>(4,111,463)</u>   | <u>(4,640,677)</u>   | <u>(2,148,482)</u>   |
| Total Net Position - Beginning        | <u>26,411,631</u>                    | <u>24,448,650</u>    | <u>28,197,947</u>      | <u>32,309,410</u>    | <u>54,609,578</u>    | <u>56,758,060</u>    |
| Total Net Position - Ending           | <u>\$ 26,393,748</u>                 | <u>\$ 26,411,631</u> | <u>\$ 23,575,153</u>   | <u>\$ 28,197,947</u> | <u>\$ 49,968,901</u> | <u>\$ 54,609,578</u> |

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

**Schedule 6**

**Schedule of Cash Flows - Enterprise Funds  
For the Years Ended June 30, 2020 and 2019**

|   | Recreational and Cultural Facilities |                     |                        |                       |                       |                       |
|---|--------------------------------------|---------------------|------------------------|-----------------------|-----------------------|-----------------------|
|   | Montgomery County                    |                     | Prince George's County |                       | Year Ended June 30,   |                       |
|   | Year Ended June 30,                  |                     | Year Ended June 30,    |                       | Year Ended June 30,   |                       |
|   | 2020                                 | 2019                | 2020                   | 2019                  | 2020                  | 2019                  |
| <b>Cash Flows from Operating Activities:</b>  |                                      |                     |                        |                       |                       |                       |
| Receipts from Customers and Users   | \$ 9,414,488                         | \$ 12,299,726       | \$ 6,548,954           | \$ 8,267,973          | \$ 15,963,442         | \$ 20,567,699         |
| Payments to Suppliers   | (989,304)                            | (1,619,104)         | (5,782,166)            | (5,678,308)           | (6,771,470)           | (7,297,412)           |
| Payments to Employees   | (5,364,830)                          | (5,903,602)         | (11,352,049)           | (12,252,593)          | (16,716,879)          | (18,156,195)          |
| Payments for Interfund Services Used  | (352,070)                            | (161,332)           | -                      | -                     | (352,070)             | (161,332)             |
| Payments for Administrative Charges   | (1,812,423)                          | (1,777,740)         | (276,027)              | (306,000)             | (2,088,450)           | (2,083,740)           |
| Net Cash Provided (Used) by Operating Activities  | <u>895,861</u>                       | <u>2,837,948</u>    | <u>(10,861,288)</u>    | <u>(9,968,928)</u>    | <u>(9,965,427)</u>    | <u>(7,130,980)</u>    |
| <b>Cash Flows from Noncapital Financing Activities:</b>   |                                      |                     |                        |                       |                       |                       |
| Transfers In from Other Funds   | -                                    | -                   | 8,157,592              | 8,584,855             | 8,157,592             | 8,584,855             |
| Net Cash Flows from Noncapital Financing Activities   | <u>-</u>                             | <u>-</u>            | <u>8,157,592</u>       | <u>8,584,855</u>      | <u>8,157,592</u>      | <u>8,584,855</u>      |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                                      |                                      |                     |                        |                       |                       |                       |
| Acquisition and Construction of Capital Assets  | (2,250,815)                          | (3,004,638)         | (95,142)               | (158,717)             | (2,345,957)           | (3,163,355)           |
| Gain (Loss) on Capital Asset Disposal   | (2,836)                              | 11,150              | 7,974                  | 1,640                 | 5,138                 | 12,790                |
| Net Cash Used by Capital and Related Financing Activities   | <u>(2,253,651)</u>                   | <u>(2,993,488)</u>  | <u>(87,168)</u>        | <u>(157,077)</u>      | <u>(2,340,819)</u>    | <u>(3,150,565)</u>    |
| <b>Cash Flows from Investing Activities:</b>  |                                      |                     |                        |                       |                       |                       |
| Interest on Investments   | 361,372                              | 587,574             | 289,926                | 350,684               | 651,298               | 938,258               |
| Net Increase in Cash and Cash Equivalents   | <u>(996,418)</u>                     | <u>432,034</u>      | <u>(2,500,938)</u>     | <u>(1,190,466)</u>    | <u>(3,497,356)</u>    | <u>(758,432)</u>      |
| Cash, Cash Equivalents and Restricted Cash, July 1  | <u>9,494,752</u>                     | <u>9,062,718</u>    | <u>2,504,202</u>       | <u>3,694,668</u>      | <u>11,998,954</u>     | <u>12,757,386</u>     |
| Cash, Cash Equivalents and Restricted Cash, June 30   | <u>\$ 8,498,334</u>                  | <u>\$ 9,494,752</u> | <u>\$ 3,264</u>        | <u>\$ 2,504,202</u>   | <u>\$ 8,501,598</u>   | <u>\$ 11,998,954</u>  |
| <b>Reconciliation of Operating Income/(Loss) to Net Cash Provided (Used) by Operating Activities:</b> |                                      |                     |                        |                       |                       |                       |
| Operating Income (Loss)   | \$ (376,419)                         | \$ 1,364,257        | \$ (13,078,286)        | \$ (11,728,642)       | \$ (13,454,705)       | \$ (10,364,385)       |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                                      |                     |                        |                       |                       |                       |
| Depreciation  | 803,153                              | 1,097,362           | 1,944,552              | 2,014,161             | 2,747,705             | 3,111,523             |
| Effect of Changes in Operating Assets and Liabilities in:   |                                      |                     |                        |                       |                       |                       |
| Accounts Receivable   | (16,162)                             | (552)               | (45,565)               | (140,290)             | (61,727)              | (140,842)             |
| Due from County Government  | 539,079                              | (450,780)           | -                      | -                     | 539,079               | (450,780)             |
| Due from Other Government   | (15,513)                             | -                   | (7,280)                | -                     | (22,793)              | -                     |
| Inventories, at Cost  | (22,029)                             | (4,378)             | 72,530                 | 186,585               | 50,501                | 182,207               |
| Accounts Payable  | 43,048                               | 80,202              | (5,801)                | 159,757               | 37,247                | 239,959               |
| Accrued Salaries and Benefits   | (132,184)                            | 33,191              | (344,732)              | 72,137                | (476,916)             | 105,328               |
| Compensated Absences  | (27,824)                             | 16,035              | 92,852                 | (73,986)              | 65,028                | (57,951)              |
| Net Pension Liability   | 58,836                               | (139,685)           | 253,630                | (362,804)             | 312,466               | (502,489)             |
| Net Other Post Employment Liability   | 165,174                              | 42,098              | 154,852                | (35,221)              | 320,026               | 6,877                 |
| Revenue Collected in Advance  | (123,298)                            | 800,198             | 101,960                | (60,625)              | (21,338)              | 739,573               |
| Total Adjustments   | <u>1,272,280</u>                     | <u>1,473,691</u>    | <u>2,216,998</u>       | <u>1,759,714</u>      | <u>3,489,278</u>      | <u>3,233,405</u>      |
| Net Cash Provided (Used) by Operating Activities  | <u>\$ 895,861</u>                    | <u>\$ 2,837,948</u> | <u>\$ (10,861,288)</u> | <u>\$ (9,968,928)</u> | <u>\$ (9,965,427)</u> | <u>\$ (7,130,980)</u> |



Sports & Learning Complex Indoor Track & Sports Field

## **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, 2020**

|  | MONTGOMERY COUNTY    |                    |                      |                    | PRINCE GEORGES COUNTY       |                       |                      |                                      | COMMISSION WIDE FUNDS |                    |                             |                       | Total<br>June 30,<br>2020 |                      |
|--|----------------------|--------------------|----------------------|--------------------|-----------------------------|-----------------------|----------------------|--------------------------------------|-----------------------|--------------------|-----------------------------|-----------------------|---------------------------|----------------------|
|  | Capital<br>Equipment | Risk<br>Management | Capital<br>Equipment | Risk<br>Management | CAS<br>Capital<br>Equipment | Executive<br>Building | Employee<br>Benefits | Commission<br>Wide IT<br>Initiatives | Capital<br>Equipment  | Risk<br>Management | CAS<br>Capital<br>Equipment | Executive<br>Building |                           | Employee<br>Benefits |
| <b>ASSETS</b>  |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Current Assets:  |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Equity in Pooled Cash and Investments                  | \$ 2,884,578         | \$ 11,951,843      | \$ 4,110,604         | \$ 21,095,245      | \$ (65,182)                 | \$ 4,323,080          | \$ 13,005,456        | \$ 2,355,215                         | \$ 59,660,839         |                    |                             |                       |                           |                      |
| Accounts Receivable                                    | -                    | 19,799             | -                    | 34,000             | -                           | -                     | 1,226,434            | 520                                  | 1,280,753             |                    |                             |                       |                           |                      |
| Due from County Government                             | -                    | 250,000            | -                    | 250,000            | -                           | -                     | -                    | -                                    | 500,000               |                    |                             |                       |                           |                      |
| Due from Other Governments                             | -                    | 30,606             | -                    | 30,606             | -                           | 18,507                | -                    | -                                    | 79,719                |                    |                             |                       |                           |                      |
| Deposits and Other                                     | -                    | -                  | -                    | -                  | -                           | -                     | 472,359              | -                                    | 472,359               |                    |                             |                       |                           |                      |
| Total Current Assets                                   | 2,884,578            | 12,252,248         | 4,110,604            | 21,409,851         | (65,182)                    | 4,341,587             | 14,704,249           | 2,355,735                            | 61,993,670            |                    |                             |                       |                           |                      |
| Noncurrent Assets:                                     |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Capital Assets:  |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Land   | -                    | -                  | -                    | -                  | -                           | 748,497               | -                    | -                                    | 748,497               |                    |                             |                       |                           |                      |
| Buildings and Improvements                             | 153,142              | -                  | 36,748               | -                  | -                           | 3,470,338             | -                    | -                                    | 3,660,228             |                    |                             |                       |                           |                      |
| Infrastructure   | -                    | -                  | -                    | -                  | -                           | 15,657                | -                    | -                                    | 15,657                |                    |                             |                       |                           |                      |
| Machinery, Equipment and Intangibles                   | 34,953,356           | 166,064            | 8,174,051            | 781,186            | 2,431,552                   | 544,944               | -                    | 2,133,818                            | 49,184,971            |                    |                             |                       |                           |                      |
| Less-Accumulated Depreciation                          | (25,598,971)         | (166,064)          | (6,544,244)          | (781,186)          | (1,574,181)                 | (3,092,499)           | -                    | (1,834,410)                          | (39,591,555)          |                    |                             |                       |                           |                      |
| Total Capital Assets (net of accumulated depreciation) | 9,507,527            | -                  | 1,666,555            | -                  | 857,371                     | 1,686,937             | -                    | 299,408                              | 14,017,798            |                    |                             |                       |                           |                      |
| Total Assets   | 12,392,105           | 12,252,248         | 5,777,159            | 21,409,851         | 792,189                     | 6,028,524             | 14,704,249           | 2,655,143                            | 76,011,468            |                    |                             |                       |                           |                      |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                  |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Pension Deferrals                                      | -                    | 89,466             | -                    | 89,466             | -                           | 45,694                | 167,999              | 73,004                               | 465,629               |                    |                             |                       |                           |                      |
| OPFB Deferrals   | -                    | 75,880             | -                    | 75,880             | -                           | 50,587                | 148,191              | 143,143                              | 493,681               |                    |                             |                       |                           |                      |
| Total Deferred Outflows of Resources                   | -                    | 165,346            | -                    | 165,346            | -                           | 96,281                | 316,190              | 216,147                              | 959,310               |                    |                             |                       |                           |                      |
| <b>LIABILITIES</b>                                     |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Current Liabilities:                                   |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Accounts Payable                                       | 318,875              | 229,238            | -                    | 229,238            | -                           | 22,127                | 473,180              | 78,260                               | 1,350,918             |                    |                             |                       |                           |                      |
| Current Portion of Claims Payable                      | -                    | 1,643,033          | -                    | 2,706,745          | -                           | -                     | 1,506,475            | -                                    | 5,856,253             |                    |                             |                       |                           |                      |
| Accrued Salaries and Benefits                          | -                    | 18,422             | -                    | 18,423             | -                           | 8,675                 | 29,293               | 37,473                               | 112,286               |                    |                             |                       |                           |                      |
| Current Portion of Bonds Payable                       | 600,000              | -                  | -                    | -                  | -                           | -                     | -                    | -                                    | 600,000               |                    |                             |                       |                           |                      |
| Current Portion of Compensated Absences                | -                    | 23,607             | -                    | 23,607             | -                           | 10,538                | 28,312               | 31,905                               | 117,969               |                    |                             |                       |                           |                      |
| Interest Payable                                       | 20,000               | -                  | -                    | -                  | -                           | -                     | -                    | -                                    | 20,000                |                    |                             |                       |                           |                      |
| Total Current Liabilities                              | 938,875              | 1,914,300          | -                    | 2,978,013          | -                           | 41,340                | 2,037,260            | 147,638                              | 8,057,420             |                    |                             |                       |                           |                      |
| Noncurrent Liabilities:                                |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Claims Payable - Net of Current Portion                | -                    | 4,929,102          | -                    | 8,120,237          | -                           | -                     | -                    | -                                    | 13,049,339            |                    |                             |                       |                           |                      |
| Bonds Payable - Net of Current Portion                 | 1,961,000            | -                  | -                    | -                  | -                           | -                     | -                    | -                                    | 1,961,000             |                    |                             |                       |                           |                      |
| Compensated Absences - Net of Current Portion          | -                    | 11,895             | -                    | 11,895             | -                           | 4,472                 | 32,287               | 50,467                               | 111,016               |                    |                             |                       |                           |                      |
| Net Other Post Employment Benefit Liability            | -                    | 533,404            | -                    | 533,403            | -                           | 263,134               | 585,971              | 493,904                              | 2,409,816             |                    |                             |                       |                           |                      |
| Net Pension Liability                                  | 1,961,000            | 177,759            | -                    | 177,760            | -                           | 91,166                | 330,815              | 242,140                              | 1,019,640             |                    |                             |                       |                           |                      |
| Total Noncurrent Liabilities                           | 2,899,875            | 7,566,460          | -                    | 8,843,295          | -                           | 358,772               | 949,073              | 786,511                              | 18,550,811            |                    |                             |                       |                           |                      |
| Total Liabilities                                      | 3,838,750            | 9,480,760          | -                    | 11,821,308         | -                           | 400,112               | 2,986,333            | 934,149                              | 26,608,231            |                    |                             |                       |                           |                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                   |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Pension Deferrals                                      | -                    | 48,665             | -                    | 48,664             | -                           | 23,080                | 70,780               | (15,255)                             | 175,934               |                    |                             |                       |                           |                      |
| OPFB Deferrals   | -                    | 8,846              | -                    | 8,846              | -                           | 5,897                 | 16,890               | 15,775                               | 56,254                |                    |                             |                       |                           |                      |
| Total Deferred Inflows of Resources                    | -                    | 57,511             | -                    | 57,510             | -                           | 28,977                | 87,670               | 520                                  | 232,188               |                    |                             |                       |                           |                      |
| <b>NET POSITION</b>                                    |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                             |                       |                           |                      |
| Net Investment in Capital Assets                       | 6,946,527            | -                  | 1,666,555            | -                  | 857,371                     | 1,686,937             | -                    | 299,408                              | 11,456,798            |                    |                             |                       |                           |                      |
| Unrestricted   | 2,545,703            | 4,793,623          | 4,110,604            | 9,696,379          | (65,182)                    | 4,008,779             | 11,946,436           | 1,637,213                            | 38,673,555            |                    |                             |                       |                           |                      |
| Total Net Position                                     | 9,492,230            | 4,793,623          | 5,777,159            | 9,696,379          | 792,189                     | 5,695,716             | 11,946,436           | 1,936,621                            | 50,130,353            |                    |                             |                       |                           |                      |

**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, 2020**

|  | MONTGOMERY COUNTY    |                    |                      |                    | PRINCE GEORGES COUNTY       |                       |                      |                                      | COMMISSION WIDE FUNDS |                    |                      |                    | Total<br>June 30,<br>2020 |                       |                      |                                      |
|--|----------------------|--------------------|----------------------|--------------------|-----------------------------|-----------------------|----------------------|--------------------------------------|-----------------------|--------------------|----------------------|--------------------|---------------------------|-----------------------|----------------------|--------------------------------------|
|  | Capital<br>Equipment | Risk<br>Management | Capital<br>Equipment | Risk<br>Management | CAS<br>Capital<br>Equipment | Executive<br>Building | Employee<br>Benefits | Commission<br>Wide IT<br>Initiatives | Capital<br>Equipment  | Risk<br>Management | Capital<br>Equipment | Risk<br>Management |                           | Executive<br>Building | Employee<br>Benefits | Commission<br>Wide IT<br>Initiatives |
| <b>Operating Revenues:</b>               |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                      |                    |                           |                       |                      |                                      |
| Intergovernmental-Federal                |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                      |                    |                           |                       |                      |                                      |
| Charges for Services                     | 1,486,200            | 30,606             | \$ -                 | \$ -               | 18,507                      | \$ -                  | \$ -                 | 48,961,596                           | 1,352,000             | 33,720,483         | 4,482,786            | 613,243            | 49,654,558                |                       |                      |                                      |
| Claim Recoveries                         | -                    | 2,509,900          | 1,862,427            | 3,141,800          | 406,000                     | -                     | -                    | -                                    | -                     | -                  | -                    | -                  | -                         | -                     | -                    |                                      |
| Total Operating Revenues                 | 1,486,200            | 2,776,775          | 1,862,427            | 3,549,380          | 406,000                     | 1,370,507             | 33,720,483           | 4,482,786                            |                       |                    |                      |                    |                           |                       |                      |                                      |
| <b>Operating Expenses:</b>               |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                      |                    |                           |                       |                      |                                      |
| Personal Services                        | -                    | 525,491            | -                    | 525,491            | -                           | 229,569               | 776,190              | 1,018,178                            |                       |                    |                      |                    |                           |                       |                      |                                      |
| Supplies and Materials                   | 122,895              | 38,162             | -                    | 38,162             | 25,750                      | 44,026                | -                    | 55,565                               |                       |                    |                      |                    |                           |                       |                      |                                      |
| Other Contractual Services               | -                    | 351,890            | -                    | 509,109            | -                           | -                     | 501,161              | -                                    |                       |                    |                      |                    |                           |                       |                      |                                      |
| Claims Incurred                          | -                    | 1,732,579          | -                    | 3,598,535          | -                           | -                     | 24,829,305           | -                                    |                       |                    |                      |                    |                           |                       |                      |                                      |
| Insurance                                | -                    | 57,290             | -                    | 82,887             | -                           | -                     | 7,828,384            | -                                    |                       |                    |                      |                    |                           |                       |                      |                                      |
| Other Services and Charges               | 51,755               | 391,973            | 23,290               | 500,448            | -                           | 548,665               | 311,410              | 3,089,448                            |                       |                    |                      |                    |                           |                       |                      |                                      |
| Depreciation                             | 2,862,993            | -                  | 1,194,685            | -                  | 199,722                     | 73,769                | -                    | 159,131                              |                       |                    |                      |                    |                           |                       |                      |                                      |
| Total Operating Expenses                 | 3,037,643            | 3,097,385          | 1,217,975            | 5,254,632          | 225,472                     | 896,029               | 34,246,450           | 4,332,322                            |                       |                    |                      |                    |                           |                       |                      |                                      |
| Operating Income (Loss)                  | (1,551,443)          | (320,610)          | 644,452              | (1,705,252)        | 180,528                     | 474,478               | (525,967)            | 150,464                              |                       |                    |                      |                    |                           |                       |                      |                                      |
| <b>Nonoperating Revenues (Expenses):</b> |                      |                    |                      |                    |                             |                       |                      |                                      |                       |                    |                      |                    |                           |                       |                      |                                      |
| Interest Income                          | 47,657               | 185,007            | 57,515               | 393,091            | 253                         | 60,684                | 242,128              | 35,123                               |                       |                    |                      |                    |                           |                       |                      |                                      |
| Interest Expense                         | (81,700)             | -                  | -                    | -                  | -                           | -                     | -                    | -                                    |                       |                    |                      |                    |                           |                       |                      |                                      |
| Gain (Loss) on Disposal of Asset         | 205,625              | -                  | -                    | -                  | -                           | -                     | -                    | -                                    |                       |                    |                      |                    |                           |                       |                      |                                      |
| Total Nonoperating Revenues (Expenses)   | 171,582              | 185,007            | 57,515               | 393,091            | 253                         | 60,684                | 242,128              | 35,123                               |                       |                    |                      |                    |                           |                       |                      |                                      |
| Change in Net Position                   | (1,379,861)          | (135,603)          | 701,967              | (1,312,161)        | 180,781                     | 535,162               | (283,839)            | 185,587                              |                       |                    |                      |                    |                           |                       |                      |                                      |
| Total Net Position, July 1               | 10,872,091           | 4,929,226          | 5,075,192            | 11,008,540         | 611,408                     | 5,160,554             | 12,230,275           | 1,751,034                            |                       |                    |                      |                    |                           |                       |                      |                                      |
| Total Net Position, June 30              | 9,492,230            | 4,793,623          | 5,777,159            | 9,696,379          | 792,189                     | 5,695,716             | 11,946,436           | 1,936,621                            |                       |                    |                      |                    |                           |                       |                      |                                      |

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

Schedule 9

**Combining Statement of Cash Flows - Internal Service Funds  
For the Year Ended June 30, 2020**

|   | MONTGOMERY COUNTY  |                   | PRINCE GEORGE'S COUNTY |                    | COMMISSION WIDE FUNDS |                    |                   |                                |                    | TOTAL |
|---|--------------------|-------------------|------------------------|--------------------|-----------------------|--------------------|-------------------|--------------------------------|--------------------|-------|
|   | Capital Equipment  | Risk Management   | Capital Equipment      | Risk Management    | CAS Capital Equipment | Executive Building | Employee Benefits | Commission Wide IT Initiatives |                    |       |
| <b>Cash Flows from Operating Activities:</b>  |                    |                   |                        |                    |                       |                    |                   |                                |                    |       |
| Receipts from Customers and Users   | \$ 1,486,200       | \$ 2,784,686      | \$ 1,862,427           | \$ 3,484,774       | \$ 406,000            | \$ 1,352,000       | \$ 33,607,708     | \$ 4,482,266                   | \$ 49,466,061      |       |
| Payments to Suppliers   | (56)               | (2,222,149)       | -                      | (4,556,560)        | (25,750)              | (600,339)          | (33,014,601)      | (3,101,304)                    | (43,520,759)       |       |
| Payments to Employees   | (51,755)           | (495,260)         | -                      | (495,260)          | -                     | (215,713)          | (726,632)         | (938,652)                      | (2,871,517)        |       |
| Payments for Interfund Services Used  | -                  | (273,212)         | (23,290)               | (273,212)          | -                     | -                  | (311,410)         | -                              | (932,879)          |       |
| Net Cash Provided (Used) by Operating Activities  | <u>1,434,389</u>   | <u>(205,935)</u>  | <u>1,839,137</u>       | <u>(1,840,258)</u> | <u>380,250</u>        | <u>535,948</u>     | <u>(444,935)</u>  | <u>442,310</u>                 | <u>2,140,906</u>   |       |
|   | (2,634,192)        | -                 | (462,069)              | -                  | (239,326)             | (361,650)          | -                 | (28,974)                       | (3,726,211)        |       |
| <b>Cash Flows from Capital and Related Financing Activities:</b>                                      |                    |                   |                        |                    |                       |                    |                   |                                |                    |       |
| Acquisition of Capital Assets   | 205,625            | -                 | -                      | -                  | -                     | -                  | -                 | -                              | 205,625            |       |
| Gain/(Loss) on Disposal of Capital Assets   | (135,000)          | -                 | -                      | -                  | -                     | -                  | -                 | -                              | (135,000)          |       |
| Interest Paid on Bonds Payable  | (600,000)          | -                 | -                      | -                  | -                     | -                  | -                 | -                              | (600,000)          |       |
| Principal Paid on Bonds Payable   | -                  | -                 | -                      | -                  | -                     | -                  | -                 | -                              | -                  |       |
| Net Cash Used by Capital and Related Financing Activities   | <u>(3,163,567)</u> | <u>-</u>          | <u>(462,069)</u>       | <u>-</u>           | <u>(239,326)</u>      | <u>(361,650)</u>   | <u>-</u>          | <u>(28,974)</u>                | <u>(4,255,586)</u> |       |
| <b>Cash Flows from Investing Activities:</b>  |                    |                   |                        |                    |                       |                    |                   |                                |                    |       |
| Interest on Investments   | 47,657             | 185,007           | 57,515                 | 393,092            | 252                   | 60,684             | 242,128           | 35,123                         | 1,021,458          |       |
| Net Increase (Decrease) in Cash and Cash Equivalents  | (1,681,521)        | (20,928)          | 1,434,583              | (1,447,166)        | 141,176               | 234,982            | (202,807)         | 448,459                        | (1,093,222)        |       |
| Cash and Cash Equivalents, July 1   | 4,566,099          | 11,972,771        | 2,676,021              | 22,542,411         | (206,358)             | 4,088,098          | 13,208,263        | 1,906,756                      | 60,754,061         |       |
| Cash and Cash Equivalents, June 30  | <u>2,884,578</u>   | <u>11,951,843</u> | <u>4,110,604</u>       | <u>21,095,245</u>  | <u>(65,182)</u>       | <u>4,323,080</u>   | <u>13,005,456</u> | <u>2,355,215</u>               | <u>59,660,839</u>  |       |
| <b>Operating Income (Loss)</b>  | \$ (1,551,443)     | \$ (320,610)      | \$ 644,452             | \$ (1,705,252)     | \$ 180,528            | \$ 474,478         | \$ (525,967)      | \$ 150,464                     | \$ (2,653,350)     |       |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: |                    |                   |                        |                    |                       |                    |                   |                                |                    |       |
| Depreciation  | 2,862,993          | -                 | 1,194,685              | -                  | 199,722               | 73,769             | -                 | 159,131                        | 4,490,300          |       |
| Accounts Receivable   | -                  | 38,517            | -                      | (34,000)           | -                     | -                  | (112,777)         | (520)                          | (108,780)          |       |
| Due from Other Governments  | -                  | (30,606)          | -                      | (30,606)           | -                     | (18,507)           | -                 | -                              | (79,719)           |       |
| Deposits and Other  | -                  | -                 | -                      | -                  | -                     | -                  | 1                 | -                              | 1                  |       |
| Prepaid Expenses  | -                  | -                 | -                      | -                  | -                     | -                  | 429,142           | -                              | 429,142            |       |
| Accounts Payable  | 122,839            | (12,661)          | -                      | (12,661)           | -                     | (7,648)            | 32,108            | 53,709                         | 175,686            |       |
| Claims Payable  | -                  | 89,194            | -                      | (87,969)           | -                     | -                  | (317,000)         | -                              | (315,775)          |       |
| Accrued Salaries and Benefits   | -                  | 4,044             | -                      | 4,044              | -                     | 1,902              | 5,150             | 7,459                          | 22,599             |       |
| Compensated Absences  | -                  | 4,525             | -                      | 4,527              | -                     | (469)              | 4,883             | 27,008                         | 40,474             |       |
| Net Pension Liability   | -                  | 8,269             | -                      | 8,268              | -                     | 3,496              | 12,741            | 33,181                         | 65,955             |       |
| Net Other Post Employment Liability   | -                  | 13,393            | -                      | 13,391             | -                     | 8,927              | 26,784            | 11,878                         | 74,373             |       |
| Total Adjustments   | <u>2,985,832</u>   | <u>114,675</u>    | <u>1,194,685</u>       | <u>(135,006)</u>   | <u>199,722</u>        | <u>61,470</u>      | <u>81,032</u>     | <u>291,846</u>                 | <u>4,794,256</u>   |       |
| Net Cash Provided (Used) by Operating Activities  | <u>1,434,389</u>   | <u>(205,935)</u>  | <u>1,839,137</u>       | <u>(1,840,258)</u> | <u>380,250</u>        | <u>535,948</u>     | <u>(444,935)</u>  | <u>442,310</u>                 | <u>2,140,906</u>   |       |
| <b>Schedule of non-cash capital and related financing activities:</b>                                 |                    |                   |                        |                    |                       |                    |                   |                                |                    |       |
| Purchase of machinery, equipment, and vehicles on account   | \$ -               | \$ -              | \$ 287,375             | \$ -               | \$ -                  | \$ -               | \$ -              | \$ -                           | \$ 287,375         |       |





Wheaton Regional Park Winter Park

### **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, 2020

|  | 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                                    | \$ -                       | \$ 947,001                          | \$ 947,001                | \$ 8,445,274         | \$ 338,558                  | \$ 8,783,832           | \$ 1,570,482                      | \$ 13,521     | \$ 1,584,003     |                    |
| Cash   | 65,117                     | -                                   | 65,117                    | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Fixed Income Securities  | 210,237,172                | 16,004,359                          | 226,241,531               | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| International Fixed Income Securities                                    | 7,394,333                  | -                                   | 7,394,333                 | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Venture Capital/Alternative Investments                                  | 234,115,360                | -                                   | 234,115,360               | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Corporate Stock  | 332,767,108                | -                                   | 332,767,108               | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| International Corporate Stock  | 64,495,247                 | -                                   | 64,495,247                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Real Estate Investments  | 65,610,521                 | 9,337,043                           | 74,947,564                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Short Term Investments   | 42,136,972                 | -                                   | 42,136,972                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Mutual Funds   | -                          | 59,036,015                          | 59,036,015                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Collateral for Securities Lending  |                            |                                     |                           |                      |                             |                        |                                   |               |                  |                    |
| Transactions   | 29,250,404                 | -                                   | 29,250,404                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Accounts Receivable  | 6,792                      | -                                   | 6,792                     | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Accrued Income on Investments  | 842,073                    | -                                   | 842,073                   | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Land Held for Other Governments  | -                          | -                                   | -                         | 56,566,705           | 26,995,413                  | 83,562,118             | -                                 | -             | -                | -                  |
| Other  | 244,848                    | -                                   | 244,848                   | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| <b>Total Assets</b>  | <b>987,165,947</b>         | <b>85,324,418</b>                   | <b>1,072,490,365</b>      | <b>65,011,979</b>    | <b>27,333,971</b>           | <b>92,345,950</b>      | <b>1,570,482</b>                  | <b>13,521</b> | <b>1,584,003</b> |                    |
| <b>LIABILITIES</b>   |                            |                                     |                           |                      |                             |                        |                                   |               |                  |                    |
| Investments Payable  | 13,176,486                 | -                                   | 13,176,486                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Accounts Payable   | 1,467,545                  | -                                   | 1,467,545                 | -                    | -                           | -                      | 16,531                            | -             | 16,531           | -                  |
| Claims Payable   | -                          | 947,001                             | 947,001                   | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Obligation for Collateral Received under Securities Lending Transactions | 29,933,326                 | -                                   | 29,933,326                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Deposits   | -                          | -                                   | -                         | -                    | -                           | -                      | 1,553,951                         | 13,521        | 1,567,472        | -                  |
| <b>Total Liabilities</b>   | <b>44,577,357</b>          | <b>947,001</b>                      | <b>45,524,358</b>         | <b>-</b>             | <b>-</b>                    | <b>-</b>               | <b>1,570,482</b>                  | <b>13,521</b> | <b>1,584,003</b> |                    |
| <b>NET POSITION</b>  |                            |                                     |                           |                      |                             |                        |                                   |               |                  |                    |
| Assets Held in Trust for:  |                            |                                     |                           |                      |                             |                        |                                   |               |                  |                    |
| Land Held for Transfer   | -                          | -                                   | -                         | 56,566,705           | 26,995,413                  | 83,562,118             | -                                 | -             | -                | -                  |
| Pension Benefits   | 942,588,590                | -                                   | 942,588,590               | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Other Postemployment Benefits  | -                          | 84,377,417                          | 84,377,417                | -                    | -                           | -                      | -                                 | -             | -                | -                  |
| Other Purposes   | -                          | -                                   | -                         | 8,445,274            | 338,558                     | 8,783,832              | -                                 | -             | -                | -                  |
| <b>Total Net Position</b>  | <b>\$ 942,588,590</b>      | <b>\$ 84,377,417</b>                | <b>\$ 1,026,966,007</b>   | <b>\$ 65,011,979</b> | <b>\$ 27,333,971</b>        | <b>\$ 92,345,950</b>   | <b>\$ -</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, 2020

|  | PENSION TRUST FUNDS        |                                |               |            | PRIVATE PURPOSE TRUST FUNDS |                        |            |
|--|----------------------------|--------------------------------|---------------|------------|-----------------------------|------------------------|------------|
|  | Employees' Retirement Fund | Other Employment Benefits Fund | Totals        |            | Montgomery County           | Prince George's County | Totals     |
| <b>ADDITIONS:</b>  |                            |                                |               |            |                             |                        |            |
| Contributions:   |                            |                                |               |            |                             |                        |            |
| Employer   | \$ 19,244,687              | \$ 22,262,529                  | \$ 41,507,216 | \$ -       | \$ -                        | \$ -                   | -          |
| Plan Members   | 7,796,708                  | -                              | 7,796,708     | -          | -                           | -                      | -          |
| Plan Members for Current Benefits                        | -                          | 3,190,436                      | 3,190,436     | -          | -                           | -                      | -          |
| Private Donations  | -                          | -                              | -             | 6,781      | 9,512                       | -                      | 16,293     |
| Total Contributions                                      | 27,041,395                 | 25,452,965                     | 52,494,360    | 6,781      | 9,512                       | -                      | 16,293     |
| Contributions from Commission Debt Service Funds         | -                          | -                              | -             | 1,871,290  | 146                         | -                      | 1,871,436  |
| Federal Grants - Medicare                                | -                          | 2,089,051                      | 2,089,051     | -          | -                           | -                      | -          |
| Investment Earnings:                                     |                            |                                |               |            |                             |                        |            |
| Interest   | 10,340,034                 | -                              | 10,340,034    | 110,056    | 5,937                       | -                      | 115,993    |
| Dividends  | 2,589,151                  | 2,631,314                      | 5,220,465     | -          | -                           | -                      | -          |
| Net Increase (Decrease) in the Fair Value of Investments | 975,334                    | (7,685,898)                    | (6,710,564)   | -          | -                           | -                      | -          |
| Total Investment Earnings                                | 13,904,519                 | (5,054,584)                    | 8,849,935     | 110,056    | 5,937                       | -                      | 115,993    |
| Less Investment Advisory and Management Fees             | (3,116,235)                | -                              | (3,116,235)   | -          | -                           | -                      | -          |
| Net Income from Investing Activities                     | 10,788,284                 | (5,054,584)                    | 5,733,700     | 110,056    | 5,937                       | -                      | 115,993    |
| Securities Lending Activity                              |                            |                                |               |            |                             |                        |            |
| Securities Lending Income                                | 579,475                    | -                              | 579,475       | -          | -                           | -                      | -          |
| Securities Lending Fees                                  | (467,603)                  | -                              | (467,603)     | -          | -                           | -                      | -          |
| Net Income from Securities Lending Activity              | 111,872                    | -                              | 111,872       | -          | -                           | -                      | -          |
| Total Net Investment Income                              | 10,900,156                 | (5,054,584)                    | 5,845,572     | 110,056    | 5,937                       | -                      | 115,993    |
| Total Additions and Investment Income                    | 37,941,551                 | 22,487,432                     | 60,428,983    | 1,988,127  | 15,595                      | -                      | 2,003,722  |
| <b>DEDUCTIONS:</b>                                       |                            |                                |               |            |                             |                        |            |
| Benefits   | 55,067,853                 | 19,804,239                     | 74,872,092    | -          | -                           | -                      | -          |
| Refunds of Contributions                                 | 579,629                    | -                              | 579,629       | -          | -                           | -                      | -          |
| Administrative expenses                                  | 1,722,361                  | 604,777                        | 2,327,138     | -          | -                           | -                      | -          |
| Other  | -                          | -                              | -             | 7,558      | 19,707                      | -                      | 27,265     |
| Total Deductions   | 57,369,843                 | 20,409,016                     | 77,778,859    | 7,558      | 19,707                      | -                      | 27,265     |
| Change in Net Position                                   | (19,428,292)               | 2,078,416                      | (17,349,876)  | 1,980,569  | (4,112)                     | -                      | 1,976,457  |
| Net Position - Beginning                                 | 962,016,882                | 82,299,001                     | 1,044,315,883 | 63,031,410 | 27,338,083                  | -                      | 90,369,493 |
| Net Position - Ending                                    | 942,588,590                | 84,377,417                     | 1,026,966,007 | 65,011,979 | 27,333,971                  | \$                     | 92,345,950 |

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, 2020

|                                       | July 1,<br>2019 | Additions  | Deductions | June 30,<br>2020 |
|---------------------------------------|-----------------|------------|------------|------------------|
| <b>MONTGOMERY COUNTY FUND</b>         |                 |            |            |                  |
| <b>ASSETS</b>                         |                 |            |            |                  |
| Equity in Pooled Cash and Investments | \$ 1,274,969    | \$ 443,788 | \$ 148,275 | \$ 1,570,482     |
| Total Current Assets                  | \$ 1,274,969    | \$ 443,788 | \$ 148,275 | \$ 1,570,482     |
| <b>LIABILITIES</b>                    |                 |            |            |                  |
| Deposits                              | \$ 1,274,969    | \$ 443,788 | \$ 148,275 | \$ 1,570,482     |
| Total Current Liabilities             | \$ 1,274,969    | \$ 443,788 | \$ 148,275 | \$ 1,570,482     |
| <b>PRINCE GEORGE'S COUNTY FUND</b>    |                 |            |            |                  |
| <b>ASSETS</b>                         |                 |            |            |                  |
| Equity in Pooled Cash and Investments | \$ 7,978        | \$ 6,277   | \$ 734     | \$ 13,521        |
| Total Current Assets                  | \$ 7,978        | \$ 6,277   | \$ 734     | \$ 13,521        |
| <b>LIABILITIES</b>                    |                 |            |            |                  |
| Deposits                              | \$ 7,978        | \$ 6,277   | \$ 734     | \$ 13,521        |
| Total Current Liabilities             | \$ 7,978        | \$ 6,277   | \$ 734     | \$ 13,521        |
| <b>TOTALS - ALL AGENCY FUNDS</b>      |                 |            |            |                  |
| <b>ASSETS</b>                         |                 |            |            |                  |
| Equity in Pooled Cash and Investments | \$ 1,282,947    | \$ 450,065 | \$ 149,009 | \$ 1,584,003     |
| Total Current Assets                  | \$ 1,282,947    | \$ 450,065 | \$ 149,009 | \$ 1,584,003     |
| <b>LIABILITIES</b>                    |                 |            |            |                  |
| Deposits                              | \$ 1,282,947    | \$ 450,065 | \$ 149,009 | \$ 1,584,003     |
| Total Current Liabilities             | \$ 1,282,947    | \$ 450,065 | \$ 149,009 | \$ 1,584,003     |

PART III

# Statistical Section



Surratts' House Museum.

## 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.

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| <b>Financial Trends</b> .....   | 123                |
| <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> .....   | 128                |
| <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> .....  | 132                |
| <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> .....   | 136                |
| <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> .....  | 139                |
| <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 1

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

|  | Fiscal Year    |                |                |                |                |                |                  |                |                |                  |
|--|----------------|----------------|----------------|----------------|----------------|----------------|------------------|----------------|----------------|------------------|
|  | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017             | 2018           | 2019           | 2020             |
| <b>Governmental Activities:</b>                |                |                |                |                |                |                |                  |                |                |                  |
| Net Investment in Capital Assets               | \$ 569,890,944 | \$ 611,517,276 | \$ 653,877,083 | \$ 693,097,777 | \$ 736,481,893 | \$ 768,265,017 | \$ 796,599,317   | \$ 836,941,457 | \$ 843,266,615 | \$ 896,148,855   |
| Unrestricted                                   | 257,331,391    | 248,549,209    | 255,869,413    | 235,827,877    | 150,941,241    | 160,074,081    | 170,061,764      | 14,102,419     | 68,534,208     | 103,473,483      |
| Subtotal Governmental Activities Net Position  | 827,222,335    | 858,066,485    | 909,746,496    | 928,925,654    | 887,423,134    | 928,339,098    | 966,661,081      | 851,043,876    | 911,800,823    | 999,622,338      |
| <b>Business-type Activities:</b>               |                |                |                |                |                |                |                  |                |                |                  |
| Net Investment in Capital Assets               | 72,823,330     | 70,761,443     | 68,756,299     | 65,025,744     | 62,315,460     | 62,832,510     | 60,589,583       | 60,373,190     | 59,105,021     | 58,703,273       |
| Unrestricted                                   | 1,781,166      | 2,835,118      | 4,105,493      | 5,596,649      | 4,303,685      | 4,445,974      | 4,973,537        | (3,615,130)    | (4,495,443)    | (8,734,372)      |
| Subtotal Business-type Activities Net Position | 74,604,496     | 73,596,561     | 72,861,792     | 70,622,393     | 66,619,145     | 67,278,484     | 65,563,120       | 56,758,060     | 54,609,578     | 49,968,901       |
| <b>Primary Government:</b>                     |                |                |                |                |                |                |                  |                |                |                  |
| Net Investment in Capital Assets               | 642,714,274    | 682,278,719    | 722,633,382    | 758,123,521    | 798,797,353    | 831,097,527    | 857,188,900      | 897,314,647    | 902,371,636    | 954,852,128      |
| Unrestricted                                   | 259,112,557    | 249,384,327    | 259,974,906    | 241,424,526    | 155,244,926    | 164,520,055    | 175,035,301      | 10,487,289     | 64,038,765     | 94,739,111       |
| Total Government Net Position                  | \$ 901,826,831 | \$ 931,663,046 | \$ 982,608,288 | \$ 999,548,047 | \$ 864,412,498 | \$ 995,617,582 | \$ 1,032,224,201 | \$ 907,801,936 | \$ 966,410,401 | \$ 1,049,591,239 |

(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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 2

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

|   | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| <b>Expenses</b>   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General Government  | \$ 18,965,709        | \$ 18,141,138        | \$ 16,859,031        | \$ 17,923,030        | \$ 21,133,262        | \$ 18,943,664        | \$ 18,210,634        | \$ 21,196,865        | \$ 19,909,334        | \$ 22,179,103        |
| County Planning and Zoning                                | 55,915,753           | 56,148,279           | 45,516,295           | 58,569,504           | 49,147,835           | 57,308,580           | 57,302,000           | 55,800,239           | 61,301,202           | 54,044,564           |
| Park Operations and Maintenance                           | 232,698,656          | 200,435,112          | 199,288,578          | 204,795,846          | 227,849,560          | 243,036,037          | 231,398,938          | 244,824,141          | 237,052,714          | 251,990,224          |
| Recreation Programs                                       | 68,827,893           | 66,883,047           | 55,799,559           | 66,430,209           | 65,247,292           | 50,263,579           | 71,198,062           | 71,853,383           | 74,366,416           | 72,667,214           |
| Interest on Long-term Debt                                | 3,830,828            | 3,403,501            | 3,097,948            | 3,413,225            | 3,899,873            | 4,048,509            | 3,688,429            | 4,855,256            | 5,927,669            | 5,788,706            |
| Subtotal Governmental Activities                          | 380,238,839          | 344,011,077          | 320,561,411          | 351,131,814          | 367,277,822          | 373,600,369          | 381,798,063          | 398,529,884          | 398,557,335          | 406,669,811          |
| <b>Business-type Activities:</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Recreational and Cultural Facilities                      | 30,999,452           | 31,821,425           | 29,529,919           | 31,055,261           | 30,963,611           | 30,424,060           | 30,874,630           | 30,953,400           | 32,091,343           | 28,979,788           |
| Total Government Expenses                                 | 411,238,291          | 375,832,502          | 350,091,330          | 382,187,075          | 398,241,433          | 404,024,429          | 412,672,693          | 429,483,284          | 430,648,678          | 435,649,599          |
| <b>Program Revenues</b>                                   |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| <b>Governmental Activities:</b>                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| County Planning and Zoning                                | 4,018,192            | 6,720,072            | 6,427,774            | 3,684,750            | 5,009,843            | 4,665,238            | 4,755,212            | 6,269,945            | 5,953,158            | 4,784,682            |
| Park Operations and Maintenance                           | 33,309,196           | 25,600,847           | 32,345,050           | 38,430,593           | 51,261,581           | 50,130,304           | 34,763,962           | 35,685,457           | 32,360,408           | 51,122,661           |
| Recreation Programs                                       | 13,778,536           | 14,393,407           | 14,253,411           | 15,447,503           | 14,594,279           | 15,308,306           | 15,837,672           | 16,492,208           | 15,458,774           | 11,300,422           |
| Subtotal Governmental Activities                          | 51,105,924           | 46,714,326           | 53,026,235           | 57,562,846           | 70,865,603           | 70,103,848           | 55,356,846           | 58,447,610           | 53,772,340           | 67,207,765           |
| <b>Business-type Activities:</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Recreational and Cultural Facilities                      | 18,994,769           | 20,615,539           | 19,955,060           | 19,857,218           | 19,404,116           | 21,913,505           | 19,899,293           | 20,201,065           | 20,419,748           | 15,530,221           |
| Total Government Program Revenues                         | 70,100,693           | 67,329,865           | 72,981,295           | 77,420,064           | 90,269,719           | 92,017,353           | 75,256,139           | 78,648,675           | 74,192,088           | 82,737,986           |
| <b>Net Government Expenses</b>                            | <b>(341,137,598)</b> | <b>(308,502,637)</b> | <b>(277,110,035)</b> | <b>(304,767,011)</b> | <b>(307,971,514)</b> | <b>(312,007,076)</b> | <b>(337,416,554)</b> | <b>(350,834,609)</b> | <b>(356,456,590)</b> | <b>(352,911,613)</b> |
| <b>General Revenues and Other Changes in Net Position</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities                                   | 337,723,057          | 328,140,900          | 319,215,187          | 312,748,126          | 317,896,201          | 344,420,407          | 364,763,200          | 387,759,742          | 405,541,942          | 427,283,561          |
| Business-type Activities                                  | 9,821,179            | 10,197,951           | 8,840,090            | 8,958,644            | 9,824,108            | 9,169,894            | 9,259,973            | 9,174,077            | 9,523,113            | 8,808,890            |
| Total Primary Government                                  | 347,544,236          | 338,338,851          | 328,055,277          | 321,706,770          | 327,720,309          | 353,590,301          | 374,023,173          | 396,933,819          | 415,065,055          | 436,092,451          |
| <b>Change in Net Position</b>                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Governmental Activities                                   | 8,590,142            | 30,844,149           | 51,680,011           | 19,179,158           | 21,484,182           | 40,923,886           | 38,321,983           | 47,677,468           | 60,756,947           | 87,821,515           |
| Business-type Activities                                  | (2,183,504)          | (1,007,935)          | (734,769)            | (2,239,399)          | (1,735,387)          | 659,339              | (1,715,364)          | (1,578,258)          | (2,148,482)          | (4,840,677)          |
| Total Primary Government                                  | \$ 6,406,638         | \$ 29,836,214        | \$ 50,945,242        | \$ 16,939,759        | \$ 19,748,795        | \$ 41,583,225        | \$ 36,606,619        | \$ 46,099,210        | \$ 58,608,465        | \$ 83,180,838        |

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



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 3

Government Wide Revenues  
Last Ten Fiscal Years  
Entity-wide Basis

|   | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| <b>Program Revenues</b>                                   |                |                |                |                |                |                |                |                |                |                |
| <b>Governmental Activities:</b>                           |                |                |                |                |                |                |                |                |                |                |
| County Planning and Zoning                                |                |                |                |                |                |                |                |                |                |                |
| Charges for services                                      | 3,127,500      | 5,283,065      | 4,684,322      | 2,798,897      | 4,031,622      | 3,846,984      | 3,850,889      | 5,198,977      | 4,956,799      | 3,514,890      |
| Operating grants and contributions                        | 890,692        | 1,437,007      | 1,743,452      | 885,853        | 978,321        | 818,254        | 904,323        | 1,070,968      | 996,359        | 1,269,792      |
| Total County Planning and Zoning                          | 4,018,192      | 6,720,072      | 6,427,774      | 3,684,750      | 5,009,943      | 4,665,238      | 4,755,212      | 6,269,945      | 5,953,158      | 4,784,682      |
| Park Operations and Maintenance                           |                |                |                |                |                |                |                |                |                |                |
| Charges for services                                      | 5,830,735      | 6,475,293      | 6,627,653      | 7,467,087      | 7,670,790      | 8,075,175      | 9,269,553      | 9,269,129      | 8,573,012      | 6,700,021      |
| Operating grants and contributions                        | 1,288,151      | 2,469,032      | 3,891,896      | 4,091,322      | 4,078,663      | 4,837,912      | 5,480,518      | 5,685,017      | 5,811,520      | 7,537,409      |
| Capital grants and contributions                          | 26,190,310     | 16,656,522     | 21,825,501     | 26,872,184     | 39,512,128     | 37,217,217     | 20,013,891     | 20,731,311     | 17,975,876     | 36,885,231     |
| Total Park Operations and Maintenance                     | 33,309,196     | 25,600,847     | 32,345,050     | 38,430,593     | 51,261,581     | 50,130,304     | 34,763,962     | 35,685,457     | 32,360,408     | 51,122,661     |
| Recreation Programs                                       |                |                |                |                |                |                |                |                |                |                |
| Charges for services                                      | 13,388,956     | 14,035,495     | 13,807,912     | 14,624,585     | 14,259,526     | 14,986,083     | 15,277,062     | 15,852,675     | 13,734,206     | 10,181,498     |
| Operating grants and contributions                        | 389,580        | 357,912        | 445,499        | 822,918        | 334,753        | 322,223        | 560,610        | 639,533        | 1,724,568      | 1,118,924      |
| Total Recreation Programs                                 | 13,778,536     | 14,393,407     | 14,253,411     | 15,447,503     | 14,594,279     | 15,308,306     | 15,837,672     | 16,492,208     | 15,458,774     | 11,300,422     |
| Total Governmental Activities                             | 51,105,924     | 46,714,326     | 53,026,235     | 57,562,846     | 70,865,803     | 70,103,848     | 55,356,846     | 58,447,610     | 53,772,340     | 67,207,765     |
| <b>Business-type Activities:</b>                          |                |                |                |                |                |                |                |                |                |                |
| Recreational and Cultural Facilities                      |                |                |                |                |                |                |                |                |                |                |
| Charges for services                                      | 18,992,169     | 20,284,112     | 19,943,177     | 19,790,531     | 19,404,116     | 20,018,525     | 19,899,293     | 20,201,065     | 20,419,748     | 15,507,428     |
| Operating grants and contributions                        | 2,600          | -              | 11,883         | 66,687         | -              | -              | -              | -              | -              | 22,793         |
| Capital grants and contributions                          | -              | 331,427        | -              | -              | -              | 1,894,980      | -              | -              | -              | -              |
| Total Recreational and Cultural Facilities                | 18,994,769     | 20,615,539     | 19,955,060     | 19,857,218     | 19,404,116     | 21,913,505     | 19,899,293     | 20,201,065     | 20,419,748     | 15,530,221     |
| Total Government Program Revenues                         | \$ 70,100,693  | \$ 67,329,865  | \$ 72,981,295  | \$ 77,420,064  | \$ 90,269,919  | \$ 92,017,353  | \$ 75,256,139  | \$ 78,648,675  | \$ 74,192,088  | \$ 82,737,986  |
| <b>General Revenues and Other Changes in Net Position</b> |                |                |                |                |                |                |                |                |                |                |
| <b>Governmental Activities</b>                            |                |                |                |                |                |                |                |                |                |                |
| Property Taxes  | 345,841,894    | 336,318,601    | 327,652,882    | 320,703,674    | 326,435,823    | 352,283,467    | 371,471,118    | 391,094,596    | 401,180,520    | 425,742,423    |
| Unrestricted Investment Earnings                          | 1,670,713      | 1,971,299      | 388,205        | 966,672        | 1,186,182      | 1,208,287      | 2,362,429      | 5,413,567      | 12,946,277     | 9,698,730      |
| Transfers   | (9,789,550)    | (10,149,000)   | (8,825,900)    | (8,922,220)    | (9,725,804)    | (9,071,347)    | (9,070,347)    | (8,748,421)    | (8,584,855)    | (8,157,592)    |
| Total Governmental Activities                             | 337,723,057    | 328,140,900    | 319,215,187    | 312,748,126    | 317,896,201    | 344,420,407    | 364,763,200    | 387,759,742    | 405,541,942    | 427,283,561    |
| <b>Business-type Activities</b>                           |                |                |                |                |                |                |                |                |                |                |
| Unrestricted Investment Earnings                          | 31,629         | 48,951         | 14,190         | 36,424         | 98,304         | 98,547         | 189,626        | 425,656        | 938,258        | 651,298        |
| Transfers   | 9,789,550      | 10,149,000     | 8,825,900      | 8,922,220      | 9,725,804      | 9,071,347      | 9,070,347      | 8,748,421      | 8,584,855      | 8,157,592      |
| Total Business-type Activities                            | 9,821,179      | 10,197,951     | 8,840,090      | 8,958,644      | 9,824,108      | 9,169,894      | 9,259,973      | 9,174,077      | 9,523,113      | 8,808,890      |
| Total Primary Government                                  | \$ 347,544,236 | \$ 338,338,851 | \$ 328,055,277 | \$ 321,706,770 | \$ 327,720,309 | \$ 353,590,301 | \$ 374,023,173 | \$ 396,933,819 | \$ 415,065,055 | \$ 436,092,451 |

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

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

Table 4

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

|   | Fiscal Year           |                       |                       |                       |                       |                       |                       |                       |                       |                       |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|   | 2011                  | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020 (1)              |
| <b>General Fund</b>                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Committed                                 | \$ 24,964,873         | \$ 22,569,621         | \$ 40,161,623         | \$ 34,526,773         | \$ 38,094,884         | \$ 44,020,663         | \$ 47,883,493         | \$ 42,359,298         | \$ 51,598,979         | \$ 64,650,641         |
| Assigned                                  | 19,271,830            | 4,539,255             | 45,483,383            | 43,892,210            | 10,096,236            | 7,617,518             | 5,698,844             | 24,064,324            | 21,330,591            | 11,223,282            |
| Unassigned                                | 92,831,681            | 135,512,477           | 157,066,229           | 131,532,584           | 141,069,582           | 173,398,306           | 205,668,037           | 221,562,189           | 231,028,997           | 244,324,408           |
| <b>Total General Fund</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>287,985,811</b>    | <b>303,958,567</b>    | <b>320,198,331</b>    |
| <b>All Other Governmental Funds</b>       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Nonspendable                              | -                     | 4,721,415             | -                     | 35,891,912            | 441,934               | 709,067               | 684,987               | 664,069               | 675,216               | 1,151,859             |
| Restricted                                | 6,372,978             | 4,721,415             | 3,012,510             | 35,891,912            | 10,801,732            | 11,520,094            | 4,142,855             | 16,508,941            | 20,662,338            | 24,005,612            |
| Committed                                 | 47,780,344            | 41,712,327            | 44,051,299            | 58,578,055            | 73,077,026            | 90,931,936            | 76,280,863            | 42,287,022            | 50,173,887            | 53,610,791            |
| Assigned                                  | 129,601,078           | 121,437,924           | 53,920,956            | 45,053,357            | 39,895,940            | 13,179,838            | 13,233,159            | 20,369,083            | 44,597,154            | 75,510,690            |
| Unassigned                                | (17,525,176)          | (20,735,656)          | (21,738,490)          | (21,538,004)          | (28,741,034)          | (35,701,052)          | (27,523,472)          | (4,278,195)           | (1,440,769)           | (4,162,497)           |
| <b>Total All Other Governmental Funds</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>80,639,893</b>     | <b>66,818,392</b>     | <b>75,550,920</b>     | <b>114,667,826</b>    | <b>150,116,455</b>    |
| <b>Total All Governmental Funds</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> | <b>\$ 363,536,731</b> | <b>\$ 418,626,393</b> | <b>\$ 470,314,786</b> |

(1) The increase in 2020 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 5

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

|   | Fiscal Year    |                |                |                |                |                |                |                |                |                |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2011           | 2012           | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           |
| <b>Revenues</b>   |                |                |                |                |                |                |                |                |                |                |
| Property Taxes  | \$ 345,254,763 | \$ 337,691,448 | \$ 326,432,203 | \$ 320,991,095 | \$ 326,780,905 | \$ 351,693,057 | \$ 371,473,276 | \$ 390,983,807 | \$ 401,046,180 | \$ 424,691,149 |
| Intergovernmental                                       | 27,617,494     | 18,129,050     | 23,361,183     | 24,926,111     | 29,264,973     | 36,293,326     | 22,210,719     | 21,896,860     | 21,896,860     | 35,775,752     |
| Charges for Services                                    | 11,614,064     | 14,395,378     | 13,876,989     | 12,690,918     | 13,785,655     | 14,240,682     | 14,915,205     | 16,419,720     | 15,163,739     | 10,589,643     |
| Rentals and Concessions                                 | 9,759,475      | 10,102,872     | 10,381,093     | 11,274,636     | 11,118,577     | 11,873,440     | 12,143,332     | 12,473,801     | 10,931,428     | 8,378,593      |
| Interest  | 1,421,095      | 1,723,915      | 312,015        | 845,032        | 985,395        | 1,000,594      | 1,985,186      | 4,687,567      | 11,405,925     | 8,677,272      |
| Miscellaneous   | 1,321,762      | 2,239,456      | 1,665,051      | 2,029,981      | 2,049,264      | 3,395,932      | 5,586,543      | 3,676,924      | 2,041,130      | 11,799,327     |
| Total Revenues  | 396,988,653    | 384,282,119    | 376,028,534    | 372,757,773    | 383,984,769    | 418,497,031    | 428,284,261    | 451,215,540    | 462,485,262    | 499,911,736    |
| <b>Expenditures</b>                                     |                |                |                |                |                |                |                |                |                |                |
| General Government                                      | 16,900,334     | 17,286,400     | 16,888,747     | 17,915,857     | 20,711,512     | 18,269,180     | 16,965,608     | 20,685,289     | 20,847,721     | 21,896,627     |
| Planning and Zoning                                     | 51,677,578     | 53,490,374     | 45,431,143     | 59,145,520     | 48,366,254     | 55,499,233     | 54,429,803     | 53,806,455     | 61,626,137     | 51,408,732     |
| Park Operations and Maintenance                         | 185,124,386    | 168,990,977    | 176,450,186    | 191,014,322    | 201,201,932    | 202,138,039    | 201,073,472    | 218,456,669    | 218,007,785    | 223,908,504    |
| Recreation  | 64,079,717     | 63,824,544     | 55,118,442     | 68,442,367     | 66,269,563     | 65,707,901     | 66,873,763     | 69,434,167     | 72,831,339     | 69,310,593     |
| Contributions   | 943,482        | 21,125         | -              | -              | (1,284)        | 774            | 1,786,021      | 1,775,763      | 1,822,325      | 1,871,435      |
| Debt Service  |                |                |                |                |                |                |                |                |                |                |
| Principal   | 14,172,757     | 11,999,335     | 11,719,539     | 10,741,975     | 12,094,850     | 10,433,171     | 11,126,946     | 11,676,181     | 10,140,000     | 11,995,000     |
| Interest  | 3,888,860      | 3,361,761      | 3,218,877      | 2,984,223      | 3,687,985      | 3,252,466      | 4,459,106      | 4,687,879      | 5,783,038      | 6,408,629      |
| Other Debt Service Costs                                | (95,874)       | 427,602        | 10,860         | 539,209        | 30,197         | 435,015        | 159,718        | 250,702        | 602,442        | 70,246         |
| Capital Projects  | 49,199,758     | 59,679,383     | 46,159,542     | 49,513,661     | 65,106,465     | 67,476,263     | 50,461,849     | 60,220,947     | 53,998,650     | 63,195,985     |
| Total Expenditures                                      | 385,890,998    | 379,081,501    | 354,997,336    | 400,297,134    | 417,467,474    | 423,212,042    | 407,336,286    | 440,994,052    | 445,659,437    | 450,065,751    |
| <b>Other Financing Sources (Uses)</b>                   |                |                |                |                |                |                |                |                |                |                |
| Proceeds from General Obligation Bonds                  | -              | 10,500,000     | -              | 40,565,000     | -              | 31,500,000     | 8,000,000      | 33,000,000     | 43,000,000     | 10,000,000     |
| Refunding Bonds Issued                                  | -              | 16,425,000     | -              | -              | -              | 12,515,000     | -              | -              | -              | -              |
| Premiums on Bonds Issued                                | -              | 2,614,073      | -              | 1,870,807      | -              | 3,955,202      | 514,748        | 2,994,898      | 3,848,692      | -              |
| Payment to Refunding Bond Escrow Account                | -              | (18,130,936)   | -              | -              | -              | (14,041,382)   | -              | -              | -              | -              |
| Transfers In  | 41,616,423     | 28,262,071     | 66,307,473     | 38,972,506     | 33,406,016     | 43,733,117     | 23,614,019     | 30,128,661     | 49,876,391     | 75,548,144     |
| Transfers Out   | (51,405,973)   | (38,411,071)   | (75,133,373)   | (47,894,726)   | (43,131,820)   | (51,998,914)   | (32,684,366)   | (38,877,082)   | (58,461,246)   | (83,705,736)   |
| Total Other Financing Sources (Uses)                    | (9,789,550)    | 1,259,137      | (8,825,900)    | 33,513,587     | (9,725,804)    | 25,663,023     | (555,599)      | 27,246,477     | 38,263,837     | 1,842,408      |
| Net Change in Fund Balances                             | 1,308,105      | 6,459,755      | 12,205,298     | 5,974,226      | (43,208,509)   | 20,948,012     | 20,392,376     | 37,467,965     | 55,089,662     | 51,688,393     |
| Beginning Fund Balance                                  | 301,989,503    | 303,297,608    | 309,757,363    | 321,962,661    | 327,936,887    | 284,728,378    | 305,676,390    | 326,068,766    | 363,536,731    | 418,626,393    |
| Ending Fund Balance                                     | \$ 303,297,608 | \$ 309,757,363 | \$ 321,962,661 | \$ 327,936,887 | \$ 284,728,378 | \$ 305,676,390 | \$ 326,068,766 | \$ 363,536,731 | \$ 418,626,393 | \$ 470,314,786 |
| Debt Service as a Percentage of Noncapital Expenditures | 5.45%          | 5.10%          | 5.03%          | 4.21%          | 4.64%          | 3.75%          | 4.59%          | 4.57%          | 4.02%          | 4.76%          |

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

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

TABLE 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) |  |   |
| 2011        | \$ 167,790,793 | \$ 180,614,416         | 0.904                 | \$ 3,856,192                    | \$ 2,247              | \$ 171,646,985 | \$ 184,470,608         | 93.05     |  |   |
| 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    | 172,786,933            | 0.990                 | 3,604,479                       | 2,463                 | 161,877,310    | 176,391,412            | 91.77     |  |   |
| 2014        | 159,891,865    | 173,043,144            | 1.008                 | 3,709,328                       | 2,509                 | 163,601,193    | 176,752,472            | 92.56     |  |   |
| 2015        | 163,656,758    | 169,416,934            | 0.995                 | 3,655,133                       | 2,473                 | 167,311,891    | 173,072,067            | 96.67     |  |   |
| 2016        | 170,176,446    | 181,812,442            | 0.986                 | 3,884,349                       | 2,450                 | 174,060,795    | 185,696,791            | 93.73     |  |   |
| 2017        | 177,495,353    | 190,650,218            | 1.025                 | 4,051,372                       | 2,547                 | 181,546,725    | 194,701,590            | 93.24     |  |   |
| 2018        | 183,993,871    | 195,946,614            | 1.000                 | 4,188,565                       | 2,487                 | 188,182,436    | 200,135,179            | 94.03     |  |   |
| 2019        | 189,051,019    | 196,518,731            | 0.980                 | 4,055,453                       | 2,439                 | 193,106,472    | 200,574,184            | 96.28     |  |   |
| 2020        | 193,487,139    | 204,359,040            | 0.977                 | 4,100,967                       | 2,432                 | 197,588,106    | 208,460,007            | 94.78     |  |   |

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) |  |   |
| 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     |  |   |
| 2018        | 86,644,518     | 92,548,041             | 0.960                 | 3,420,670                       | 2,401                 | 90,065,188     | 95,968,711             | 93.85     |  |   |
| 2019        | 91,769,699     | 97,534,897             | 0.969                 | 3,268,932                       | 2,426                 | 95,038,631     | 100,803,829            | 94.28     |  |   |
| 2020        | 97,072,912     | 102,537,101            | 0.958                 | 3,217,004                       | 2,610                 | 100,289,916    | 105,754,105            | 94.83     |  |   |

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 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 |       |
|-------------|------------------|-----------------|--------------------------|------------------|------------------|----------------------------|-------|
|             |                  |                 |                          | Administration   | Park Operations  | Within County              | Total |
| 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              |       |
| 2018        | 0.0172/0.0430    | 0.0554/0.1385   | 0.0010/0.0025            | 0.0736/0.1840    | 0.9260/2.3031    | 0.9996/2.4871              |       |
| 2019        | 0.0156/0.0390    | 0.0530/0.1325   | 0.0010/0.0025            | 0.0696/0.1740    | 0.9102/2.2651    | 0.9798/2.4391              |       |
| 2020        | 0.0170/0.0425    | 0.0560/0.1400   | 0.0010/0.0025            | 0.0740/0.1850    | 0.9030/2.2474    | 0.9770/2.4324              |       |

PRINCE GEORGE'S COUNTY (1)

| Fiscal Year | Administration   | Park Operations | Recreation    | Advance Land Acquisition | Total            |                  | County-wide Property Taxes |       |
|-------------|------------------|-----------------|---------------|--------------------------|------------------|------------------|----------------------------|-------|
|             |                  |                 |               |                          | Administration   | Park Operations  | Within County              | Total |
| 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              |       |
| 2018        | 0.0566/0.1415    | 0.1594/0.3985   | 0.0780/0.1950 | 0.0000/0.0000            | 0.2940/0.7350    | 1.1516/2.8810    | 1.4456/3.6160              |       |
| 2019        | 0.0566/0.1415    | 0.1594/0.3985   | 0.0780/0.1950 | 0.0000/0.0000            | 0.2940/0.7350    | 1.1606/2.9056    | 1.4546/3.6406              |       |
| 2020        | 0.0566/0.1415    | 0.1594/0.3985   | 0.0780/0.1950 | 0.0000/0.0000            | 0.2940/0.7350    | 1.1497/3.0896    | 1.4437/3.8246              |       |

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 8

Principal Taxpayers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

| <u>Taxpayer</u>                                | 2020                      |             |   | 2011                      |             |   |
|--|---------------------------|-------------|---|---------------------------|-------------|---|
|  | <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                 | \$ 1,104,099,069          | 1           | 0.56 %  | \$ 686,620,820            | 1           | 0.40 %  |
| JBG Smith                                      | 702,852,432               | 2           | 0.36  | -                         | -           | -   |
| Federal Realty Investment Trust                | 591,915,453               | 3           | 0.30  | 212,000,000               | 7           | 0.12  |
| GI Partners                                    | 493,304,200               | 4           | 0.25  | -                         | -           | -   |
| Montgomery Mall LLC                            | 486,823,410               | 5           | 0.25  | 340,730,300               | 3           | 0.20  |
| Verizon Inc.                                   | 452,680,140               | 6           | 0.23  | 610,124,340               | 2           | 0.36  |
| Washington Metropolitan Area Transit Authority | 412,846,067               | 7           | 0.21  | -                         | -           | -   |
| Fishers Lane LLC                               | 372,704,723               | 8           | 0.19  | -                         | -           | -   |
| Wheaton Plaza Reg Shopping Center              | 353,012,407               | 9           | 0.18  | -                         | -           | -   |
| Medimmune, LLC                                 | 337,209,451               | 10          | 0.17  | -                         | -           | -   |
| Washington Gas Light Co.                       | -                         | -           | -   | 260,082,650               | 4           | 0.15  |
| 7501 Wisconsin Ave LLC                         | -                         | -           | -   | 216,903,628               | 5           | 0.13  |
| Camalier, Anne D et al, Trustee                | -                         | -           | -   | 214,070,700               | 6           | 0.12  |
| Chevy Chase Land Co                            | -                         | -           | -   | 201,681,952               | 8           | 0.12  |
| Democracy Associates                           | -                         | -           | -   | 171,000,000               | 9           | 0.10  |
| Mirant Mid-Atlantic, LLC                       | -                         | -           | -   | 160,293,790               | 10          | 0.09  |
| <b>Total</b>                                   | <b>\$ 5,307,447,352</b>   |             | <b>2.70 %</b>                                 | <b>\$ 3,073,508,180</b>   |             | <b>1.79 %</b>                                 |
| <b>Total Assessable Base</b>                   | <b>\$ 197,588,105,675</b> |             | <b>100.00 %</b>                               | <b>\$ 171,646,984,481</b> |             | <b>100.00 %</b>                               |

PRINCE GEORGE'S COUNTY

| <u>Taxpayer</u>                    | 2020                     |             |   | 2011                     |             |   |
|------------------------------------|--------------------------|-------------|---|--------------------------|-------------|---|
|                                    | <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> |
| National Harbor, LLC               | \$ 1,094,328,933         | 1           | 1.13 %  | \$ -                     | -           | - %   |
| Potomac Electric Power Company     | 695,597,680              | 2           | 0.72  | 458,167,080              | 2           | 0.47  |
| Gaylord National, LLC.             | 634,783,067              | 3           | 0.65  | 581,995,100              | 1           | 0.59  |
| Washington Gas Light Company       | 304,125,630              | 4           | 0.31  | 250,109,353              | 4           | 0.26  |
| Empirian Village of Maryland, LLC  | 286,003,666              | 5           | 0.29  | 202,133,413              | 7           | 0.21  |
| Verizon Maryland                   | 272,978,000              | 6           | 0.28  | 395,162,460              | 3           | 0.40  |
| Greenbelt Homes, Incorporated      | 228,580,959              | 7           | 0.24  | 233,512,719              | 5           | 0.24  |
| Baltimore Gas and Electric Company | 204,014,210              | 8           | 0.21  | 153,790,505              | 9           | 0.16  |
| JKC Stadium (FedEx Field)          | 187,387,700              | 9           | 0.19  | 208,358,294              | 6           | 0.21  |
| UMCPF-Property II, LLC             | 185,946,333              | 10          | 0.19  | -                        | -           | -   |
| NRG(Mirant) Chalk Point, LLC       | -                        | -           | -   | 162,997,600              | 8           | 0.17  |
| Silver Oaks Campus, LLC            | -                        | -           | -   | 14,379,100               | 10          | 0.01  |
| <b>Total</b>                       | <b>\$ 4,093,746,178</b>  |             | <b>4.22 %</b>                                 | <b>\$ 2,660,605,624</b>  |             | <b>2.72 %</b>                                 |
| <b>Total Assessable Base</b>       | <b>\$ 97,072,911,961</b> |             | <b>100.00 %</b>                               | <b>\$ 97,884,419,226</b> |             | <b>100.00 %</b>                               |

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

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

TABLE 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 |
|-------------|----------------|-------------------------|---------------------------|---------------------------------|-------------------|--|
| 2011        | \$ 94,042,259  | \$ 93,678,737           | 99.6 %                    | \$ 25,835                       | \$ 93,704,572     | 99.6 %                                   |
| 2012        | 98,068,320     | 98,064,266              | 100.0                     | (66,684)                        | 97,997,582        | 99.9                                     |
| 2013        | 106,088,181    | 105,178,075             | 99.1                      | 407,219                         | 105,585,294       | 99.5                                     |
| 2014        | 105,671,395    | 105,042,397             | 99.4                      | 89,137                          | 105,131,534       | 99.5                                     |
| 2015        | 111,224,664    | 110,366,064             | 99.2                      | 282,840                         | 110,648,904       | 99.5                                     |
| 2016        | 115,877,295    | 114,942,121             | 99.2                      | (42,910)                        | 114,899,211       | 99.2                                     |
| 2017        | 118,471,849    | 117,462,502             | 99.1                      | 196,833                         | 117,659,335       | 99.3                                     |
| 2018        | 111,483,310    | 111,208,047             | 99.8                      | 29,874                          | 111,237,921       | 99.8                                     |
| 2019        | 120,289,659    | 119,640,275             | 99.5                      | 245,275                         | 119,885,550       | 99.7                                     |
| 2020        | 130,730,282    | 129,096,564             | 98.8                      | -                               | 129,096,564       | 98.8                                     |

PRINCE GEORGE'S COUNTY

| Fiscal Year | Total Tax Levy | Current Tax Collections | Percent of Levy Collected | Collections in Subsequent Years | Total Collections | Percent of Total Collections to Tax Levy |
|-------------|----------------|-------------------------|---------------------------|---------------------------------|-------------------|--|
| 2011        | \$ 254,998,038 | \$ 250,411,969          | 98.2 %                    | \$ 9,161                        | \$ 250,421,130    | 98.2 %                                   |
| 2012        | 237,755,078    | 234,227,123             | 98.5                      | 18,322                          | 234,245,445       | 98.5                                     |
| 2013        | 220,093,844    | 218,774,290             | 99.4                      | 30,536                          | 218,804,826       | 99.4                                     |
| 2014        | 219,461,895    | 211,642,952             | 96.4                      | (23,271)                        | 211,619,681       | 96.4                                     |
| 2015        | 215,646,159    | 215,367,043             | 99.9                      | (2,589)                         | 215,364,454       | 99.9                                     |
| 2016        | 235,659,561    | 234,870,980             | 99.7                      | (15,332)                        | 234,855,648       | 99.7                                     |
| 2017        | 249,913,802    | 249,903,802             | 100.0                     | (252,870)                       | 249,650,932       | 99.9                                     |
| 2018        | 268,697,483    | 267,943,624             | 99.7                      | (38,398)                        | 267,905,226       | 99.7                                     |
| 2019        | 282,499,972    | 281,764,984             | 99.7                      | 431,146                         | 282,196,130       | 99.9                                     |
| 2020        | 296,981,830    | 294,224,035             | 99.1                      | -                               | 294,224,035       | 99.1                                     |

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 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                      |                               |                             |
|------|-----------------------------|---------------|------------------------------|-------------------------|--|-----------------------------|-------------------------------|-----------------------------|
|      | General Obligation Bonds    | Notes Payable | Revenue Bonds and Notes      | Revenue Bonds and Notes |  | Total Primary Government(1) | Percentage Of Personal Income | Outstanding Debt Per Capita |
| 2011 | 26,710                      | 368           | 2,241                        | -                       | 2,145  | 0.04                        | 29.56                         | 31,464                      |
| 2012 | 34,590                      | -             | 1,064                        | -                       | 1,905  | 0.05                        | 35.45                         | 37,559                      |
| 2013 | 32,240                      | -             | 222                          | -                       | 1,665  | 0.04                        | 31.95                         | 34,127                      |
| 2014 | 44,616                      | -             | -                            | -                       | 1,430  | 0.06                        | 43.50                         | 46,046                      |
| 2015 | 41,464                      | -             | -                            | -                       | 1,200  | 0.05                        | 40.10                         | 42,664                      |
| 2016 | 51,857                      | -             | -                            | -                       | 1,075  | 0.06                        | 49.85                         | 52,932                      |
| 2017 | 56,953                      | -             | -                            | -                       | 1,020  | 0.06                        | 54.33                         | 57,973                      |
| 2018 | 52,924                      | -             | -                            | -                       | 885  | 0.06                        | 50.28                         | 53,809                      |
| 2019 | 64,917                      | -             | -                            | -                       | 750  | 0.07                        | 61.67                         | 65,667                      |
| 2020 | 69,749                      | -             | -                            | -                       | 620  | 0.07                        | 65.13                         | 70,369                      |

PRINCE GEORGE'S COUNTY

| Year | Governmental Activities (1) |               | Business-Type Activities (1) |                         | Advance Land Acquisition General Obligation Bonds(1) | Ratios                      |                                   |                                 |
|------|-----------------------------|---------------|------------------------------|-------------------------|--|-----------------------------|-----------------------------------|---------------------------------|
|      | General Obligation Bonds    | Notes Payable | Revenue Bonds and Notes      | Revenue Bonds and Notes |  | Total Primary Government(1) | Percentage Of Personal Income (2) | Outstanding Debt Per Capita (2) |
| 2011 | 65,925                      | 369           | -                            | -                       | -  | 0.19                        | 75.85                             | 66,294                          |
| 2012 | 56,363                      | 120           | -                            | -                       | -  | 0.15                        | 64.10                             | 56,483                          |
| 2013 | 47,086                      | -             | -                            | -                       | -  | 0.12                        | 52.90                             | 47,086                          |
| 2014 | 67,280                      | -             | -                            | -                       | -  | 0.17                        | 74.39                             | 67,280                          |
| 2015 | 58,860                      | -             | -                            | -                       | -  | 0.14                        | 64.71                             | 58,860                          |
| 2016 | 73,329                      | -             | -                            | -                       | -  | 0.17                        | 80.75                             | 73,329                          |
| 2017 | 64,534                      | -             | -                            | -                       | -  | 0.15                        | 70.70                             | 64,534                          |
| 2018 | 92,162                      | -             | -                            | -                       | -  | 0.21                        | 101.35                            | 92,162                          |
| 2019 | 119,227                     | -             | -                            | -                       | -  | 0.26                        | 131.12                            | 119,227                         |
| 2020 | 110,946                     | -             | -                            | -                       | -  | na                          | na                                | 110,946                         |

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 2020.

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 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 | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |                            |
| 2011 | 991,833    | 149,284,865                            | 29,319                              | 0.02                                       | 2,145                               | 0.001                                      | 171,646,984                | 2.16                       |
| 2012 | 1,005,852  | 143,754,415                            | 35,654                              | 0.02                                       | 1,905                               | 0.001                                      | 165,916,424                | 1.89                       |
| 2013 | 1,016,064  | 140,577,467                            | 32,462                              | 0.02                                       | 1,665                               | 0.001                                      | 161,877,310                | 1.64                       |
| 2014 | 1,025,617  | 141,899,535                            | 44,616                              | 0.03                                       | 1,430                               | 0.001                                      | 163,601,193                | 1.39                       |
| 2015 | 1,033,994  | 142,418,524                            | 41,464                              | 0.03                                       | 1,200                               | 0.001                                      | 163,656,758                | 1.16                       |
| 2016 | 1,040,245  | 151,113,059                            | 51,857                              | 0.03                                       | 1,075                               | 0.001                                      | 174,057,795                | 1.03                       |
| 2017 | 1,048,244  | 157,476,558                            | 56,953                              | 0.04                                       | 1,020                               | 0.001                                      | 181,546,725                | 0.97                       |
| 2018 | 1,052,567  | 163,053,038                            | 52,924                              | 0.03                                       | 885                                 | 0.000                                      | 188,182,436                | 0.84                       |
| 2019 | 1,061,880  | 167,427,077                            | 64,917                              | 0.04                                       | 750                                 | 0.000                                      | 193,106,472                | 0.71                       |
| 2020 | 1,070,928  | 171,202,657                            | 69,749                              | 0.04                                       | 620                                 | 0.000                                      | 197,588,106                | 0.58                       |

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 | General Bonded Debt Outstanding (1) | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |                            |
| 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 | 912,756    | 78,488,744                             | 64,534                              | 0.08                                       | -                                   | -  | 83,863,174                 | n.a.                       |
| 2018 | 909,308    | 84,361,738                             | 92,162                              | 0.11                                       | -                                   | -  | 90,065,188                 | n.a.                       |
| 2019 | 909,327    | 89,052,828                             | 119,227                             | 0.13                                       | -                                   | -  | 100,289,916                | n.a.                       |
| 2020 | n.a.       | 93,969,053                             | 110,946                             | 0.12                                       | -                                   | -  | 100,289,916                | n.a.                       |

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

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

Table 12

Direct and Overlapping Governmental Activities Debt

June 30, 2020

|  | Debt<br>Outstanding | Estimated<br>Percentage<br>Applicable | Montgomery<br>County<br>Estimated<br>Share of<br>Overlapping Debt | Prince George's<br>County<br>Estimated<br>Share of<br>Overlapping Debt | Total<br>Estimated<br>Share of<br>Overlapping Debt |
|--|---------------------|---------------------------------------|---|--|--|
| <b>Overlapping Debt:</b>                 |                     |                                       |   |  |  |
| <b>Montgomery County:</b>                |                     |                                       |   |  |  |
| Montgomery County Government Direct Debt | \$ 4,252,302,542    | 100.00%                               | \$ 4,252,302,542  | \$ -   | \$ 4,252,302,542                                   |
| MCPS - capital leases                    | 74,576,053          | 100.00%                               | 74,576,053  | -  | 74,576,053   |
| MCC - capital leases                     | 76,580,591          | 100.00%                               | 76,580,591  | -  | 76,580,591   |
| Kingsview Village Center - bonds         | 319,855             | 100.00%                               | 319,855   | -  | 319,855  |
| West Germantown - bonds                  | 8,515,000           | 100.00%                               | 8,515,000   | -  | 8,515,000  |
| Towns, Cities and Villages               | 41,648,343          | 100.00%                               | 41,648,343  | -  | 41,648,343   |
| <b>Prince George's County:</b>           |                     |                                       |   |  |  |
| Prince George's County Direct Debt       | 2,575,161,922       | 100.00%                               | -   | 2,575,161,922  | 2,575,161,922                                      |
| Towns, Cities and Villages (2)           | 80,065,592          | 100.00%                               | -   | 80,065,592   | 80,065,592   |
| Total Overlapping Debt                   |                     |                                       | <u>4,453,942,384</u>  | <u>2,655,227,514</u>   | <u>7,109,169,898</u>                               |
| M-NCPPC Direct Debt Outstanding (1)      |                     |                                       | 70,368,862  | 110,946,300  | 181,315,162  |
| Total Direct and Overlapping Debt        |                     |                                       | <u>\$ 4,524,311,246</u>   | <u>\$ 2,766,173,814</u>  | <u>\$ 7,290,485,060</u>                            |

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

(2) Source of Debt Outstanding for Towns, Cities and Villages is estimated 2020 data from Prince George's County.

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

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

TABLE 13

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

**Park Acquisition and Development Bonds  
Guaranteed by Montgomery County**

|   | 2011               | 2012               | 2013               | 2014               | 2015               | 2016               | 2017               | 2018               | 2019               | 2020               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Assessed Valuation - Metropolitan District  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Real Property   | \$ 146,152,672,587 | \$ 141,405,815,234 | \$ 137,631,593,595 | \$ 139,493,523,923 | \$ 139,619,578,920 | \$ 147,968,539,731 | \$ 154,201,308,882 | \$ 159,617,272,071 | \$ 164,081,315,722 | \$ 167,810,011,796 |
| Personal Property   | 3,132,192,188      | 2,348,600,250      | 2,945,872,990      | 2,406,010,695      | 2,798,945,126      | 3,154,519,664      | 3,275,246,906      | 3,435,766,393      | 3,345,760,810      | 3,392,645,188      |
| Total Assessed Value  | 149,284,864,775    | 143,754,415,484    | 140,577,466,585    | 141,899,534,618    | 142,418,524,046    | 151,113,059,395    | 157,476,557,788    | 163,053,038,464    | 167,427,076,532    | 171,202,656,984    |
| Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation  |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Real Property at 3.6 cents (9 cents for FY 2001 and prior)                          | 52,614,962         | 50,906,093         | 49,547,374         | 50,217,669         | 50,265,048         | 53,285,074         | 55,512,471         | 57,462,218         | 59,069,274         | 60,411,604         |
| Personal Property at 9 cents  | 2,818,973          | 2,113,740          | 2,651,286          | 2,165,410          | 2,519,051          | 2,859,068          | 2,947,724          | 3,092,190          | 3,011,185          | 3,063,381          |
|   | 55,433,935         | 53,019,833         | 52,198,660         | 52,383,079         | 52,784,099         | 56,104,142         | 58,460,195         | 60,554,408         | 62,080,459         | 63,474,985         |
| Revenue available from mandatory park tax over next thirty years - Legal Debt Limit | 1,663,018,050      | 1,590,594,990      | 1,565,959,800      | 1,571,492,370      | 1,583,462,970      | 1,683,124,260      | 1,753,805,850      | 1,816,632,240      | 1,862,413,770      | 1,903,949,550      |
| Debt Service Applicable to Limit  | 33,237,288         | 44,791,154         | 37,422,603         | 56,282,000         | 51,568,000         | 62,543,000         | 68,466,000         | 63,043,000         | 77,825,105         | 83,668,695         |
| Legal Debt Margin   | \$ 1,629,780,762   | \$ 1,545,803,836   | \$ 1,528,537,197   | \$ 1,515,210,370   | \$ 1,531,894,970   | \$ 1,620,581,260   | \$ 1,685,339,850   | \$ 1,753,589,240   | \$ 1,784,588,665   | \$ 1,820,280,855   |
| Debt Service Applicable to Limit as a Percentage of the Limit                       | 2.00%              | 2.82%              | 2.39%              | 3.56%              | 3.26%              | 3.72%              | 3.90%              | 3.47%              | 4.18%              | 4.39%              |

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

|   | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              | 2019              | 2020              |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Assessed Valuation - Metropolitan District  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Real Property   | \$ 82,153,036,056 | \$ 76,465,608,181 | \$ 70,552,234,135 | \$ 67,989,278,067 | \$ 68,858,615,833 | \$ 71,447,943,979 | \$ 75,478,470,361 | \$ 81,117,524,396 | \$ 85,954,431,107 | \$ 97,072,911,961 |
| Personal Property   | 2,565,743,870     | 2,578,049,126     | 2,571,574,560     | 2,561,766,520     | 2,719,747,118     | 2,792,967,386     | 3,010,273,510     | 3,244,213,192     | 3,098,396,530     | 3,217,004,390     |
| Total Assessed Value  | 84,718,779,926    | 79,043,657,307    | 73,123,808,695    | 70,551,044,587    | 71,578,362,951    | 74,240,911,365    | 78,488,743,871    | 84,361,737,588    | 89,052,827,637    | 100,289,916,351   |
| Annual Revenue from mandatory park tax levied for each \$100 of assessed valuation  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |
| Real Property at 4 cents (10 cents for FY 2001 and prior)                           | 32,861,214        | 30,586,243        | 28,220,894        | 27,195,711        | 27,543,448        | 28,579,178        | 30,191,388        | 32,447,010        | 34,361,772        | 38,829,165        |
| Personal Property at 10 cents   | 2,565,744         | 2,578,049         | 2,571,575         | 2,561,767         | 2,719,747         | 2,792,967         | 3,010,274         | 3,244,213         | 3,098,397         | 3,217,004         |
|   | 35,426,958        | 33,164,292        | 30,792,469        | 29,757,478        | 30,263,195        | 31,372,145        | 33,201,662        | 35,691,223        | 37,460,169        | 42,046,169        |
| Revenue available from mandatory park tax over next thirty years - Legal Debt Limit | 1,062,808,740     | 994,928,760       | 923,774,070       | 892,724,340       | 907,895,790       | 941,164,350       | 996,049,860       | 1,070,736,690     | 1,124,405,070     | 1,261,385,070     |
| Debt Service Applicable to Limit  | 79,212,624        | 66,636,492        | 54,054,273        | 83,126,000        | 72,384,000        | 90,091,000        | 79,263,000        | 113,273,000       | 147,384,000       | 135,264,000       |
| Legal Debt Margin   | \$ 983,596,116    | \$ 928,292,268    | \$ 869,719,797    | \$ 809,598,340    | \$ 835,511,790    | \$ 851,073,350    | \$ 916,786,860    | \$ 957,463,690    | \$ 977,021,070    | \$ 1,126,121,070  |
| Debt Service Applicable to Limit as a Percentage of the Limit                       | 7.45%             | 6.70%             | 5.85%             | 9.31%             | 7.97%             | 9.67%             | 7.96%             | 10.58%            | 13.11%            | 10.72%            |

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 14

Demographic Statistics  
Last Ten Fiscal Years

MONTGOMERY COUNTY

| Year | Population (1) | Total Personal Income<br>000's omitted (2,3) | Per Capita Income (4) | Labor Force (5) | Unemployment Rate (6) | Registered Pupils (7) |
|------|----------------|--|-----------------------|-----------------|-----------------------|-----------------------|
| 2011 | 991,833        | \$ 74,484,881                                | \$ 75,098             | 536,858         | 5.3 %                 | 143,309               |
| 2012 | 1,005,852      | 77,350,599                                   | 76,901                | 540,440         | 5.2                   | 146,497               |
| 2013 | 1,016,064      | 74,736,158                                   | 73,555                | 543,131         | 4.9                   | 149,018               |
| 2014 | 1,025,617      | 76,750,007                                   | 74,833                | 543,806         | 4.4                   | 151,289               |
| 2015 | 1,033,994      | 82,629,149                                   | 79,913                | 547,383         | 3.9                   | 153,852               |
| 2016 | 1,040,245      | 87,334,533                                   | 83,956                | 546,204         | 3.5                   | 156,447               |
| 2017 | 1,048,244      | 89,462,226                                   | 85,345                | 554,246         | 3.4                   | 159,016               |
| 2018 | 1,052,567      | 94,404,295                                   | 89,690                | 557,200         | 3.2                   | 161,936               |
| 2019 | 1,061,880      | 97,600,000                                   | 91,912                | 565,866         | 2.9                   | 162,680               |
| 2020 | 1,070,928      | 101,300,000                                  | 94,591                | 561,120         | 5.5                   | 164,245               |

PRINCE GEORGE'S COUNTY

| Year | Population (8) | Total Personal Income<br>000's omitted (2) | Per Capita Income (2) (4) | Labor Force (9) | Unemployment Rate (6) | Registered Pupils (10) |
|------|----------------|--|---------------------------|-----------------|-----------------------|------------------------|
| 2011 | 874,045        | \$ 35,036,640                              | \$ 40,086                 | 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        | 41,922,938                                 | 46,168                    | 498,002         | 4.4                   | 128,936                |
| 2017 | 912,756        | 43,030,211                                 | 47,143                    | 513,393         | 4.7                   | 130,814                |
| 2018 | 909,308        | 44,938,165                                 | 49,420                    | 504,423         | 4.1                   | 132,322                |
| 2019 | 909,327        | 46,034,388                                 | 50,625                    | 512,267         | 4.1                   | 132,667                |
| 2020 | n.a.           | n. a.                                      | n. a.                     | 523,242         | 10.1                  | n.a.                   |

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

- (1) Source: Data for 2011-2020 estimated by the Montgomery County, Department of Finance
- (2) Source: Bureau of Economic Analysis, U.S. Department of Commerce (Income data for 2020 is not currently available for Prince George's County)
- (3) Source: Data for 2011-2020 estimated 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: Data for 2011-2020 estimated by the Montgomery County, Department of Finance
- (8) Source: Data for 2011-2020 are estimates derived by the Prince George's County Department of Finance from the U.S. Bureau of the Census. Estimates for 2020 are not available  
Data for 2019 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 2020. Prince George's County data for 2020 is an estimate
- (10) Source: www.mdreportcard.org, 2019 for Prince George's County. Estimates for 2020 are not available.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 15

Total Government Employees by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

|  | Fiscal Year |        |        |        |        |        |          |          |          |          |
|--|-------------|--------|--------|--------|--------|--------|----------|----------|----------|----------|
|  | 2011        | 2012   | 2013   | 2014   | 2015   | 2016   | 2017     | 2018     | 2019     | 2020     |
| <b>Governmental Activities</b>                       |             |        |        |        |        |        |          |          |          |          |
| Commissioners Office                                 | 9.50        | 9.50   | 9.00   | 9.00   | 9.50   | 9.50   | 9.50     | 9.50     | 9.50     | 9.50     |
| Department of Human Resources and Management         | 18.75       | 15.25  | 13.50  | 14.00  | 14.75  | 15.00  | 15.00    | 16.26    | 16.64    | 16.64    |
| Department of Finance                                | 32.30       | 28.80  | 27.50  | 24.30  | 24.30  | 25.19  | 25.19    | 25.19    | 18.57    | 19.58    |
| Inspector General                                    |             | 1.50   | 1.50   | 1.50   | 2.00   | 2.00   | 2.00     | 2.00     | 2.20     | 2.20     |
| Legal Department                                     | 13.25       | 12.25  | 12.25  | 13.50  | 13.50  | 13.50  | 13.50    | 13.70    | 13.00    | 13.00    |
| Corporate IT   | -           | -      | -      | -      | -      | -      | -        | -        | 7.90     | 7.90     |
| Merit System Board                                   | 0.25        | 0.25   | 0.25   | 0.25   | 0.25   | 0.25   | 0.25     | 0.25     | 0.25     | 0.25     |
| General Government:                                  | 74.05       | 67.55  | 64.00  | 62.55  | 64.30  | 65.44  | 65.44    | 67.10    | 68.06    | 69.07    |
| County Planning and Zoning:                          |             |        |        |        |        |        |          |          |          |          |
| Office of the Planning Director                      | 3.00        | 6.00   | 6.00   | 6.00   | 4.00   | 4.00   | 5.00     | 6.00     | 5.89     | 6.77     |
| Management Services                                  | 29.02       | 22.39  | 21.60  | 21.65  | 15.45  | 16.75  | 16.75    | 16.88    | 17.60    | 16.91    |
| Functional Planning and Policy                       | -           | 14.50  | 14.40  | 15.18  | 18.40  | 18.50  | 19.50    | 18.47    | 18.49    | 18.39    |
| Area 1   | -           | 11.49  | 12.75  | 11.95  | 12.00  | 11.00  | 9.45     | 9.35     | 12.86    | 11.69    |
| Area 2   | -           | 15.49  | 16.25  | 16.15  | 15.50  | 15.15  | 15.10    | 15.79    | 13.62    | 15.10    |
| Area 3   | -           | 16.19  | 15.50  | 15.95  | 16.20  | 16.20  | 15.15    | 13.82    | 13.94    | 14.03    |
| Community-Based Planning                             | 21.20       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Environmental Planning                               | 22.43       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Transportation Planning                              | 13.29       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Urban Design   | 15.20       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Development Review                                   | 15.60       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Development Applications and Regulatory Coordination | -           | 12.60  | 10.85  | 10.10  | 9.85   | 10.70  | 12.35    | 11.34    | 11.23    | 9.77     |
| Center for Research and Information Systems          | 23.18       | 12.64  | 13.95  | 15.00  | -      | 16.00  | 16.00    | 17.04    | 17.06    | 17.03    |
| Information Technology and Innovation                | -           | -      | -      | -      | 15.90  | 16.00  | 16.00    | 17.04    | 17.06    | 17.03    |
| Research and Special Projects                        | -           | -      | -      | -      | 8.00   | 8.00   | 8.00     | 8.00     | 7.00     | 7.00     |
| Total County Planning and Zoning                     | 142.92      | 111.30 | 111.30 | 111.98 | 115.30 | 116.30 | 117.30   | 116.69   | 117.69   | 116.69   |
| Park Operations and Maintenance:                     |             |        |        |        |        |        |          |          |          |          |
| Director of Parks                                    | 5.55        | 5.00   | 6.00   | 7.80   | 7.80   | 10.20  | 12.70    | 12.80    | 13.80    | 12.30    |
| Special Programs                                     | 6.00        | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Park Information and Customer Service                | 10.30       | 18.00  | 18.20  | 19.10  | -      | -      | -        | -        | -        | -        |
| Public Affairs and Community Partnerships            | -           | -      | -      | -      | 19.60  | 20.40  | 22.90    | 22.70    | 22.80    | 27.50    |
| Management Services                                  | 7.50        | 20.60  | 20.10  | 20.20  | 12.00  | 11.10  | 12.90    | 13.90    | 14.90    | 19.40    |
| Facilities Management                                | 6.00        | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Technology Center                                    | 11.15       | -      | -      | -      | -      | -      | -        | -        | -        | -        |
| Information Technology and Innovation                | -           | -      | -      | -      | 8.10   | 8.10   | 8.70     | 8.60     | 10.50    | 11.20    |
| Park Planning and Stewardship                        | 31.62       | 25.70  | 24.80  | 26.60  | 29.50  | 38.30  | 42.70    | 47.30    | 47.00    | 50.80    |
| Park Development                                     | 28.55       | 24.80  | 23.80  | 23.80  | 25.80  | 25.40  | 25.10    | 25.80    | 26.50    | 27.00    |
| Park Police  | 115.61      | 104.90 | 109.40 | 109.40 | 111.30 | 111.90 | 111.60   | 112.20   | 112.10   | 114.30   |
| Horticultural, Forestry, and Environmental Ed        | 63.50       | 73.20  | 79.40  | 80.60  | 84.00  | 88.70  | 87.20    | 97.20    | 99.30    | 93.50    |
| Facilities Management (formerly Central Maintenance) | 102.65      | 91.10  | 89.80  | 89.80  | 95.20  | 95.90  | 98.30    | 98.60    | 97.20    | 101.90   |
| Northern Region                                      | 116.52      | 101.00 | 100.00 | 103.20 | 107.90 | 115.00 | 119.00   | 120.80   | 122.90   | 122.00   |
| Southern Region                                      | 181.84      | 153.90 | 151.20 | 153.50 | 154.20 | 156.40 | 158.70   | 162.30   | 162.50   | 171.00   |
| Support Services                                     | 1.10        | 1.10   | 2.90   | 1.10   | 2.60   | 2.60   | 2.60     | 3.10     | 3.10     | 3.10     |
| Property Management                                  | 3.50        | 2.50   | 5.00   | 6.00   | 7.00   | 7.00   | 7.00     | 7.00     | 7.00     | 5.80     |
| Total Park Operations and Maintenance                | 691.39      | 621.80 | 630.60 | 641.10 | 665.00 | 691.00 | 714.60   | 732.30   | 739.60   | 759.80   |
| <b>Business-Type Activities</b>                      |             |        |        |        |        |        |          |          |          |          |
| Recreational and Cultural Facilities                 | 110.90      | 117.20 | 118.90 | 116.00 | 110.30 | 110.00 | 119.30   | 126.70   | 125.40   | 120.70   |
| Total Workyears                                      | 1,019.26    | 917.85 | 924.80 | 931.63 | 954.90 | 982.74 | 1,016.64 | 1,042.79 | 1,050.75 | 1,066.26 |

Source: The Maryland-National Capital Park and Planning Commission Adopted Annual Budget, various years.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 15  
continued

Total Government Employees by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

|  | Fiscal Year |          |          |          |          |          |          |          |          |          |
|--|-------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
|  | 2011        | 2012     | 2013     | 2014     | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     |
| <b>Governmental Activities</b>               |             |          |          |          |          |          |          |          |          |          |
| Commissioners Office                         | 14.30       | 14.00    | 13.50    | 13.50    | 13.50    | 13.50    | 13.50    | 13.50    | 14.50    | 14.50    |
| Department of Human Resources and Management | 24.25       | 25.25    | 23.15    | 23.65    | 24.90    | 24.20    | 26.15    | 29.14    | 29.76    | 30.26    |
| Department of Finance                        | 33.30       | 29.80    | 28.50    | 31.70    | 31.70    | 32.81    | 32.81    | 32.81    | 23.93    | 24.42    |
| Inspector General                            | 0.00        | 2.50     | 2.50     | 2.50     | 3.00     | 3.00     | 3.00     | 3.30     | 3.30     | 3.30     |
| Corporate IT                                 | -           | -        | -        | -        | -        | -        | -        | -        | 10.10    | 10.10    |
| Legal Department                             | 11.65       | 9.75     | 9.75     | 10.00    | 10.00    | 10.00    | 10.00    | 10.30    | 12.00    | 12.00    |
| Merit System Board                           | 0.25        | 0.25     | 0.25     | 0.25     | 0.25     | 0.25     | 0.25     | 0.25     | 0.25     | 0.25     |
| General Government:                          | 83.75       | 81.55    | 77.65    | 81.60    | 83.35    | 83.76    | 85.71    | 89.30    | 93.84    | 94.83    |
| County Planning and Zoning:                  |             |          |          |          |          |          |          |          |          |          |
| Director's Office                            | 28.00       | 28.00    | 28.50    | 32.50    | 35.50    | 27.50    | 27.50    | 30.50    | 30.50    | 28.50    |
| Development Review                           | 59.00       | 56.00    | 53.00    | 53.00    | 53.00    | 55.00    | 51.00    | 51.00    | 54.00    | 54.00    |
| Community Planning                           | 43.60       | 42.60    | 39.60    | 37.75    | 33.75    | 26.63    | 26.75    | 25.75    | 25.75    | 28.75    |
| Information Management                       | 27.80       | 28.00    | 28.00    | 28.00    | 27.00    | 25.00    | 24.00    | 24.00    | 25.00    | 27.00    |
| County-Wide Planning                         | 46.00       | 45.00    | 40.00    | 40.00    | 42.00    | 43.00    | 41.00    | 41.00    | 41.00    | 44.00    |
| Total County Planning and Zoning             | 204.40      | 199.60   | 189.10   | 191.25   | 191.25   | 177.13   | 170.25   | 172.25   | 176.25   | 182.25   |
| Park Operations and Maintenance:             |             |          |          |          |          |          |          |          |          |          |
| Office of the Director                       | 4.00        | 3.00     | 3.00     | 3.00     | 13.00    | 19.00    | 19.00    | 14.00    | 9.00     | 12.00    |
| Administrative Services                      | 15.10       | 15.50    | 38.50    | 38.50    | 39.50    | 52.00    | 52.00    | 62.50    | 74.10    | 83.10    |
| Administration and Development               | -           | 2.00     | 6.00     | 6.00     | 2.00     | 2.00     | 2.00     | 2.00     | 2.00     | 2.00     |
| Public Affairs and Marketing                 | 15.00       | 14.00    | 14.00    | 14.00    | -        | -        | -        | -        | -        | -        |
| IT & Communications                          | 27.20       | 29.20    | 28.20    | 30.20    | 32.20    | 31.20    | 31.20    | 33.90    | 33.90    | 32.90    |
| Park Police                                  | 151.50      | 146.50   | 146.50   | 150.50   | 150.50   | 155.50   | 155.50   | 156.50   | 161.00   | 166.50   |
| Park Planning and Development                | 61.00       | 56.50    | 55.00    | 55.00    | 55.00    | 55.00    | 55.00    | 60.60    | 58.15    | 60.20    |
| Facility Operations                          | 266.50      | 291.90   | 285.60   | 293.10   | 310.60   | 315.10   | 317.60   | 347.50   | 333.38   | 341.50   |
| Area Operations                              | 249.10      | 241.50   | 247.50   | 255.50   | 262.50   | 263.00   | 264.15   | 270.45   | 283.90   | 286.70   |
| Total Park Operations and Maintenance        | 789.40      | 800.10   | 824.30   | 845.80   | 865.30   | 892.80   | 896.45   | 947.45   | 955.43   | 984.90   |
| Recreation Programs:                         |             |          |          |          |          |          |          |          |          |          |
| Administrative Services                      | 18.50       | 18.00    | -        | -        | -        | -        | -        | -        | -        | -        |
| Public Affairs and Marketing                 | 2.00        | 2.00     | 2.00     | 3.00     | -        | -        | -        | -        | -        | -        |
| Administration and Development               | 2.00        | 3.00     | -        | -        | -        | -        | -        | -        | -        | -        |
| IT & Communications                          | -           | -        | -        | -        | -        | -        | -        | -        | -        | -        |
| Facility Operations                          | 226.50      | 179.40   | 212.40   | 215.40   | 222.40   | 250.90   | 254.90   | 270.30   | 299.75   | 345.16   |
| Area Operations                              | 733.30      | 723.70   | 689.20   | 713.20   | 722.20   | 792.20   | 783.73   | 908.83   | 911.57   | 925.20   |
| Total Recreation Programs                    | 982.30      | 926.10   | 903.60   | 931.60   | 944.60   | 1,043.10 | 1,038.63 | 1,179.13 | 1,211.32 | 1,270.36 |
| <b>Business-Type Activities</b>              |             |          |          |          |          |          |          |          |          |          |
| Recreational and Cultural Facilities         | 200.50      | 193.00   | 188.00   | 180.00   | 181.00   | 202.00   | 202.00   | 203.00   | 199.00   | 206.10   |
| Total Workyears                              | 2,260.35    | 2,200.35 | 2,182.65 | 2,230.25 | 2,265.50 | 2,398.79 | 2,393.04 | 2,591.13 | 2,635.84 | 2,738.44 |

Source: The Maryland-National Capital Park and Planning Commission Adopted Annual Budget, various years.

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 16

Operating Indicators by Function  
Last Ten Fiscal Years

MONTGOMERY COUNTY

|  | Fiscal Year |         |         |         |         |         |         |         |         |         |
|--|-------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
|  | 2011        | 2012    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    |
| <b>Governmental Activities</b>                             |             |         |         |         |         |         |         |         |         |         |
| General Government, Commission-Wide:                       |             |         |         |         |         |         |         |         |         |         |
| Number of Positions Advertised                             | 60          | 147     | 109     | 109     | 285     | 442     | 472     | 461     | 527     | 621     |
| Number of Vendors in Directory                             | 14,974      | 15,926  | 10,226  | 4,509   | 5,470   | 6,284   | 7,036   | 7,691   | 8,568   | 8,976   |
| Number of MFD Vendors in Directory                         | 4,182       | 4,547   | 4,957   | 205     | 421     | 577     | 717     | 1,353   | 1,765   | 1,861   |
| <b>County Planning and Zoning:</b>                         |             |         |         |         |         |         |         |         |         |         |
| Number of Master & Sectional Map Amendment Plans Completed | 2           | 3       | 2       | 8       | 4       | 4       | 3       | 6       | 2       | 3       |
| Number of Regulatory Planning Reviews                      | 254         | 352     | 284     | 294     | 234     | 256     | 215     | 226     | 209     | 223     |
| Number of Transportation Studies                           | 29          | 47      | 40      | 23      | 24      | 21      | 25      | 19      | 16      | 9       |
| Number of Site Plan and Project Plans Reviews              | 76          | 81      | 99      | 85      | 90      | 72      | 60      | 112     | 86      | 96      |
| Number of Daily Website Visits                             | 4,190       | 3,225   | 5,521   | 4,181   | 5,242   | 5,455   | 5,104   | 5,588   | 5,783   | 6,448   |
| Number of GIS Updates                                      | 18,537      | 69,237  | 22,017  | 93,116  | 28,899  | 126,197 | n/a     | n/a     | 875,035 | 131,465 |
| Number of Regulatory Project Views on DAIC                 | n/a         | n/a     | n/a     | n/a     | n/a     | 272,999 | 317,858 | 611,177 | 730,559 | 808,332 |
| Number of Users Accessing GIS Licenses                     | n/a         | n/a     | n/a     | n/a     | n/a     | 179     | 179     | 177     | 181     | 187     |
| <b>Park Operations and Maintenance:</b>                    |             |         |         |         |         |         |         |         |         |         |
| Number of Playground Renovations Completed                 | 6           | 8       | 7       | 5       | 5       | 5       | 6       | 5       | 5       | 4       |
| Total Acres of Parkland Acquired                           | 59          | 355     | 75      | 665     | 432     | 314     | 91      | 82      | 33      | 13      |
| Trees Planted for Reforestation Projects                   | 1,797       | 6,300   | 34,942  | 2,076   | 414     | 646     | 912     | 1,351   | 766     | 1,039   |
| Major Maintenance Requests Completed                       | 85          | 98      | 94      | 87      | 90      | 117     | 119     | 120     | 120     | 104     |
| Service Requests Completed                                 | 6,432       | 6,453   | 6,801   | 6,583   | 9,117   | 8,491   | 10,208  | 10,233  | 12,875  | 9,887   |
| Number of Customers Attending Nature Programs              | 34,533      | 27,274  | 32,183  | 39,157  | 40,985  | 41,226  | 41,045  | 46,891  | 51,616  | 34,700  |
| <b>Business-Type Activities</b>                            |             |         |         |         |         |         |         |         |         |         |
| Recreational and Cultural Facilities:                      |             |         |         |         |         |         |         |         |         |         |
| Number of Ice Rink Customers                               | 427,854     | 402,438 | 432,154 | 375,912 | 520,388 | 532,732 | 604,889 | 638,599 | 647,497 | 358,242 |
| Number of Indoor Tennis Customers                          | 122,049     | 106,435 | 110,826 | 124,713 | 117,283 | 115,777 | 119,537 | 122,535 | 136,280 | 103,744 |
| Number of Park Facilities Customers                        | 588,464     | 626,243 | 519,704 | 333,689 | 404,885 | 662,538 | 652,642 | 727,542 | 658,346 | 412,421 |
| Number of Conference Center Customers                      | 28,455      | 40,943  | 50,509  | 47,347  | 58,373  | 54,376  | 49,350  | 43,599  | 47,567  | 34,177  |

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 16  
continued

Operating Indicators by Function  
Last Ten Fiscal Years

PRINCE GEORGE'S COUNTY

|   | Fiscal Year |        |         |         |         |         |         |         |         |         |
|---|-------------|--------|---------|---------|---------|---------|---------|---------|---------|---------|
|   | 2011        | 2012   | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    |
| <b>Governmental Activities</b>                    |             |        |         |         |         |         |         |         |         |         |
| County Planning and Zoning:                       |             |        |         |         |         |         |         |         |         |         |
| Number of New Applications for Preliminary Plans  | 98          | 120    | 120     | 169     | 157     | 134     | 350     | 375     | 26      | 60      |
| Number of New Zoning Applications                 | 34          | 61     | 60      | 34      | 48      | 51      | 50      | 50      | 39      | 54      |
| Number of Help Desk Requests Completed            | 3,213       | 4,332  | 4,000   | 2,769   | 3,200   | 3,267   | 3,300   | 3,300   | 3,050   | 3,100   |
| Number of GIS Requests Delivered                  | 200         | 200    | 210     | 201     | 150     | 50      | 105     | 50      | 110     | 50      |
| Number of Historic Area Work Permits              | n/a         | n/a    | n/a     | n/a     | n/a     | 95      | 85      | 85      | 85      | 100     |
| Number of Transportation Referrals Received       | 107         | 113    | 128     | 126     | 141     | 142     | 182     | 170     | 324     | 350     |
| Number of Environmental Referrals Received        | 359         | 342    | 350     | 424     | 392     | 362     | 382     | 382     | 819     | 875     |
| Number of Walk-in Customers Served                | 5,256       | 4,580  | 5,000   | 4,812   | 5,059   | 4,728   | 4,900   | 5,000   | 4,562   | 4,950   |
| Number of Telephone Calls Responded to            | 4,162       | 4,562  | 5,000   | 4,919   | 4,489   | 5,041   | 5,500   | 5,750   | 8,034   | 6,800   |
| Park Operations and Maintenance:                  |             |        |         |         |         |         |         |         |         |         |
| Number of Park acres                              | 27,528      | 27,628 | 27,000  | 27,625  | 27,125  | 27,150  | 28,125  | 28,500  | 28,400  | 28,600  |
| Number of completed Capital Improvement projects  | 34          | 30     | 45      | 28      | 12      | 37      | 24      | 29      | 15      | 19      |
| Number of picnic shelters rentals                 | 924         | 929    | 599     | 590     | 610     | 635     | 660     | 670     | 730     | 750     |
| Number of ADA Accommodations                      | 2,600       | 2,800  | 2,633   | 3,056   | 3,100   | 3,150   | 3,250   | 3,300   | 3,300   | 3,600   |
| Number of Community Sponsored Events              | 313         | 322    | 452     | 447     | 463     | 539     | 511     | 530     | 547     | 555     |
| Number of Community Outreach events               | 313         | 322    | 330     | 330     | 240     | 300     | 162     | 165     | 270     | 280     |
| Recreation Programs:                              |             |        |         |         |         |         |         |         |         |         |
| Number of permits for Recreation building use     | n/a         | n/a    | 630     | 640     | 655     | 660     | 690     | 690     | 990     | 1,000   |
| Total Parks Direct Accounts                       | n/a         | n/a    | 294,414 | 323,727 | 335,345 | 350,000 | 355,000 | 355,000 | 150,000 | 160,000 |
| Number of youth volunteer hours served            | n/a         | 425    | 461     | 425     | 435     | 25,000  | 25,000  | 20,000  | 25,000  | 30,000  |
| Number of Art class registrants                   | 6,900       | 7,000  | 2,576   | 2,967   | 2,950   | 2,800   | 2,600   | 2,500   | 2,600   | 1,000   |
| Number of Therapeutic Recreation programs         | 408         | 405    | 453     | 460     | 465     | 464     | 465     | 465     | 475     | 485     |
| <b>Business-Type Activities</b>                   |             |        |         |         |         |         |         |         |         |         |
| Recreational and Cultural Facilities              |             |        |         |         |         |         |         |         |         |         |
| Number of Rounds of Golf                          | n/a         | n/a    | 78,006  | 74,923  | 76,848  | 75,000  | 78,000  | 76,000  | 76,000  | 65,000  |
| Number of Fitness center memberships              | 5,198       | 5,600  | 12,654  | 6,875   | 12,930  | 14,000  | 15,000  | 15,500  | 18,500  | 22,000  |
| Number of swimming class participants             | 16,188      | 17,806 | 12,017  | 12,619  | 14,659  | 13,000  | 9,500   | 10,000  | 11,000  | 14,000  |
| Number of Instructional tennis class participants | n/a         | n/a    | 2,625   | 2,950   | 2,758   | 2,850   | n/a     | n/a     | 2,400   | 2,500   |
| Number of event days at Show Place Arena          | 222         | 208    | 332     | 291     | 299     | 300     | n/a     | n/a     | n/a     | n/a     |

Source: The Maryland-National Capital Park and Planning Commission Proposed Annual Budget, various years . FY20 estimated data.

n/a - not available



THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 17

Capital Asset Statistics by Function  
Last Ten Fiscal Years

|                                       | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------------|------|------|------|------|------|------|------|------|------|------|
| <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    |
| Park Operations and Maintenance:      |      |      |      |      |      |      |      |      |      |      |
| Athletic Fields                       | 363  | 347  | 350  | 350  | 350  | 367  | 354  | 343  | 342  | 366  |
| Basketball Courts                     | 207  | 207  | 207  | 207  | 207  | 214  | 216  | 221  | 225  | 225  |
| Campsites                             | 102  | 108  | 107  | 107  | 107  | 102  | 102  | 102  | 102  | 102  |
| Dog Parks                             | 5    | 5    | 5    | 5    | 5    | 6    | 6    | 6    | 6    | 6    |
| Historic Buildings                    | 45   | 43   | 117  | 117  | 117  | 117  | 117  | 117  | 111  | 111  |
| Office Building                       | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   | 13   |
| Picnic Shelters                       | 132  | 129  | 130  | 130  | 130  | 134  | 135  | 136  | 136  | 131  |
| Playgrounds                           | 291  | 290  | 291  | 291  | 291  | 285  | 284  | 290  | 273  | 276  |
| Recreation Buildings                  | 31   | 29   | 25   | 25   | 25   | 28   | 28   | 28   | 28   | 28   |
| Rental Buildings                      | 49   | 49   | 53   | 53   | 53   | 52   | 52   | 52   | 59   | 61   |
| Skateboard Park                       | 1    | 2    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Tennis Courts                         | 305  | 317  | 315  | 315  | 315  | 304  | 302  | 302  | 304  | 301  |
| <b>Business-Type Activities</b>       |      |      |      |      |      |      |      |      |      |      |
| Recreational and Cultural Facilities: |      |      |      |      |      |      |      |      |      |      |
| Antique Carousel                      | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Conference Centers                    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Equestrian Centers                    | 5    | 6    | 6    | 6    | 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    | 3    | 3    | 3    |
| Miniature Trains                      | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Miniature Golf Course                 | 1    | 1    | 1    | 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:      |      |      |      |      |      |      |      |      |      |      |
| Athletic Fields                       | 390  | 390  | 392  | 392  | 392  | 392  | 392  | 392  | 392  | 392  |
| Basketball Courts                     | 214  | 214  | 215  | 215  | 218  | 219  | 219  | 219  | 219  | 219  |
| Marina                                | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 1    | 1    |
| Office Building                       | 14   | 14   | 14   | 14   | 14   | 14   | 14   | 14   | 14   | 14   |
| Parking Lots                          | 4    | 4    | 4    | 4    | 4    | 5    | 6    | 6    | 6    | 6    |
| Pedestrian Bridges                    | 2    | 2    | 2    | 2    | 3    | 3    | 3    | 3    | 6    | 6    |
| Picnic Shelters                       | 88   | 88   | 88   | 88   | 91   | 92   | 94   | 94   | 94   | 94   |
| Playgrounds                           | 228  | 229  | 240  | 240  | 252  | 254  | 254  | 254  | 260  | 260  |
| Recreation Buildings                  | 26   | 28   | 34   | 34   | 34   | 34   | 35   | 38   | 38   | 38   |
| Tennis Courts                         | 163  | 163  | 163  | 163  | 164  | 165  | 165  | 165  | 165  | 165  |
| Trails and Pathways                   | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 5    | 5    |
| Recreation Programs:                  |      |      |      |      |      |      |      |      |      |      |
| Community Centers                     | 31   | 31   | 31   | 31   | 31   | 36   | 36   | 36   | 36   | 36   |
| Historic Buildings                    | 15   | 15   | 15   | 15   | 15   | 16   | 16   | 16   | 16   | 16   |
| Swimming Pools                        | 11   | 11   | 11   | 11   | 11   | 13   | 16   | 17   | 17   | 17   |
| <b>Business-Type Activities</b>       |      |      |      |      |      |      |      |      |      |      |
| Recreational and Cultural Facilities: |      |      |      |      |      |      |      |      |      |      |
| Airport                               | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Equestrian Center                     | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Golf Courses                          | 3    | 3    | 3    | 3    | 3    | 4    | 4    | 4    | 4    | 4    |
| Ice Rinks                             | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Marina                                | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | -    | -    |
| Sports and Learning Complex           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Tennis Bubbles                        | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Trap and Skeet Range                  | 1    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |

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

THE MARYLAND-NATIONAL CAPITAL PARK AND PLANNING COMMISSION

TABLE 18

Principal Employers

Current Fiscal Year and Nine Years Ago

MONTGOMERY COUNTY

| <u>Employer</u>                              | <u>2020</u>      |             |  | <u>2011</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 | 25,000 - 30,000  | 1           | 5.82 %                                       | >30,000          | 1           | 5.88 %                                       |
| Montgomery County Public Schools             | 25,000 - 30,000  | 2           | 4.77   | 20,000 - 25,000  | 2           | 4.81   |
| Montgomery County Government                 | 10,000 - 15,000  | 3           | 2.65   | 5,000 - 10,000   | 4           | 1.60   |
| U.S. Department of Defense                   | 5,000 - 10,000   | 4           | 1.59   | 10,000 - 15,000  | 3           | 2.67   |
| Adventist Healthcare                         | 5,000 - 10,000   | 5           | 1.59   | 5,000 - 10,000   | 7           | 1.60   |
| Holy Cross Hospital of Silver Spring         | 2,500 - 5,000    | 6           | 0.79   | **               |             |  |
| Marriott International Admin Svcs, Inc.      | 2,500 - 5,000    | 7           | 0.79   | 5,000 - 10,000   | 6           | 1.60   |
| Montgomery Community College                 | 2,500 - 5,000    | 8           | 0.79   | **               |             |  |
| Government Employees Insurance Co.           | 2,500 - 5,000    | 9           | 0.79   | **               |             |  |
| U.S. Department of Commerce                  | 2,500 - 5,000    | 10          | 0.79   | 5,000 - 10,000   | 5           | 1.60   |
| Lockheed Martin Corporation                  | **               |             | -  | 2,500 - 5,000    | 8           | 0.80   |
| Giant Food Corporation                       | **               |             | -  | 2,500 - 5,000    | 9           | 0.80   |
| Verizon                                      | **               |             | -  | 2,500 - 5,000    | 10          | 0.80   |
| Total  |                  |             | <u>20.37 %</u>                               |                  |             | <u>22.16 %</u>                               |

PRINCE GEORGE'S COUNTY

| <u>Employer</u>                                   | <u>2019 (1)</u>  |             |  | <u>2010</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> |
| Joint Base Andrews Naval Air Facility Washington* | 17,500           | 1           | 3.72 %                                       | **               |             | - %  |
| NASA/Goddard Space Flight Center *                | 17,000           | 2           | 3.61   | **               |             | -  |
| University System of Maryland (2)                 | 14,000           | 3           | 2.98   | **               |             | -  |
| U.S. Internal Revenue Service *                   | 4,700            | 4           | 1.00   | **               |             | -  |
| United States Census Bureau *                     | 4,200            | 5           | 0.89   | **               |             | -  |
| United Parcel Service                             | 3,300            | 6           | 0.70   | 4,220            | 1           | 1.29   |
| University of Maryland Capital Region Health      | 3,000            | 7           | 0.64   | **               |             | -  |
| MGM National Harbor                               | 2,500            | 8           | 0.53   | **               |             | -  |
| Marriott International                            | 2,000            | 9           | 0.43   | **               |             | -  |
| Prince George's Community College                 | 2,000            | 10          | 0.43   | **               |             | -  |
| Giant Food, Inc.                                  | **               |             | -  | 3,600            | 2           | 1.10   |
| Verizon   | **               |             | -  | 2,738            | 3           | 0.84   |
| Dimensions Health Corporation                     | **               |             | -  | 2,500            | 4           | 0.77   |
| Gaylord National Resort and Convention Center     | **               |             | -  | 2,500            | 5           | 0.77   |
| Shoppers Food Warehouse                           | **               |             | -  | 1,975            | 6           | 0.60   |
| Safeway Stores, Inc.                              | **               |             | -  | 1,605            | 7           | 0.49   |
| Chevy Chase Bank                                  | **               |             | -  | 1,456            | 8           | 0.45   |
| Target  | **               |             | -  | 1,400            | 9           | 0.43   |
| Doctor's Community Hospital                       | **               |             | -  | 1,300            | 10          | 0.40   |
| Total   | <u>70,200</u>    |             | <u>14.93 %</u>                               | <u>20,594</u>    |             | <u>3.23 %</u>                                |

Note:

- (1) In 2020, Information is not yet available.
- (2) Includes UMPC, UMUC and Bowie State University
- (\*) Employee counts for federal and military facilities exclude contractors.
- (\*\*) Employer is not one of the ten largest employers during the year noted.

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

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

Table 19

SUPPLEMENTAL ENTERPRISE INFORMATION

Condensed Schedule of Revenues and Expenses  
For the Fiscal Year Ended June 30, 2020

Recreational Facilities

MONTGOMERY COUNTY

|   | Ice Rinks        | Golf Courses    | Park Facilities | Indoor Tennis  | Conference Centers | MC Ent Admin | Sub-total        | Wheaton HQ     | Total           |
|---|------------------|-----------------|-----------------|----------------|--------------------|--------------|------------------|----------------|-----------------|
| Operating Revenues                          | \$ 3,666,719     | \$ 60,955       | \$ 3,232,621    | \$ 1,589,592   | \$ 364,396         | \$ -         | \$ 8,914,283     | \$ 116,099     | \$ 9,030,382    |
| Operating Expenses Before Depreciation      | 3,647,927        | -               | 3,073,426       | 1,346,225      | 549,130            | (13,060)     | 8,603,648        | -              | 8,603,648       |
| Operating Income (Loss) Before Depreciation | 18,792           | 60,955          | 159,195         | 243,367        | (184,734)          | 13,060       | 310,635          | 116,099        | 426,734         |
| Depreciation                                | 505,457          | 128,228         | 102,705         | 46,316         | 7,387              | 13,060       | 803,153          | -              | 803,153         |
| Operating Income (Loss)                     | (486,665)        | (67,273)        | 56,490          | 197,051        | (192,121)          | -            | (492,518)        | 116,099        | (376,419)       |
| Nonoperating Revenues (Expenses)            | (214,712)        | -               | 406,490         | 160,494        | 6,172              | -            | 358,444          | 92             | 358,536         |
| Transfers In (Out)                          | (5,593)          | -               | 5,593           | -              | -                  | -            | 5,593            | -              | 5,593           |
| Net Income (Loss)                           | <u>(706,970)</u> | <u>(67,273)</u> | <u>468,573</u>  | <u>357,545</u> | <u>(185,949)</u>   | <u>-</u>     | <u>(134,074)</u> | <u>116,191</u> | <u>(17,883)</u> |

PRINCE GEORGES COUNTY

|   | Airport          | Equestrian Center/ Multipurpose Arena | Golf Courses       | Ice Rinks      | Regional Parks   | Trap and Skeet Center | Sports and Learning Complex | Bladensburg Marina | Total              |
|---|------------------|---------------------------------------|--------------------|----------------|------------------|-----------------------|-----------------------------|--------------------|--------------------|
| Operating Revenues                          | \$ 310,212       | \$ 934,650                            | \$ 1,611,715       | \$ 210,237     | \$ 359,145       | \$ 990,704            | \$ 2,083,176                | \$ -               | \$ 6,499,839       |
| Operating Expenses Before Depreciation      | 704,329          | 2,981,701                             | 3,712,875          | 598,439        | 1,171,677        | 1,212,576             | 7,251,976                   | -                  | 17,633,573         |
| Operating Income (Loss) Before Depreciation | (394,117)        | (2,047,051)                           | (2,101,160)        | (388,202)      | (812,532)        | (221,872)             | (5,168,800)                 | -                  | (11,133,734)       |
| Depreciation                                | 18,030           | 495,129                               | 181,704            | 85,270         | 35,143           | 25,564                | 1,103,712                   | -                  | 1,944,552          |
| Operating Income (Loss)                     | (412,147)        | (2,542,180)                           | (2,282,864)        | (473,472)      | (847,675)        | (247,436)             | (6,272,512)                 | -                  | (13,076,286)       |
| Nonoperating Revenues (Expenses)            | 18,469           | 79,576                                | 88,815             | 45,492         | 22,027           | 9,850                 | -                           | 33,671             | 297,900            |
| Transfers In (Out)                          | 261,063          | 1,922,803                             | 908,807            | 983,341        | 2,308            | 8,297                 | 4,070,973                   | -                  | 8,157,592          |
| Net Income (Loss)                           | <u>(132,615)</u> | <u>(539,801)</u>                      | <u>(1,285,242)</u> | <u>555,361</u> | <u>(823,340)</u> | <u>(229,289)</u>      | <u>(2,201,539)</u>          | <u>33,671</u>      | <u>(4,622,794)</u> |

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

## **Acknowledgments**

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

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TaPrece Williams

## **Photo Index**

### **Cover: 2020 Montgomery County**

The new Wheaton Headquarters in Wheaton, MD will be housing the Montgomery County Planning and Montgomery Parks Departments. It is the first LEED Platinum Government building in Maryland.

### **Page 8: Collage**

Families enjoy an afternoon of Turkey bowling at Gwendolyn Coffield Community Recreation Center; Park Police on their horses entertaining children in the park; Families making scarecrows at Maydale Nature Classroom; Adult helping little girl learn to play in therapeutic recreational basketball; Families enjoying an afternoon of fun at the Color and Kite Festival; Seniors practicing Tai Chi in the park during Active Aging week; Children running through the light tunnel at Brookside Gardens – Garden of Lights Winter Festival; Asian dancers performing at Newton White Mason in celebration of Asian Pacific Heritage Month.

### **Photo Credits:**

Montgomery County Department of Parks: Marilyn Stones: Cover, pages 8, 19, 109, and 117.

Cassi Hayden (Prince George's County): pages 1, 8, 105, 113, and 121.

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The Maryland-National Capital  
Park and Planning Commission



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Upper Marlboro, Maryland 20772
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